CHRISTIAN SERVICE UNIVERSITY COLLEGE

SCHOOL OF BUSINESS

DEPARTMENT OF MARKETING, LOGISTICS AND CORPORATE STRATEGY

EFFECT OF COMPETITION ON CUSTOMER LOYALTY IN THE BANKING

SECTION

(A CASE STUDY OF KUMAWUMAN RURAL BANK)

BY

DUAH FREDA

OSEI BOAKYE OBED

QUACOE DELPHINE

A PROJECT REPORT SUBMITTED TO THE DEPARTMENT OF MARKETING,

LOGISTICS AND CORPORATE STRATEGY, CHRISTIAN SERVICE

UNIVERSITY IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE

AWARD OF DEGREE IN BACHELOR OF BUSINESS ADMINISTRATION

(MARKETING OPTION)

MAY, 2020

DECLARATION

We hereby declare that this submission is our own work towards BTech Marketing and to the best of our knowledge contains no material previously published by another person or material which has been accepted for the award of any certificate except for references to other peoples' work, which have been duly acknowledged

Name	Index Number	Signature	Date
Duah Freda	50004514	………………...	………………
Osei Boakye Obed	10002690	………………...	………………
Quacoe Delphine	10002696	..………………	…………….

Supervisor

Captain Eric Ahudey   Signature………………   Date…………………

Head of Department

Nana Danso Boafo   Signature………………..   Date…………………

ACKNOWLEDGMENT

Glory be to God, the most beneficent and most merciful. We thank the almighty God who in His infinite mercies and grace made our irresolute reverie a reality.

Our acknowledgement specially goes to, my parents for their moral, physical and financial support towards this project in particular and my education in general.

We highly appreciate Captain Eric Ahudey, our supervisor for his mentorship and supervision throughout the period of the project.

Our indebtedness will not be whole without the reference to the lectures and students of the Christian Service University College, the environment within which our learning is set.

DEDICATION

We dedicate this work to everyone who played a part in the success of this study. We also dedicate it to our families, lecturers and friends for their support.

ABSTRACT

In today's very competitive business environment, businesses must adapt their strategies in the sphere of customer management so as to reduce the cost incurred in acquiring new customers. One major influencer of such efforts is customer service and relationship management. It is therefore imperative that firms take keen interest in ways of boosting the quality of services rendered to customers. Unfortunately, the issue of service quality is not treated the importance it requires as done to product quality and as such little study is conducted on the subject matter.

It is against this backdrop that this study was undertaken to examine the effect of service quality on the performance of the banking industry and loyalty levels of customers using one hundred (100) customer of the Ahinsan branch of the Kumawuman Rural Bank as a case study using non-probability method. The study used questionnaires to collect data. Statistical Package for Social Scientist (SPSS) and Microsoft Excel were used to analyze data gathered and presented using tables, figures and chats

The study generally agreed with literature that service quality is very important to consumers. The respondents mentioned they stick to KRB due to its acclaimed quality and would not accept minor errors in the quality of service, an indication of how high they consider quality in their purchase decisions.

It was suggested that since the customers do not take likely to the quality of services they enjoy, conscious effort is made to maintain or improve the quality services projected currently to the consumers.

TABLE OF CONTENTS

CONTENT   **PAGE NO.**

LIST OF FIGURES

LIST OF TABLES

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Customer service is the provision of service to customers before, during and after a purchase. Everyone in the organisation is providing one or all of these- perhaps they recognize which ones perhaps not. Kurtenbach (2000) explains that those who are successful in customer service rank their customers experience as the top priority. Ettore (2001) is of the view that, concentrating on current customer's information can and should be obtained to better understand their view of the service provided.

The quality of service provided determines the level of satisfaction of the customer even though what is seen as quality by one customer may not necessarily be quality to another. Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation (Bowen & Chen, 2001). In a competitive marketplace where a business competes for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Customer satisfaction is an asset that should be monitored and managed just like any physical asset. The relationship between customer service and customer satisfaction is a vital one (Bryman and Bell, 2003).

In a competitive market place, understanding customer needs become crucial, therefore companies and banks in this case, have moved from product-centric to customer-centric positions. Customer satisfaction is influenced by the type of service provided. Satisfaction is a challenge particularly in the bank based service as customers can easily switch from one bank to another of a better service. Considering the high costs of acquiring new customers and apparently, high customer turnover of many banking

services. It is very important to find out what causes customer satisfaction. Any organization that has satisfied customers is bound to increase customer base and hence profitability. Satisfied customers may sell your organization either consciously or unconsciously (Dei-Tumi, 2005).

The global banking sector is currently facing higher and stronger competition from new entrants and for market share by existing players, customer control and declining customer confidence(Ernst & Young, 2012). Increased competition, greater choice and customer sophistication, has forced all banks to adapt their business models to be responsive to customer needs, whilst they strive to grow to achieve better positions and to exceed their performance standards by meeting the needs of the customer (Ernst & Young, 2012). Customer retention through relationship marketing strategy has assumed critical importance for business survival and growth today. With the current business environment characterized by increasingly saturated market, caused by changes in the nature of competition and an ever-growing imperative to attain a comprehensive appreciation of customer needs, matching the growing complexity of the business environment has led to an ever-more diversified and demanding customer base (Barnes et al., 2004).In such expanding and rapidly changing environment, companies cannot maintain attitudes characterized by attracting customers or expanding in new markets. The key success factor to survival and growth in mature markets relies on sustaining long-term relationships with stakeholders (De Madariaga and Valor, 2007).Transforming indifferent customers into satisfied, loyal, committed and trusted ones and establishing a long term relationship with customers is critical for organizational success (Bhardwaj, 2007).

Behind this changing trend apart from those factors indicated above, lie

globalization, technological advances, and the deregulation of markets, creating intensified global competition in the banking sector. Globalization of banking service market and the proliferation of new banks are both the result of technological developments and the loosening of administrative and monetary interventions, which has led to stronger competition and the risk of reducing market shares for each banking institution globally (Mylonakis, 2009).

The Ghanaian banking sector is currently facing higher and stronger foreign competition. With 25 universal banks and about 120 financial institutions, it is believed this sector is in a strong position to meet the economic fortunes of the country. However, the banking industry in Ghana is now opened to stiff competition as a result of government policy of deregulation and liberalization of the sector since 1983 for efficiency and competition. In February2003, Bank of Ghana formally introduced the universal banking law, which has brought more competition and efficiency within the industry (Sector Profile of Ghana's Financial Services Industry, 2008).This study considers the importance and the shift towards relationship marketing principles in the Ghanaian banking industry in line with global trend. Players offering personal banking and related products have now bought in the concept behind relationship marketing and are investing in the new information technology to enhance customer relationships and improve retention rate (Dibb and Meadows 2004). Thus, to remain competitive in the banking industry, banks should attract and retain customers, create customer satisfaction, encourage customer loyalty and build strong customer relationships by employing relationship marketing strategy. This is because it costs three to five times less to keep a customer than to get a new one (Farber and Wycoff, 1991). Companies can improve profits anywhere from 25% to 85% by reducing customer defections by

5% (Reichheld and Sasser 1990).

1.2 Problem Statement

The rules for business success are changing fundamentally. Forces such as globalization, competition, technological change and the rising power of the customer are stimulating businesses to find new ways of satisfying, retaining and working with customers so that their needs can be anticipated and products and services more customized (Phipps and Simmons 2002). Customer satisfaction and loyalty is an important strategic objective of managers around the world. A worldwide survey of chief executive officers conducted by Conference Board (Bell 2002) found that customer loyalty and retention was the most important challenge that chief executive officers believed they faced. Despite managers' emphasis on loyalty, however, brand loyalty is widely reported to be declining (Chancy, 2001). This trend is again confirmed in a worldwide survey of retail consumers in the banking industry by Ernst & Young (2012). According to the report behavior of banking customers continues to evolve rapidly. Customers are becoming more assertive and taking greater control of their banking relationships. They are increasingly demanding quality service from their banking relationships and are less loyal and are likely to try new banks. They are also demanding frequent interactions, rewards for loyalty, prompt service, respect, greater personalization and flexibility (Ernst & Young,2012). The challenge confronting banks now is how to acquire and retain customers, who are satisfied and loyal who are ready to give the business the long-term value it needs. The assumption is that satisfied and loyal customers are more likely to remain with the business and give the firm the competitive advantage it needs through

repeat purchase. It is estimated that it costs between five to fifteen times as much to acquire a new customer as it does to keep a current one (Phipps and Simmons 2002).

Customer satisfaction is the single most important issue affecting organizational survival. It has the most important effect on customer retention and in order to narrow it down, focus on customer service quality as one of the customer satisfaction factors. Despite this fact, most companies have no clue what their customers really think. They operate in a state of ignorant bliss, believing that if their customers were anything less than 100-percent satisfied they would hear about it. Then they are shocked when their customer base erodes and their existence is threatened.

Simply put, there is no clear cut guideline that banks can adopt to counter the looming competition which is threatening their very existence. There is therefore the need to undertake a study to outline the major ways of countering competition and hence improving customer loyalty.

1.3 Objectives of the Study

1. To evaluate customers' perception of quality of services rendered by Ahinsan branch of Kumawuman Rural Bank (KRB)

2. To examine barriers confronting service delivery at the Ahinsan branch of Kumawuman Rural Bank (KRB).

3. To establish how the impact of competition on loyalty at Ahinsan branch of Kumawuman Rural Bank (KRB)

1.4 Research Questions

1. What is customers' perception of quality of service rendered by Ahinsan branch of Kumawuman Rural Bank (KRB)?

2. Which barriers hinder quality service delivery at Ahinsan branch of Kumawuman Rural Bank (KRB)?

3. What is the impact of competition on the loyalty of customers of the Ahinsan branch of Kumawuman Rural Bank (KRB)?

1.5 Significance of Study

Kumawuman rural bank has customer service as one of its products, hence the need to find out whether they really are providing that service and what ways they can improve so as to have competitive advantage over rivals in the market. This work will therefore provide information regarding excellent customer service and its effects on customer satisfaction in the Ghanaian context. This piece will be available to the bank being researched for the management to know the perception of their customers on services being provided to them and to help improve on service quality. It will also benefit other business service providers to make informed decisions as far as service is concerned. Educational institutions, corporate entities, business policy makers and other researchers will also benefit from this research in making informed decisions when it comes to quality customer service to satisfy the customers.

1.6 Scope of Study

The study comprises workers and customers of Kumawuman rural bank, Ahinsan

Branch. Due to competition in recent times in the banking sector, the study covers employees of the bank who are always in contact with the customers and the difficulties they face in delivering their service as well as the customers experiences with the employees of the bank.

1.7 Limitations of the Study

Because of time constraints, the research was limited only to Kumasi and Ahinsan branch of Kumawuman Rural Bank for that matter, which could not allow a comprehensive research on a large scale. Furthermore, the research was limited to only one bank whiles comparison of different banks or different service sectors would have been better. Also, due to the unique cultural background of the people in the study area, the outcome of the study may be difficult to replicate in other places. Another limitation was that, the entire questionnaire given out could not be retrieved for analysis.

1.8 Organization of Study.

The study was organized in five chapters; chapter one comprise the introduction which deals with the background of study, profile of the organisation under study, problem statement, objectives of study, research questions, significance of study, a brief summary of method used, scope, limitation and organisation of the study.

Chapter two reveals both the theoretical and empirical literature about the topic. Chapter three looked at the methodology and covered the research purpose, design, data collection methods, population, sampling technique for data collection and questionnaire design as well as a brief profile of the organization. Chapter four presents, analyze and discuss the empirical results.

In conclusion, chapter five has the summary of findings, conclusions as well as recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews theoretical literature on customer service and customer satisfaction, customer loyalty, difference between customer loyalty and retention and barriers to customer satisfaction.

2.2 Customer and Customer Service

Customers could best be described as those who use the output of work, the end users of products or services. They may be internal to the organisation such as the employees and directors or external like members of the public, other businesses, or government. A customer is a person who buys goods or services from the service provider. It may also refer to any potential buyer. The word "custom" means "habit", a person who goes to a store on a frequent basis to purchase their products or services, thus it is their habit to buy from that particular store.

In the opinion of Peter Drucker, there are now a complete new breed of customers with high standards and expectations. And as competition increases there is the need to devise creative and new ways of meeting the ever-increasing demands of the modern-day customer who is very sophisticated, knowledgeable, demands excellent products and services and has alternatives.

Customer service is an organization's ability to supply their customers' wants and needs. Customer service is the provision of service to customers before, during and after a purchase. It also means serving the customer, and involves all contact with the customer, be it face-to-face, or indirect contact (i.e. dealing with complaint letters).

Again, According to Jamier (2002), "Customer service is a series of activities designed to enhance the level of customer satisfaction - that is, the feeling that a product or service has met the customer expectation. Customer service can be expressed in personal and interpersonal skills such as communication skills, listening skills, language, gestures and posture, telephone techniques.

According to Turban et al (2002), it is a series of activities designed to enhance the level of customer satisfaction - that is, the feeling that a product or service has met the customer expectation. Customer service may be provided by a person (e.g., sales and service representative), or by automated means called self-service.

2.3 The Customer Perceived Service Quality

Customer perceived service quality is the customers own perception of the service based on different factors contributing to the service, from the process to the final outcome. According to Gronroos (2001), "quality is what customers perceive". Customers buying service consider everything that contributes to the process and the final outcome in making their assessments of the service. However the subjective assessment of the actual service experiences is the customer perceived service quality as pointed out by Looy et al (2003), Zeithaml et al (2006), and Gronroos (2001). Sureshchander et al (2002), points out that service firms have a difficulty envisioning and understanding what aspects of the service that define high quality to the consumers and at what levels, they are needed to be delivered. Also, that the aspect of managing a service interaction also requires understanding the complicated behaviour of employees that find its way into the customers perception of the service quality.

On a careful inspection of the dimensions of quality, a major focus rests on the

component of human interaction in the service delivery that consists of human behaviour and attitudes. Looy et al (2003) is also of the same opinion that customers are not one-dimensional in judgment, because a lot of other factors influence service quality, most researchers agree on these dimensions of service quality as a measure of service quality.

2.3.1 Tangibles

The appearance of physical facilities, the personal tools or equipment used to provide the service and communication material. In other words it includes every material that is used to give tangibility to service.

2.3.2 Reliability:

This is the consistency of the service performance, which breeds dependability, from the first time the service is correctly performed to the ability of the firm to keep its promises. According to Zeithaml et al (2006), it is the ability to perform the promised service dependably and accurately.

2.3.3 Responsiveness

This is the willingness on the part of the service supplier (employee) to assist the customer and provide prompt service.

2.3.4 Assurance

The knowledge, ability and courtesy employees exhibit toward the customers determines their ability to inspire trust and confidence in handling the customers.

2.3.5 Empathy

This is a quality of the employee to care for the customer and give them individualized attention and the ability to put himself/herself in the customer's shoes by seeing things through the customer's eyes. According to Zeithaml et al (2006), "it means treating

customers as individuals, giving them customized service". Various studies in service management have shown that the perception of the quality of services through the eyes of the customer is formed by a judgment of many encounters, with an organization. According to Zeithaml et al (2006), "customers perceive services in terms of quality of the service and how satisfied they are overall with their experiences."

However, these encounters are mainly the joint effort of the employees who have contacts with the customers, and the customers themselves, who therefore may be in better position to understand them, and solve their service related problems.

2.4 Customer Satisfaction

Customers perceive service in terms of quality, but how satisfied they are with the overall experience, is what defines their satisfaction. Whether the customer is satisfied after purchase depends on the offer's performance or the customer service in this case, in relation to the customer expectations. However, according to Zeithaml et al (2006) although service quality and customer satisfaction are used interchangeably, there is indeed a distinction. Customer Satisfaction is when the outcome of the service matches the expectations of the service. As pointed out by Looy et al (2003), even though they differ one is a component of the other. Zeithaml et al (2003) defines it as the customer's evaluation of a product or service in terms of whether the product or service has met his needs or expectations. Failure to meet needs results in dissatisfaction, or a poor perception of the service quality.

Satisfaction can be acknowledged in various senses depending on what needs the customer had before the service; it ranges from feelings of fulfillment, contentment, pleasure, delight, relief, and ambivalence. Although it tends to be measured as a static

quantity, it is dynamic and evolves over time being influenced by a variety of factors. Service quality is one of those factors that contribute to customer satisfaction, in other words a component of customer satisfaction measure. As Looy et al (2003), points out the distinction between the two is a very important one. The level of customer satisfaction is the result of the customers comparison of the service quality expected in a given service encounter, with the perceived service quality. In addition, the distinction is that in measuring customer satisfaction, the actual experience of the customer is the basis of assessments while in service quality measurement the customer experience is not required.

According to Zeithaml et al, (2006), satisfaction or dissatisfaction is a measure or evaluation of a product or service's ability to meet a customer's need or expectations. If the customers of an organization are satisfied by quality services the result is that, they will be loyal to them and consequently be retained by the organization, which is positive for the organization because it could also mean higher profits, higher market share, and increasing customer base Anderson et al., (1997). Kondo (2001) argued that customer satisfaction and quality vary in many different ways. Therefore, the expression "no customer dissatisfaction" does not necessarily go hand-in-hand with "customer satisfaction". Fornell (1992) argues that changes in satisfaction are consequences from past decisions. He continues to explain that quality is judged by the consumer and that the most important measurement of quality is how it affects customer satisfaction (Fornell, 1992). This is further strengthened by Herrmann, et al., (2000), who argue that whether or not a customer considers their purchase to live up to their expectations, i.e. whether the customer is satisfied or not, is dependent on the perceived quality.

According to Anderson, Fornell, and Lehmann (1994), there is a positive relationship between customer satisfaction and economic profit for the company. Arguably, customer satisfaction is an important component in order for the company to be profitable. Increased global competition has led to a greater emphasis on customer satisfaction (Johnson and Fornell, 1991). Matzler et al., (1996) argues that there are an increasing number of companies that starts to recognize the importance of customer satisfaction for future business. In attempting to increase customer satisfaction it is necessary to understand what the customer wants before they realize it themselves.

One major challenge that companies are facing is how to improve customer satisfaction and continue keeping their customers satisfied, which becomes a way for companies to differentiate themselves from their competitors. According to Berry et al (1985), customer satisfaction has ten dimensions as enumerated below:

2.4.1 Access- it refers to the how easily a service can be obtained. That is flexibility of working hours of the service provider, method of contact, and waiting time.

2.4.2 Communication- addresses how information is conveyed and received from customers among others, it entails empathetic listening, the use if common language, explanation of the service, its advantages and disadvantages.

2.4.3 Competence - it deals with the level of skills and knowledge of the service provider

2.4.4 Courtesy- it is indicated by friendliness and politeness of service provider(s).

2.4.5 Credibility- it is the trust that customers repose in the organisation and the staff providing the service.

2.4.6 Reliability- it implies the consistent performance or rendering of the right service at the right time, done right the first time.

2.4.7 Responsiveness-this is the willingness and readiness of employees to provide immediate service.

2.4.8 Security- it portrays the absence of danger, doubt and risk. It implies physical safety and confidentiality. Tangibles-is the evidence that the service and the organisation are credible and trustworthy.

2.4.9 Understanding- refers to how well the organisation understands the expectations of its customers in their feeling about services being provided. It should however be noted that, not every one of the ten points listed above needed to be present for a customer to be satisfied. Satisfiers are characteristics that customers expressly say they want in a product or service and their presence leads to satisfaction. Delighters are new and innovative characteristics of a product or a service not expected by the customer. Its presence delights the customer.

2.4.10 Positive Aspects of Customer Satisfaction

Anderson et al., (1997) mentioned that companies that strive for high customer satisfaction are more likely to receive larger economic returns. They also recognize that these economic returns are not immediately realized. Matzler et al., (1996) argue that customer satisfaction act as an indicator of future business opportunities, where a satisfied customer is loyal to the company, which implies a stable future cash-flow. This is strengthened by Anderson et al., (1997) who acknowledge the fact that there is a positive relationship between customer satisfaction and profitability.

2.4.11 Negative Aspect of Customer Satisfaction

Rust and Oliver (2000) say that a customer that is satisfied with a product or service will raise their repurchase frequency and future expectations. Due to the customers higher expectations it will become more difficult for the firm to satisfy the customers

in the next purchase cycle. According to Rust and Oliver (2000), this might damage the company in the long run. A company that raises customer's expectation too high will get problem with retaining the same customer satisfaction in the future. The company would be better of reducing the expectations and then deliver more than expected (Ciavolino and Dahlgaard, 2007). Furthermore, Rust and Oliver (2000) wonder if satisfactions are a suitable goal and argues that companies do not gain advantage by seeking a high level of customer satisfaction when it just raises expectations that are hard to reach and, in turn, increases cost for trying to reach these higher expectations. Anderson et al., (1997) further argued that, productivity within the company will be damaged because of the cost and the search after customer satisfaction. Furthermore, in addition to higher cost, the company must add more effort in improving product attributes or overall product design to keep satisfaction at desired level (Anderson et al., (1997)).

2.5 Meeting Customer Service Standards

Most of the banking transactions can be done by the internet or phone banking. However, some still have to be done in person. There are a number of regular, but infrequent transactions that require "special" processing. Unfortunately, some customers will have to rely on dealing with an employee he or she knows. Otherwise, one will have to be in the queue until the turn of that person only to realize that there was not the need for joining the queue in the first place (Jamier, 2002). So when you consistently provide excellent service, how do you exceed customer expectations?

2.5.1 Exceeding Customer Expectation

Often companies and organisations claim in their publicity that they will "exceed"

customer expectations. Such phrases are often included in mission/vision/values type

statements (Jamier, 2002). The message may even be shown on posters prominently

displayed in shop fronts or reception areas. Customers norm[ally]

expectations. But it is very rare for customer servic[e] regularly meet

the expectations of customers, let alone exc[eed] [e]xpectations are met

when customers are provided with the right product/service, at the right quality, at the

right price, every single time (Jamier, 2002). The emphasis here is on "every single

time". Few questions can be asked about r[...] [cu]stomers have. Do they

receive prompt, efficient and courteous service every time? The above discussion was

dramatized by Tao (2014[...] [s]atisfaction analysis model shown below:

Very Satisfied

Relative Dissatisfied

General Dissatisfied

Relatively Dissatisfied

Very Dissatisfied

Low

High

Figure 2.1 Customer Satisfaction Analysis Model

Adapted From Tao, 2014

2.6 Customer Involvement

In order to implement the satisfaction programs, there is the need to focus on the involvement of the customer. The interaction between customers and service providers is an important determinant of perceptions of service quality (Zenithal et al, 1988). Sometimes the interaction will be largely transactional in nature but most common interactions will be within the context of an ongoing service relationship. Building effective and significant relationships can contribute significantly to customer satisfaction, loyalty, retention and improvement of performance (Gronroos, 2001). If transaction is without customer involvement, the provision of many services cannot occur, and the way in which customers participate in the delivery process can have an important implication for both customer and the service provider. First of all, customer participation means that the provider has a clear understanding of their needs and circumstances (Gronroos, 2001). Secondly, customers who participate may be aware of some of the constraints on the service providers in terms of what they can deliver and what they cannot. For that matter, such customers are more likely to form more realistic expectations about service quality and as a consequence the gaps between expectations and performance may be smaller (Gronroos, 2001).

Finally, it is possible that, willingness of customers to participate actively in the provision of a service can provide the organisation with an opportunity to enhance service productivity (Lovelock and Young, 1997) if they consider the contribution of customers. Ford (1990) suggests, customers will and can only be expected to participate in a relationship if they anticipate benefits from that relationship. Generally, the quality of the interaction between the supplier and buyer and the degree of customer participation in the relationship has been identified as possible antecedents of customer satisfaction. There are three important elements of a customer's interaction with a subscription business to consider and understand (Gronroos, 2001).

2.7 Customer Satisfaction and Loyalty

Creating customer satisfaction by delivering superior quality products and services will result in high levels of repeat purchase, insulation from price increases and improved responsiveness to marketing communications by customers (Gale and Chapman 1994).Thus according to Gronroos (1986) and Lehtinen (1985), overall satisfaction is a function of satisfaction with the contact person(s), core service, and institution. At a glance, customer satisfaction is a crucial component of a business strategy as well as customer retention and product repurchase. To maximize the customer satisfaction companies should sell ideas and methods after the completion with all the necessary documents. As for example, customers will buy a car after taking a closer look at it such as how is the engine, what is its model, how many kilometers it has been traveling, and is there any cracks or not. Therefore, they do not feel disappointed after purchasing it. Otherwise, if the company uses only their sell and build method customers might expect that the car is exactly the same as what they see

in the pictures or during the exhibition and later on the company might receive complaint if anything is wrong. Customer satisfaction is a barometer that predicts the future customer behavior (Hill et al., 2007)

Customer satisfaction is dynamic and relative. Only the idea "customer-centric" can help companies improve satisfaction and keep customer truly, conversely, if competitors improve customer satisfaction, then it may loss corporate customers. While improving customer satisfaction, customer expectations should be noticed. Service quality, product quality and value for money have a direct positive impact on customer satisfaction. Employee satisfaction is equally important before achieving the customer satisfaction. If employees have a positive influence, then they can play a big role to increase customer satisfaction level. Satisfaction is a dynamic, moving target that may evolve overtime, influenced by a variety of factors. Particularly when product usage or the service experience takes place over time, satisfaction may be highly variable depending on which point in the usage or experience cycle one is focusing (Lovelock & Wright, 2007). To attain the above the following questions should be looked at critically:

2.7.1 Customer Experience: What measurable service experience is the customer exposed to?

2.7.2 Customer Perception: How does the customer see and value the experience?

2.7.3 Customer Behaviour: How does the customer feel and behave after the experience?

Dealing with these three areas in depth and understanding how they relate to each other is essential in improving those elements of customer experience that will translate into

loyalty and satisfaction.

2.8 Customer Loyalty

The term customer loyalty is used to describe the behaviour of repeat customers, as well as those that offer good ratings, reviews, or testimonials. Some customers do a particular company a great service by offering favorable word of mouth publicity regarding a product, telling friends and family, thus adding them to the number of loyal customers. However, customer loyalty includes much more. It is a process, a program, or a group of programs geared toward keeping a client happy so he or she will provide more business. Oliver (1999) defines brand loyalty as "a deeply held commitment to re-buy or re- patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-brand set purchase, despite situational influences and marketing efforts have the potential on cause switching behaviour". Thus customer loyalty was considered bi-dimensional, including both attitudinal commitment and behavioral re- purchase intention, based on prior studies (Lin and Wang, 2006), customer loyalty was defined as the customer's favorable attitude toward a brand, resulting in repeat purchase behaviour.

Consumer satisfaction is believed to mediate consumer learning due to prior experience and to explain key post purchase behaviors such as complaints, word of mouth, repurchase intention and product usage (Oliver, 1980; Westbrook, & Oliver, 1991). Anderson and Sullivan (1993) suggested that "a dissatisfied customer is more likely to search for information on alternatives and more likely to yield to competitor overtures than a satisfied customer". In addition, a past research shows that satisfaction is a reliable predictor of re-purchase intentions (Wang, 2001). Maximization of customer

21

loyalty is a priority for most industries.

Loyal customers are individuals who remain clients of their original supplier even if a competitor proposes more advantageous conditions. They are the most profitable ones and they are free marketing channels in terms of benefits received by companies from word-of -mouth. These customers are the most liked. Lejeune in 2001 mentioned in his research that, Churn management consists of techniques that enable firms to keep their profitable customers and its aims at increasing customer loyalty.

Oliver (1999,33) defines loyalty as "a deeply held commitment to rebuild and re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behaviors. "Customer loyalty is viewed as the strength of the relationship between an individual's relative attitude and re-patronage. Although customer satisfaction is a crucial part of a business, satisfaction alone cannot take a business to a top level. Customer satisfaction produces a positive financial result, especially in regular purchases. Today's unforgiving market where creating and maintaining customer loyalty is more complex than it used to be in the past years. This is because of technological breakthrough and widespread of the internet uses. Loyalty building requires the company to focus the value of its product and services and to show that it is interested to fulfill the desire or build the relationship with customers (Griffin 2002.) Thomas and Tobe (2013) emphasize that "loyalty is more profitable." The expenses to gain a new customer is much more than retaining existing one. Loyal customers will encourage others to buy from you and think more than twice before changing their mind to buy other services. Customer loyalty is not gained by an accident; they are constructed through the sourcing and design decisions. Designing for customer loyalty requires customer-

centered approaches that recognize the want and interest of service receiver. Customer loyalty is built over time across multiple transactions. A relationship with a customer is equally important in customer loyalty and this requires that company work in a broader context that extends beyond itself, as no company can be world class at everything (McDonlad & Keen 2000). Gremler and Brown (1999) divided customer loyalty into three different categories that include behavior loyalty, intentional loyalty, and emotional loyalty. Behavior loyalty is repeating purchasing behavior while intentional loyalty is the possible buying intention. Emotional loyalty, however, is achieved when a customer feels that a brand corresponds with their value, ideas, and passion.

2.8.1 Factors Influencing Customer Loyalty

At the beginning of the new millennium, customer satisfaction seems to be everywhere. Customer satisfaction is a significant element in service delivery because understanding and satisfying customer's needs and wants can engender increased market share from repeat purchases. The orientation to customer satisfaction is not a recent phenomenon. Number of successful businesspeople over the years have identified the importance of customer satisfaction and output of it in a business result (Vavra 2002.) Generally, customer loyalty is a behavior while customer satisfaction is an attitude. Therefore, there are certain differences between the factors which influence customer satisfaction and customer loyalty (Gajjar 2013.) Generally, price, quality, reliability, empathy, responsiveness are the main factors that influence the customer satisfaction and loyalty. Some of the detail factors that influence customer

satisfaction and loyalty are discussed separately below:

Factors Affecting Customer Loyalty (Adapted from Deep, 2017)

Cultural

Culture

Subculture

Social Class

Social

Group and Social Networks

Family

Personal

Age and life-cycle stage
Occupation
Economic Situation
Lifestyle
Personality and self-concept

Psychological

Motivation
Perception
Learning
Lifestyle
Beliefs and attitude

Buyer

of an
sically
that define consumer wants and behaviors. C...uenced
by the groups they belong to but also by the groups (aspirational groups) they wish to belong to (Khadka & Maharjan, 2017).

2.8.1.2 Social Factors

Human beings live in an environment surrounded by several people who have different buying behavior. A person's behavior is influenced by many small groups like family, friends, social networks, and surrounding who have different buying

behaviors. These groups form an environment in which an individual evolves and shape the personality. Hence, the social factor influences the buying behavior of an individual to a great extent (Khadka & Maharjan, 2017).

2.8.1.3 Personal Factors

This consumer behavior includes personal factors such as age, occupation, economic situation, and lifestyle. Consumer changes the purchase of goods and services with the passage of time. Occupation and the economic situation also have a significant impact on buying behavior. On the other hand, a person with low income chooses to purchase inexpensive services. The lifestyle of customers is another crucial factor affecting the consumer buying behavior. Lifestyle refers to the way a person lives in a society and is expressed by the things in the surroundings (Khadka & Maharjan, 2017).

2.8.1.4 Psychological Factor

Many psychological factors like motivation, perception, learning, and attitudes and beliefs play a crucial role in purchasing a particular product and services. To increase sales and encourage the consumer to purchase the service organization should try to create a conscious need in the consumer's mind which develops an interest in buying the service. Similarly, depending on the experiences of the costumer's experiences, beliefs, and personal characteristics, an individual has a different perception of another. Attitudes allow the individual to develop a coherent behavior against the class of their personality. Through the experiences that the consumers acquire, the customer develops beliefs which will influence the buying behavior (Khadka & Maharjan, 2017).

2.9 Effect of Customer Satisfaction on Customer Loyalty and Retention

Bowen and Chen (2001) said that just satisfying customers is not enough, there has to be extremely satisfied customers. The reason is that, customer satisfaction must lead to customer loyalty. Bansal and Gupta (2001), Building customer loyalty is not a choice any longer with businesses: it's the only way of building sustainable competitive advantage. However, it can be argued that customer satisfaction is not an accurate indicator of loyalty. Satisfaction is necessary but not a sufficient condition of loyalty. In other words, we can have satisfaction without loyalty, but it is hard to have loyalty without satisfaction. Bowen and Chen (2001) agree that it is commonly known that there is a positive relationship between customer loyalty and profitability. Today, marketers are seeking information on how to build customer loyalty. The increased profit comes from reduced marketing costs, increased sales and reduced operational costs. Again, loyal customers cost less to serve, in part because they know the product and require less information. They even serve as part-time employees. Therefore loyal customers not only require less information themselves, they also serve as an information source for other customers". For organizations to ensure that there is customer loyalty, organisations must be able to anticipate the needs of their customers. According to Kandampully and Duffy (1999), a customer's interest in maintaining a loyal relationship is depended on the firm's ability to anticipate customer's future needs and offering them before anyone else does.

2.10 Barriers to Customer Satisfaction

Most companies and banks for that matter have realized the need to offer customer service to other customers. But most often, this is just on paper. The actual service or

the quality of the service is most at times not present as promised. This often leads to customer dissatisfaction.

Meanwhile, customer service interactions can often be frustrating, and client requests can frequently appear demanding, there may be barriers in your organization that might make reasonable consumer requests seem excessive. Companies therefore need to understand the barriers to customer satisfaction and take that into consideration in order to satisfy their customers. The barriers may range from management, environment, self, processes or systems, and communication. Some of the specific barriers to customer satisfaction include:

2.10.1 Overworked Staff

Overworked staff can be the result of understaffing, layoffs, rapid growth or assigning too many tasks to too few people. The result is that your staff will quickly lose their energy. Those that don't will be stretched too thin and no single client will appear as a priority to them. Since your representatives will have many clients to service, steps will be skipped, staff and customers will become frustrated and clients will receive insufficient attention to their issues.

2.10.2 Under worked Staff

The exact opposite can have a similar effect on customer service. If your staff is under worked, they will feel less challenged, under-appreciated and unimportant. Work has a habit of expanding to fit whatever timeframe is allotted. So if your staff is under worked, case handling turnaround time can drag on longer than reasonably expected, and customers will get frustrated.

2.10.3 Non-Caring Culture

The workplace culture can have a substantial effect on how customer service cases are handled. If the workplace climate is one where customers are not cared for, where staff doesn't care about their work, or if the environment is not empowering, your staff will under-deliver whenever presented with a customer service case. This culture prevents your staff from caring enough about your customers to make them happy. Customers are not a priority, and the repercussions of an unhappy client are not apparent to them.

2.10.4 Poor Accountability

If the staff is not held accountable for customer service, there is no reason for the staff to try harder to make sure customers are happy. Your staff can always place the blame elsewhere and know they can never get in trouble for letting a customer leave unhappy

2.10.5 Insufficient Systems

If the systems used in working with clients perform poorly, are slow, contain insufficient data or doesn't track your client data appropriately, there will always be problem. Customers will get frustrated very quickly if the turnaround time is long. Therefore they may start looking else where

2.10.6 Communication of Customer Value

Customer satisfaction is the responsibility of everybody in the organisation; from the Manager to the cleaner. All staff members must always be reminded of how valuable customers are, so your staff knows how to treat clients in the appropriate and valued manner.

2.10.7 Lack of Incentive

Lack of appropriate incentive to staff who give clients outstanding service is a barrier

to customer service delivery. If they are not motivated, they have no reason to go that extra mile for your customers. Provide rewards, both monetary and non-monetary to ensure your staff is motivated and empowered enough to want to service your clients to the best of their abilities.

2.10.8 Lack of Understanding about Customer Needs

If there's no data, it is easy to make the claim that you are customer-centric. But it's just words. Information leads to the realization that there is a gap between what your company is doing and what your customers are experiencing. Once this gap is surfaced, management is faced with a lot of uncomfortable decisions about what to change. Reliable information can lead to meaningful innovation that will find greater customer acceptance and market success.

2.10.9 Failure to Deliver on Brand Promise

The old advice of "under promise and over deliver" was never truer than it is in a world dominated by customers. Adjectives and hyperbole can get companies into trouble. Companies must therefore make sure their marketing claims are aligned with how the customer.

2.11 Relation between Customer Satisfaction and Loyalty

Based on Coyne (1986), there are two critical thresholds affecting the link between customer satisfaction and customer loyalty. On the high side, when satisfaction reaches a certain level, loyalty increases dramatically, at the same time satisfaction declined to a certain point, loyalty dropped equally dramatically (Oliva, et al., 1992.) The customer is link to a business success. Customer satisfaction and loyalty should be incorporated into the long-term goal of a business. Customer satisfaction is a key

element for every organization wishing to increase customer loyalty and create a better business achievement. The role of satisfaction in loyalty largely indicates that the former is a key determinant of the latter (Dick &Basu 1994.)"Satisfaction" is an attitude, whereas loyalty is described as a behavior. Chen and Wang (2009) suggest a view of customer satisfaction as a kind of consistency evaluation between prior expectations and perceived service performance. Accordingly, the positive evaluation of the product or service that the customer acquires is a major reason to continue a relationship with a company's service or products, and an important pillar that upholds loyalty. Satisfied customers are thus more likely to repurchase, lower their price sensitivity, engage in positive word-of-mouth recommendation, and become loyal customers (Chen &Wang2009.)Customer satisfaction and loyalty represent a top priority of the company's success and profit. Satisfaction does not automatically lead to loyalty it needs a step by step process. Steps are described as customers going through different phases such as awareness, exploration, expansion, commitment, and dissolution. (Arantola, 2000) Customer loyalty can be considered to be a byproduct of customer satisfaction. The satisfaction of business customer leads to customer loyalty (Fornell 1992). Customer loyalty will increase significantly when satisfaction accomplishes at a certain level and at the same time customer loyalty will decline automatically if the satisfaction level drops to a certain point. Moreover, highly satisfied customers are tending to be more loyal than the customers who are merely satisfied. Overall, it is clear that there is a significant positive relationship between customer satisfaction and customer loyalty. Customer loyalty leads to an increase in both sales and profitability (Chi, 2005).

According to Heskett et al., 2011, unhappy customers are more likely to speak out

against a poorly delivered service at every opportunity. In some instances, they even can discourage acquaintances from trying a service or product. On the other hand, "Apostles" are those customers who are truly satisfied with the company and the service offered resulting in true loyalty to the company. Satisfied customers are prepared to pay more for the product or services. Every satisfied customer is supposed to spread the positive word of mouth to community they live in. Thus, satisfaction is the main driver of loyalty and for that customer must be highly satisfied.

2.12 Importance of Customer Satisfaction

Customer satisfaction is extremely important because it is the way of getting feedback from the customers in a way that they can use it to manage and improve their business. Customer satisfaction is the best indicator of how the business looks like in the future. Customer satisfaction helps in doing SWOT analysis that could help them to develop their business in an advance and in a systematic way. Besides this, it will also help in making the right decision to use the appropriate resources while manufacturing the products. Similarly, it maintains the relationship with the existing customers and also creates the possibility to acquire others. (SSRS research 2016.)

When products are bought customers expect perfection instead of quantities. There are varieties of products that are similar in the market and sometimes it is difficult to distinguish which one is qualitative and durable. This is the great opportunity for the business organization doing marketing of their products and services to understand what exactly customers are seeking for. Customer satisfaction is a key indicator of the marketplace that evaluates the success of the organization. People have varieties of tastes and choices and therefore, satisfaction also differs from one person to another.

It also may vary the expectation of the consumer depending on the option they may have, such as the national and international market (Kotler & Keller 2006.)

A technique for assessing the customer satisfaction should also have to go through the international market procedure to meet the requirement internationally. In the process, granting the satisfaction to the customer in both physical and technological aspects has changed drastically. However, there is still no method of measuring customer satisfaction. But the feedback from the customer can be taken as a crucial tool for measuring customer satisfaction (European Institute of Public Administration, 2017). On the other hand, it's cheaper to retain customers than acquire new ones. To make a customer's cost lot of money. Marketing team spends lots of money and time in convincing their excellence. Customer satisfaction is a primary aim of every company. Customer satisfaction ensures the customer wants to return to purchase the service. Satisfied customers are more likely to recommend their friends and families which will help to grow the business. A totally dissatisfied customer decrease revenue, whereas satisfied customer has a positive effect on profitability.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology used in the research and covers the research purpose and research design is mentioned, followed by data collection method, population, sampling frame, sampling technique, questionnaire design and profile of the organization.

3.2 Research Purpose

Research purpose is very important for every study. According to (Saunders et al, 2009) enquiries can be classified in terms of their purposes as well as the research strategy which is used (Robson, 1993). Three categories of the enquiries are identified, but often one of them is used. It can either be exploratory study, where the researcher is trying to find out what is happening so as to seek new insights, to ask questions and access phenomena in a new light (Robson, 1993). It is the best when the researcher is uncertain of which theories are useful and when it is difficult to determine important characteristics and relations.

Descriptive study is used in descriptive studies portrays accurate profile of situations' (Robson, 1993). Explanatory study on the other hand looks at the relationship between variables. A situation is studied in order to explain the relationship between the variables. In this particular research, descriptive study is used since we are not very sure of the answers, and explanatory will be used partly to determine the relationship between customer service and customer satisfaction.

3.3 Research Design

After defining the research purpose, the use of qualitative research was considered to collect and analyse data. Research strategy is a general plan of how to answer the research questions that have been set. The most important thing is to look for the strategy that is appropriate for the research question(s) and objectives to be chosen (Saunders et al. 2009).

According to Saunders et al. (2009), Survey method is a popular and common strategy in business research. It enables large amount of data to be collected from an ideal population and in a highly economical way. Often, questionnaires are used and data are standardized, it is easily understood and easy to compare. This method tends to gain a deeper understanding for the problems investigated through different sources of information, as well as to be able to describe a general picture of the reliability in which the problem is involved.

3.4 Population of the Study

Population is basically the universe of unit from which the sample is to be selected. According to Creswell (2010) a study population is the aggregation of element from which the sample elements actually selected. This was a revision of his earlier definition in 2003 where he looked at population as entailing the set of individuals who share or exhibit similar characteristics which is of great interest to the researcher. The population of this study is the customers of the Ahinsan branch of the Kumawuman Rural Bank. The customers numbered about five hundred (500) according to the internal records of the bank.

3.5 Sample Size and Sampling Technique

Sampling involves selecting representatives to represent a population. This section outlined the sampling technique adopted by the researchers

3.5.1 Sampling Frame

The sampling frame for any probability sample is a complete list of all cases in the population from which your sample will be drawn. The customers in Kumawuman Rural Bank made up the sampling frame for this study which numbered about five hundred (500)

3.5.2 Sampling Technique

The sampling technique employed in this research is a non-probability sampling. In such a situation, the probability of each case being selected from the whole or total population is not known and it is impossible to answer research questions or to tackle the objectives that necessitate making of statistical inferences about the characteristic of the population. In this research, a mixture of convenience sampling and purposive sampling are used. A convenience sample is a sample where the customers are selected, at the convenience of the researcher. The researcher makes no attempt, or only a limited attempt, to ensure that this sample is an accurate representation of some larger group or population. Convenience sampling was used in this case because; the customers do not come to the bank in any order. Anyone moves in any time and since the researcher was only in the bank at certain hours of the day, it was best to use convenience sampling in order to get as many customers as possible. On the other hand the customer service personnel in the bank were few. So a purposive sampling was used to get almost all of

them. Ahinsan Branch has the highest population of customers among the Kumawuman Branches in Kumasi. And since it is a busy place, the questionnaires were given in that branch.

3.5.3 Sample Size

Out of the sample frame of 500 customer, the researchers realized only two hundred and twenty five (225) are regular customers (they have transacted business with the company in the last one year) they researchers therefore concentrated their study on the two hundred regular customers. Using the Yamane's formula for sample size selection, one hundred (100) customers were selected randomly to represent the population. The calculation is shown below:

$$n = \frac{N}{1+N(e)2}$$ Where N= Sample frame = 225 regular customers

$$n = \text{Sample Size}$$

$$e = \text{Margin of error} = 0.05 \text{ (95\% level of confidence)}$$

$$n = \frac{225}{1+200(0.05)^2} = 100$$

3.6 Method of data collection

This section of the study outlined the data collection methods employed by the researchers. A researcher can opt for collecting data from secondary sources or from primary sources. Primary data is used for this specific study whereas, secondary data is data collected by others for the use of their specific purpose. Due to the nature of this study where the intention is to investigate a specific company's customer satisfaction, the researcher decided to collect primary data in form of a questionnaire survey. Secondary data in terms of company information and background history has

also been used in this research in order to get a deeper understanding about the company.

3.6.1 Source of Data

The study exploited both primary and secondary sources of data as they both provided valuable information for the researchers.

Primary Data: Primary data is original research that is obtained through first-hand investigation, and it includes information collected from interviews, experiments, surveys, questionnaires, focus groups and measurements (Sakaran, 2003). Primary data for this study were through questionnaires. This data is gathered purposely for the study.

Secondary Data: Secondary data is information that is obtained from another party. It could also be seen as data which was gathered beforehand for another purpose but serve as a source of information and reference for a researcher (Sakaran, 2003). Secondary data can be found in publications, journals and newspapers, internet and internal records of the project site. The study sourced secondary data from two main sources. The internet sources gave the bases for literature review as well as the theoretical and empirical bases for the study. The internal record source informed the population and sample of the study as well as the description of the study site. The two sources were blended together for a credible research.

3.6.2 Data Collection Method

The gathering of data ranged from a simple observation at the banking hall to collection of information through questionnaire from various customers in the banking hall. The method of research determined how the data is collected. Questionnaire and observation were used to recover raw data in this case. And the questionnaire was also in two parts, part was answered by the external customers and part was also answered by the internal customers so as to be able to answer the research questions.

3.6.3 Method of Data Analysis

Data analysis is the classification of the data gathered for a study and presenting the data in quantitative and qualitative means so it can be easily understood. Data analysis also aids the reduction and simplification of data, to form a sensible summary while fitting responses into particular categories. The field data was screened and edited to remove possible omissions, errors, inconsistencies, and non-responses. Descriptive statistics were conducted, namely frequencies and simple percentages. The results were presented using tables and charts. The main tools used in the analysis were the Microsoft Excel and Statistical Package for Social Scientist (SPSS).

3.6.4 Questionnaire Design

The survey was constructed as an interviewer-administered questionnaire with rating and closed end questions (Saunders et al., 2009). Many researchers argue that when conducting a survey, oral interviews is the best method due to the high response rate and that the interviewer has a chance to explain possible confusions (Matzler et al., 1996).

The questionnaire was designed to be able to answer the research questions. The survey

was conducted during morning and afternoons when it was assumed that the response rate would be highest. To prevent misunderstandings the researcher informed the participants about the purpose of the survey. Some of the survey questions existed as category questions and others numeric rating questions.

The scale was constructed in a way that number

1--- Strongly disagreed

2---- Disagreed

3----Neutral

4---Agreed

5---Strongly agree

The scale from 1 to 5 is used in order to make the participants to take a stand regarding the questions asked. Berry et al (1985), model was used in order to incorporate the concept of customer satisfaction in to the questionnaire.

3.7 Profile of Organization

The Bank's vision is to become a world-class financial institution that provides superior returns for all stakeholders. And a mission of being amongst the top five banks in Ghana by December 2013 based on all key performance indicators and anchored on three key pillars -people, service and processes, and return to Staffs. They have a value of being driven to exceed expectations (Can-Do-Attitude) such that the bank will exceed customer expectations, use processes to propel every aspect of the business, use contributions from employees to build the organization and use the drive to propel the community. As far as customers are concerned, the bank has a passion to serve the customers which is captured "We know that we exist to serve our customers".

The bank also has a culture of excellence in that, they promise their customers an excellent banking experience at Fidelity: excellent products, excellent service, and an excellent environment. At Kumawuman rural Bank, their goal is to provide customers with the high quality Banking Products and Services they expect from an industry leader. Currently, Fidelity Bank has 9 branches and has doubled its customer base in the last twelve months to over 100,000 customers.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF RESULTS

4.1 Introduction

Presented in this chapter is the result of the survey instruments administered to one hundred (100) respondents who are regular customers of the Ahinsan branch customers of Kumawuman Rural Bank (KRB). The data is presented and discussed along the terrain of the objectives set. One hundred (100) respondents were targeted for the survey hence the same number of questionnaires was sent out. Ninety-seven (97) questionnaires were received and used for the study, representing a 97% response rate, an indication of a credible study.

4.2 Demographic Characteristics of the Respondents

Several scholar have pointed out that demographic characteristics of the respondents of a study influence individuals' mode of assessing information (Alshehri & Drew, 2010; Ambrose and Anstey, 2007; Arab, 2007) hence the need to assess the demographic characteristics of the respondents. This was covered in this section of the study as shown in table

Table 4.1: Demographic Classification of Respondents

Classification		Responses	
		Frequency	Percentage (%)
Gender	Male	29	29.9
	Female	68	70.1
Age	Below 20	14	14.4

	21-30 year	35	36.1
	31-40	34	35.1
	41-50	9	9.3
	51-60	5	5.2
Respondents Level of Education	Basic	24	24.7
	Secondary	29	29.9
	Tertiary	10	10.3
	Non-Formal Education	34	35.1
How long Respondents Have Been With KRB	Less Than a Year	14	14.4
	1-5 Years	49	50.5
	6-10 Years	30	30.9
	11-15 Years	4	4.1
Marital Status	Single	14	14.4
	Married	55	56.7
	Divorced	19	19.6
	Widowed	9	9.3

Source: Fieldwork, 2020

From the table it was seen that the respondents are female dominated (70.1% against 29.9%). The majority of the respondents are within the age bracket of 21 to 30, recording the highest frequency of thirty-five (35) responses (36.1%). The data gathered also revealed that majority of the respondents have no formal education. Thirty-four (34) respondents making up 35.1% of the respondents indicated they have no formal education. This is followed closely by 'SHS', recording twenty-nine (29) responses (29.9%) and 'Basic' recording fifteen (24) responses, making up 24.7%. Ten

(10) respondents making 10.3% have tertiary education. 56.7% of the respondents are married whiles Nineteen (19), Fourteen (14), and nine (9) are "Divorced", "Single" and "Widowed" in that order. Majority of the respondents (50.5%) have been doing business with KRB between one (1) and five (5) years.

4.3 Respondents Satisfaction with KRB Products

This section of the study looked at the types of products offered by Kumawuman Rural Bank and how satisfied the customers are based on the suitability of the products to their individual needs.

4.3.1 Types of Products Offered By KRB

Rural bank have a variety of products to offer its customers hence the attempt by the researchers to identify which particular products are offered by KRB. The findings of the study revealed that the bank offers "business banking", which recorded fifty-four (54) responses, "retail banking" recording twenty (20) responses, "personal banking" recording nineteen (19) responses and "business advisory services which accumulated four (4) responses.

The researchers further attempted to know how satisfied the respondents are with the products offered by the bank as mentioned that customers are not mostly satisfied with the products offered by financial organisations in the local sphere hence the hesitance of customers to patronize such products. The findings of the study concurred with the above claim as fifty (50) respondents (51.5%) indicated they are not satisfied with the products offered. The data is shown in the figure below:
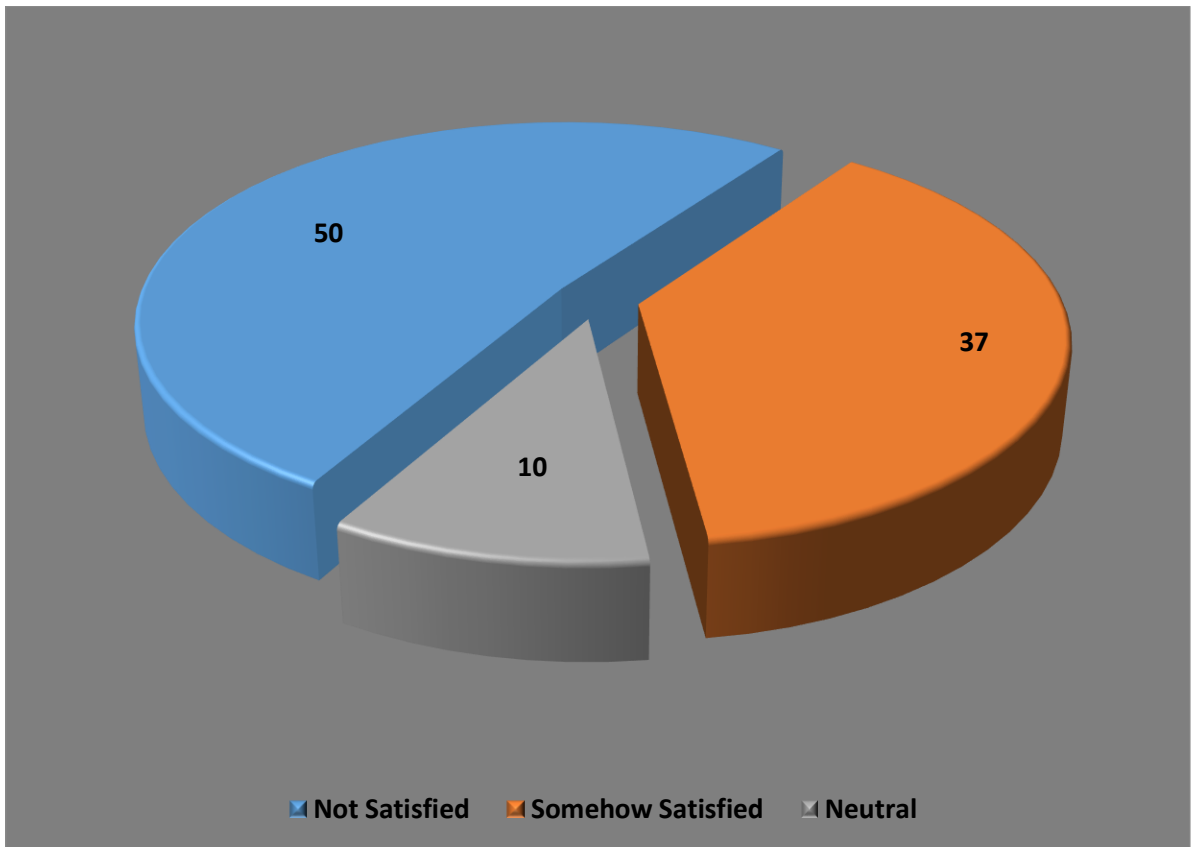
Figure 4.1 Satisfaction with the Products Offered by KRB

Source: Fieldwork, 2020

4.3.1 Importance of Quality to Respondents

The assertion by Hellier et al., (2003) in the literature that quality of product is paramount to every consumer was tested by asking the respondents how important quality is to them. The finding of the study perfectly agreed with this assertion as shown the figure below:
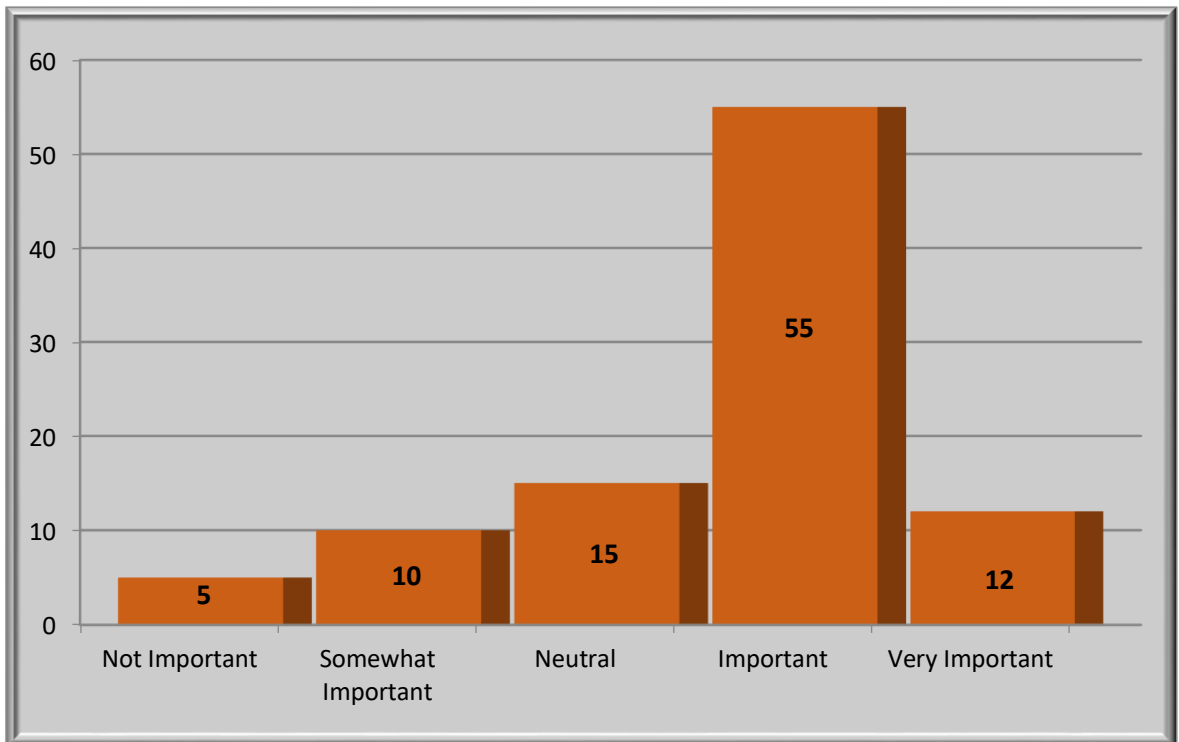
Figure 4.2 Importance of Quality to Respondents

Source: Fieldwork, 2020

From the figure above, it could be seen that fifty-five (55) respondents (56.7%) indicated product quality is important to them while twelve (12) respondents (12.4%) indicated product quality is very important for them in agreement with the claim raised in the reviewed literature.

4.3.3 Standard of Services Delivered

The researchers probe further by the respondents how they rate the quality of services rendered to them at Kumawuman Rural Bank. Majority of the respondents rated the quality between average and above average as shown in the figure below:
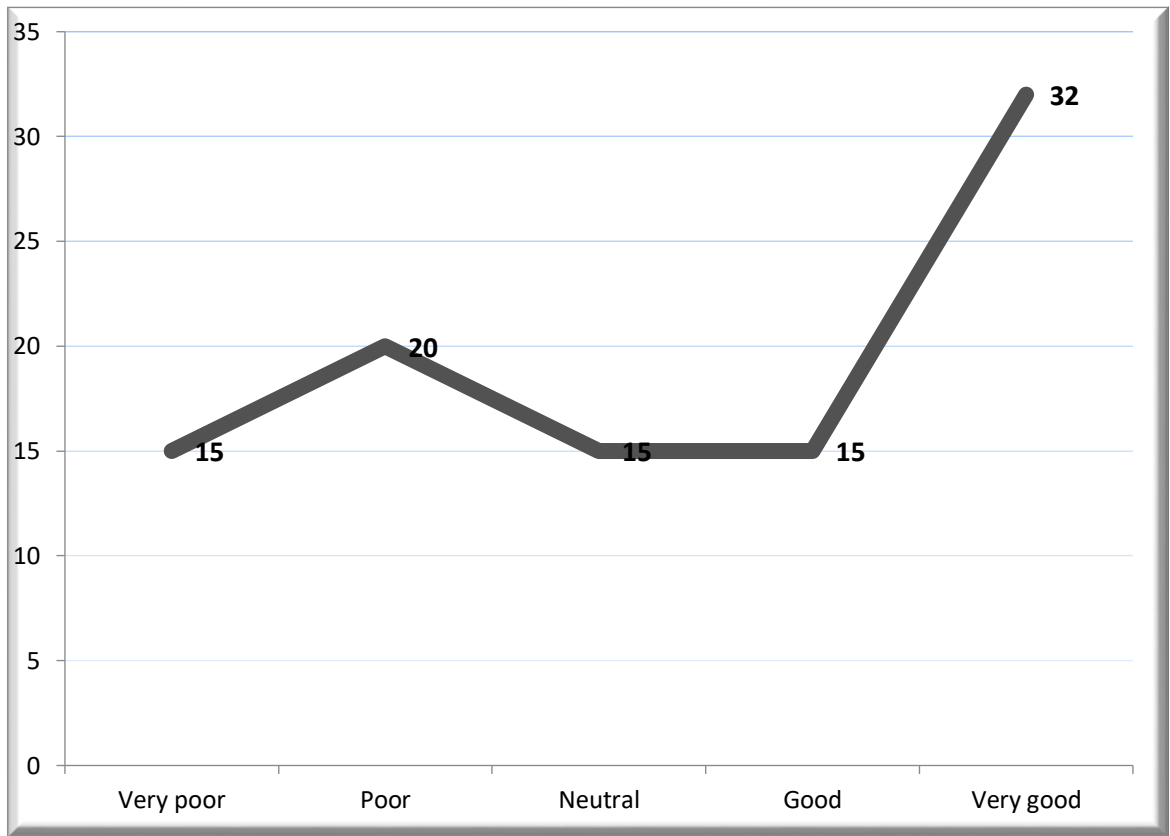
Figure 4.3 Standard of Services Delivered

Source: Fieldwork, 2020

4.3.4 Extent to Which Quality Affects Respondent's Satisfaction

Another aspect that the researchers looked at is the extent to which quality of product and services affects respondents' satisfaction. The findings of the study revealed that quality has a high influence on the satisfaction of the customers as forty (40) respondents indicated "High Extent" when asked the extent to which quality affects their level of satisfaction. The figure below shows the data gathered:
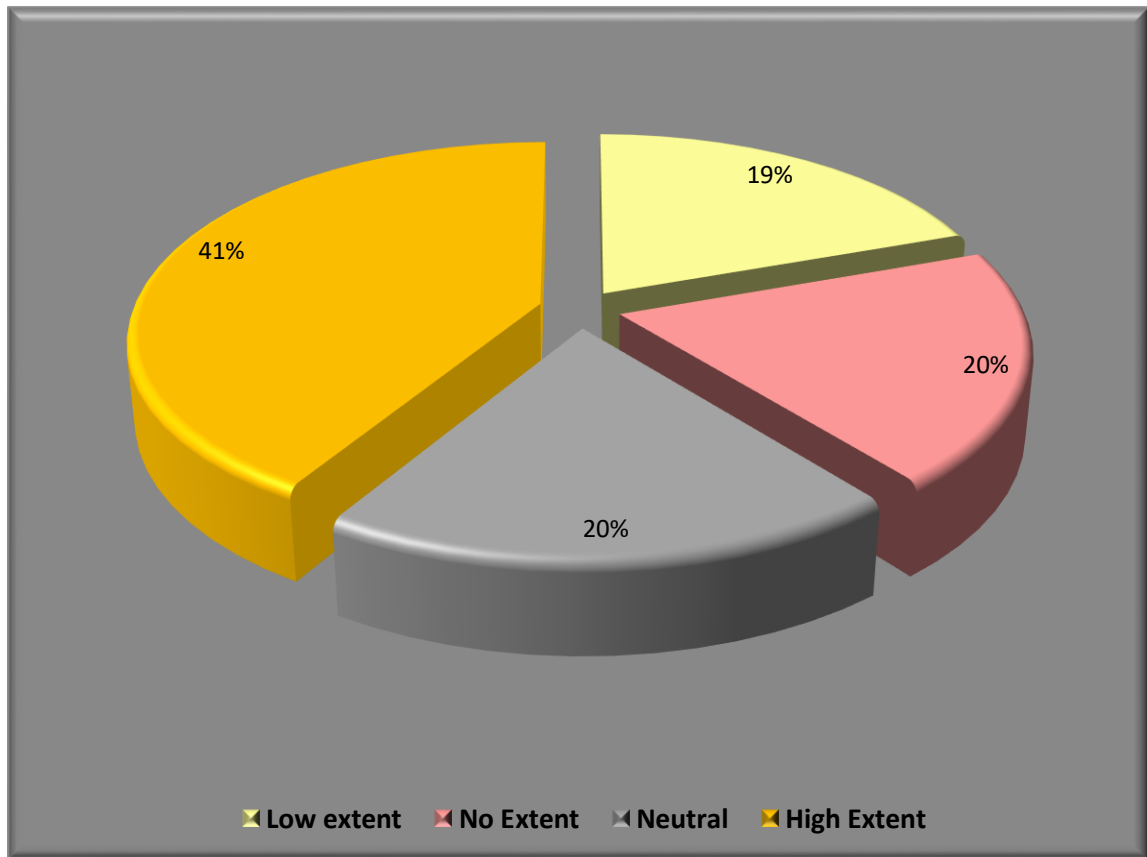
Figure 4.4 Extent to Which Quality Affects Respondent's Satisfaction

Source: Fieldwork, 2020

From the figure above it was seen that 20% of the respondents indicated quality of services rendered has no extent of effect on their satisfaction. Another 20% of the respondents were neutral while 19% respondents indicated quality of services rendered has a low effect on their satisfaction level while the remaining 41% (14) respondents indicated quality highly affects their satisfaction.

4.3.5 Features of Products Offered Meets Respondents' Expectation

Tepeci, (2000) indicated that one dimension of product quality is the ability of the product features to meet the needs of the consumer. The researchers applied this dimension on the respondents by asking them if the features of products offered by

KRB meet their needs. Sixty-eight (68) of the respondents disagreed that the features

meet their needs as portray in the figure below:
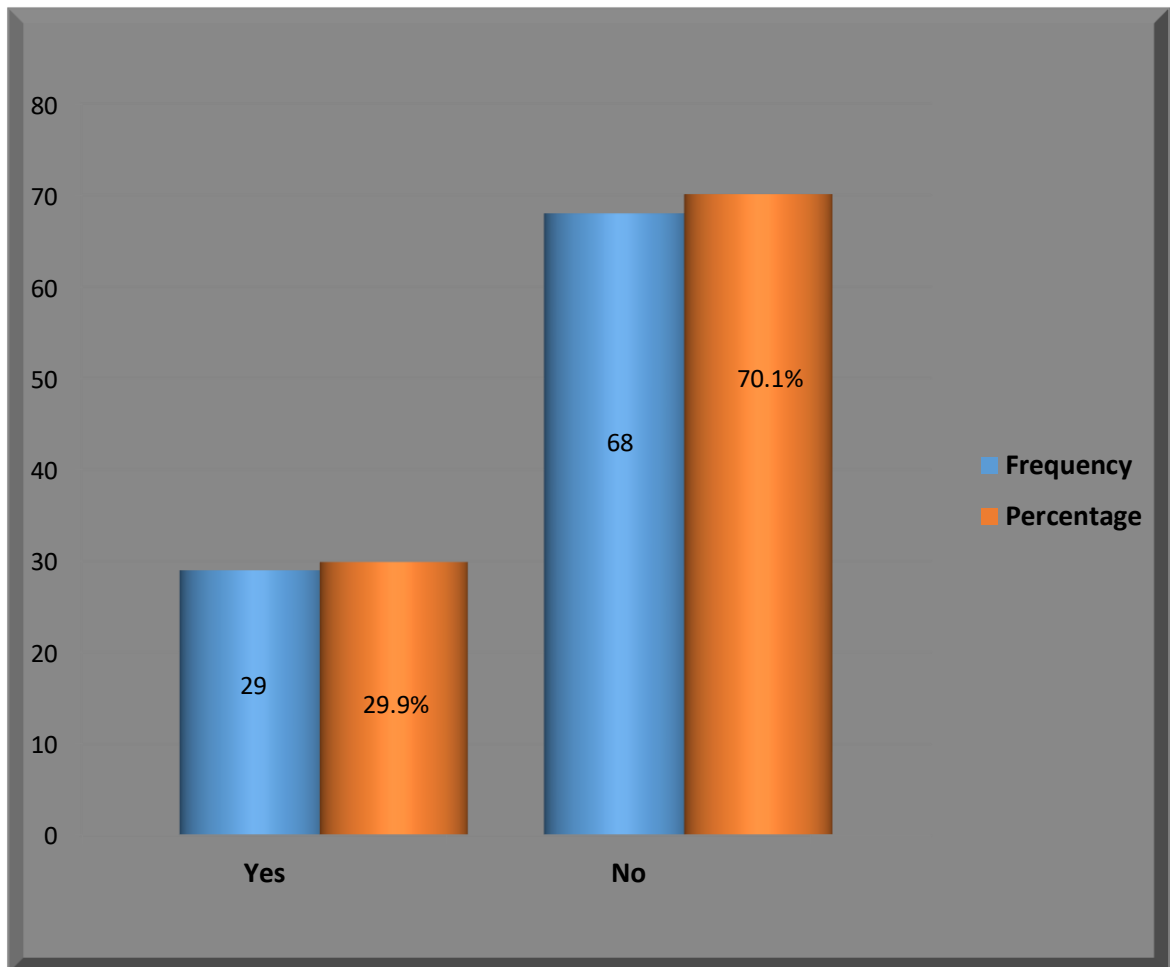
Figure 4.5 Products Features Meeting Respondents' Expectation

Source: Fieldwork, 2020

4.4 General Quality of Services Offered by KRB

Kotler and Armstrong (2012) mentioned factors like core nature of services rendered,

staff pro-activeness, confidentiality, and the general physical environment where a

service is rendered as some of the factors that affects the optimum quality of that

service. The researchers therefore assessed the quality of service rendered by KRB by using such indicators. The findings gathered are shown the table below:

Table 4.2 General Quality of Services Offered by KRB

Indicator	Response		
		Frequency	Percentage (%)
	Extremely low	20	20.6
	Low	15	15.5
Quality of Banking Hall	Neutral	19	19.6
	High	14	14.4
	Extremely high	29	29.9
	Extremely low	19	19.6
	Low	35	36.1
Core Nature of Services Rendered	Neutral	15	15.5
	High	24	24.7
	Extremely high	4	4.1
	Extremely low	54	55.7
Level of Technology	Low	24	24.7
	Neutral	9	9.3
	High	5	5.2
	Extremely high	5	5.2
	Extremely low	49	50.5
Convenience of Bank Location	Low	35	36.1
	Neutral	5	5.2

	High	4	4.1
	Extremely high	4	4.1
Customer Confidentiality	Extremely low	49	50.5
	Low	20	20.6
	Neutral	20	20.6
	High	4	4.1
	Extremely high	4	4.1
Rewards for Loyalty	Extremely low	24	24.7
	Low	54	55.7
	Neutral	19	19.6
	High	0	0
	Extremely high	0	0
Time Management	Extremely low	33	34.0
	Low	35	36.1
	Neutral	10	10.3
	High	10	10.3
	Extremely high	9	9.3
Staff Orientation on Job	Extremely low	10	10.3
	Low	19	19.6
	Neutral	50	51.5
	High	18	18.6
	Extremely high	0	0
Pro-Activeness of Staff	Extremely low	13	13.4

	Low	24	24.7
	Neutral	50	51.5
	High	5	5.2
	Extremely high	5	5.2
Staff Relationship with Customers	Extremely low	34	35.1
	Low	29	29.9
	Neutral	24	24.7
	High	5	5.2
	Extremely high	5	5.2

Source: Fieldwork, 2020

The table revealed that Kumawuman Rural Bank scored poorly across most of the indicators used. Fifty-four (54), forty-nine (49) and thirty-three (33) indicated the quality of technology, convenience of location of the banking hall; customer confidentiality, time management and rewards for loyalty are "Extremely Low" in that order. "Low" also recorded fifteen (15), thirty-five (35), twenty-four (24), thirty-five (35), twenty (20), fifty-four (54), thirty-five (35) and twenty-four (24) in quality of banking hall, quality of core service rendered, level of technology, convenience of location, customer confidentiality, reward for loyalty, time management and pro-activeness of employees respectively.

It was also revealed that the staff relationship with the customers is also not so good as thirty-four (34) respondent making up 35.1% and twenty-nine (29) respondents (29.9%) indicated 'extremely low' and 'low' respectively when asked to rate the quality of the relationship between them the staff of KRB. Eighteen (18) respondents were of

the view that the orientation level of the staff on their job is of high quality while fifty (50) respondents representing 51.5% held a neutral view.

4.5 Barriers to Effective Service Delivery

Another objective of the study was to identify the barriers that hinder the delivery of quality service to customers. As mentioned by Kotler, (2005), these barriers could range from regulatory frameworks, lack of skilled labour, lack of adequate capital, high level of competition low level of technological advancement and rise in cyber-crime. These indicatoers were used to measure the challenges that bedevil Kumawuman Rural Bank in its quest to render quality service to its clientele. Table 4.3 below shows the data gathered:

Table 4.3 Barriers to Effective Service Delivery

Indicator	Response		
		Frequency	Percentage (%)
Regulatory Frameworks	No Extent	5	5.2
	Low Extent	20	20.6
	High Extent	72	74.2
Lack of Skilled Labour	No Extent	40	41.2
	Low Extent	35	36.1
	High Extent	22	22.7
Lack of Adequate Capital	No Extent	12	12.4
	Low Extent	25	25.8

	High Extent	60	612.9
High Level of Competition	No Extent	82	84.5
	Low Extent	0	0
	High Extent	15	15.5
Low Level of Technological Advancement	No Extent	4	4.1
	Low Extent	4	4.1
	High Extent	89	91.8
Increase in Cyber-Crime	No Extent	5	5.2
	Low Extent	29	29.9
	High Extent	63	64.9

Source: Fieldwork, 2020

It was seen from the table that the respondents agreed with the reviewed literature that the indicators identified really hinder the smooth rendering of quality service to the customers where the respondents indicated the indicators have high extent of influence on the quality of service delivery in exception of inadequate capital where eighty-two (82) respondents were of the view that it has no effect on service delivery.

As indicated in the reviewed literature, a good customer service should translate into the development of loyalty towards the product (Akbar, 2013; O'Malley, 1998; Cronin, 2000; Hellier et al., 2003). This section of the study was used by the researcher to determine whether or not there is a positive relationship between the quality of service delivered to customers of Kumawuman Rural Bank and loyalty of the customers.

4.5.1 Likelihood of Redoing Business with KRB

As seen from table 4.1, majority of the respondents have been doing business with KRB for not less than a year. The researchers tested the loyalty level of the respondents by asking them if they are likely to redo business with KRB. The finding gathered is show in the figure below:

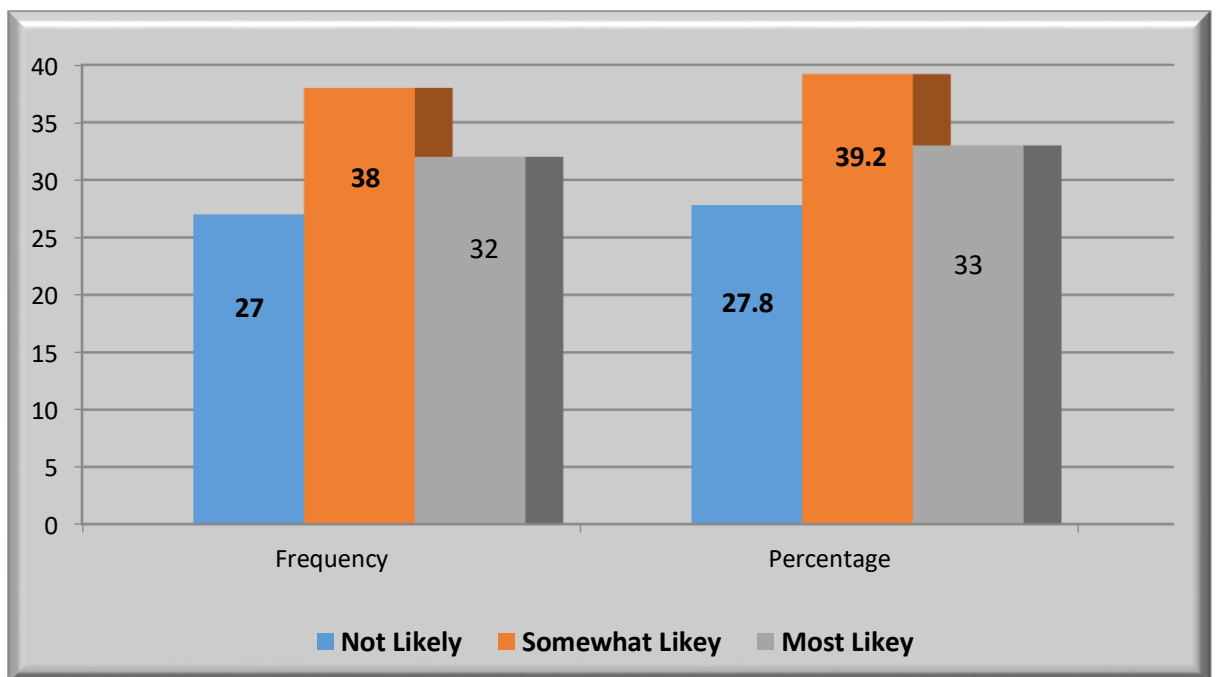**Figure 4.6 Likelihood of Redoing Business with KRB**

Source: Fieldwork, 2019

From the figure it was seen that twenty-seven (27) respondents (27.8%) indicated they are not "likely" to redo business with KRB. Thirty-eight (38) respondents (39.2%) are "somewhat likely" while thirty-two (32) respondents (33%) were "most likely" to redo business, an indication that the customers are developing loyalty for KRB.

The researchers inquire further by asking if the respondents would rather wait to do business with KRB or would opt for other options. Forty-eight (48) of the respondents (49.5%) indicated they cannot wait to do business with KRB but would opt for other options. The table below shows the data gathered:

Table 4.4 Respondent Would Wait for KRB

	Frequency	Percentage
Strongly Disagreed	13	13.4
Disagreed	14	14.4
Neutral	45	46.4
Agreed	10	10.3
Strongly Agreed	15	15.5
Total	97	100.0

Source: Fieldwork, 2020

4.5.2 Cost of Service Affecting Purchase Decision

Kotler 2004 indicated that a high quality product turns to have an inelastic demand, that is, a change in price does not have any significant effect on the quantity demanded. This contention was verified by the researchers by asking the respondents if a change in the cost of services rendered by KRB would affect their purchase decision. The findings gathered by the researchers agreed with the claim above as fifty-nine (59) respondents (60.8%) indicated that a change in the cost of service would not affect their purchase decision. The pie chart below shows the comprehensive data gathered:
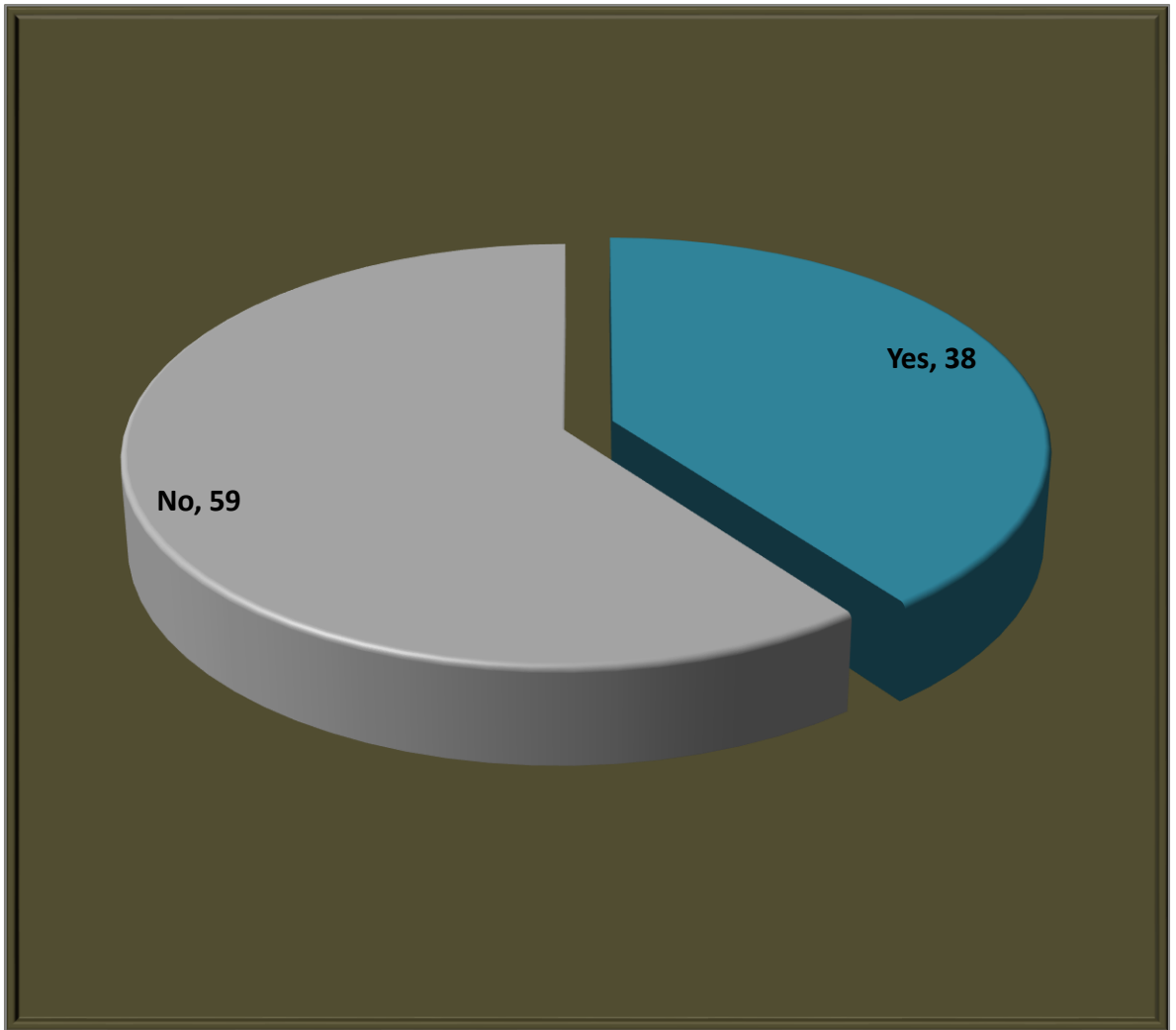
Figure 4.7 Changes in Price Affecting Purchase Decision

Source: Fieldwork, 2019

Other loyalty indicators were used by the researchers to test the loyalty level of Tasty

Tom customers. The findings gathered are shown below:

Table 4.5 Other Loyalty Indicators

Indicator	Response		
		Frequency	**Percentage**
Respondents Would Tolerate Small Mistakes	Strongly Disagreed	48	49.5
	Disagreed	19	19.6
	Neutral	15	15.5
	Agreed	10	10.3
	Strongly Agreed	5	5.2
Respondents Have Developed Good Demand For KRB	Strongly Disagreed	14	14.4
	Disagreed	19	19.6
	Neutral	19	19.6
	Agreed	15	15.5
	Strongly Agreed	30	30.9
KRB Always Come In Mind	Strongly Disagreed	15	20.5
	Disagreed	5	6.8
	Neutral	9	12.3
	Agreed	44	60.3
	Strongly Agreed	-	-
KRB is Always Desirable	Strongly Disagreed	18	18.6
	Disagreed	19	19.6

	Neutral	50	51.5
	Agreed	10	10.3
	Strongly Agreed	-	-

4.6 Ways of Improving Customer Service in KRB

The researchers took a step further to determine ways by which Kumawuman Rural Bank can improve service delivery using the indicators outlined by scholars in the reviewed literature (Khan, 2014; Cronin, 2000; Hellier et al., 2003). The findings are show in table 4.6.

Table 4.6 Ways of Improving Customer Service

Indicator	Response		
		Frequency	Percentage (%)
Improving Mobile Banking	Strongly Disagreed	-	-
	Disagreed	-	-
	Neutral	-	-
	Agreed	24	24.7
	Strongly Agreed	73	75.3

Improvement In Automated Banking	Strongly Disagreed	10	10.3
	Disagreed	5	5.2
	Neutral	5	5.2
	Agreed	30	30.9
	Strongly Agreed	47	48.5
Variations In Products For Customers	Strongly Disagreed		
	Disagreed	25	25.8
	Neutral	5	5.2
	Agreed	24	24.7
	Strongly Agreed	43	44.3
Rewards For Loyal Customers	Strongly Disagreed	-	-
	Disagreed	-	-
	Neutral	-	-
	Agreed	15	15.5
	Strongly Agreed	82	84.5
Training and Retraining of Staff	Strongly Disagreed	14	14.4
	Disagreed	-	-
	Neutral	5	5.2
	Agreed	19	19.6

	Strongly Agreed	59	60.8
Improved Working Condition	Strongly Disagreed	-	-
	Disagreed	-	-
	Neutral	63	64.9
	Agreed	19	19.6
	Strongly Agreed	15	15.5
Regular Customer Service Training	Strongly Disagreed	9	9.3
	Disagreed	15	15.5
	Neutral	39	40.2
	Agreed	9	9.3
	Strongly Agreed	25	25.8

Source: Fieldwork, 2020

It was a general consensus that KRB can improve service quality through improving its mobile baking platform and improvement in automated banking, variations in products offered to customers, training and retraining of staff, improving the working conditions of the staff as well as regular customer service training of staff as majority of the respondents "agreed" and "strongly agreed" to most of the indicators above as seen in table 4.6.

4.7 Effect of Competition on Performance

The researchers dedicated this section of the study to examining the effect of competition on the performance of KRB using improvement output, cost of operations and the viability of the banking industry as a yardstick.

4.7.1 Competition Forcing KBR to Improve

It was realized that competition is helping KRB to improve in all sphere of operations as fifty-three (53) respondents representing 54.6% "agreed" when asked if competition is having an effect on the general output of Kumawuman Rural Bank as seen form table 4.7.

Table 4.7 Competition Forcing KBR to Improve

	Frequency	Percent
Strongly Disagreed	5	5.2
Disagreed	5	5.2
Neutral	10	10.3
Agreed	20	20.6
Strongly Agreed	57	58.8
Total	97	100.0

Source: Fieldwork, 2020

4.7.2 Increase in Cost Due To Competition

Another area looked at was the inflation of cost of services due to competition. Majority of the respondents ('agreed', 30 and 'strongly agreed') indicated that competition is piling up the transactional cost of KRB. Twenty (20) respondents (20.6%) held a neutral view while eight (8) and four (4) respondent 'disagreed' and 'strongly disagreed' respectively.

4.7.3 Competition Is Good For the Industry

Finally the researchers ascertained from the respondents whether or not they agreed that competition is good for the banking industry. They respondents had varied views as seen in the figure below
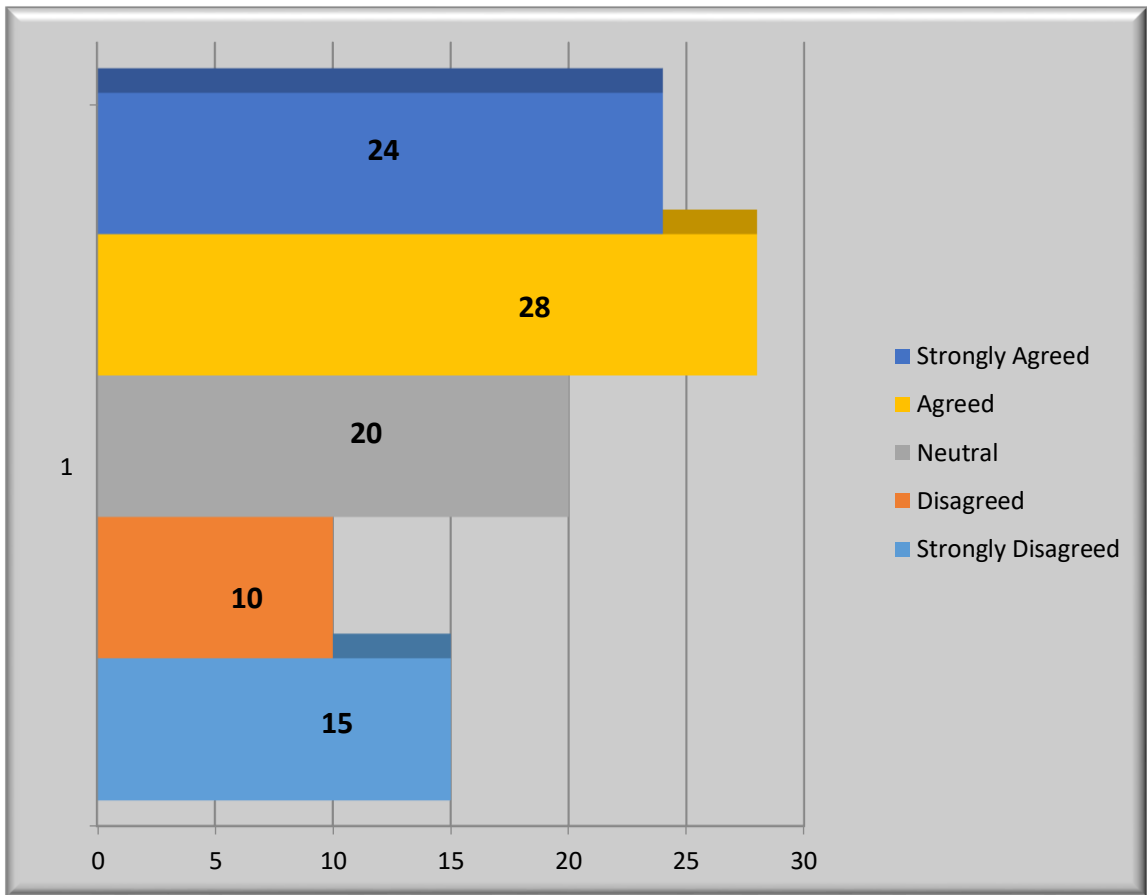
Figure 4.8 Competition Is Good For the Industry

Source: Fieldwork, 2020

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The purpose of this study was to analyse the effect of competition on service quality and general performance in the banking industry by gathering and analysing data from Kumawuman Rural Bank. A summary of the findings of the researchers' fieldwork is shown in this chapter and workable recommendations that are applicable to stakeholders in the organisations in particular and economies in general outlined. The findings are defined along the terrain of the objectives set out in the preceding chapter which are:

1. To evaluate how customers evaluate the quality of services rendered by Kumawuman Rural Bank Limited (KRB).

2. To identify the barriers hindering quality service delivery at KRB.

3. To establish how customer service impacts customer loyalty of KRB customers.

4. To identify ways by which competition improves performance and customer service at KRB.

5.2 Summary of Findings

The researcher drew a synopsis of the finding realized after critical gathering and analysis of data on the topic in this section of the study. The aim of the summary was to give readers straight to the point revelations made by the study.

5.2.1 Service Quality at KRB

Through the level of satisfaction demonstrated by the respondents in the data gathered it was seen that the services rendered does not equate with the expectations of the customers of the KRB. This was seen by the large number of respondents who indicated they were not satisfied with the quality of service rendered to them as service quality was stated to be of utmost importance to the customers. In a sharp contrast to the above, the customers noted that that the standard of service rated is very good, an implication that just little is needed to map the standard of service quality to the expectations of the customers. Another factor which demeaned the service quality of KRB was the fact that the attributes of the services offered to not much the requirements and needs of the customers.

In terms of the general quality of service offered, it was seen that the core nature of service rendered, nature of business environment, level of technology advancement, convenience of bank location, reward for loyalty, time management, staff orientation on job, the pro-activeness of the staff and staff relationship with customers are all areas which needed to be improved by the bank so as to reflect into a higher quality of service.

5.2.2 Barriers to Effective Service Delivery

The loopholes in the service delivery identified above were attributed to several factors which serve as barriers to the bank. Prominent among these were stringent regulatory framework from the central bank, lack of adequate capital, high level of completion, low level of technological advancement, and increase in cyber-crime. These factors

were enumerated to be those hindering the effort of KRB to deliver quality service to its customers.

5.2.3 Effect of Customer Service on Loyalty

The validity of the quality of service indicated by the respondents above was ascertain at this section of the study by the level of loyalty developed by the respondents towards Kumawuman Rural Bank. Majority of the respondents are show lukewarm attitude towards the bank as they are somewhat likely to redo business with the bank. Majority of the respondents were not sure if they would wait to do business or would opt for other options. Strikingly majority of the respondents indicated their purchase decision would not be influenced by price changes in the cost of business transactions with the bank. The respondents however would not tolerate mistakes with the product as they held quality with much importance. The respondents indicated they have developed good demand for the product as the product always come in mind when rural banking is mentioned and their products are somehow always desirable.

5.2.4 Ways of Improving Customer Service

In an attempt to find solution to the shortfalls in the service quality of KRB, the researcher tasked the customers to outlined possible counter measures. Prominent among the suggestions voiced out were improvement in technology and automated banking, improved reward schemes for loyalty, regular training and retraining of staff, improved working conditions for staff and regular customer service training. The improvement in the mobile baking platform also stood tall the suggestions volunteered by the customers. The same is true for variations in products offered to customers.

5.2.5 Effect of Competition on Performance

It was revealed that KRB is forced to improve its service standards because of the intense competition in the banking industry. This however had a toll on the financial burden of the customers as bank has to invest more resources to waive off competition, translating into a higher cost of transaction cost of customers. Ultimately, however, it was noted that competition is good for the banking industry.

5.3 Conclusion

Customer service has become the backbone of all business as their survival depends on it. Any business with the aim of establishing itself in the market and waive off the ever increasing competition needs to pay attention to its customer service efforts. Although Kumawuman Rural Bank is striving in this direction, a lot is still desired so as to peg the bank at the apex of the market whiles making it a top notch brand that always comes in mind when rural banking is mentioned. By making a conscious effort in the form of dedicating more resources to acquiring and maintaining customers through improved customer service, KRB can stand tall in the banking industry.

The empirical results based on the data gathered indicated that quality plays a major role in the buying decision of the consumers. Even though KRB seems to have created a notch of good image in the minds of the consumers, a huge minority seems to have reservations against the bank which needs to be looked at. It was also realized that most of the respondents were willing to pay more for the services of the bank, making the bank fairly inelastic in nature; a point marketer needs to look at when setting prices for

the product. In a nutshell the respondents seemed not to be satisfied with the quality of services rendered by the bank. This is backed by the seemingly low level of loyalty developed for the bank by the customers. These revelations made by the study could be employed by marketer to achieve the target of the organization.

5.4 Recommendations

After critical analysis of information gathered from the study, the following recommendations are suggested for consideration by stakeholders and policy makers:

- More non-traditional medium of service rendering should be encouraged by the bank.

- Kumawuman Rural Bank should set goals right which is in the form of promise to customers.

- Customer service providers of Ahinsan branch should put other customer service strategies that will delight customers in place.

- Management should supervise the customer service personnel closely so that anyone who does not have good customer relations is taken from that department.

- Internet banking is of much concern to both the external and internal customers of

Kumawuman rural bank so it must be looked at and improved if possible.

- More tellers must also be provided to make queues in the banking hall shorter and less burdensome on the staff.

- Further research can look at the management's point of view as far as customer service provision in Kumawuman rural bank is concerned, for comparison.

REFERENCES

Anderson, E. W. (1996), *"Customer Satisfaction and Price Tolerance*Marketing Letters, 7 (3), 19-30.

Anderson, E.W. and Sullivan, M. (1993), *"The Antecedents and consequences of consumer satisfaction for firms"* Marketing Science, Vol. 12, spring, pp. 125-143.

Anderson, E.W., Fornell, C. and Lehmann, D.R. (1994), *"Customer Satisfaction, Market Share, and Profitability: Findings from Sweden,"* Journal of Marketing, 58 (3), 53-66.

Bansal, S., Gupta, G. (2001j, *Building Customer Loyalty Business-to-Business Commerce.* In J. N. Sheth, A. Parvatiyar & G. Shainesh, eds., Customer Relationship Management. New Delhi, Tata McGraw-Hill, 2001, pp. 3-25. Berry, L.L., Parasuraman, A., Zeithaml, V.A. (1985), *Quality counts in services too,* Business Horizons.

Bowen, J. T., Chen, S. L. (2001), *The Relationship Between Customer Loyalty and Customer Satisfaction,* International Journal of Contemporary Hospitality Management, pp. 213-217.

Bryman, A., Bell, E. (2003), *Business research methods,* Oxford press Ciavolino,E., Dahlgaard, J.J. (2007), *Customer Satisfaction Modelling and Analysis:* A Case Study.

Dei-Tumi, E. (2005), "Customer Service is an Attitude, not a Department", *16th edition, pp 34 35.*

Drucker, P. (undated) as cited by Dei-Tumi, E. (2005), *"Customer Service is an Attitude,*not a Department", 16th edition, pp 34-35.

Ennew, C. and Binks, M. (1996), *Good and Bad customers: the benefits of*

participatingin the banking relationship, International Journal of Bank Marketing Vol.14 No.2, pp.5-13.

Ettore, J. (2001), *Serving the customer is only true north in stormy retail seas.* Retail Merchandiser, May, 41(5), 33.

Farquahar, J.D. (2004), *"Customer retention in retail financial services: an employee perspective",* The International Journal of bank Marketing, Vol. 22, No 2, pp86.

Feit, T.L. (2002), *Customer Satisfaction Survey Development and Evaluation* (www2.uwstout.edu/content/lib/thesis/2002/2002feitt.pdf) (Assessed on 21/02 2011).

Ford, D. (1990), *Understanding Business Markets: Interactions, Relationships,* Networks, Academic Press London.

Fornell, C. (1992), *"A National Customer Satisfaction Barometer: The Swedish Experience,"* Journal of Marketing, 56 (1), 6-21.

Fornell, C. and Johnson, M.D. (1993), *"Differentiation as a Basis for Explaining Customer Satisfaction Across Industries,"* Journal of Economic Psychology, 14 (4), 681- 696.

Fornell, C. And Lehmann, D.R. (1994), *"Customer Satisfaction, Market Share, and Profitability: Findings from Sweden,"* Journal of Marketing, 58 (July), 53-66.

Gronroos, C. (2001), *Service management and marketing: a customer relationship management approach.* England: John Wiley and sons limited. 2nd edition.

Gronroos. C. (2001), *"Managing Service Quality,* Vol. 14 Iss: 4, pp.266 - 277

Gyasi,F. (2010) *Customer Retention Strategies as part of customer satisfaction.* Pp70.

Herrmann, A., Huber. Braunstein, C., *Market-driven and service design:* Journal of Operational Research, Vol. 121, No. 3, pp 504-518.

Jamier, L. S. (2002), *Customer service.* (goodcustomerservice.com).

Kandampully, J., Duddy, R. (1999), *Competitive Advantage through Anticipation, Innovation and Relationships,* Management Decision,

Kano, N. as cited in CEMBA 573, *Quality Management,* Commonwealth of Learning 2003. pp 60 (undated).

Kondo, Y. (2001), *Customer satisfaction: how can I measure it? Total Quality Management.* 12(7/8):867-872.

Kotler, P. (2006), *Marketing management.* 12th Ed., NY: Prentice Hall.

Kurtenbach, J. (2000), *Focusing on customer service.* Health Forum Journal, Sep/Oct, 43(5),_35-37.

Lejeune, M. (2001), *Measuring the Impact of Data on Churn Management,* Electronic Networking Application Policy, vol.11 No.3. Pp.12-20.

Lin, H.H., Wang, Y. (2006), *An Examination of the Determinants of Customer Loyalty in Mobile Commerce Contexts,* Information And Management, vol.43.pp. 271-282.

Looy, B.V., Gemmel, P., Van Dierdonck, R. (2003), *Services Management; An Integrated Approach.* Great Britain: Pearson Education Limited. 2nd edition.

Lovelock, C.H. and Young, R.F (1997), *"Marketing's Potential for improving productivity in service industries",* in Eiglier, P., Langeard, E., Lovelock, C.H.

Matt, T. (2007), *Barriers to Outstanding Customer Service* www.entre-propel.com/customer-service/8-barriers-to-outstanding-customer-service/ Assessed on10/03 2011.

Matzler, K., Hinterhuber, H.H., Bailom, F., Sauerwein, E. (1996), *"How to Delight Your Customers"* Journal of Product and Brand management, Vol. 5, No. 2, pp.6-

18.

Oliver, R.L. (1980), *"A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions,* "Journal of Marketing Research, Vol. 17, No.4, pp. 460-469.

Oliver, R.L. (1999), *"Whence Consumer Loyalty",* Journal of Marketing, Vol. 63, October, pp. 33-44.

Quinn, P. (Undated), *the Customer Complaint Iceberg* (http://www.peoplepulse.com.au/Customer-Feedback.htm) Assessed on 23/05/ 2011.

Reichheld, F.F. and Sasser, W.E. (1990), *"Zero defections: quality comes to service",* Harvard Business Review, September - October, pp. 105-111.

Richardson, M.J. (undated), *What Does Customer Service Mean?* (http://www.ehow.com (Assessed 03-02-2011.)

Robson, C. (1993) *Real world Research oxford:* Blackwell.

Rust, R. T. and Zahorik, A.J. (1993), *"Customer satisfaction, customer Retention and market \share",* Journal of Retailing, Vol.69.pp.193-215.

Rust, R. T., & Oliver, R. L. (2000). *Should we delight the customer?* Journal of the Academy of Marketing Science, 28, 86-94.

Saunders, M.N.K., Thornhill, A.,Lewis,P. (2009), *Research methods for business Students.* England: Printhall.

Siadat, S. H. (2008), *"Measuring Service Quality Using Servqual Model:* A Case Study of E-Retailing in Iran.

Sureshchander, G.S., Chandrasekharan, R., Anantharaman, N. (2002) *Determinants ofcustomer perceived service quality: a confirmatory factor analysis approach.*

Journal of services marketing. 1(16): 9-34.

Torbica, Z. M., and Stroh, R.C. (2000) "*HOMBSAT-An* Instrument for Measuring Home Buyer Satisfaction. " Quality Management Journal, Vol. 7, Issue 4.

Turban, E. (2002). *Electronic Commerce: A Managerial Perspective.* Prentice Hall. (.wikipedia.org/wiki/Customer_service).

Walliman, N. (2005), *Your Research Project: A Step-by-Step Guide for the First-Time* Researcher. p. 247.

Wang, Y.S., Tang, T.I. and Tang, J.T.E. (2001), *"An Instrument for Measuring Customer satisfaction towards Web sites that market Digital products and services,"* Journal of Electronic Commerce Research, Vol. 2, No. 3, pp.89-102.

Ward, S. (2007), *Good Customer Service Made Simple* (http://sbinfocanada.about.com). (Assessed on 13/04/ 2011.)

Westbrook, R.A. and R.P. Oliver, (1991), *"the Dimensionality of Consumption Emotion*

Patterns and Consumer Satisfaction," Journal of Consumer Research, Vol. 18 No.1 pp. 146-152.

Wilson, A., Zeithaml, V. A., Bitner, M. J. and Gremler, D. D. (2008), *"Services marketing: integrating customer focus across the firm",* published by McGraw-Hill

Education, 1st European Ed.

Wolf, D. (2010), *Perfect Customer Experience* (contextrules.typepad.com/transformer/).

Zeithaml, V. A., Berry, L.L. and Parasuraman, A. (1988), *"Communication and Control Processes in the Delivery of Service Quality",* Journal of marketing,

Vol.52, April, pp35-

Zeithaml, V.A., Bitner, M., Gremler, D.D. (2006), *Services marketing; integrating customer focus across the firm. Singapore:* Mc-Graw hill. 4th edition.

APPENDIXES

Appendix one: Sample Questionnaire

<u>**SURVEY QUESTIONS FOR KRB**</u>

Research Topic: Effect on competition on customer loyalty in the banking Industry.

The purpose of this chapter is to present, analyse and discuss the data collected from represents on the topic effect on competition on customer loyalty in the banking section. The chapter specifically made analyse of results with regards to the demographic characteristics of responders evaluate the impact on effect on competition on will be limited strictly to the researcher to the researcher and supervisor Anonymity will be ensured in dissemination of findings from this study since participants will not be identified by their names.

Part One Demographic Information

Please answer the following questions by ticking (r) the correct answer in the right column of the answer.

1.   What is your age group?

Below 20	20- 30	31 – 40	41- 50	51 -60	above 60

2.   Marital status

Single	Married	Divorced	Widowed

3.   Gender

1. Male	2. Female	3. Number of children

4.   Educational level

1. rimary	2. Sec ondary	3. T ertiary	4. No formal schooling

5.   How long have you been working in this organization?

1. Less than a year	2. 1 – 5 years	3. 6-10 years	4. 11 – 15 years	5. above 15 years

Part Two: Types of Products Offered by KRB

6.   Which of the following products do you patronize at KRB?

[   ] Personal Banking   [   ] Business Banking   [   ] Retail Banking   [   ] SME Loan

[   ] Business Advisory

7.   How satisfied are you with the product patronized?

[   ] Not Satisfied   [   ] Somehow Satisfied   [   ] Neutrals   [   ] Very Satisfied

8.   How important is quality of service to you?

[   ] Not Important   [   ] Somewhat Important   [   ] Neutral   [   ] Important

[   ] Very Important

9.   How would you rate the quality of service delivered to you at KRB?

[   ] Very Poor   [   ] Poor   [   ] Neutral   [   ] Good   [   ] Very Good

10. To what extent does quality affects your satisfaction?

[   ] Low Extent   [   ] No Extent   [   ] Neutral   [   ] High Extent

11. Does the feature of the products offered meet your expectations?   [   ] Yes   [

] No

Part Three: Quality of Services rendered by KRB

Rate the quality of the following at KRB (1=Extremely Low, 2=Low, 3=Neutral,

4=High, 5=Extremely High (Please tick (√) where applicable)

Indicator	Response			
12. Quality of banking hall	1	2	3	4
13. Quality of services rendered				
14. Level of technology				
15. Convenience of location				
16. Customer confidentiality				
17. Rewards for loyalty				
18. Time management				
19. Staff orientation on job				
20. Pro-activeness of staff				
21. Staff relationship with customers				

Part Four: Barriers to Effective Service Delivery

Rate the extent of influence of the following on service delivery at KRB

(1=Extremely Low, 2=Low, 3=Neutral, 4=High, 5=Extremely High (Please tick ($\sqrt{}$)

where applicable)

Indicator	Response			
22. Regulatory frameworks	1	2	3	4
23. Lack of skilled labour				
24. Lack of adequate capital				
25. Level of competition				
26. Level of technology advancement				
27. Increase in cyber-crime				

Part Five: Ways of Improving Service Delivery

(Please indicate your level of agreement with the following as ways of improving service delivery (1 = Disagree, 2 = Strongly Disagreed, 3=Indifferent, 4=Agreed, and 3 = Strongly Agreed. Please tick (√) where applicable

STATEMENT		RESPONSE				
28.	Improvement in mobile banking	1	2	3	4	5
29.	Improvement in automated banking					
30.	Variations in products for customers					
31.	Rewards for loyal customers					
32.	Training and retraining of staff					
33.	Improved working conditions for staff					
34.	Regular customer service training					

35.   Do you agree competition is forcing KRB to improve performance?

[   ] Strongly Disagreed   [   ] Disagreed   [   ] Neutral   [   ] Agreed

[   ] Strongly Agreed

36.   Do you agree competition is increasing cost of transaction?

[   ] Strongly Disagreed   [   ] Disagreed   [   ] Neutral   [   ] Agreed

[   ] Strongly Agreed

37.   Do you agree completion is good for the industry?

[   ] Strongly Disagreed   [   ] Disagreed   [   ] Neutral   [   ] Agreed

[   ] Strongly Agreed