

**IMPACT OF QUALITY SERVICE DELIVERY CHALLENGES ON CUSTOMER  
SATISFACTION IN THE BANKING INDUSTRY: A CASE OF STANBIC BANK,  
ZAMBIA**

**BY**

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**A Dissertation submitted to the University of Zambia in partial fulfillment of the  
requirements for the award of the Degree of Master of Business Administration in Finance**

**THE UNIVERSITY OF ZAMBIA**

**LUSAKA**

**2024**

## DECLARATION

I, **Namakau Mukelabai**, do hereby declare that this work is my original work achieved through personal reading and research. This work has never been submitted to the University of Zambia or any other Universities. All sources of data used and literature on related works previously done by others, used in the production of this Dissertation have been duly acknowledged. If any omission has been made, it is not by choice but by error.

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## APPROVAL

This Dissertation by **Namakau Mukelabai** is approved as a partial fulfilment of the requirements for the award of the Degree of **Master of Business Administration in Finance**.

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## ABSTRACT

Since Zambia's 1991 economic liberalization, there has been notable growth in the retail banking sector. The search for quality is perhaps the most important consumer trend in recent years because consumers are now more demanding than ever. In an era of rapid global change, customers have diverse options, often relying on brand names for complex financial services. Hence it becomes imperative to delve into the challenges surrounding quality service delivery on customer satisfaction, with a specific case of Stanbic Bank Zambia Limited. Hence, the study explored the impact of the service quality dimensions on customer satisfaction. The five dimensions of service quality that the researcher concentrated on include; tangibility, reliability, responsiveness, empathy and assurance.

A mixed method approach was adopted, combining both quantitative and qualitative techniques. The study involved 340 bank customers that attended a questionnaire and 20 customers and bank staff (Key Informants - KI) who attended in-depth interviews. Data was analyzed using SPSS particularly running the coefficient correlation, regression analysis and ANOVA while using thematic analysis for qualitative data.

The study found that the majority (43.8%) of customers were generally satisfied with the services at the bank. However, an aggregate of 171 respondents were either neutral or disagreed with being happy with services provided by the bank. The study also found that tangibility and assurance were the service quality dimensions that highly influenced customer satisfaction perception at Stanbic Bank. Tangibility had a positive influence on customer satisfaction ( $\beta=0.153$ ) and a p-value (0.028) less than the selected level of significance (0.05) an indication that the influence of tangibility on customer satisfaction is significant while empathy, reliability, and responsiveness were less influential thus requiring improvement for the bank to effectively achieve greater customer satisfaction.

The study concluded that customer satisfaction and loyalty were dependent on the quality of services the bank provided. The service quality dimensions requiring attention included Reliability, Responsiveness, and Empathy for the bank to improve customer satisfaction. The researcher recommends widening the scope to include more districts and banks in future studies.

**KEYWORDS:** Competition, Service Quality, Customer Satisfaction, Responsiveness and Bank

## **ACKNOWLEDGEMENTS**

I wish to acknowledge and thank the Almighty God for giving me the gift of life to write this work.

This work also acknowledges the timely contribution put in by my supervisor, Eng. Dr. Richard Mwale Kasongo. I sincerely thank him for his valuable contribution made for the completion of this study, his comments and corrections which not only fostered completion of the paper but widened my views about the task ahead.

I thank the Stanbic Bank management, staff and customers for allowing me to carry out my research on the institution.

Finally, I thank my family for supporting me throughout my studies, and always encouraging me to do my best in everything.

## **DEDICATION**

I dedicate this Dissertation to my family, my mother Caroline Moyo Mukelabai, my father Mundia Mukelabai, my brother Dumisani Mukelabai, my sister Simenda Mukelabai and my Friends, who have supported me throughout my journey. I also wholeheartedly thank the Almighty Lord our God and Savior for allowing me to complete this study.

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# CHAPTER 1

## INTRODUCTION AND BACKGROUND

### 1.1 Chapter Introduction

This chapter presents the general background on which the study on the impact of service quality dimensions on customer satisfaction in the service sector (Stanbic Bank) was anchored. It begins with highlighting evolving trends in the service sector and further describes the problem the study hoped to resolve. The chapter will also highlight the study objectives and research questions which guided the inquiry. It will also cover study delimitation, purpose, significance and conclude with the dissertation structure and summary of the chapter.

### 1.2 Background to the Study

The construct of service was coined in the 1980s by Churchill and Suprenant (1982) together with Asumbonteng et al., (1996), who popularized the customer satisfaction theory through measuring the firm's actual service delivery in conformity with the expectations of customers, as defined by the attainment of perceived quality, and that is meeting the customers' wants and needs beyond their aspirations. Armstrong et al., (1997) later expanded the concept of service into the five dimensions of service quality that comprised tangibles, reliability, responsiveness, assurance, and empathy. Asumbonteng et al. (1996) asserted the importance of management's ability to understand what constitutes service quality and how to appropriately measure it for subsequent actions to be taken to make improvements and increase value to customers.

Given the increasing competition, banks are currently facing enormous challenges that make it increasingly difficult to survive (Yuan et al. 2022). For financial services providers to survive and be successful, it is critical that the current environment is aligned with new management practices that ensure customer satisfaction and improve business performance. Today's customers are becoming more educated and understand that banks can ignore them in their quest for competitive advantage. Anyafo, (1998). Had long suggested for banks to brace up to the challenges in a bid to provide effective customer service.

Due to intense competition, the sophisticated nature of customers, flexible and unpredictable demand and similarity of services offered by banks, enhanced service quality to satisfy customers is regarded as the main concern to retain loyal customers (Kheng et al., 2010). Thus, it is important



that banks focus their endeavors to improve service quality and delight their customers (Radomir et al., 2010).

Service quality issues have long been neglected in developing economies when compared to the information available about developed economies (Munusamy, Chelliah & Mun, 2010). In order to draw in and keep customers, businesses operating in the same market sector must evaluate the quality of the services they offer. Markets for business are now much more competitive with one another.

In order to compete in such a crowded and dynamic market, banks must move beyond the traditional 4Ps of marketing strategy, which are no longer adequate to be performed for obtaining competitive advantage. Because of this, service quality is now a crucial subject in service research and is a term that is used in all commercial enterprises. Without cultivating customer satisfaction and loyalty, it is almost impossible for a corporate organization to prosper. Research has shown repeatedly that, service quality influences organizational outcomes such as performance superiority (Obanaya, 2019) increasing sales profit (Annan et al, 2020) and market share (Fisher, 2001), improves customer relations, enhance corporate image and promote customer loyalty (Ehigie, 2006). The search for quality is perhaps the most important consumer trend in recent years because consumers are now more demanding than ever.

Despite Zambia having many financial service providers, client complaints about their unhappiness with the services received have grown recently. Consumer dissatisfaction has mostly been linked to the delivery of unsatisfactory services. Most studies on service quality and customer satisfaction have been conducted in industrialized economies such as the United States, United Kingdom, and Pakistan (Adams, et al. 2004; Chatura & Andy, 2003; Basharat, & Zoune, 2011).

Simwanza and Owolusi (2020), conducted a survey with banking customers on many validated questions, based on which they got 107 valid responses. The data was processed to produce the valuable results and Quantitative Data Analysis (QDA), via simple regression analysis and ANOVA. The findings and analysis of data show that quality of service provided and customer satisfaction are important when monitoring the experience of customers based on the effects of quality of service and customer loyalty and their returns thereafter. Based on the data analyzed, the study concluded that customer experience had a positive impact on customer loyalty and banks must ensure that their customers walk out with good experience by monitoring this periodically to

adapt or adjust to current trends. The study also observed a significant relationship between customer satisfaction and customer loyalty.

The perceived future of banking is that banks can realign to compete in new arenas, organized around distinct customer needs. These arenas will expand far beyond the current definition of financial services, and they will also be hotly contested by a wide range of tech giants, tech start-ups, and other nonbanks (Ulrich-Diener, et al. 2023).

Quality service delivery is critical to customer satisfaction in the banking industry, and identifying the unknown gaps that impact this can be a challenge. While some gaps may be obvious, others may require more in-depth analysis to understand. There are several areas where unknown gaps may exist, including the perception of service quality, employee attitudes and behavior, accessibility and convenience, service recovery, and emotional connection.

To address these gaps, banks may need to understand customers' expectations better and preferences regarding service quality. They may also need to assess employee engagement levels, training, and motivation to ensure that front-line employees are aligned with the bank's service quality goals. Additionally, banks may need to assess their service delivery channels to ensure that they are meeting customer needs and expectations, including physical branches, online banking, mobile banking, and customer service hotlines.

When service failures or customer complaints do occur, how banks handle these situations can significantly impact customer satisfaction. Banks may need to assess their service recovery processes to ensure that they are effective in addressing customer complaints and resolving issues. Building an emotional connection with customers can be a challenge in the banking industry, and banks possibly will need to assess how they can create a more personalized and empathetic customer experience that builds trust and loyalty (Komunda and Osarenkhoe 2012).

Overall, identifying and addressing the unknown gaps in quality service delivery requires a proactive approach that involves ongoing assessment, measurement, and improvement efforts. By understanding customers' expectations and preferences and aligning their service delivery channels and employee behavior with these expectations, banks can improve customer satisfaction and build long-term loyalty.

### **1.3 Statement of the Problem**

In the current competitive Zambian banking context, customers have grown savvier and are changing businesses as a result of globalization and technological innovation. Again, customers have gained much knowledge which has gradually led to a greater degree of “consumer sovereignty” when making a choice (Timmermann, 2018). Customers are now more conscious of service quality delivery and firms are striving for positions by ensuring optimal customer satisfaction (Johnson, 2018). Auka et al. (2013) posits that service quality is one of the critical success factors that influence the competitiveness of a service organization. A bank can differentiate itself from competitors by providing high-quality service.

In the case of Stanbic Bank, one of the leading banks in Zambia, quality service delivery is a growing concern. In 2022, the Competition and Consumer Protection Commission saw an increase in the number of poorly executed services (unsuitable services) mostly in the banking and financial services sector which accounted for 64.47% of the two thousand four hundred and twelve (2,412) violated provisions recorded (CCPC performance update 2022, news article). Several factors were identified as negatively influencing the customer and could be categorized as service quality perception, employee attitudes, accessibility, service recovery, and emotional connections. Even though Stanbic Bank holds a prominent banking position in the country, it is not exempt from these challenges and if left unaddressed, could negatively impact customer satisfaction and the competitive position of the bank in the market.

While a study was done on the effect of online banking on customer satisfaction at Stanbic Bank (Sambaombe and Phiri, 2022), there hasn't been a study specifically analyzing the impact of service quality delivery challenges on customer satisfaction at Stanbic Bank.

### **1.4 Purpose of the Study**

The purpose of the study is to identify the challenges of service quality in the service sector with respect to the service quality dimensions and their effect on customer satisfaction. This was an important undertaking because of the following reasons;

- a) **Identify Trends or Patterns:** Building on the fact that research helps identify patterns or trends in data and behaviors. This study purposed to draw insight from the study site. These insights provide valuable information about the behavior of systems, populations, or phenomena. While it has been advanced in previous studies, this study took into consideration

the Zambian population to understand differences and similarities in trends while building on existing knowledge.

- b) **Evaluate Programs or Interventions:** Research assesses the effectiveness of programs, policies, or interventions. This study sought to assess the service quality dimensions and analyzed their impact on client satisfaction. The results of which may inform bank administrators as they formulate policies and build capacity in staff for improved quality of service.

## **1.5 The Objectives of the Study**

This section highlights the general and specific objectives that were used in guiding the inquiry in this study. The general objective mirrors the research title as it is the overall goal of this inquiry. The specific objectives on the other hand are segments that contributed to the realization of the main goal of the study.

### **1.5.1 General Objective**

To explore the impact of service quality dimension challenges on customer satisfaction in the service sector at Stanbic Bank Zambia

### **1.5.2 Specific Objectives**

1. To determine the level of customer satisfaction with the service quality dimensions at Stanbic Bank Zambia.
2. To assess what service delivery dimension influences perceived customer satisfaction at Stanbic Bank Zambia.
3. To evaluate how customer service delivery impacts customer loyalty at Stanbic Bank Zambia.

## **1.6 Research Questions of the Study**

This section presents the main research question from which the research derived specific research questions as shown below. The questions informed the objectives and the relationship as seen as they mirror each other.

### **1.6.1 General Research Question**

How do the service quality dimension challenges at Stanbic Bank Zambia affect customer satisfaction?

### **1.6.2 Specific Research Questions**

1. What is the level of customer satisfaction with the service quality dimensions at Stanbic Bank Zambia?
2. What service delivery dimension influences perceived customer satisfaction at Stanbic Bank Zambia?
3. How does customer service delivery impacts customer loyalty at Stanbic Bank Zambia?

### **1.7 Scope of the Study**

This study sought to investigate the challenges of service delivery and their impact on customer satisfaction in Stanbic Bank of Zambia. It targeted customers, and staff of Stanbic Bank Zambia Limited at their various Branches in Zambia from where the sample size was selected. The study was covered within ten months between February and November 2023. This study sought to investigate factors affecting service delivery in Stanbic Bank Zambia.

However, the selected sample population for this particular study was limited only to the customers of branches based in Lusaka only. Thus, the ability to generalize to the entire population of Stanbic Bank is severely limited. The sample is however similar in nature to the population of customers in various other banks in Zambia and thus can be generalized to represent a sufficient scope of study.

### **1.8 Delimitations of the Study**

The study seeks to identify the service quality challenges affecting customer satisfaction. It is therefore guided by the following specific objectives; to determine the challenges of Service quality dimensions on customer satisfaction at Stanbic Bank Zambia; to examine how customer service delivery impacts customer loyalty at Stanbic Bank Zambia and to establish strategies to enhance customer satisfaction based on the findings of the study at Stanbic bank Zambia.

Further, the study used the customers of various branches as the study population in Lusaka. On a geographical point of view, this study was conducted in 11 branches of Stanbic Bank. The research methodology used to carry out the research is the mixed method. From the population, a sample size was drawn based on the convenience and purposive sampling method. Data collection was carried out via questionnaires made up of structured as well as open-ended questions. This was

analyzed through descriptive statistics while using Microsoft Excel and SPSS as the analysis tools alongside thematic analysis. The data was presented using tables and graphs.

## **1.9 Significance of the Study**

The following show the areas in which the study is significant.

### **1.9.1 Management of Stanbic Bank**

This study may help the management of Stanbic Bank in identifying areas which they need to improve on in order to improve the quality of service to its customers. It may help them to be aware of where, when and how to increase their resources so as to make their services better. The study may also assist the customer care department in being aware of weak areas and how to improve on these areas so as to improve the quality of service offered to the bank's customers.

### **1.9.2 Policy Makers**

The study finding may assist policymakers in designing policies aimed at enhancing customer service delivery, this study may enlighten them on various factors affecting customer service delivery in Stanbic Bank.

### **1.9.3 Academicians and Future Scholars**

The study may be of great to academicians and future scholars at will provide literature to future research as well as provide basis for future research on the challenges of customer service delivery in the banking industry. The study is also important as it gives researchers exposure to a wider scope of knowledge that they can use in case they need to carry out future research on similar topics.

## **1.10 Structure of the Study**

This study follows the academic standards of writing as required by the University of Zambia. It was structured in five distinct yet related and concurrent chapters. Below is a brief description of the contents of each chapter.

Chapter One: General Study Introduction – this chapter begun with a brief outline of the chapter. It further gave an elaborative background of the study highlighting the evolution of trends in the banking sector and then stated the problem it hoped to solve. The chapter outlined the aim of the study while specifically highlighting how the researcher hoped to find answers to the questions

paused. The research elaborated on the significance of this inquiry and concluded with an outline of the study structure and a chapter summary.

Chapter Two: Literature Review – This chapter presented the studies that guided the conceptualization of this study. It included materials both from hardcopy and online secondary data sources. Taking a global, regional and local context, documents were reviewed, theories interrogated and empirical studies critically studied while highlighting the gaps that motivated the researcher. The chapter also presented the theoretical framework which informed the conceptual framework developed by the researcher to show how her study variables interact.

Chapter Three: Methodology – this chapter described the methods adopted in the study particularly highlighting that it used mixed methods, i.e. quantitative and qualitative techniques. It described the study setting and the participants. It further described the sampling and data collection techniques used in the study. Data management and analysis tools, data presentation plan are described here as well as the ethical issues put into consideration.

Chapter Four: Results – this chapter presents the findings of the study. It begins with description of study participants in terms of their sociodemographic characteristics. It then presents results on the independent variables of the study and how these influence the dependent variable. The results are presented in the form of tables and verbatim narrations in themes guided by research objectives. This chapter also provided discussions or results that were further compared to previous research findings especially that the study purposed to build on existing knowledge while getting a local context to inform local practice and policy.

Chapter Five: Conclusions and Recommendations – This chapter mimics Chapter Four in that it provided a summary of findings in themes following the research objectives and informed the recommendations for the study site as well as readers. It further gave the areas for future research which were primarily anchored on the limitations of the current study for some reasons beyond the control of the researcher.

### **1.11 Chapter Summary**

The financial services industry in Zambia has evolved through challenging times. Business strategies have accordingly advanced with the focus being on the customer. In order for banks to differentiate themselves from their competitors, a winning customer service and retention strategy

is required to create a competitive advantage. The needs and perceptions of the clients of the bank must therefore be examined so that the service delivery can be adapted and improved to meet their requirements.

This chapter has summarized the problem, motivation and focus of the study. The benefits and the importance of the study were discussed. The key objectives, the limitations of the study as well as the outline of the study were presented. To establish the effect of customer service on customer satisfaction and loyalty a literature review was undertaken and is discussed in the next chapter.



## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Chapter Introduction

In the second chapter of this study, we delve into the literature review. The goal is to provide insight into the issue at hand and the previous solutions attempted, while also helping to clarify the researcher's own ideas. This involves a discussion of related work and theories from various authors to explain the purpose of the research problems being studied. Through this comprehensive review, we hope to gain a deeper understanding of the topic and identify areas for further research.

The literature review includes the conceptual review of literature, theoretical literature as well as empirical review of relevant literature from different studies are addressed. The conceptual framework of the model and the gap in the literature are also presented in this chapter. Other relevant literature on the subject matter is also discussed in this chapter to guide the study.

#### 2.2 Theoretical Literature Review

The literature review is a step-by-step process that involves the identification of published and unpublished work from secondary data sources on the topic of interest, the evaluation of this work in relation to the problem, and the documentation of this work” (Sekaran and Bougie, 2009 cited by Paré and Kitsiou 2017).

##### 2.2.1 Quality

Any business that can't manage the quality of its processes and products tends to fall apart. Quality is critical to sales, cost control, productivity, risk management and compliance. Quality is a multi-faceted and intangible construct (Charantimath, 2011; Zhang, 2001) that has been subject to many interpretations and perspectives in our everyday life, in academia, as well as in industry and the public domain. In industry, most organizations have well-established quality departments (Sousa & Voss, 2002), but the method of organizing quality work for best results is still being questioned. These questions are about the need for a separate quality profession (Waddell & Mallen, 2001), the quality practices that best influence business results (Gremyr et al., 2019), and competencies that the quality practitioners need to have (Martin et al., 2019; Ponsignon et al., 2019). All of these questions relate to the definition of quality and its meaning.

### **2.2.2 Service Delivery**

Service delivery is the practice of providing customers with a positive helpful experience when they enter a business, throughout the time they stay at the business, and even after the customer leaves, should they have additional questions or products to return (Thompson and Kolsky, 2004). Service quality is a determinant of whether a customer ultimately remains with or defects from a company (Smith et al. 2021).

### **2.2.3 Customer**

The term ‘customer’ is commonly used to refer to end-users of a product. A customer (also known as a client, buyer, or purchaser) is usually used to refer to a current or potential buyer or user of the products of an individual or organization, called the supplier, seller, or vendor. This is typically through purchasing or renting goods or services. Broadly, there are internal and external customers, where internal customers refer to the staff or employees and external customers refer to stakeholders of an organization. The term “customer” has evolved over time, and it’s now used to refer to anyone who receives a service or product from another person or group of people. To ensure quality service delivery and customer satisfaction, businesses must understand their customers’ needs, preferences, and expectations, both internal and external.

### **2.2.4 Customer Satisfaction**

Customer satisfaction is a business term, it’s a measure of how products and services supplied by a company meet or surpass customer expectations. It is seen as a key differentiator and increasingly has become a key element of business strategy. According to Churchill and Surprenant (1982) “customer satisfaction is an outcome of purchase and use resulting from the buyers' comparison of the rewards and costs of the purchase in relation to the anticipated consequences”. It is also defined in terms of an emotional state that usually arises in response of evaluating a particular service (Wang and Beise-Zee, 2013).

### **2.2.5 Banking Industry**

The banking industry is a network of financial institutions licensed by the state to supply banking services. It is an enormous sector of business and finance that plays a large part in financial dealings, as it is a major and popular means for investing, borrowing, and storing money. The industry serves as intermediaries between depositors (who lend money to the bank) and borrowers (to whom the bank lends money).

The banking industry includes systems of financial institutions called banks that help people store and use their money. Banks are financial institution that accept deposits from the public and create a demand deposit while simultaneously making loans. Lending activities can be directly performed by the bank or indirectly through capital markets.

### **2.3 Service Quality and Customer Satisfaction**

As advanced above, customer satisfaction refers to the level of fulfillment expressed by the customer after the service delivery process. Customer satisfaction is important due to its direct impact on customer retention (Hansemark and Albinsson 2004; Cao et al., 2018; Zhou et al., 2019), level of spending (Fornell et al., 2010), and long-term competitiveness of the organization (Sanchánek and Králová, 2019). Susskind et al. (2003) suggested that describes that service quality has a direct impact on customer satisfaction. For this reason, this research considers that the five dimensions of service quality are the important antecedents of customer satisfaction. Service quality refers to the ability of the service to address the needs of the customers (Atef, 2011). Customers have their own perception of quality before interacting with the organization. The expectancy-confirmation paradigm holds that customers compare their perception with the actual experience to determine their level of satisfaction from the interaction (Truck,2006). These assessments are based on the five independent factors that influence quality. Consequently, this research considers service quality as an independent variable. Khurana, (2013) and other researchers all advocated that banks should focus on service quality as an input to customer satisfaction for long-term benefits and business success. Likewise, Wang et al. (2003) highlighted in his study that the banking industry forms a link between service quality and customer satisfaction.

Although satisfaction factors vary according to the type of products, services and industry in which a particular business or firm operates, empirical studies have given credence to their impact on overall satisfaction (Szymanski and Henard 2001). Customer satisfaction is said to be central to the marketing concept, with grounds of strategic connections between satisfaction and service performance (Truch, 2006). It has gained a considerable position in the marketing literature over the last few decades as satisfied customers can provide a long-term benefit for companies. This may include customer loyalty/retention and higher profitability (Homburg et al, 2006).

Service quality is an antecedent of customer satisfaction and customer satisfaction is an antecedent of profitability (Zeithaml, 2000; Chang and San, 2005). Increases in customer satisfaction translate into retained markets, increased use of the system, newly attracted customers, and a more positive public image (Transit Cooperative Research Program, Report 47, 1999). Similar to the cost of producing poor quality products, the cost of delivering poor quality service includes the costs associated with redoing the service, compensating for poor service, loss of customers, and negative word of mouth (Bitner et al. 1994 as cited in Lee and Tantakasem, 2008).

The key factor that influences customer behavior is customer satisfaction (Daly, Frey and Woodside, 1989). The higher the level of customer satisfaction the higher the level of customer attitudinal and behavioral loyalty will be (Lee and Tantakasem, 2008). Cardozo (1965) also confirms that the higher the level of customer satisfaction, the more likely the customer will make repeated purchases and purchase other products or services of the firm.

### **2.3.1 Concept of Service Quality**

Quality of service is a construction, which has generated considerable interest and discussion in the literature of service marketing because of difficulties both in identifying and measuring it, without general agreement. As a result, several researchers are branded as 'superb' and 'individual' as an operating and measuring term (Obanaya, 2019).

There are different definitions of service quality in the literature. According to Parasuraman et al., 1985 cited in the work of Hakim (2019), service quality is regarded as the disparity between what customers expect from a service and what they get. In today's dynamic world, service quality is viewed as a tool for surviving and competing. Service quality is particularly important in the banking industry because it ensures a high degree of customer satisfaction, and as a result, it has become a more important means of obtaining a competitive advantage.

Service quality plays a major role in capturing customers' interest by achieving the satisfaction and loyalty of customers, particularly in the context of financial institutions in Nigeria. As consumers have 19 possibilities, customers would not be loyal to the company if they are not adequately happy with the service provider and will become their rivals. To keep customers satisfied and loyal, the organization's service quality must be prioritized because it has a significant influence on customer satisfaction and loyalty. Service quality is described as a service provider's overall evaluation of its performance to the general expectations of customers on how businesses in that

industry operate. This means that service quality is the contrast in what customers perceive or expect from service organizations. Simply put, service quality assesses how well a service provider meets the needs of the customer.

In general, if customers are satisfied with the goods or services offered, they are more likely to use them again. Also, satisfied customers are more likely to speak eagerly about purchasing or using a particular service; this leads to a positive appearance. On the other hand, dissatisfied customers are more likely to switch to another brand; this causes a negative appearance. The importance of satisfying and keeping a customer in establishing strategies for a market and customer-oriented organization cannot be neglected.

### **2.3.2 Concept of Customer Satisfaction**

The satisfaction of customers means the extent to which an organization's customers repeatedly identify with the products and services of an organization. Customer satisfaction is a metric for determining how satisfied consumers are with a company's goods, services, and functionality. Customer satisfaction data, such as surveys and ratings, may assist a business in determining how to develop or adjust its goods and services to retain its customers. The importance of customer satisfaction and loyalty is undeniable. Customer retention is far superior to new customer acquisition.

As a result, an organization needs to retain its customers. Hence, the organization must seek what pleases the customer and ensure that they make them happy (Al Annan et al, 2020). The satisfaction of a customer can be seen in various ways. For example, it is a communication concept that describes how a company's goods or services meet or surpass the needs of its customers. It is often described as fulfilling the customer's needs, wants, and wishes throughout a product or service's life cycle.

### **2.3.3 Measures of Service Quality**

In the literature, there have been several components used in measuring service quality by researchers. The components differ from one researcher to the other. For example, an early study by Parasuraman et al (1991) came up with ten dimensions of service quality that include access, communication, competence, credibility, courtesy, security, tangibles, responsiveness, reliability, and understanding the customer. Sangjae and Kun (2020) put forth six different dimensions of

service quality which involve: ease of use, usefulness, reliability, system security, empathy, and responsiveness. However, in recent times most scholars have made use of five major components to stand as the dimension for service quality. These dimensions are reliability, responsiveness, assurance, empathy, and tangibles. These dimensions are successfully integrated into service quality aspects, implying that consumers' preferences and service providers' perceptions are interconnected.

Gogoi and Jyoti (2020) elaborated on the use of SERVQUAL (service quality), developed using both qualitative and quantitative research by Parasuraman et al. (1985, 1988, and 1994) to measure service quality. SERVQUAL identifies service gaps and measures strengths and weaknesses in service delivery using five dimensions of service quality to assess the level of service quality along each dimension. These measures are;

- i. Tangibility measures the appearance of physical facilities, equipment, personnel, and communication materials,
- ii. Reliability measures the staff's ability to perform the promised service dependably and accurately,
- iii. Responsiveness measures the willingness of the staff to help customers and provide prompt service when needed by the customers,
- iv. Assurance is the measure of knowledge and courtesy of employees and their ability to convey trust and confidence in the personal information that has to do with the customer, while,
- v. Empathy measures the care, and individualized attention the firm provides its customers.

#### **2.4 Relationship Between Service Quality and Customer Satisfaction**

Service quality and customer satisfaction have long been recognized as playing a crucial role for success and survival in today's competitive market. Regarding the relationship between customer satisfaction and service quality, Oliver (1993) first suggested that service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative or transaction specific. In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service (Wilson et al., 2008).

Although it is stated that other factors such as price and product quality can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml & Bitner, 2003). As said by Wilson et al. (2008), service quality is a focused evaluation that reflects the customer's perception of reliability, assurance, responsiveness, empathy and tangibility while satisfaction is more inclusive and it is influenced by perceptions of service quality, product price and quality, also situational factors and personal factors.

The relationship between service quality and customer satisfaction is becoming crucial with the increased level of awareness among bank customers. Demographic characteristics should be considered by the bank managers to understand their customers (Sureshchander et al. 2002). Considering the aforementioned, the importance of delivering quality services that meet customer satisfaction cannot be overemphasized, especially in a competitive market. Research has shown that customer satisfaction leads to increased customer loyalty, profitability, and a positive public image, while poor service quality leads to customer loss, negative word of mouth, and other associated costs. The relationship between service quality and customer satisfaction is critical for the success and survival of businesses in today's market. Therefore, it may be essential for businesses like Stanbic Bank to prioritize service quality improvement issues to drive high levels of customer satisfaction and retain their markets.

#### **2.4.1 Effect of Service Quality on Customer Satisfaction**

For marketers or service providers, achieving customer satisfaction is important because it is supposed to be an important motive of customer loyalty, repeated business (with customers) and positive word of mouth (Kaura et al. 2012). However, quality is not the only factor that affects the customer satisfaction, there are other factors besides quality like performance, expectations, (Mohr, 1982) desires and price factor affect the customer perceptions and the overall satisfaction level. Where quality of service is a descendent of customer satisfaction as described by (Kaura et al. 2012), Service quality is not the only factor that has a direct impact on customer satisfaction.

Identification of other elements besides quality that affect the satisfaction is critical. The other factors as described by Woodruff & Albert (2002) are value, corporate reputation, Image and transaction satisfaction. On the other hand factors that affect the service quality other than those of intangible nature like human interaction in service delivery, rest are of tangible nature, design and décor elements, the effect of atmospherics, employee appearance and appearance of equipment

etc (Sureshchandar et al., 2002). A clear understanding of all these factors that affect the relationship between service quality, and customer satisfaction results in overall performance of the firm and can help to ensure better implementation of resources that firms require putting in place.

## **2.5 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. On the other hand, one may counter that loyalty cannot always be accurately determined by customer satisfaction. While important, satisfaction alone does not guarantee 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. Marketers are looking for knowledge these days on how to increase client loyalty. Reduced operating expenses, more sales, and lower marketing expenses all contribute to the higher profits. Once again, because they are familiar with the product and don't need as much information, loyal clients are less expensive to service. They even work part-time jobs. Therefore, loyal customers not only require less information themselves, but they also serve as an information source for other customers. For organizations to ensure that there is customer loyalty, organizations must be able to anticipate the needs of their customers (Khan & Fasih 2014). Monson (2021), suggested that a customer's interest in maintaining a loyal relationship depended on the firm's ability to anticipate customers' future needs and offer them before anyone else does. Stanbic Bank could benefit by concentrating on fostering client loyalty through outstanding service delivery and anticipating customer wants, according to the study that has been provided. Customers who are happy are more likely to stick around, which might boost the company's profitability. It is crucial to remember that although client happiness is required, it does not guarantee loyalty. Organizations must also be able to anticipate customer needs and offer solutions before competitors. By doing so, Stanbic Bank could create a sustainable competitive advantage and increase customer loyalty, ultimately leading to long-term success.



## **2.6 Empirical Literature Review**

Sound evidence is superior to arguments based on false evidence, limited evidence, or no evidence. Evidence must be collected from the social world around us, and this requires that empirical research be done. The current study is going to look at multiple countries.

In the literature, there are different empirical studies carried out by researchers in an attempt to examine the challenges of service delivery on customer satisfaction. Several studies have also focused on its effect on customer satisfaction. The views from different studies have been controversial which may be in their area of measures of service quality. Some of the empirical findings are reviewed below.

### **2.6.1 Quality Service Delivery on Customer Satisfaction – a Global Perspective**

In the literature, there are different empirical studies carried out by researchers in an attempt to examine the challenges of service delivery on customer satisfaction. Several studies have also focused on its effect on customer satisfaction. The views from different studies have been controversial which may be in their area of measures from service quality. Some of the empirical findings are reviewed below. In order to satisfy phenomena, literature was reviewed using the funnel model which basically is approached from global continental, regional and local perspective.

In South Korea, Sangjae and Kun (2020), in their study, findings revealed that out of the six major measures used for service quality, system trust, usefulness, responsiveness, empathy, and ease of use stand as a major factor that determines the satisfaction of the VIP customers than that of the general customers while in the case of general customer system security is a more relevant factor that determines their satisfaction that the VIP customers. In another study conducted by Madurapperuma and Maddumabandara (2021), investigating the impact of service quality dimensions on customer satisfaction in the banking industry of Sri Lanka was investigated. The results of the study showed that all five dimensions of service quality (tangibles, reliability, responsiveness, assurance, and empathy) significantly influenced customer satisfaction in the banking industry of Sri Lanka. Huang and Yu (2021), found that all five service quality dimensions (tangibles, reliability, responsiveness, assurance, and empathy) have a positive impact on customer satisfaction in the banking industry of China. The results of the study highlighted the importance of improving service quality in all dimensions to increase customer satisfaction and loyalty in the

Chinese banking industry. In a study conducted by Koudou and Wouafo (2020), which looked at the challenges faced by French banks in delivering quality service and the impact of these challenges on customer satisfaction were investigated. The study used a mixed-methods research approach and collected data from both bank employees and customers using semi-structured interviews and a questionnaire. The results of the study showed that the main challenges faced by French banks in delivering quality service were a lack of employee training and development, outdated technology, and insufficient customer service. The study also found that these challenges had a negative impact on customer satisfaction and loyalty.

### **2.6.2 Quality Service Delivery on Customer Satisfaction - an African Perspective**

Within the literature, diverse empirical studies conducted by researchers aim to analyze the challenges of service delivery concerning customer satisfaction. Numerous investigations delve into the impact of service delivery on customer satisfaction, with varying perspectives that may stem from disparities in measures of service quality. The empirical findings, subject to review below, exhibit a range of viewpoints. To comprehensively address these phenomena, the literature is examined through the funnel model, a framework that encompasses a global continental, regional, and local perspective. This approach aims to incorporate a nuanced understanding, acknowledging the diverse contexts and experiences, including those specific to the African perspective.

Aryeetey et al. (2015), found that there are several challenges that hinder banks from meeting these expectations, including inadequate staff training, poor communication channels, and inadequate technology infrastructure. In Nigeria, Obananya (2020) examined the linkage between service quality and customer loyalty in the commercial banking industry. Four dimensions of service quality were used that include assurance, responsiveness, tangibility, and reliability. The study makes use of five selected banks across the Southeast region that includes: Union Bank of Nigeria Plc in Enugu, Fidelity Bank, Ebonyi, First Bank of Nigeria, Abia, Guarantee Trust Bank in Imo State, and Zenith Bank in Anambra state. A total of 1800 respondents were selected from the five banks in the different states using stratified random sampling techniques. Simple percentage and multiple regression analyses were employed in analyzing the data collected from the response of the respondent from the questionnaire administered. The findings revealed that there is a significant correlation between service quality and customer loyalty in the Nigerian banking sector.

However, a study by Kollie and Yang (2019) found that the major challenges faced by banks in Liberia include inadequate technology infrastructure, poor customer service, and lack of staff training.

A study by Mutinda et al. (2020) found that the major challenges faced by banks in Kenya include poor customer service, inadequate technology infrastructure, and long waiting times. The study found that customer satisfaction is closely linked to the quality of service delivery, and that poor service delivery can result in customers switching to competitors. Another study conducted in Ethiopia by Tilahun and Woldie (2020) utilized a mixed-methods approach to investigate the challenges of quality service delivery on customer satisfaction in the banking industry. The study found that the major challenges faced by banks in Ethiopia included long waiting times, poor customer service, and inadequate technology infrastructure.

A study conducted by Otim and Nabuzale, (2019) investigated the challenges of quality service delivery on customer satisfaction in the banking industry in Uganda. The study used a mixed-methods approach and found that the major challenges faced by banks in Uganda in delivering quality service include poor customer service, long waiting times, and inadequate technology infrastructure. Lomendra et al. (2019) assess the impact of the service quality dimension on the satisfaction of customers in the commercial banks in Mauritius. A total of 200 respondents that were customers of the commercial banks were randomly selected from the total customers using random sampling. Their study used the SERVQUAL Model. In analyzing the data collected from the well-structured questionnaire administered to the respondents, they employed regression analysis techniques. Their findings revealed that all the five dimensions used in measuring service quality have a positive and significant influence on the satisfaction of the customer in the banking sector. The study however does not examine the effect of the service quality measures on the loyalty of the customer. Stanbic bank could be in a position to allow a study on service quality measures on the loyalty of the customer.

A study by Munyaradzi and Mutasa (2020) investigated the challenges of quality service delivery on customer satisfaction in the banking industry in Zimbabwe. The study found that the major challenges facing banks in Zimbabwe in delivering quality service include poor customer service, long waiting times, lack of adequate technology infrastructure, and low financial literacy among customers. The study used a survey-based approach to collect data from customers of various

banks in Zimbabwe. Using the public sector in Botswana, Mosimaregape, et al. (2020) investigated whether there exists any relationship between service quality and the satisfaction of the customer. They concluded that service quality in terms of assurance, responsiveness, empathy, tangibility, and reliability assists in improving customer satisfaction. However, in terms of ranking, they concluded that tangibility is more preferable to the customers than other service quality measures. Their study, however, focused on the relationship between service quality and the satisfaction of the customer but failed to look at the effect on the loyalty of the customer. Stanbic Bank may consider similar service quality.

### **2.6.3 Quality Service Delivery on Customer Satisfaction - a Zambian perspective**

In recent years, there has been a lot of scholarly focus on the connection between consumer satisfaction and service quality. For example, Sichinsambwe et al. (2017) sought to determine the relationship between service quality and the resultant customer satisfaction for both foreign and local banks in Zambia. They found that the mean expectations of the five dimensions of service quality are higher than the mean perception thereby indicating that in general customers of both local and foreign banks are not satisfied with the service being offered by the banks. Another study by Mulenga, (2019) assessed Service Quality and Customer Satisfaction levels in Railway Industries: A Case Study of Tanzania Zambia Railway Authority (Tazara) Passenger Train in Zambia. Their results indicated that truly there is a relationship between service quality and customer satisfaction. Personal interaction of customers with service staff, reliability of the railway, assurance, empathy, responsiveness, tangibles, management reaction towards accident clearance and ticket refund as aspects of service quality greatly influence customer satisfaction.

However, there is still much to learn about the precise nature of the link between consumer satisfaction and service quality, particularly in light of how the two conceptions have been operationalized. Other researchers have employed single-item measures to operationalize customer satisfaction, while other others have employed multiple-item scales. This research takes a different tack and considers client satisfaction to be a multidimensional construct, much like service quality. However, it contends that customer satisfaction ought to be operationalized along the same components (and related items) as are used to operationalize service quality. This method has been used to examine the relationship between customer satisfaction and service quality. The results have indicated that the two concepts are indeed independent but are closely related, implying that an increase in one is likely to lead to an increase in another.

## **2.7 Service Quality Gaps**

Parasuraman et al. (1985), developed a conceptual model of service quality where they identified five gaps that could impact the consumer's evaluation of service quality in four different industries (retail banking, credit card, securities brokerage and product repair and maintenance). These gaps were:

### **2.7.1 Consumer Expectation - Management Perception**

These are discrepancies between executive perceptions and consumer expectations (Gustafsson, 2009). It's possible that insurance sales executives aren't always aware of the qualities that consumers find appealing, the features that a service has to meet in order to live up to their expectations, or the performance requirements that must be fulfilled in order to deliver high-quality service.

### **2.7.2 Management Perception - Service Quality Specifications**

The management may not be fully committed to providing high-quality services, or there may be limitations (resources or market conditions) that prohibit them from meeting customer expectations.

### **2.7.3 Service Quality Specifications - Service Delivery**

Standardizing staff performance may pose challenges, even in cases where guidelines for providing quality services and treating customers fairly are in place.

### **2.7.4 Service Delivery - External Communications**

Customer expectations might be impacted by an agency's media advertising and other communications. Setting lofty initial expectations and then failing to live up to them will result in worse quality perceptions. Furthermore, insurance firms may fail to disclose to customers any extra measures used to ensure quality that are hidden from view, which might have an impact on how customers see the services they receive.

### **2.7.5 Expected Service - Perceived Service**

Customers perceive this as the actual service delivery compared to their expectations. A service's perceived quality as regarded by the consumer is determined by the size and direction of the discrepancy between the service's expected and perceived quality.

Thus, the size and direction of GAP 5 are determined by the nature of the gaps in service design, marketing, and delivery, which in turn impacts the perceived quality of services. That is, each gap's size and orientation will have an effect on the quality of service.

From what the researcher had eluded, the research was highly dependent on the SERVQUAL Scale in most banking industries, where responsiveness and tangible dimensions of private banks had significant lowest positive impact on customer satisfaction. This significant positive relationship of responsiveness on customer satisfaction realized that private banks were willing to help their customers at times when the customers needed the service of the banks.



Additionally, the literature underscores the significance of employee training and development in navigating these technological changes. The human element remains integral to service quality, and thus, investing in staff skills and knowledge becomes imperative.

Another key emerging issue is the importance of reliability in banking services. Customers expect their banks to be dependable, accurate, and consistent in their delivery of services. The study found that customers were highly dissatisfied with any perceived unreliability or inconsistency in the services provided by Stanbic Bank. This highlights the need for banks to invest in systems and processes that can guarantee consistency and reliability in their service delivery.

Another emerging issue is the importance of responsiveness in the banking industry. Customers expect prompt and efficient service when they visit their banks, and any delays or lack of responsiveness can lead to dissatisfaction. The study found that customers were highly satisfied when they received prompt and efficient service, indicating that responsiveness is a critical factor in customer satisfaction. Banks need to invest in systems and processes that can ensure timely and efficient service delivery to their customers

It also revealed the importance of empathy in the banking industry. Customers want to feel valued and appreciated by their banks, and any lack of empathy can lead to dissatisfaction. The study found that customers were highly satisfied when they felt that their banks understood their needs and provide personalized service. This highlights the need for banks to train their staff to be empathetic and responsive to their customers' needs, as well as to invest in systems that can provide personalized service

Lastly, the literature highlights the rising importance of personalized and empathetic interactions in the digital age. Customers seek not only efficient transactions but also meaningful connections with their banks. Addressing this challenge involves a paradigm shift towards a customer-centric approach, where banks prioritize understanding and responding to individual needs.

### **2.8.1 Effect of COVID 19 on Quality Service Dimensions and Customer Satisfaction**

Satisfaction is concerned with the state of customers in conversation of certain expense which is compensated in a buying situation (Jeong et al., 2016). It is particularly challenging to please clients in the COVID situation since they want to receive everything from home. The application of the satisfaction of the customer became a critical and indispensable matter of business for



progressing and fostering service-oriented business (Cheshin et al., 2018). Customers' post purchase behavior measuring the assessment regarding the performance of a product or service (Özkan et al., 2020). According to (Baumann et al., 2011) service quality dimensions are significantly affected by pandemics such as COVID-19 and distort means of delivery driving service providers to maximize on online platforms and still deliver excellence.

Similarly, In the pandemic situation, loyalty is very crucial for banks to survive in the competitive market. Loyalty is a customer's conduct and posture which imply to be assessed to fix the customer loyalty (Boonlertvanich, 2019). It is heavily tested in times of pandemic as customers tend to shift to banks that have a reliable online platform and are easy to use.

## **2.9 Knowledge Gap**

Drawing from the empirical literature reviewed in this study. It is worthy to note that several studies in the literature only focused on the impact of service quality on customer satisfaction and loyalty or customer retention and customer satisfaction. Studies however have not been able to in-depth review the situation of service quality effect on customer satisfaction. This study goes further not only in assessing the impact of service quality on customer satisfaction but also the challenges of the service providers.

Moreover, studies in the literature either look at the impact of service quality, loyalty, or retention or the relationship that exists between them by making use of either regression analysis or correlation techniques. In most cases, they failed to look at the level of prediction which service quality has on customer satisfaction, loyalty or retention. This study assesses the effect, relationship, and challenges of service quality on customer satisfaction.

The failure of most of the empirical work to investigate the service quality measures in most of the literature makes it important that further studies be carried out to see which of the service quality measures highly affected the satisfaction of the customer. The above put together will help to add to the existing literature in the area of service quality and customer satisfaction.

## **2.10 Theoretical Framework**

The section below introduces two theories; the Pfeffer theory and the gap theory;

### **2.10.1 Pfeffer Theory**

The Pfeffer Theory, also known as the Resource Dependence Theory, is a management theory developed by Jeffrey Pfeffer in the 1970s. The theory suggests that organizations depend on external resources such as suppliers, customers, and regulatory bodies to survive and thrive. To ensure a consistent flow of resources, they must thus build and maintain strong connections with these outside parties. The way the theory works is by emphasizing how important influence and power are in organizations. According to Pfeffer, organizations require authority in order to manage their external surroundings and defend against environmental dangers. Building trusting connections with other parties and obtaining things that are valuable to them are two ways to obtain this power.

The Pfeffer Theory has been widely applied in various industries, including the banking industry. The banking industry is a highly competitive and regulated industry that depends on its customers for revenue. Therefore, it is important for banks to establish and maintain good relationships with their customers to ensure their satisfaction with the quality-of-service delivery. By doing so, banks can gain power and influence in the industry and protect themselves from competitors and regulatory bodies.

According to Pfeffer, one of the keyways for organizations to gain power and influence is by controlling critical resources. In the banking industry, some critical resources include access to capital, regulatory licenses, and technological capabilities. Banks can acquire these resources by establishing good relationships with suppliers and regulators. By doing so, banks can ensure a steady supply of resources that are important to their operations and to the quality of service delivery to their customers.

Moreover, the significance of power and influence in the banking sector may be explained using the Pfeffer Theory. For banks, influence and power are crucial because they aid in maintaining control over the external environment and shielding the company from outside dangers. Strong relationships with external stakeholders and the acquisition of resources that are valuable to the company are two ways that banks can increase their power and influence. This power and influence

might protect the bank from competitors and regulators while guaranteeing that clients are satisfied with the caliber of services provided.

The Pfeffer Theory is also relevant to the study of challenges facing the banking industry with regard to quality service delivery and customer satisfaction. According to a study by Chakraborty and Data (2020), one of the main challenges facing the banking industry is the ability to provide consistent and high-quality service delivery to customers. This challenge is exacerbated by the increasing complexity of financial products and services and the changing needs of customers.

In conclusion, the Pfeffer Theory is an important concept in the study of the relationship between quality service delivery on customers' satisfaction in the banking industry. The theory highlights the importance of building strong relationships with external entities and acquiring resources that are important to the organization. By doing so, banks can gain power and influence in the industry and protect themselves from external threats. This can help to ensure the satisfaction of customers with the quality-of-service delivery, which is crucial to the success of banks in the competitive banking industry.

### **2.10.2 Gap Theory**

The Gap Theory, also known as the Gap Model or the Service Quality Gap Model, was first introduced by (Parasuraman, Zeithaml, & Berry, 1985). The model was developed to help service organizations better understand the factors that contribute to service quality and customer satisfaction. The model identifies five gaps that may occur in the delivery of service, including the customer gap, the provider gap, the communication gap, the service design and standards gap, and the service delivery gap.

The Gap Theory is important to the study of "challenges of quality service delivery on customer satisfaction in the banking industry" because it provides a framework for understanding the various factors that may impact service quality and customer satisfaction in the industry. By using the Gap Model, researchers can identify the specific gaps that may exist in the delivery of banking services and develop strategies to address these gaps. For example, a study could use the Gap Model to identify gaps in the service design and standards of the banking industry. The study could then develop strategies to improve service design, such as implementing new technology or improving the physical environment of bank branches.

In conclusion, the Gap Theory is a useful model for establishing the challenges of quality service delivery on customer satisfaction in the banking industry. By identifying the specific gaps that may exist in service delivery, researchers and practitioners can develop effective strategies to improve customer satisfaction and enhance the overall quality of service in the industry.

Parasuraman and his colleagues developed the gap model of service quality which aids to identify gaps in obvious service qualities that customers get and what may be anticipated. Service providers want to know what matters to customers. These gaps are considered as main hurdles in delivering high performance services.



Figure 2: Gap Model

## **2.11 Conceptual Framework**

Dependent variable of this study was customer satisfaction and the independent variable was service quality dimensions. Customer satisfaction is reflected from six items such as attitude, fulfillment of expectation, recommendation, re-purchase, satisfaction with use and switching while service quality is reflected from five dimensions such as tangibility, assurance, empathy, reliability, responsiveness. These dimensions are explained below:

### **2.11.1 Tangibles**

Tangibles entail the physical evidence of the service. Specifically, the concept explores the physical facilities of the service provider, the appearance of personnel, the tools and equipment used to provide the service including other customers in the service facility. Tangibles are used by firms to convey image and signal quality (Zeithamal et al, 2006).

### **2.11.2 Reliability**

The service dimension of reliability measures the consistency of performance and the dependability of the service. According to Zeithaml et al. (2006) reliability is “the ability to perform the promised service dependably and accurately” or “delivering on its promises” Does the firm perform the service right at the first time? Does the firm honor its promises? These are some of the questions which need to be answered by service providers if they are to achieve reliability. The accuracy in billing, proper record keeping and performing the service at the designated time all constitute an attempt to achieve reliability.

### **2.11.3 Assurance**

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

### **2.11.4 Responsiveness**

Responsiveness concerns the willingness or readiness of employees to provide service (Parasuraman et al., 1985). This dimension is concerned with dealing with the customer’s requests,

questions and complaints promptly and attentively. A firm is known to be responsive when it communicates to its customers how long it would take to get answers or have their problems dealt with. To be successful, companies need to look at responsiveness from the viewpoint of the customer rather than the company's perspective (Zeithaml et al., 2006).

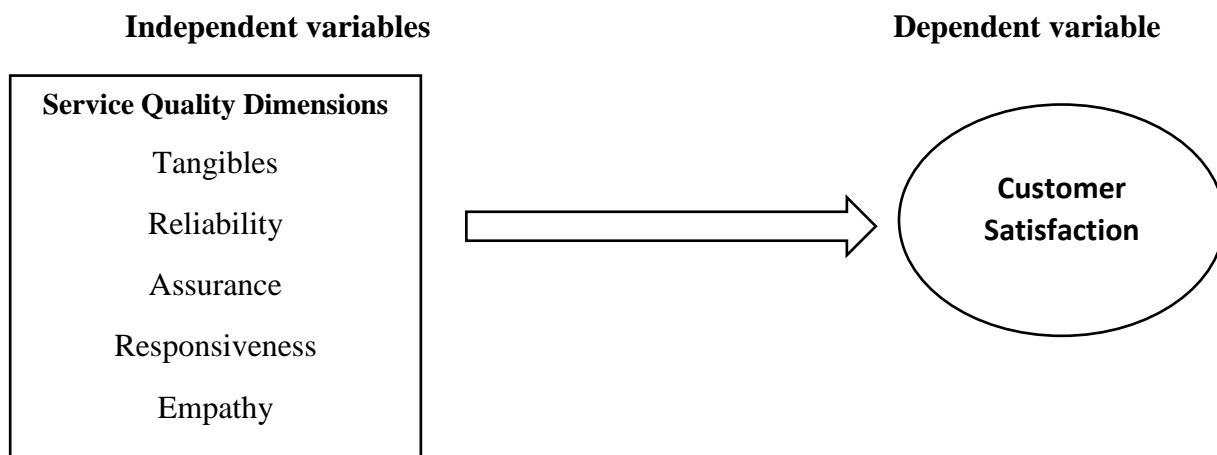
### 2.11.5 Empathy

Empathy entails caring and provision of individualized attention to customers by personnel of the firm (Zeithaml et al., 2006). In this case, the customer feels unique and special. In trying to develop empathy, company employees should try to know their customers' names, likes and needs, and take steps to meet them. Small businesses are in a better position to empathize with customers than larger businesses by offering customized services.

From the dimensions reviewed above, there seems to be a convergence between service quality dimensions, customer satisfaction and customer Loyalty. Based on the literature review, the study developed the conceptual framework below to analyze the relationship between service quality and customer satisfaction.

### 2.12 Conceptual Framework

Based on the theoretical framework presented, the research conceptualized the variables as follows;



*Source: Researcher's Construct*

Figure 3: Conceptual Framework

From their path breaking exploratory research in 1985, Parasuraman, Zeithaml and Berry developed the SERVQUAL instrument and laid down a conceptual framework for the

measurement of service quality. The SERVQUAL instrument has become the most dominant instrument for measuring service quality and it originally comprises 10 dimensions with 97 items but later reduced to 5 dimensions with 22 items in 1991. The five dimensions are tangibles, reliability, responsiveness, assurance and empathy.

### **2.13 Barriers to Customer Satisfaction**

The majority of companies, including banks, have come to understand how important it is to provide customer care to other consumers. However, this is usually just written down. Most of the time, the promised quality or quantity of service is not delivered. Customer dissatisfaction results from this frequently. In the meanwhile, client requests can often seem demanding and customer service encounters can be frustrating. Additionally, barriers within the company may cause acceptable customer requests to look excessive. Therefore, in order to please their clients, companies must comprehend the barriers to their satisfaction and take those into account. Management, the environment, oneself, procedures or systems, and communication are a few examples of the hurdles. Several distinct obstacles that impede customer satisfaction include:

#### **2.13.1 Overworked Staff**

Understaffing, layoffs, rapid growth, or giving too many responsibilities to too few people can all lead to overworked employees. As a result, the energy levels of your staff will drop rapidly. Those that don't will feel overworked and unable to give any one customer their full attention. The representatives will be overburdened with clients, which means they will omit steps, frustrate staff and customers, and provide them insufficient attention to their problems. Underworked Staff Customer service may be similarly impacted by the complete opposite. Your employees will feel less challenged, undervalued, and irrelevant if they are overworked. Work often stretches to accommodate the time allocated. Thus, underworked staff might cause case handling turnaround times to exceed reasonable expectations, which may frustrate customers. Having a Non-Caring Culture: How customer service situations are handled can be greatly impacted by the culture of the organization. Your employees will underperform when faced with a customer service problem if the work environment lacks empowerment, cares little about the consumers, or neither of these factors exists. Your employees can't care about what customers want enough to make them happy because of this culture. They do not prioritize their customers and do not understand the consequences of a dissatisfied customer.

### **2.13.2 Poor Accountability**

There is no incentive for employees to work harder to ensure that customers are satisfied if they are not held responsible for their customer service. When a consumer leaves dissatisfied, your employees may always shift the blame and know they will never face consequences ([www.entrepropel.com/customer-service](http://www.entrepropel.com/customer-service)). Not Enough Systems There will always be issues if the systems utilized to work with clients are unreliable, sluggish, don't have enough data, or don't monitor your client information correctly. Customers that have lengthy response times will rapidly get irate. Therefore, they may start looking elsewhere ([www.entrepropel.com/customer-service](http://www.entrepropel.com/customer-service))

Communication of Customer Value Customer satisfaction is the responsibility of everybody in the organization; from the Manager to the cleaner. It is imperative that all employees are consistently reminded of the significance of customers so that they can handle them with acceptable and respectful behavior. Absence of Motivation appropriate reward for employees that provide exceptional customer service. They have no incentive to go above and above for your consumers if they lack motivation. Give your employees incentives, both monetary and non-monetary, so they will be empowered and driven to give your clients the finest service possible (<http://www.ehow.com>).

### **2.13.3 Lack of Understanding**

lack of understanding of the needs of the customer It is simple to assert that you are customer-centric if there is no data. It's only words, though. Knowledge makes it clear that there is a disconnect between the experiences of your clients and the actions your business is doing. Following the discovery of this gap, management must make several difficult choices on what needs to change. Credible data can inspire significant innovation that will be more well-received by consumers and succeed in the marketplace. Inability to Live Up to Brand Promise In a world where consumers rule, the proverb "under promise and over deliver" has never been more accurate. Adjectives and hyperbole can get companies into trouble. Companies must therefore make sure their marketing claims are aligned with how the customer really sees the firm ([contextrules.typepad.com/transformer](http://contextrules.typepad.com/transformer)).

### **2.13.4 Complexity of Services**

Banking services can be complex and difficult to understand, particularly for customers who are not familiar with financial terms and concepts. This complexity can be a barrier to customer



satisfaction, as customers may feel overwhelmed and uncertain about the services they are receiving. To overcome this barrier, banks can simplify their services and provide clear explanations and guidance to customers.

#### **2.13.5 Inadequate Technology**

Outdated or inadequate technology can result in slow or unreliable service, leading to dissatisfaction among customers. This can occur when online banking platforms are slow or malfunctioning, or when ATM machines are not functioning properly. To overcome this barrier, banks can invest in modern technology and ensure that their systems are up-to-date and functioning properly.

#### **2.13.6 High Fees and Charges**

High fees and charges can be a barrier to customer satisfaction, as customers may feel that they are being overcharged for services. This can occur when banks charge fees for basic transactions or when fees are not clearly communicated to customers. To overcome this barrier, banks can review their fee structures and ensure that fees are fair and transparent and communicate this information clearly to customers.

### **2.14 Chapter Summary**

In this Chapter, the literature review gives a general overview of previous research done. There are gaps that have been identified in existing related research and this offers the opportunity for future studies to address these gaps. It was very important that the current study looks at previous research for guidance.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### 3.1 Chapter Introduction

This chapter outlines the research methodology employed in the study. It explains the research design, the sources of data and the methods that were used in the data collection for the research. It also identifies the target population for the study, the sample size, sampling technique and the tools and methods of analysis.

According to (Saunders et al, 2009) enquiries can be classified in terms of their purposes as well as the research strategy which is used. 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 (Apuke, 2017). This is best when the researcher is not sure of which theories are useful and when it is difficult to determine important characteristics and relations. Descriptive study is used in descriptive studies to portray an accurate profile of situations (Apuke, 2017). 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 research, explanatory is used to determine the relationship between service quality and customer satisfaction. This study was guided by ontological assumption, phenomenological assumption, epistemological assumption and axiological assumption.

#### 3.2 Philosophical Assumptions

##### 3.2.1 Ontological Assumption

Ontological assumption refers to the underlying belief about the nature of reality and how it operates. This assumption influences the research design, data collection, and analysis process, as well as the interpretation of findings. As Saunders et al. (2016) point out, ontological assumptions are often shaped by the researcher's discipline and worldview, which can be reflected in the research questions, methods, and outcomes. For instance, a positivist ontology assumes that the world is objective and independent of the observer, and therefore, emphasizes the use of empirical data and quantitative analysis (Gray, 2018, p.21). In contrast, a constructivist ontology assumes that reality is socially constructed and subjective, and therefore, emphasizes the use of qualitative data and interpretive analysis (Thornhill et al., 2016).

Ontological assumptions also operate at a deeper level, shaping the researcher's epistemological and methodological choices. Ghauri and Kjell (2005) argue that ontological assumptions influence the choice of research strategy, sample size, data collection method, and data analysis technique. For example, a positivist ontology may lead to the use of a survey questionnaire with a large sample size, while a constructivist ontology may favor in-depth interviews with a smaller sample size (Shorten & Moorley, 2014).

The importance of ontological assumptions lies in their impact on the research process and the validity of the findings. Shorten & Moorley, (2014) argue that researchers need to explicitly acknowledge and justify their ontological assumptions, as well as the limitations and biases that may arise from them. By doing so, researchers can enhance the credibility, transferability, dependability, and confirmability of their research (Saunders et al., 2016).

This assumption may shape the way the study is designed, as the researchers may choose to use qualitative methods such as interviews or focus groups to gather data on customers' experiences and perceptions of service quality. These methods would allow the researchers to gain a deeper understanding of the subjective reality of customer satisfaction.

Furthermore, the ontological assumption may also influence the interpretation of the study's findings. If the researchers believe that reality is subjective, they may recognize that different customers may have different expectations and experiences of service quality. Therefore, the study may emphasize the need for banks to take a customer-centric approach to service delivery and to tailor their services to meet the unique needs and expectations of individual customers.

Overall, the ontological assumption of subjective reality may lead to a greater emphasis on the importance of customer experience and perception in the study of service delivery at Stanbic Bank. This emphasis may help to identify specific areas where the bank can improve its service delivery processes and ultimately enhance customer satisfaction.

### **3.2.2 Phenomenological Assumption**

Phenomenology is a philosophical approach that seeks to describe and understand human experience from the perspective of the individual. It assumes that reality is constructed through the experiences of the individual, and that these experiences are the basis for all knowledge. As

Husserl states, "Phenomenology is the study of essences, or the structures of meaning that objects have in our experience." (Creswell 2014).

Phenomenology operates through the process of "bracketing," or the suspension of preconceived assumptions about the world in order to focus on the individual's subjective experience. This allows researchers to uncover the essential features of the phenomenon being studied, as Merleau-Ponty notes, "Phenomenology is a method of direct exploration of the experiential field, from which emerges the essential features of lived experience." (Creswell 2014).

The importance of phenomenology to research lies in its ability to provide rich descriptions of human experience that can inform theory and practice. Heidegger emphasizes the importance of understanding the lived experience of individuals, stating that "the task of phenomenology is to uncover the meaning of being-in-the-world, which is constituted by our everyday practices and interactions." (Gravetter, & Forzano. 2012).

Phenomenology has been influential in a range of disciplines, including psychology, nursing, and education. For example, van Manen argues that phenomenology can help researchers understand the meaning of educational experiences for students, stating that "Phenomenology allows us to explore the meaning of educational experiences from the perspective of the student, which can help us develop more effective pedagogical practices." (vanManen, 1990, p. 10).

In qualitative research, phenomenology is often used as a method for data collection and analysis. Giorgi developed a method for analyzing qualitative data using the principles of phenomenology, which involves identifying the essential structures of meaning in the data. (Giorgi, 1985).

Phenomenology is an important approach to understanding human experience and has a wide range of applications in research and practice. As Creswell notes, "Phenomenology provides a means for understanding the complexity and richness of human experience, which is essential for developing effective interventions and improving quality of life." (Creswell, 2014).

This assumption may influence the way the study is designed, as the researchers may choose to use qualitative methods to explore the subjective experiences of customers in detail. For example, the study may use interviews or focus groups to gather rich, detailed data on customers' perceptions of service quality and how these perceptions relate to their overall satisfaction with the bank.

The phenomenological assumption may also shape the interpretation of the study's findings. If the researchers believe that customer satisfaction is a complex and multi-dimensional experience, they may emphasize the need for a more holistic approach to service delivery, one that considers a range of factors that contribute to customer satisfaction. This may include factors such as the emotional tone of customer interactions, the responsiveness of the bank to customer needs, and the sense of trust and confidence that customers have in the bank.

Overall, the phenomenological assumption may lead to a greater emphasis on the subjective experiences and perceptions of customers in the study of service delivery at Stanbic Bank. This emphasis may help to identify specific areas where the bank can improve its service delivery processes and ultimately enhance customer satisfaction.

### **3.2.3 Epistemological Assumption**

Epistemology is the branch of philosophy that studies the nature and scope of knowledge. In research, epistemology refers to the underlying assumptions that researchers hold about how knowledge is created and validated. It operates by shaping the research questions, methods, and interpretations of findings. Different epistemological assumptions can lead to different research approaches and conclusions.

For example, Pinar (2011) notes that researchers who adopt a positivist epistemology assume that knowledge can be objectively measured and verified through empirical observation, while those who adopt a postmodern epistemology assume that knowledge is socially constructed and contextualized. Creswell (2014) identifies four main epistemological stances in research: positivism, post positivism, constructivism, and advocacy/participatory.

The importance of epistemology in research lies in its impact on the validity and credibility of findings. Researchers who are aware of their epistemological assumptions are better able to critically evaluate the strengths and limitations of their research design and interpretation of findings. For example, Smith (2012) argues that Indigenous research requires a different epistemological framework that recognizes the importance of relationality and community knowledge. Blair et al. (2024) argues that culturally relevant pedagogy requires a shift in epistemological assumptions, such as recognizing the importance of students' cultural and historical contexts in knowledge production. Harding (1986) argues for an epistemology that recognizes the situatedness of knowledge and the need to challenge dominant ways of knowing.

Maynard (2002) argues that epistemological assumptions can influence how researchers approach ethics and social justice in research. Pring (2004) argues for a critical approach to epistemology that challenges dominant assumptions and recognizes the diversity of ways of knowing. Overall, epistemology is a critical aspect of research design and interpretation, and researchers must be aware of their epistemological assumptions and their implications for the validity and credibility of findings.

In this study, the researcher interacted with customers and employees of Stanbic bank to understand their experiences and perceptions of the bank's service delivery. By doing so, the researchers constructed knowledge about the challenges faced by the bank in delivering quality services and their impact on customer satisfaction. The researchers' prior knowledge of service delivery in the banking industry, as well as their own experiences, may have influenced their understanding of the phenomenon being studied.

The researchers may have also used an interpretive approach, which is common in constructivist epistemology. An interpretive approach involves understanding the subjective meanings and interpretations that individuals give to their experiences. By using an interpretive approach, the researchers may have gained insight into the customers' and employees' subjective experiences of the bank's service delivery and the factors that influenced their perceptions of quality.

Overall, the constructivist epistemological assumption underlying the study acknowledges the subjective nature of knowledge and emphasizes the importance of the researcher's and participant's prior experiences and perspectives in constructing knowledge.

#### **3.2.4 Axiological Assumption**

Axiological assumptions refer to the philosophical belief that values are inherent in human actions, thoughts, and beliefs, and that they affect all aspects of research, including design, methodology, and interpretation. The term axiology is derived from the Greek word *axios*, meaning value, and refers to the study of value, ethics, and morality. The axiological assumption is based on the recognition that the values and beliefs of researchers can influence every stage of the research process and that these values must be clear so that they do not distort the results of the research (Blair et al. 2024).

The importance of the axiological hypothesis for learning lies in its ability to help researchers identify and examine the underlying assumptions that guide their research. "All research is influenced by values, and the failure to acknowledge this influence can lead to distorted results" (Lincoln & Guba, 2000). By acknowledging and articulating their values and beliefs, researchers can better understand how these values may influence their research questions, methods, and interpretations and take steps to minimize their impact.

Deborah Lupton argues that the axiological assumption is particularly important in qualitative research, as qualitative researchers are more likely to be aware of the influence of their values on the research process (Lupton, 2017). Qualitative researchers need to be aware of their values and how they shape their research, as Karen Staller notes, "since the researcher's presence in the research process can be seen as a subjective interference with objectivity" (Staller, 2016). The axiological assumption helps to address this potential subjectivity by requiring researchers to recognize and account for their values.

The axiological assumption also has implications for the interpretation of research findings. Anthony Giddens argues that researchers need to be aware of the role of values in shaping their interpretation of data, as "there is no 'objective' interpretation of social phenomena" (Giddens, 1984, p. 46). The axiological assumption requires researchers to recognize the subjective nature of their interpretations and to acknowledge the role of their values in shaping them.

Michael Quinn Patton notes that the axiological assumption is particularly important in evaluation research, as evaluators need to be aware of the values inherent in the evaluation process (Patton, 2008). The axiological assumption helps evaluators recognize the values underlying the criteria used to evaluate programs and ensure that these values are clear and verifiable.

In general, epistemology is an important aspect of research design and interpretation, and researchers must be aware of its axiological assumptions and their implications for the validity and reliability of findings.

Axiological assumption is concerned with values and ethics, and how they influence research. In the study of challenges of quality service delivery on customer's satisfaction at Stanbic bank, the axiological assumption can be related to the ethical considerations that were considered during the research process.

For example, the researchers may have ensured that the participants' privacy and confidentiality were protected by not disclosing their personal information in the study. They may have also obtained informed consent from the participants before collecting data and provided them with the option to withdraw from the study at any time. These ethical considerations are important to ensure that the research is conducted in a responsible and ethical manner.

Moreover, the researchers may have also considered the values and beliefs of the participants, such as their cultural and religious backgrounds, and how these may affect their perception of quality service delivery. By considering the participants' values and beliefs, the researchers can ensure that the study is culturally sensitive and respectful of the participants' perspectives.

In summary, the axiological assumption in the study of challenges of quality service delivery on customer's satisfaction at Stanbic bank relates to the ethical considerations and values that were considered during the research process, to ensure that the study was conducted in a responsible and culturally sensitive manner.

### **3.3 Research Design**

A research design is the 'procedures for collecting, analyzing, interpreting and reporting data in research studies' (Creswell & Plano Clark, 2007). Research design is the general strategy that the researcher chooses to combine the various components of the research in a coherent and logical way. This ensures that the study has an organized and effective approach to addressing the research problem (Kirshenblatt-Gimblett, 2006). In this study, we will discuss the mixed methods research design used and the advantages of using this approach.

Mixed methods research is an approach that combines both quantitative and qualitative research methods to collect, analyze, and interpret data. This approach enables researchers to use the strengths of both methods to gain a deeper understanding of the research problem and comprehensively answer the research questions.

Saunders et al. (2019) argue that mixed methods research is particularly useful when a single research method cannot answer all the research questions satisfactorily. This is because mixed methods research combines the strengths of both quantitative and qualitative research methods to provide a more complete and comprehensive understanding of the research problem.



The study used a sequential exploratory design, which involves collecting and analyzing qualitative data first, followed by collecting and analyzing quantitative data.

The quantitative phase of the study involved collecting data through a questionnaire, which was administered to a sample of 397 participants. The survey was designed to collect data on participants' demographics, attitudes, and behavior towards the research problem. The data was analyzed using statistical methods, such as descriptive statistics, correlations, and regression analysis, to identify patterns and trends.

The qualitative phase of the study involved conducting in-depth interviews with a sub-sample of participants (n=20). The data collected from the interviews was analyzed using thematic analysis to identify themes and patterns in participants' attitudes and behavior towards the research problem.

Gimblett (2020) argues that mixed methods research provides a more comprehensive understanding of the research problem than using either method alone. This is because mixed methods research allows researchers to use the strengths of both quantitative and qualitative methods, while minimizing their weaknesses.

In conclusion, mixed methods research is an approach that combines the strengths of both quantitative and qualitative research methods. This approach enabled the researcher to gain a deeper understanding of the research problem and answer research questions more comprehensively.

### **3.4 Study Population**

"Population" refers to the group of individuals or entities that are of interest to the researcher and that the study is intended to generalize to. According to Creswell (2014), a population is "the entire group of individuals, events, or settings that meet the criteria for inclusion in a study". In short, a population is the whole group that the research focuses on. A population consists of all elements- individuals, item or objects whose characteristics are being studied. In quantitative research, the need to sample is one that is almost invariably encountered. And sampling constitutes a key step in the research process in social survey research. In this study, the population was expected to involve all categories of customers- retail, private/ executive, Corporate at Stanbic bank. Stanbic

Bank has a population of about 49,000 consumers in Lusaka only, which constituted the study population.

### **3.5 Study Sample**

Sample is the segment of the population that is selected for investigation (Bryman and Bell, 2003). A sample also refers to a subset of the population that is selected for the study. As Creswell (2014) explains, "a sample is a group of individuals, events, or settings that are selected from the population for study". According to Polit and Beck (2017), the process of selecting a sample involves identifying the sampling frame, determining the sample size, and selecting the actual sample. The sampling frame for any probability sample is a complete list of all cases in the population from which your sample will be drawn (Saunders et al. 2009). The sampling frame is the list of all individuals or entities in the population, while the sample size is determined based on statistical considerations such as the desired level of precision and confidence. The banks customers in Stanbic bank makes up the sampling frame for this study.

#### **3.5.1 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 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 as possible customers.

Then, a purposive sampling was used to get almost all of them. In this case, the study targeted Stanbic bank customers from different branches in Lusaka.

Sample size of a study is determined by electing the number of observations to include in a sample. The sample size is important in any study where the aim is to make general inference on the study findings (Singh and Masuku, 2014). For the purpose of this study the adopted sample size is 397.

The sample was calculated using Yamane 1967 simplified formula for calculating sample size is as below:

$$n = \frac{N}{1 + N(e)^2}$$

In this formula, n = sample size, N = the size of the population and e = the error of 0.05 level of precision. As such the sample size was determined as follows at a confidence level of 95%:  $49000 / [1 + 49000 (0.05)] = 397$ .

Hence, a sample size of 397 possible respondents will be drawn from the 49,000 customers at Stanbic Bank in Lusaka province.

### **3.6 Study Instruments**

The instrument employed in the study were questionnaires and interviews. The questionnaire was adopted from literature and modified to fit the current study. The questionnaires were administered to consumers of Stanbic Bank Zambia to ascertain the effect of service quality on customer satisfaction in the banking industry. The instrument was in two sections (demographic profile of respondents and rating of service quality dimensions of Stanbic Bank Zambia). The questionnaire included collection of data regarding demographic profile of respondents in respect of their age, gender, and the number of years of doing business with Stanbic Bank Zambia. It also included rated service quality dimensions of Stanbic Bank Zambia. The items were measured using a Likert scale in a five-response pattern with 1=strongly agree to 5=strongly disagree.

Semi-structured interviews were conducted with the customers at Stanbic bank from different branches regarding service delivery and customer satisfaction. The rationale of the interviews with the customers had an in-depth understanding, opinions, and views pertaining to their experiences with regards to service quality at Stanbic bank. Semi-structured interview guides were used for this purpose. According to Apuke (2017), researchers across the sphere contended that interviews are the best way to collect data because it helps the researcher to establish feelings, opinions, attitudes, views, and are useful in gathering in-depth data. The interview included collection of

data regarding customer experience, service improvement, customer feedback and perception and suggestions of improvement.

### **3.7 Data Collection**

The primary data was collected through the use of a research questionnaire and interviews while the secondary data was collected through document review of existing literature on the subject of study.

#### **3.7.1 Primary Data Collection**

In the pursuit of a comprehensive understanding of the challenges associated with service quality delivery in the banking sector, this study engages in primary data collection to extract first hand insights from the target audience. As highlighted by Johnson et al. (2022), supplementing existing literature with primary data enhances the depth and specificity of research findings, allowing for a more nuanced analysis of the intricate factors influencing customer satisfaction.

##### **3.7.1.1 Questionnaires**

A questionnaire is a research instrument that consists of a series of questions and other prompts designed to elicit information from respondents. It is a standardized data collection tool that is used to gather data from a large number of people in a systematic and structured manner (Krosnick,2018). The questionnaire method was useful since the study required collecting data from a large sample of participants. The researcher designed only one set of questionnaires for customers of the sampled Stanbic Bank Zambia Branches in Lusaka. The nature of the study was explained to the respondents, and the respondents' confidentiality of any information provided was also assured. Respondents were also provided with detailed instructions as to how the questionnaires would be completed and returned. The close-ended questions were developed on a five-point Likert scale.

##### **3.7.1.2 Interviews**

Following the initial quantitative phase, structured interviews are conducted to delve deeper into customer preferences, satisfaction, and service expectations (Johnson et al., 2020) The interview method is useful when the researcher wants to gain a deeper understanding of the perspectives and experiences of the participants. Through structured interviews, bank customers and staff provided insights on their satisfaction levels, service expectations and suggestions for improvement. This

approach facilitates a deeper comprehension of the customer needs, aiding the bank in refining its services and enhancing customer satisfaction.

### **3.7.2 Secondary Data Collection**

For the literature review, academic articles were used to gather secondary data. The majority of the data came from scholarly publications. Examples of keywords used were "customer satisfaction," "service quality," "Stanbic Bank," and "Zambia." The secondary data was obtained with the use of the company's website and many official Stanbic Bank pages, including their Facebook page and YouTube channel. We also acquired data from earlier studies conducted on various bank industries, which allowed us to gain a deeper understanding of the established notions of service quality.

### **3.8 Credibility and Trustworthiness**

Credibility and trustworthiness are foundational in qualitative research, specifically in the context of the interview guide used in this study. The interview guide was meticulously designed to enhance these aspects through several strategies.

To ensure credibility, the guide was crafted based on a comprehensive review of existing literature (Creswell, 2013). This approach established a strong theoretical foundation, aligning the research with established knowledge. Additionally, a diverse range of expert opinions and perspectives were sought during the guide's development, employing member checking (Lincoln & Guba, 1985). This iterative process ensured that the guide effectively captured the nuances of the research topic.

Trustworthiness was fostered through transparent and well-defined interview protocols. Participants were provided with clear explanations of the study's objectives, methods, and ethical considerations (Patton, 2015). This transparency not only built trust but also allowed participants to feel at ease, leading to more authentic responses.

Furthermore, maintaining consistency in the interview process was essential. The guide incorporated probing questions and prompts to encourage participants to elaborate and provide detailed responses (Marshall & Rossman, 2016). This rigorous approach enhanced the study's dependability by minimizing the risk of bias or undue influence on participants' answers.

Incorporating credibility and trustworthiness principles into the interview guide bolstered the study's reliability. By demonstrating the alignment with established knowledge, involving participants in the guide's development, and employing transparent and consistent protocols, the qualitative research maintained its integrity. The resulting insights into the challenges of quality service delivery and customer satisfaction within the banking industry could be considered credible and trustworthy due to the rigorous approach taken in designing and conducting the interviews.

### **3.9 Reliability of Study Instruments**

The measure of reliability concerns the quality of the measures that are employed to tap the concepts in which the researcher is interested. In this study, reliability is tested. Reliability refers to a measurement that supplies consistent results with equal values each time. Reliability is about results consistency regardless of the number of times a test is carried out (Blumberg et al., 2005). Reliability measures consistency, precision, repeatability, and trustworthiness of a research (Chakrabartty, 2013). It looks at issues of bias (lack of) and as such allows for consistent results and measurement across time and across various instruments used.

The reliability of the instrument used in this research is through Cronbach's alpha test. All the items in the questionnaire were tested to see the level of their reliability as regards the questions asked. This test will be conducted using Cronbach's alpha test score. Johnson, et al, (2019) opined that a dependable assessment must be above 0.70. The SPSS package will be used to run the test on all the items used in the course of this dissertation.

#### **3.9.1 Internal Reliability**

Internal reliability refers to the degree to which a study's measures or instruments produce consistent results. This means that the questions, items, or scales used to assess a construct should be reliable and produce similar results over time, across different samples, or even when different raters or observers are used (DeVellis, 2017). One common measure of internal reliability is Cronbach's alpha, which assesses the extent to which a set of items measure the same underlying construct (Cronbach, 1951). In the context of the study "Challenges of Quality Service Delivery on customer's satisfaction in the banking industry," internal reliability refers to the consistency of the survey questions used to assess customer satisfaction, or the consistency of the rating scales used to measure the quality-of-service delivery.

### **3.9.2 External Reliability**

External reliability, on the other hand, refers to the extent to which a study's findings can be generalized beyond the specific sample, setting, or time period of the study. External reliability can be assessed by replicating the study with different samples or in different contexts, using random sampling or other representative sampling methods, or conducting meta-analyses of similar studies (Campbell & Stanley, 1963; Shadish, Cook, & Campbell, 2002). External reliability is important because it allows researchers to test the robustness and generalizability of their findings and to make inferences about populations beyond their immediate study (Sullivan & Artino, 2013). In the context of the same study, external reliability refers to the extent to which the findings can be generalized to other banking industries or service industries beyond banking.

The test for reliability was high overall of which some dimensions of the SERVQUAL model had a significant reliability meaning they were cohesive in terms of measurement of service quality in the banking industry. However, most of the measures used were good to tap service quality. It is therefore possible that results collected later could change because expectations and perceptions of consumers are always changing.

### **3.10 Validity of Study Instruments**

Validity refers to the extent to which a study accurately measures or assesses the phenomenon or concept it is intended to study. According to Blumberg et al (2005), Validity is often defined as the extent to which an instrument measures what it asserts to measure. This refers to the accuracy of how an instrument measures exactly what it was designed to measure. Validity of a research instrument assesses the extent to which the instrument measures what it is designed to measure (Robson, 2011). It is the degree to which the results are truthful. So that it requires a research instrument (questionnaire) to correctly measure the concepts under the study (Pallant 2011). There are several types of validity that the study needs to address to ensure its rigor and quality.

#### **3.10.1 Content Validity**

Content validity evaluates how well an instrument (like a test) covers all relevant parts of the construct it aims to measure (Kassiani Nikolopoulou, August 26, 2022). Content validity is the degree to which a study's measures or instruments adequately cover the domain of interest or content area. In the context of the study, content validity refers to the extent to which the survey questions and rating scales capture the various dimensions of service quality and customer

satisfaction in the banking industry. The study must ensure that its survey questions are comprehensive and representative of the different aspects of service quality that customers expect from their banks.

### **3.10.2 Context Validity**

Context validity is the degree to which a study's measures or instruments are appropriate for the specific context or population being studied. In the context of the study, context validity refers to the extent to which the survey questions and rating scales are relevant and meaningful to banking customers in the specific country or region being studied. This study ensured that its survey questions were culturally appropriate and resonated with the experiences and expectations of customers in the local banking industry. The researchers can use cognitive interviews or pilot testing to assess content validity (DeVellis, 2017).

### **3.10.3 Construct Validity**

Construct validity is the degree to which a study's measures or instruments accurately assess the theoretical constructs or concepts being studied. In the context of the study, construct validity refers to the extent to which the survey questions and rating scales accurately capture the underlying constructs of service quality and customer satisfaction, as defined in the literature. The study must ensure that its survey questions are aligned with established theoretical frameworks and that they accurately measure the intended constructs. The researchers can use factor analysis or structural equation modeling to assess construct validity (Cook & Beckman, 2006).

### **3.10.4 Criterion Validity**

Criterion validity is the degree to which a study's measures or instruments accurately predict or correlate with external criteria or outcomes. In the context of the study, criterion validity refers to the extent to which the survey questions and rating scales predict actual customer behavior, such as loyalty, repeat business, or referrals. This study made sure that its survey questions are predictive of the outcomes that customers and banks care about. The researchers can use external criteria such as customer retention or revenue growth to assess criterion validity (DeVellis, 2017).

### **3.10.5 Face Validity**

Face validity is the degree to which a study's measures or instruments appear to be valid on the surface, without any formal testing or analysis. In the context of the study, face validity refers to the extent to which the survey questions and rating scales appear to be relevant and meaningful to



banking customers and experts in the field. The study made sure that its survey questions are understandable, clear, and easy to answer for its intended audience. The researchers can use expert reviews or cognitive interviews to assess face validity (Maria Svedbo Engström, Janeth Leksell, Unn-Britt Johansson, Katarina Eeg-Olofsson, Sixten Borg, Bo Palaszewski, Soffia Gudbjörnsdottir,218).

The validity was tested using the gap model, and it was proven that the SERVQUAL model is a good measure of service quality in the service industry. In our case, we think if this study is carried out again, the same results will be collected because the methodology used was good in terms of collecting trustworthy data from respondents.

### **3.11 Ethical Issues**

The ethical dimensions of any research and how to approach them are very important. Every research project must consider ethical issues to ensure the rights and well-being of participants are protected. Below are some ethical considerations that researchers should consider before starting a study.

#### **3.11.1 Informed Consent**

Informed consent is an important ethical consideration in any research study. Lack of informed consent can lead to legal and ethical problems. Therefore, informed consent was obtained from the respondents before starting the study. Participants were fully informed about the study's purpose, risks, and their right to withdraw. This ethical approach ensured transparency, respect, and credible research outcomes. Provision of adequate information about the study was therefore important to enable the participants to decide whether they want to take part or not (Punch, 2003).

#### **3.11.2 Confidentiality**

Confidentiality is another important ethical issue in research studies. Personal information and data collected from customers were handled with the utmost care and were not disclosed to anyone without permission. To specifically shield customers' identities and responses, a questionnaire-based approach was employed. By design, this method effectively dissociated individuals' names and personal details from their answers. This separation ensured that the participants' anonymity was maintained, minimizing the risk of any unintended repercussions or discrimination stemming from their responses. The purpose of confidentiality which according to (Babbie, 2007) is to conceal the identity of respondents will be adhered to.

### **3.11.3 Transparency**

Transparency is another important ethical consideration in research studies. According to Phillips and Stawarski (2015), transparency is the cornerstone of ethical research, and it involves sharing all relevant information with stakeholders. In the study, customers were informed of the research's purpose, methods, and potential implications, ensuring their voluntary and informed participation. By openly sharing the research process, findings, and even potential biases, the study aimed to foster trust and credibility among customers. This includes disclosing any conflicts of interest or biases that may affect the study's objectivity (Klein et al., 2010).

### **3.11.4 Cohesion**

Cohesion with customers was integral to this study's ethical framework. To enhance collaboration, clear communication channels were established, as advocated by previous research (Smith et al., 2018). Updates on research progress were shared with customers, ensuring alignment with their expectations and insights. Their feedback was actively sought and valued, fostering a sense of partnership. By involving customers as co-contributors rather than mere subjects, the study aimed to capture nuanced perspectives on service challenges and customer satisfaction in the banking industry. This cohesive approach not only upheld ethical standards but also enriched the study's depth and relevance.

### **3.11.5 Privacy**

The subject of anonymity was guaranteed as well. All data collected were anonymized, with identifiers stripped away during analysis. Additionally, secure data storage was maintained to prevent unauthorized access.

### **3.11.6 Plagiarism**

Plagiarism is a serious ethical issue in research studies. The researcher ensured to acknowledge and cite all sources of information used. Failure to do so can lead to legal and ethical consequences and also undermine the credibility of the research. For example, according to Cronin and Taylor (1992), failure to cite sources can result in accusations of academic misconduct. Similarly, Parasuraman, Zeithaml, and Berry (1985) argue that proper citation is necessary to establish the validity of research findings. Finally, Carman (1990) suggests that proper citation is a sign of academic and intellectual integrity.

In conclusion, ethical considerations are essential in any research study. The researcher ensured to obtain informed consent, maintained confidentiality, ensure transparency, maintain cohesion, protect privacy, and avoid plagiarism. By addressing these ethical considerations, researchers can ensure that their research is conducted ethically and responsibly, and that the rights and well-being of participants are protected.

### **3.12 Chapter Summary**

This chapter outlined which methods the researcher used to gather data, the sampling methods applied, the population chosen, and the tools used to collect data from this population. It included the research model and research design matrix as guides to how the study will be conducted. Reliability and validity of the research work were included too and finally the ethical issues.

## **CHAPTER 4**

### **RESULTS**

#### **4.1 Chapter Introduction**

This chapter looked at the presentation of the results from the data that was collected and analyzed. This will further involve interpretation of the data findings and their implications on the research objectives/research questions. The results are from responses given through the questionnaires and interviews. The study was undertaken so as to establish the relationship between customer satisfaction and service quality in the service sector (Stanbic Bank) with respect to the service quality dimensions.

Data analysis is the inspecting, cleansing, transforming, and modeling of data with the goal of discovering useful information, informing conclusion and supporting decision-making. The quantitative data will be analyzed by using Microsoft Excel and the Statistical Product and Service Solutions (SPSS). The analyzed data will be presented using tables, graphs and charts where necessary. Additionally, after the qualitative data has been collected, the data will then be analyzed thematically. Thematic analysis will allow the study to identify and analyze patterns and themes within the data which will be collected through interviews and questionnaires.

#### **4.2 Presentation of Study Dynamics**

This section presents the dynamics of interest to this study. The search had to take into consideration these factors in data analysis in order to proceed with the study.

##### **4.2.1 Response Rate**

The researcher sample number was 397 Customers of Stanbic Bank who used services from their branches in Lusaka. Out of the 397 questionnaires from respondents only 340 respondents fully responded, 15 questionnaires were incomplete and 42 were not filled as shown in Table 1 below. The researcher therefore proceeded with completely filled questionnaires retaining the interview responses on respective themes as randomly selected from the original sample of 397 participants.

No	Description	Response Rate	percentage
1	Completely filled	340	86%
2	Partially filled	15	4%
3	Not filled	42	10%
	<b>Total</b>	<b>397</b>	<b>100%</b>

Table 1: Respondents response rate

### 4.3 Presentation on Socio Demographic Data

The section shows the profile of the respondents in relation to each respondent's profile section of the questionnaire, which had five questions based on age group, gender, educational background, employment status and marital Status. The same section deliberately sought to understand how long the customer had banked with Stanbic particularly for purposes of understanding the challenges over time and to a once-off experience. The respondents also had to indicate the branch with which they frequently visited, this was to help the researcher to get a diverse view of service quality across the town. Therefore, in this section, each respondent had to mention his/her status accordingly.

#### 4.3.1 Respondents Age

AGE GROUP	FREQUENCY	PERCENTAGE
Below 20	24	7%
21-30	95	28%
31-40	116	34%
41-50	65	19%
Above 50	40	12%
<b>Total</b>	<b>340</b>	<b>100%</b>

Table 2: Respondents Age Group

Table 2, shows that 28% and 34% filled the most questionnaires, regarding the level of their age, then the data is accurate because a high percentage of mature respondents filled the questionnaires. The respondents aged from 31-40 were a high number while the few age groups that responded to

the questionnaire were below 20, which indicates that not many of the young people have accounts with Stanbic Bank.

#### 4.3.2 Respondents Gender

<b>GENDER</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
MALE	218	64%
FEMALE	122	36%
	<b>340</b>	<b>100%</b>

*Table 3: Respondents Gender*

Table 3 revealed that a high percentage of 64% of respondents were male gender, this could be related to certain financial activities that are traditionally associated with them and accessibility, and the percentage of female respondents alike was 36%.

#### 4.3.3 Education Background

**Table 4: Education Profile of Respondents**

<b>LEVEL OF EDUCATION</b>	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
Secondary school	17	5%
Diploma	68	20%
Professional qualification	4	1%
Degree	129	38%
Master's Degree	88	26%
PhD	34	10%
<b>Total</b>	<b>340</b>	<b>100%</b>

*Table 4: Education Profile of respondents*

Based on table 4 above as explaining on the educational background for the respondent, whereby the questionnaires were filled by most high percentages which are 38% and 26%, are Degree holders and Master's graduates' respondents and this reveal that, the study possesses data that comes from matured and intellectual respondents, to enhance the researcher to fulfill her ambition of the study.

#### 4.3.4 Marital Status

STATUS	FREQUENCY	PERCENTAGE
Single	85	25%
Married	180	53%
Divorced	71	21%
Other	4	1%
<b>Total</b>	<b>340</b>	<b>100%</b>

Table 5: Respondents Marital Status

Table 5 above shows the marital status of the respondents, whereby the majority 53% of respondents were married while only 4 respondents had indicated the “other” option on the questionnaire for their marital status. 85 respondents were single while 71 were divorced representing 25% and 21% respectively.

#### 4.3.5 Employment Status

	FREQUENCY	PERCENTAGE
Employed	214	63%
Unemployed	65	19%
Student	34	10%
Retired	27	8%
<b>TOTAL</b>	<b>340</b>	<b>100%</b>

Table 6: Respondent Employee Status

The highest percentage of the respondents was found to be employed people, which was 63% (214 respondents) while only 8% (27 respondents of total respondents) were retired. Further, the researcher found that 65 respondents were unemployed while 34 were students representing 19% and 10% of the entire sample respectively. This table shows that the bank may be serving more employed customers compared to others.

#### 4.3.6 Duration as Bank Customer

PERIOD	FREQUENCY	PERCENTAGE
1 -5 YEARS	133	39%
5 YEAR AND MORE	207	61%
<b>TOTAL</b>	<b>340</b>	<b>100%</b>

Table 7: Duration of Banking with Stanbic Bank

Table 7 above, as it can be revealed the questionnaire was set for the Customers of Stanbic bank as all 61% this show that most of the customers have been with the bank for over 5 years.

#### 4.3.7 Most Frequented Bank Branch

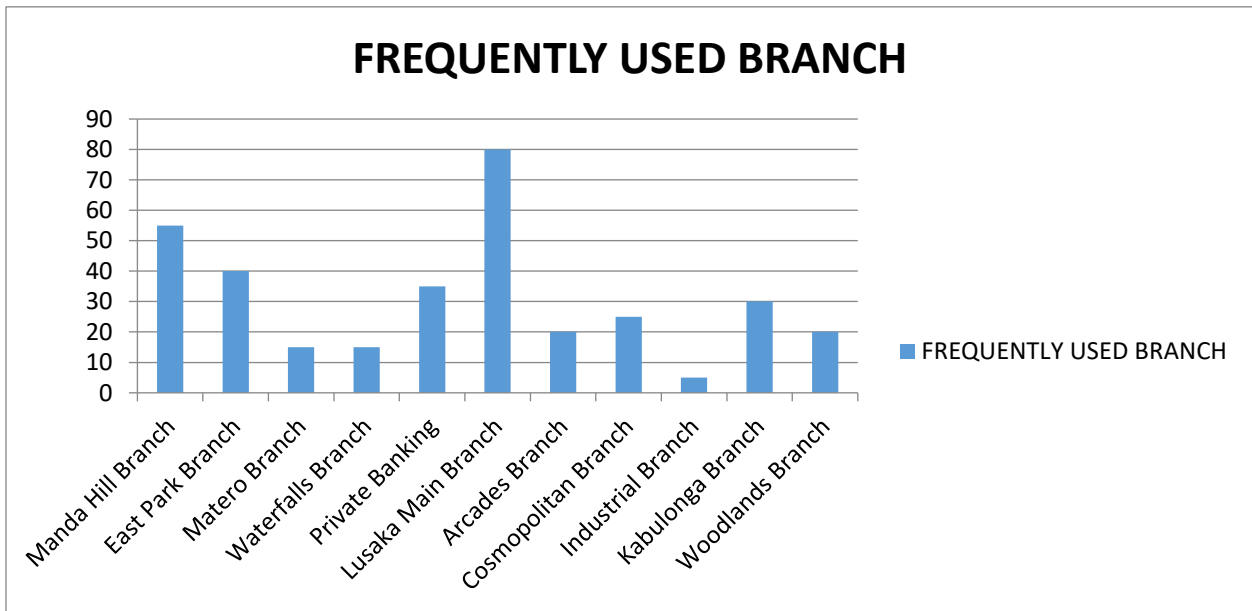


Figure 4: Respondents most Frequented Branch

Statistics indicate that the most frequently used bank branch is Lusaka main branch with 80 respondents consenting to that. The frequency of customers to the bank branch has a significant role in indicating the quality of the service and customer satisfaction. From this result, it is clear that most respondents obtained quality service from Lusaka main branch and Manda Hill branch and the least from the Industrial branch.



#### 4.4 Presentation of Findings on Dependent Variable Customer Satisfaction (Objective 1)

The segment offers a measurable analysis; it highlights the outcomes of the inquiry through the questionnaire. The results are presented in table form, graph or chart form with an interpretation as well.

##### 4.4.1 Customer Satisfaction with Stanbic Bank Services

The researcher sought to understand the perceptions regarding the quality of services provided by Stanbic Bank Zambia in Lusaka Branches as held by its customers. This was a key indicator upon which all other variables were benchmarked in terms of their impact.

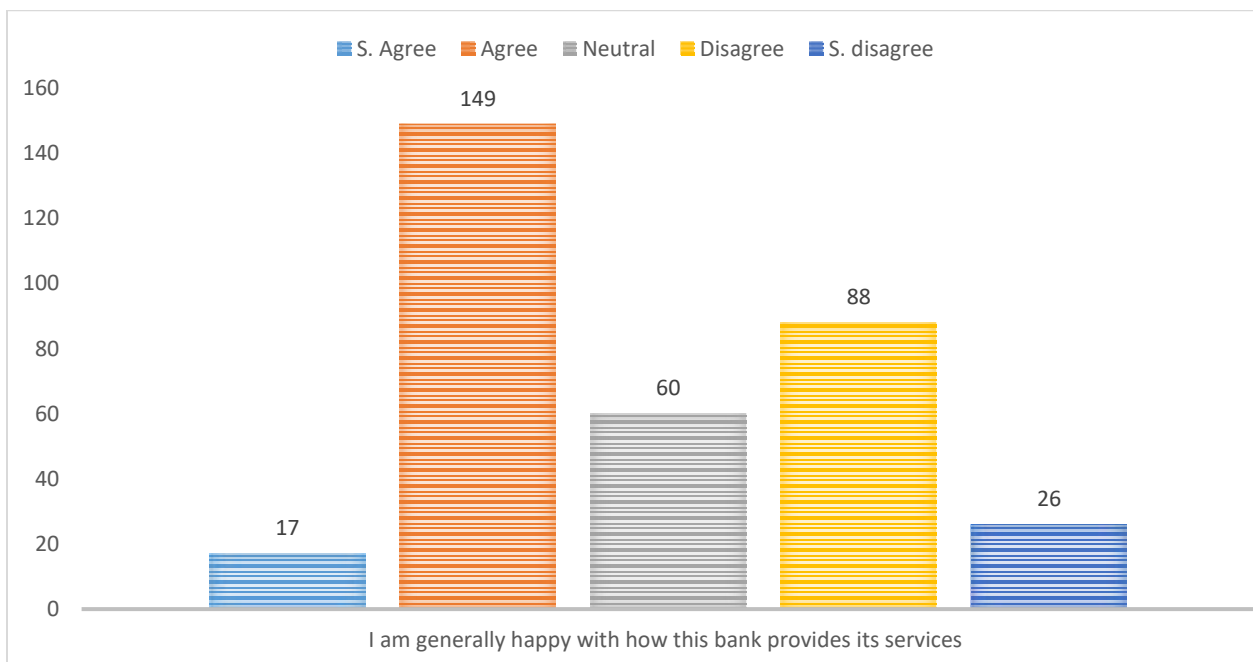


Figure 5: Customer Satisfaction with the Quality of Services at Stanbic Bank

Fig. 5 shows that the majority 43.8% (149 of the customers respondents) agreed with the statement “I am generally happy with this bank (Stanbic Bank Zambia) provides its services”. While this was the case, 171 respondents (aggregate) were either neutral or disagreed with this statement. This phenomenon was of interest to the customer and when interviewed some of the customers expressed concerns over the responsiveness of the bank particularly the number of days it took the bank to respond to the queries raised by customers.

*Well for me, the bank is just okay, but the biggest problem I have is the length of time they take to respond if you have a query. Other things I think are just like other banks so I can't say much (male Customer).*

*The bank keeps asking for letters whenever you have a complaint and it takes time to have the issue resolved (Female Customer).*

With these findings, the researcher established that customers were generally satisfied with the services they accessed in their respective locations thus answering question one which asked “What is the level of customer satisfaction with the quality of services at Stanbic Bank Zambia in Lusaka?”. The level of satisfaction was above average. With this in mind, the researcher went on to establish what specific service quality dimensions affected the perception of customer satisfaction.

#### 4.5 Presentation of Findings on Independent Variable Service Quality Dimensions

##### 4.5.1 Customers Experience with the Bank Physical State (Tangibility)

The researcher assessed the customer's perception of the quality of services based on their experience with the physical state of the bank.

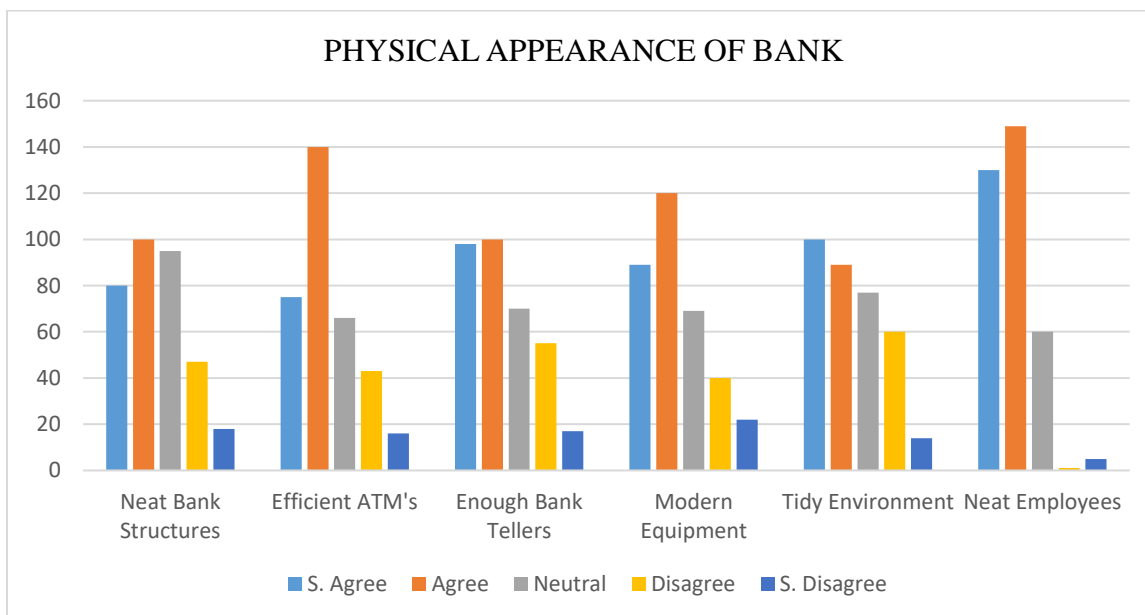


Figure 6: Bank and Employee Appearance

Fig. 6 presents the customer's perception of the physical appearance of the bank and its employees and how they perceive that it affects their satisfaction and loyalty. The findings reveal that 88.6 % of the respondents agreed that employees and the structure of Stanbic Bank were neat and were a significant part of customer satisfaction. They further expressed their gladness in how modern the bank structures were. However, 66.7% of the respondents expressed dissatisfaction in the performance of the ATMs and the number of tellers that the bank had while 70% of the respondents had a neutral stance on this subject. It could therefore be asserted that not only does bank employees’ attitude affect customer satisfaction at Stanbic but so does the Appearance of the bank and employees and the functioning of ATMs too.

**4.5.2 Customer Satisfaction with Reliability of Stanbic Employees**

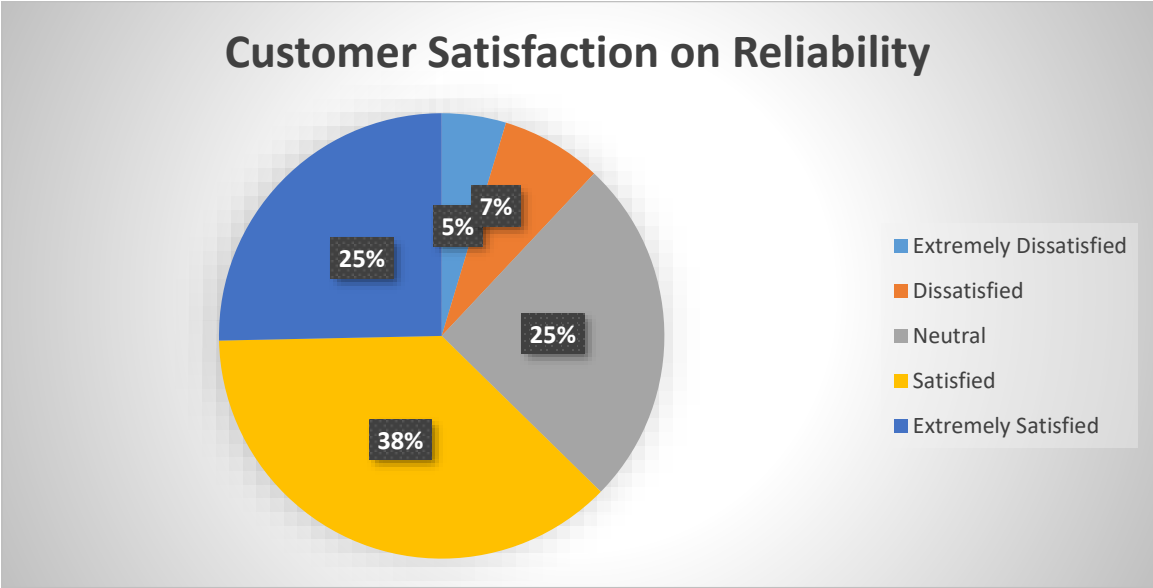


Figure 7: Customer Satisfaction with Employee reliability at Stanbic Bank

As displayed by the results in the chart above, 25% of the research respondents were extremely satisfied with the employee reliability at Stanbic Bank. In like manner, though in less strength, 38% of respondents expressed satisfaction as 25% have a neutral stance on their satisfaction with the Stanbic Quality of services. On the other hand, 7% of the respondents and 5% of the respondents displayed dissatisfaction with employee reliability ultimately on the quality of services received thereof.

### 4.5.3 Responsiveness and Assurance to Customers

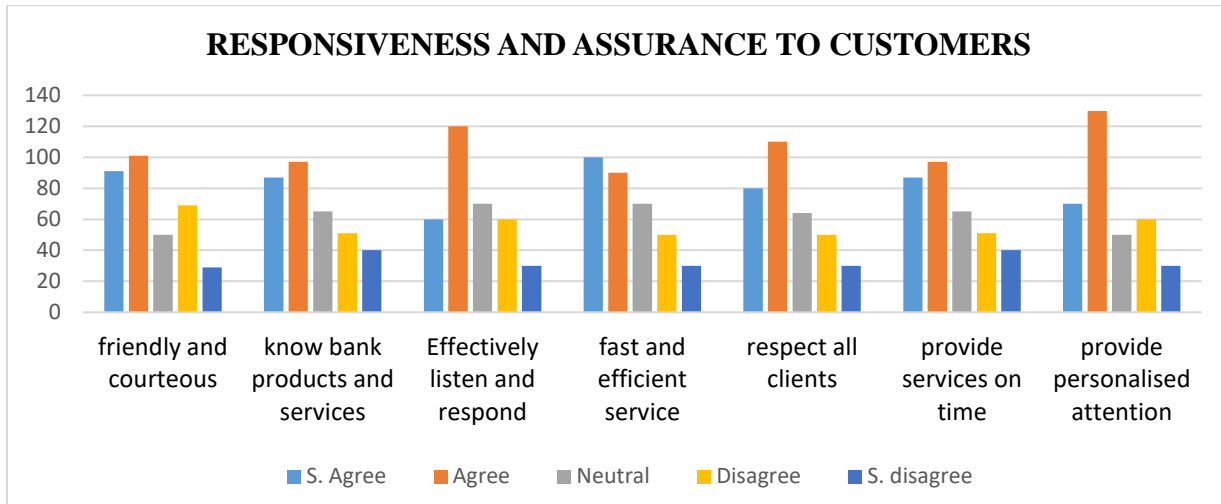


Figure 8: Customer Responses on Promptness and Confidence at Stanbic Bank

The knowledge and courtesy of employees and their ability to inspire trust and confidence are so important in service to customers. Figure 8 presents descriptive statistics on how the respondents regarded various elements of bank customer service. The findings reveal that 89.6 % of the respondents agree that indeed employees of Stanbic Bank will tell customers exactly when services will be performed, provide personalized services and are friendly and courteous. Additionally, 17.6 % of the respondents agreed that employees of Stanbic Bank will give prompt services to customers. In the same regard 93.5 % of the respondents agreed that indeed employees of Stanbic Bank have knowledge and understanding of all the products and services that they offer.

On the other hand, 23.5 % of the respondents agreed that indeed employees of Stanbic Bank will never be too busy to respond to customers' requests. It was also revealed that 97.8 % of the respondents agreed on how employees of Stanbic Bank will inform customers about any changes in their services. Finally, it was revealed that 97.8 % of the respondents agreed that indeed employees of Stanbic banks will recommend appropriate products or services to customers.

### 4.5.4 Empathy of Employees

In assessing customer satisfaction, the researcher proceeded to assess if the customers were satisfied enough with the empathy of the Stanbic employees. The results are presented in Figure below.

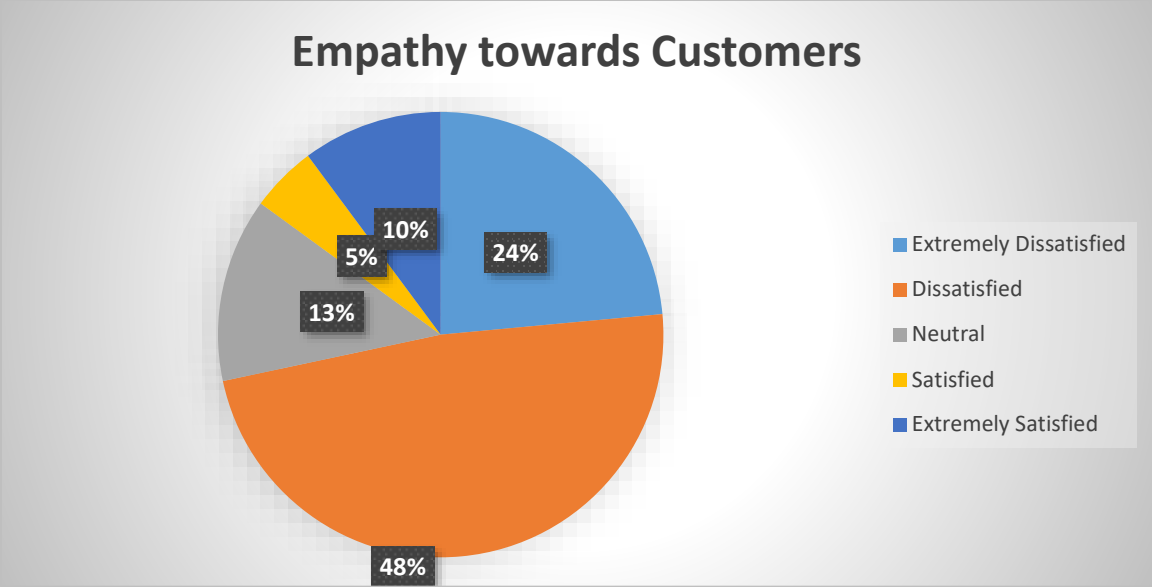


Figure 9: Empathy towards Customers

Fig. 9 shown in the chart above, it is evident that 48% of the research respondents are extremely satisfied with the current customer service that is provided by Stanbic Bank. 24% are generally satisfied whereas 13% have a neutral view on their empathy in the services provided by Stanbic Bank. Lastly, 10% and 5%, respectively displayed dissatisfaction on empathy from the quality of services received.

Lastly, factor analysis was essentially developed to investigate the determining factors and the most important dimensions that customers take into consideration while transacting with Stanbic Bank. The five main dimensions which influence and impact bank customers more are: tangibility, reliability, responsiveness, assurance and empathy as shown in tables below.

The factor analysis tables of the 5 service quality dimensions (factor 1- factor 5) all have explained percentage variances and factor loadings satisfying the cut-off point of 0.5. All the factors were considered as significant and chosen for interpretation, with 'empathy' having the highest Eigenvalue of 3.3 with an explained variance of 70.1% and 'tangibility' having the lowest Eigenvalue of 1.7 with an explained variance of 56.5%. However, one item having a factor loading less than 0.40 under the 'tangibility' factor was excluded due to its insignificance while for the other four factors, all the items were retained considering the fact that all the variables had a factor loading more than 0.40.

**SCALE FACTOR**

<b>Tangibility</b>		<b>Factor 1</b>
good physical appearance		0.801
available and accessible bank ATMs		0.694
information brochures are always available		0.747
Reliability coefficient (Cronbach Alpha)		0.603
	Eigenvalue	1.721
	Variance Explained	56.530
The Kaiser- Meyer- Olkin Measure of sampling adequacy		0.589
The Barlett's test of sphericity (significance level)		0.000
<b>Reliability</b>		
<b>Factor 2</b>		
The service is delivered as promised by the bank		0.734
Timely, rapid and effective service delivery		0.611
accurate information is served		0.729
quality and sophisticated services are provided		0.827
The bank ensures confidentiality and privacy		0.769
Reliability coefficient (Cronbach Alpha)		0.772
	Eigenvalue	2.761
	Variance Explained	55.121
The Kaiser- Meyer- Olkin Measure of sampling adequacy		0.752
The Barlett's test of sphericity (significance level)		0.000
<b>Responsiveness</b>		
<b>Factor 3</b>		
The employees provide punctual services and handle my requests adequately		0.871
The employees of banks are helpful and willing to guide and help		0.774
The employees sufficiently handle queries via telephone in the bank		0.691

the employees provide fast and efficient service counters in the bank	0.754
Reliability coefficient (Cronbach Alpha)	0.834
Eigenvalue	3.097
Variance Explained	61.945
The Kaiser- Meyer- Olkin Measure of sampling adequacy	0.808
The Barlett's test of sphericity (significance level)	0.000
<b>Assurance</b>	<b>Factor 4</b>
The staff inspire trust	0.881
friendly, courteous and polite staff	0.897
The staff of the bank have good communication skills and positive approach	0.866
Reliability coefficient (Cronbach Alpha)	0.870
Eigenvalue	2.644
Variance Explained	79.453
The Kaiser- Meyer- Olkin Measure of sampling adequacy	0.731
The Barlett's test of sphericity (significance level)	0.000
<b>Empathy</b>	<b>Factor 5</b>
The bank has effective help desks and call centers	0.795
The bank provides good treatment	0.894
I can easily interact with the bank	0.833
The bank understands the specific needs and perspectives	0.839
Reliability coefficient (Cronbach Alpha)	0.892
Eigenvalue	3.334
Variance Explained	70.151
The Kaiser- Meyer- Olkin Measure of sampling adequacy	0.846
The Barlett's test of sphericity (significance level)	0.000

Table 8: Dimension Analysis Result for the 21 items representing the 5 Service Quality Dimensions of the bank.

#### 4.5.5 Quality Service on Customer Satisfaction

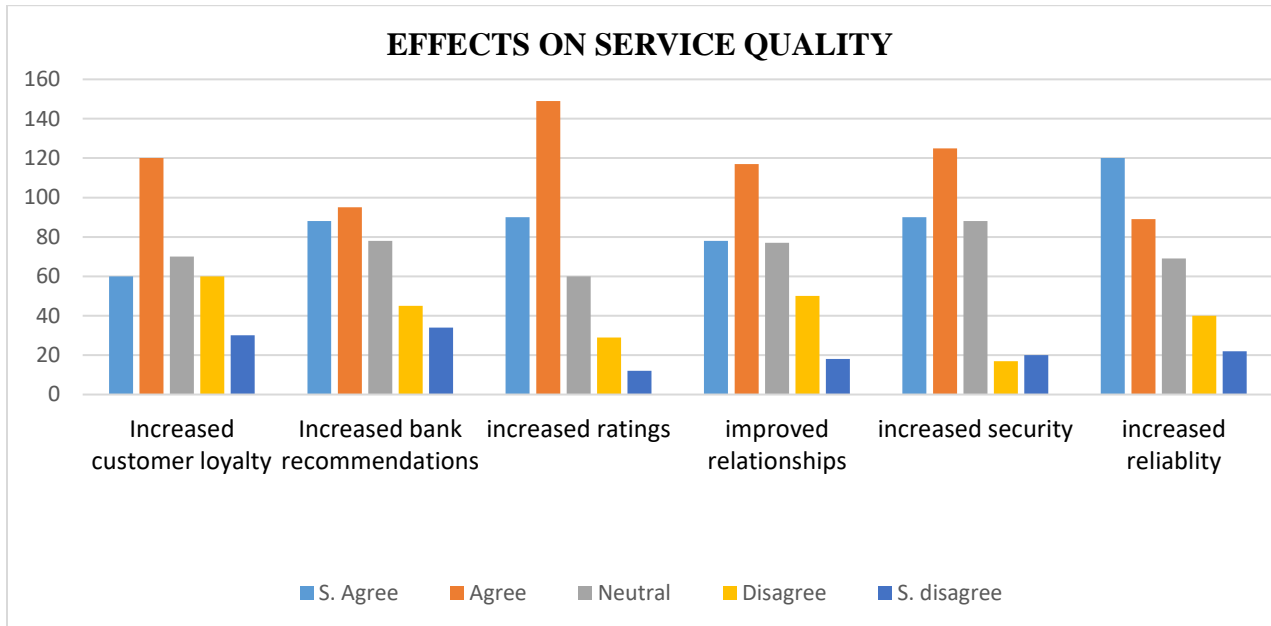


Figure 10: Respondents Response to Effects of Quality Service to Customer Satisfaction

Fig. 10 shows that 94.6% of the respondents agree that indeed customer satisfaction will bring about increased ratings and bank recommendations. Additionally, 15.4 % of the respondents agreed that customers of Stanbic Bank will have improved relationships with the bank based on the satisfaction attained. In the same regard, 97.8% of the respondents agreed that indeed customers of Stanbic Bank will have increased security depending on the level of satisfaction that the bank offers. On the other hand, 15.4 % of the respondents agreed that indeed customers of Stanbic Bank will have increased reliability in the bank if the customers are satisfied.

To fully explore this objective an interview was conducted where customers were asked about their working relationships with Stanbic Bank staff about service delivery. The majority of respondents said they get along well with Stanbic staff members. Over time, this connection had grown and had helped to establish trust between Stanbic and its clients. One respondent confirmed that;

*I have come to develop trust with the staff of Stanbic to do their job diligently and provide me with good advice on banking-related matters (female Customer)*

This was also supported by another respondent who stated that he trusts Stanbic staff, and they delivered services in a consistent and ethical manner. The trust shared between Stanbic staff and



its customers is two-sided. Some staff interviewed indicated that they were comfortable with named customers

*Personally, I have been relating well with a number of customers and we actually share quite a number of ideas. For example, Mr. X (name withheld) likes encouraging me to invest in a farm whenever he comes to make deposits. Intern I also advise him on products that could benefit him unlike just keeping the money in the bank (Female Banker).*

Some of the respondents offered a different opinion about the level of trust they have of Stanbic, indicating that not every taxpayer is confident in the service delivery of Stanbic. This notion was confirmed by a respondent who stated that

*I don't trust the way Stanbic employees handle cheque payments, and the way they handle our complaints, overdrafts, advancing of loans, it's like they are some things they don't want us to know (Male Customer)*

The dimensions of quality services that were observed at Stanbic Bank were relatively of good service quality although there was still a need to improve on empathy, reliability, and responsiveness for the bank to effectively achieve greater customer satisfaction.

#### **4.6 Presentation of Findings: Impact of Customer Service Delivery to Customer Loyalty**

This section provides the views of respondents on specific issues pertaining to customer service delivery and its impact on customer loyalty. To begin the analysis of this objective the respondents were asked if they believed that customer loyalty can be affected by customer service delivery, the results are shown in the figure below.

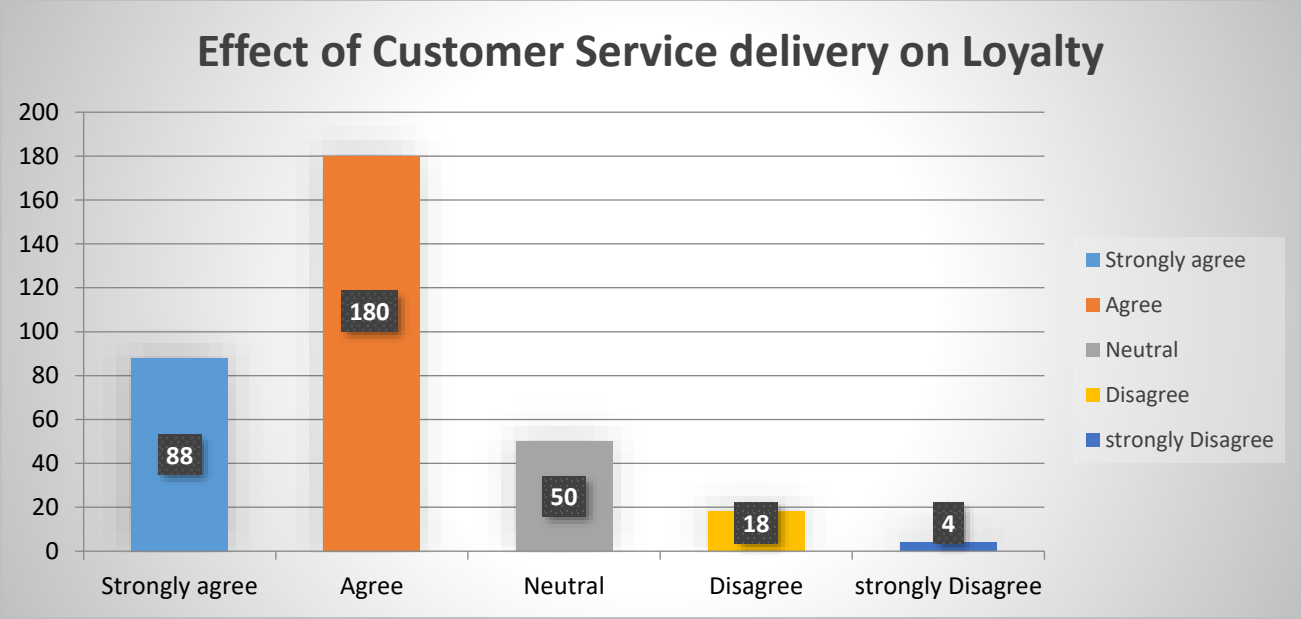


Figure 11: Effect of Customer Service Delivery on Customer Loyalty

The researcher further asked the respondents how customer satisfaction affects customer loyalty, the results are presented below:

In an interview, 88 respondents stated that the more satisfied customers are with the banking services the more they trust the bank with more services. They mentioned that they cannot trust the bank with a savings account if their regular account is consistently faulty. Therefore, the more satisfaction from one service the more trustworthy and reliable the bank becomes.

Further, some respondents also stated that when customers receive personalized and satisfying services from a bank, they want to stay for safety and security reasons because money is sensitive and some emerging banks are not reliable.

Also, it was noted from another set of interviews that satisfied clients tend to become confident in the bank and the services it provides and hence recommend its services to family, friends and colleagues. This is a sign of loyalty because they are growing a brand they believe in.

Lastly, the respondents echoed that the only way to keep coming to a bank for its services is if the services pleased the end user, therefore the relationship between customer satisfaction and loyalty is dependent on the levels of satisfaction and the means of service delivery.

The respondents were further asked to identify the gaps in customer service delivery that could affect customer loyalty and the response was as follows;

#### 4.6.1 Gaps in Customer Service Delivery

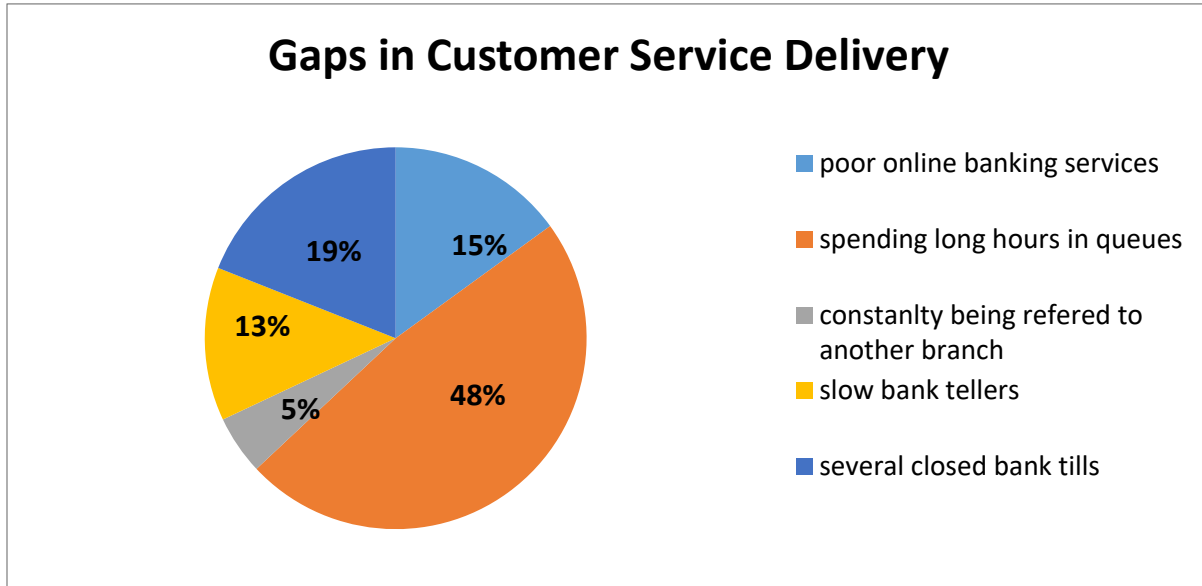


Figure 12: Gaps in Customer Service Delivery

From the results above, it shows that most (48%) of the respondents have identified standing long hours in queues as one of the biggest gaps in service delivery and a great challenge to customer loyalty. Other variables mentioned include several closed banking tills represented by (19%). In an interview, one of the respondents said,

*It is a serious inconvenience to walk into a bank with 5-7 tills and only 3 tills are working and then from the 3, 2 of the tellers keep leaving the till, this is what actually causes the unnecessary long queues and delays (male customer).*

The respondents also mention that slow bank tellers (13%) and poor online banking services (15%) are some of the service delivery gaps that affect customer loyalty.

Further in an interview the respondents mentioned that the gaps affect customer loyalty to a great extent. One of the respondents stated that

*I have considered moving from Stanbic several times because I don't like constantly waiting in line when I have a very demanding job and the online services are down" (Male Customer),*

Another respondent commented and said,

*The constant maintenance of Online banking made me stop using Stanbic for serious transactions and leave it for miscellaneous transactions only (Female Customer).*

After reviewing the comments on the respondents, it was concluded that if not effectively handled customer service delivery has negatively impacted customer loyalty.

#### **4.6.2 Service Delivery Strategies to Enhance Customer Satisfaction**

This section provides the views of respondents on specific issues pertaining to strategies to improve the service delivery at Stanbic Bank. This is necessary to validate the response to question 3 and also to address objective 3 of this study.

Several strategies were revealed to be adopted by staff working in Stanbic Bank. Their suggestions were grouped into five categories of strategies as depicted in Table 8.

Variable	Frequency	Percentage
Encourage customer feedback	45	13.3
Empower employees to resolve issues	68	20.0
Practice active listening with customers	68	20.0
Underpin customer service strategy with data	45	13.3
Provide a rich learning environment for employees	113	33.3
Total	340	100.0

Table 9: Service Delivery Strategies

##### **4.6.2.1 Encourage Customer Feedback**

Customer feedback refers to customer information as to whether the product or service is acceptable or not and whether they have general experience with a Bank. As indicated in Table 9, 13.3% of the respondents referred to this strategy as effective for service quality delivery at Stanbic Bank.

##### **4.6.2.2 Empower Employees to Resolve Issues**

Workers can be helped to settle their own issues by knowing when to train and manage and asking the right questions. Based on Table 9, 20% of the respondents adopted this strategy to deliver service quality at Stanbic Bank.

#### **4.6.2.3 Practice active Listening with Customers**

Active listening focuses on what is said, not just hearing the speaker's message in passive terms. It is an ability that is developed and learned in practice. Table 9 suggests that 20% of the respondents practice active listening with customers as a strategy to deliver service quality at Stanbic Bank.

#### **4.6.2.4 Underpin Customer Service Strategy with Data**

Data allows a worker a better chance to understand who, when and where the best customers are. Results in Table 9 indicate that 13.3% of the respondents adopted this strategy for delivering service quality at Stanbic Bank.

#### **4.6.2.5 Provide a Rich Learning Environment for Employees**

Employees should always learn to develop their communication skills, interpersonal relationships, technical know-how and time management skills, all to enhance the customer service sector. Table 9 shows that 33.3% leaned on this strategy to improve service quality delivery at Stanbic Bank. Lastly, from the interviews most respondents also stated changes they'd like to see in the services of the bank. These recommendations include:

1. Increase ATMs
2. Remain reliable to their customers if indeed they need to remain competitive in the market.
3. Innovate new ways of enhancing the way they respond to customer needs so as to avoid service breakdowns.
4. Consider empathy as one of the strong points in enhancing customer satisfaction.
5. Identify new incentives for long-serving customers.

### **4.7 Inferential Statistics**

Inferential statistics included performing correlation and regression analysis to examine the relationship between customer satisfaction and service quality in the service sector.

#### **4.7.1 Correlation Analysis**

Pearson Product- Moment correlation coefficient was used to measure strength and the direction of linear relationship between variables. The Pearson correlation coefficient,  $r$ , can take a range of values from +1 to -1. The relationship was considered weak when  $r = \pm 0.1$  to  $\pm 0.29$ , while the relationship was considered moderate when  $r = \pm 0.3$  to  $\pm 0.49$ , and when  $r = \pm 0.5$  and above, the relationship was considered strong. The table below presents the results obtained.

		<b>C S</b>	<b>T</b>	<b>R</b>	<b>R</b>	<b>A</b>	<b>E</b>
<b>Customer satisfaction (CS)</b>	Pearson Correlation	1					
	Sig. (2-tailed)	0.000					
	N	340					
<b>Tangibility (T)</b>	Pearson Correlation	.671**	1				
	Sig. (2-tailed)	.003					
	N	340	340				
<b>Reliability (R)</b>	Pearson Correlation	.624**	.513*	1			
	Sig. (2-tailed)	.000	.040				
	N	340	340	340			
<b>Responsiveness (R)</b>	Pearson Correlation	.639**	.539**	.061	1		
	Sig. (2-tailed)	.001	.000	.524			
	N	340	340	340	340		
<b>Assurance (A)</b>	Pearson Correlation	.619**	.374**	.119	.565**	1	
	Sig. (2-tailed)	.005	.000	.134	.000		
	N	340	340	340	340	340	
<b>Empathy (E)</b>	Pearson Correlation	.658**	.339**	.066	.640**	.266**	1
	Sig. (2-tailed)	.004	.000	.394	.000	.000	
	N	340	340	340	340	340	340

Table 10: Correlation coefficient matrix

From the findings, it is evident that the relationship between the dependent and the independent variables are strong. The findings show that tangibility has a strong positive correlation with customer satisfaction ( $r=0.671$ ,  $p\text{-value}=0.003$ ); reliability and customer satisfaction are seen to be strongly and positively correlated ( $r=0.624$ ,  $p\text{-value}=0.000$ ); responsiveness had a strong positive relationship with customer satisfaction ( $r=0.639$ ,  $p\text{ value}=0.001$ ); assurance and customer satisfaction were seen to be positively and significantly related ( $r=0.619$ ,  $p\text{-value}=0.005$ ); and lastly, empathy had a strong positive correlation with customer satisfaction ( $r=0.658$ ,  $p\text{-value}=0.004$ ). These findings suggest that tangibility, reliability, responsiveness, assurance, and

empathy all have a direct relationship with customer satisfaction in the banking service industry. This also indicates that these dimensions are important factors contributing to overall customer satisfaction. However, it is important to note that correlation does not imply causation. While variables are related, other factors could also contribute to customer satisfaction. Therefore, further analysis such as the regression model was necessary to establish causal relationships and determine the relative importance of each dimension in driving customer satisfaction.

#### 4.7.2 Analysis of Variation (ANOVA)

Analysis of variance is used to determine how fit the model developed is to the data. It tests the significance of the model. In this study the significance of the model was tested at a 5% level of significance.

<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Squares</b>	<b>F</b>	<b>Sig.</b>
<b>Regression</b>	604.029	5	120.81	6.06	.000 <sup>b</sup>
<b>Residual</b>	3070.214	154	19.94		
<b>Total</b>	3674.243	159			

Table 11: ANOVA

The findings from ANOVA analysis showed that the population parameters had a p-value of 0.000; an indication that the model was statistically significant. This suggests that the data was suitable for making conclusions on the population under investigation because the p-value was less than 0.05. The F critical, obtained from the f-distribution table (2.273) was less than the F calculated (6.060). This shows that tangibility, reliability, responsiveness, assurance, and empathy significantly influence customer satisfaction at Stanbic Bank.

#### 4.7.3 Coefficients of the Study Variable

Regression analysis was conducted to test the research hypotheses. Due to the fact that the sample size used for this study is not large, it is considered sufficient to apply the multiple regression analysis. As presented in the table below, the analysis is proven to be statistically significant ( $P < 0.001$ ) and with the five service quality determinants explaining about 32% ( $R^2 = 0.320$ ) of overall customer satisfaction.

The regression model was;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon,$$

Where; Y= Customer satisfaction,  $\beta_0$ = constant (coefficient of intercept), X1= Tangibles; X2= Reliability; X3= Responsiveness; X4= Assurance; X5= Empathy;  $\epsilon$  = error term;

The results of the regression analysis were as follows;

Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	1.730	0.197		8.782	0.000
Tangibility	0.153	0.038	0.176	4.026	0.028
Reliability	0.291	0.036	0.377	8.083	0.004
Responsiveness	0.140	0.029	0.107	4.828	0.030
Assurance	0.334	0.038	0.255	8.947	0.021
Empathy	0.520	0.055	0.492	9.455	0.002

Table 12: Regression Coefficients Results

a. **Dependent Variable:** customer satisfaction

From the findings, the following regression model was fitted;

$$Y = 1.730 + 0.153X_1 + 0.291X_2 + 0.140X_3 + 0.334X_4 + 0.520X_5 + \epsilon,$$

The standardized coefficient (beta) allows us to compare the relative importance of the variables, Empathy seems to have the largest impact on the dependent variable, followed by reliability, assurance, tangibility, and responsiveness in decreasing order of importance.

From the above equation, it is evident that when the variables; tangibility, reliability, responsiveness, assurance, and empathy are held to a constant zero, customer satisfaction will be at a constant value of 1.730.

The study also found that tangibility has a positive influence on customer satisfaction ( $\beta=0.153$ ). The study also found that tangibility had a p-value (0.028) less than the selected level of significance (0.05), an indication that the influence of tangibility on customer satisfaction is significant. Therefore, tangibility can be said to have a positive significant influence on customer satisfaction.



## **4.8 DISCUSSIONS**

### **4.8.1 Customer Satisfaction with Stanbic Bank Services**

The study found that the majority 43.8% (149 of the customers respondents) agreed with the statement “I am generally happy with this bank (Stanbic Bank Zambia) provides its services”. While this was the case, 171 respondents (aggregate) were either neutral or disagreed with this statement. With these findings, the researcher established that customers were generally satisfied with the services they accessed in their respective locations thus answering question one which asked “What is the level of customer satisfaction with the quality of services at Stanbic Bank Zambia in Lusaka?”. The level of satisfaction was above average. With this in mind, the researcher went on to establish what specific service quality dimensions affected the perception of customer satisfaction. These results are consistent with previous studies in the literature. For example, (Mkoma, 2014) analyzed customers’ satisfaction with banking services: a case of a standard chartered bank in Tanzania Nonparametric results show that customers were satisfied with the quality and service time ( $p < 0.01$ ); are loyal and hence unlikely to switch banks even if by doing so they could save about 10% ( $p < 0.01$ ); and are unlikely to switch banks in the near future despite easiness of switching ( $p < 0.01$ ). Accuracy of service and welcoming attitude of staffers were not a strong source of customers’ satisfaction with the bank ( $p > 0.1$ ). Based on the findings of the study it is recommended that Standard Chartered Bank should maintain the quality of financial services offered by the bank.

### **4.8.2 Customer Satisfaction and Service Quality Dimensions**

The study found that 88.6 % of the respondents agreed that employees and the structure of Stanbic Bank were neat and were a significant part of customer satisfaction. They further expressed their gladness in how modern the bank structures were. However, 66.7% of the respondents expressed dissatisfaction in the performance of the ATMs and the number of tellers that the bank had while 70% of the respondents had a neutral stance on this subject. It could therefore be asserted that not only does bank employees’ attitude affect customer satisfaction at Stanbic but so does the Appearance of the bank and employees and functioning of ATMs too. The study also found that 94.6% of the respondents agree that indeed customer satisfaction will bring about increased ratings and bank recommendations. The dimensions of quality services that were observed at Stanbic Bank were relative of good service quality although there was still need to improve on empathy, reliability, and responsiveness for the bank to effectively achieve greater customer satisfaction.

Similarly, Sichinsambwe et al. (2017) sought to determine the relationship between service quality and the resultant customer satisfaction for both foreign and local banks in Zambia. They found that the mean expectations of the five dimensions of service quality are higher than the mean perception thereby indicating that in general customers of both local and foreign banks are not satisfied with the service being offered by the banks. Another study by Mulenga, (2019) assessed Service Quality and Customer Satisfaction levels in Railway Industries: A Case Study of Tanzania Zambia Railway Authority (Tazara) Passenger Train in Zambia. Their results indicated that truly there is a relationship between service quality and customer satisfaction. Personal interaction of customers with service staff, reliability of the railway, assurance, empathy, responsiveness, tangibles, management reaction towards accident clearance and ticket refund as aspects of service quality greatly influence customer satisfaction.

A study by Mutinda et al. (2020) found that the major challenges faced by banks in Kenya include poor customer service, inadequate technology infrastructure, and long waiting times. The study found that customer satisfaction is closely linked to the quality of service delivery, and that poor service delivery can result in customers switching to competitors. In Nigeria, Obananya (2020) examined the linkage between service quality and customer loyalty in the commercial banking industry. Four dimensions of service quality were used that include assurance, responsiveness, tangibility, and reliability. In South Korea, Sangjae and Kun (2020), in their study, findings revealed that out of the six major measures used for service quality, system trust, usefulness, responsiveness, empathy, and ease of use stand as a major factor that determines the satisfaction of the VIP customers than that of the general customers while in the case of general customer system security is a more relevant factor that determines their satisfaction than the VIP customers.

#### **4.8.3 Impact of Customer Service Delivery to Customer Loyalty**

The study found that tangibility had a strong positive correlation with customer satisfaction ( $r=0.671$ ,  $p\text{-value}=0.003$ ); reliability and customer satisfaction are seen to be strongly and positively correlated ( $r=0.624$ ,  $p\text{-value}=0.000$ ); responsiveness had a strong positive relationship with customer satisfaction ( $r=0.639$ ,  $p\text{ value}=0.001$ ); assurance and customer satisfaction were seen to be positively and significantly related ( $r=0.619$ ,  $p\text{-value}=0.005$ ); and lastly, empathy had a strong positive correlation with customer satisfaction ( $r=0.658$ ,  $p\text{-value}=0.004$ ). These findings

suggest that tangibility, reliability, responsiveness, assurance, and empathy all have a direct relationship with customer satisfaction in the banking service industry.

The study also found that tangibility has a positive influence on customer satisfaction ( $\beta=0.153$ ). The study also found that tangibility had a p-value (0.028) less than selected level of significance (0.05), an indication that the influence of tangibility on customer satisfaction is significant. Therefore, tangibility can be said to have a positive significant influence on customer satisfaction.

Consistent with these findings, previous studies hold similar findings. A study conducted by Otim and Nabuzale, (2019) investigated the challenges of quality service delivery on customer satisfaction in the banking industry in Uganda. The study used a mixed-methods approach and found that the major challenges faced by banks in Uganda in delivering quality service include poor customer service, long waiting times, and inadequate technology infrastructure. Lomendra et al. (2019) assess the impact of the service quality dimension on the satisfaction of customers in the commercial banks in Mauritius. Munyaradzi and Mutasa (2020) investigated the challenges of quality service delivery on customer satisfaction in the banking industry in Zimbabwe. The study found that the major challenges facing banks in Zimbabwe in delivering quality service include poor customer service, long waiting times, lack of adequate technology infrastructure, and low financial literacy among customers. The study used a survey-based approach to collect data from customers of various banks in Zimbabwe.

#### **4.9 Chapter Summary**

This chapter presented the data as obtained from the field. It was analyzed from SPSS version 26 and Excel to present descriptive data. The interview guide was analyzed thematically. The study identified factors affecting customer satisfaction as reliability as it scored low as well as responsiveness and empathy. A significant relationship has been identified between the service quality dimensions and customer satisfaction at Stanbic Bank.

## CHAPTER 5

### CONCLUSION AND RECOMMENDATION

#### 5.1 Chapter Introduction

The aim of this section is to check if the research questions were answered; the objective was met and if the study has contributions. Thus, the chapter begins with a conclusion and then concludes with the recommendations.

#### 5.2 Summary of Findings

The study has brought about some interesting findings based on interaction with customers and staff at various Stanbic Bank Zambia branches across Lusaka. This inquiry was anchored on the following three specific objectives: 1) To determine the level of customer satisfaction with the service quality dimensions at Stanbic Bank Zambia. 2) To assess what service delivery dimension influences perceived customer satisfaction at Stanbic Bank Zambia and 3) To evaluate how customer service delivery impacts customer loyalty at Stanbic Bank Zambia. the following is a summary of the findings established by the study.

##### 5.2.1 Level of Customer Satisfaction

The researcher established that customers at various Stanbic branches in Lusaka district were generally satisfied with the services they accessed in their respective locations. There were some areas of improvement that customers highlighted but generally, the level of satisfaction was above average.

##### 5.2.2 Service Quality Dimension that Influenced Perceived Customer Satisfaction

The dimensions of quality services that were observed to be related with good service quality at Stanbic Bank were tangibility and assurance. For example, relationship analysis showed that tangibility has a positive influence on customer satisfaction ( $\beta=0.153$ ) and a p-value (0.028) less than selected level of significance (0.05) an indication that the influence of tangibility on customer satisfaction is significant. The study also found that empathy, reliability, and responsiveness were less influential thus requiring improvement for the bank to effectively achieve greater customer satisfaction.

### **5.2.3 Impact of Service Delivery on Customer Loyalty**

The study found that poor service delivery results in poor customer satisfaction and in turn affects customer uptake of bank services and risks loss of customers. In the study, 88 respondents stated that the more satisfied customers are with the banking services the more they trusted the bank with more services. The empirical findings have demonstrated that among the five SQ Dimensions, tangibility ( $r = 0.67, p < 0.05$ ), followed by "Empathy" ( $r = 0.66, p < 0.05$ ) and Reliability ( $r = 0.64, p < 0.05$ ), have the most positive and significant impact on customer satisfaction and in turn customer loyalty. These factors are of high importance and high potential to deliver satisfaction and therefore require special attention.

## **5.3 CONCLUSIONS**

The objective of this study was to explore the impact of service quality dimensions on customer satisfaction in the service sector at Stanbic Bank. The research questions were; 1) What is the level of customer satisfaction with the service quality dimensions at Stanbic Bank Zambia? 2) What service delivery dimension influences perceived customer satisfaction at Stanbic Bank Zambia? and 3) How does customer service delivery impact customer loyalty at Stanbic Bank Zambia? Furthermore, a research framework was developed relating the service quality and satisfaction. The overall service quality exerted a significant and strong relationship with customer satisfaction. The unique design of this research revealed interesting results. From the summary of the findings, it could be seen that the research questions were answered either distinctively by the individual service sectors or jointly in a group analysis of the common variables. The following are the conclusions thereof.

### **5.3.1 Level of Customer Satisfaction**

Customers at various Stanbic branches in Lusaka district were generally satisfied with the services they accessed in their respective locations thus answering question one which asked, "What is the level of customer satisfaction with the quality of services at Stanbic Bank Zambia in Lusaka"? There were some areas of improvement that customers highlighted but generally, the level of satisfaction was above average.

### **5.3.2 Service Quality Dimension that Influenced Perceived Customer Satisfaction**

Tangibility and assurance were the quality service dimensions that influenced the perceived customer satisfaction at Stanbic Bank Zambia in Lusaka. For example, tangibility had a positive

influence on customer satisfaction ( $\beta=0.153$ ) and a p-value (0.028) less than selected level of significance (0.05) an indication that the influence of tangibility on customer satisfaction is significant. However, empathy, reliability, and responsiveness were less influential thus requiring improvement for the bank to effectively achieve greater customer satisfaction.

### **5.3.3 Impact of Service Delivery on Customer Loyalty**

The study found that poor service delivery results in poor customer satisfaction and in turn affects customers' uptake of bank services and risks loss of customers. In the study, 88 respondents stated that the more satisfied customers are with the banking services the more they trusted the bank with more services. Satisfied customers were more likely to continue doing business with the bank and even recommend it to others. A positive experience fosters loyalty as customers tend to stick with institutions that consistently provide a high level of service.

Further, the study revealed that the variation in service quality is explained by tangibility, reliability, responsiveness, assurance, and empathy. Therefore, the bank should consider giving due attention to all the components of these service quality dimensions in their priority influence. The rank of the service quality dimensions in the decreasing order of their effects on the customer satisfaction of Stanbic Bank was tangibility, assurance, responsiveness, reliability and empathy. Based on the results of this study, it is recommended that the bank needs to prioritize the service quality dimensions to provide quality services to its various customers

## **5.4 RECOMMENDATIONS**

Based on the findings, the following recommendations are suggested:

### **5.4.1 Level of Customer Satisfaction**

Customers at various Stanbic branches in Lusaka district were generally satisfied with the services they accessed in their respective locations. However, there was room for improvement to reduce on competition and the following recommendations may facilitate the realization of improved quality of service and in turn customer satisfaction.

- 1 **Improve Physical Infrastructure:** Address any issues with ATM performance and ensure an adequate number of tellers to meet customer demands. Maintaining a neat and tidy appearance of the bank's physical environment and employees will positively impact customer perceptions.

- 2 **Strengthen Service Offerings:** Regularly assess and update the range of products and services offered by the bank. This will ensure that customer needs are met effectively and that the bank remains competitive in the market.
- 3 **Improve Physical Infrastructure:** Address any issues with ATM performance and ensure an adequate number of tellers to meet customer demands. Maintaining a neat and tidy appearance of the bank's physical environment and employees will positively impact customer perceptions.

#### 5.4.2 Service Quality Dimension that Influenced Perceived Customer Satisfaction

In order to improve on empathy, reliability, and responsiveness the researcher recommends the following;

- 1 **Foster Customer Engagement:** Establish channels for customers to provide feedback and actively listen to their suggestions and concerns. This will demonstrate a commitment to customer satisfaction and enable the bank to address issues promptly
- 2 **Enhance Marketing and Communication Efforts:** Develop targeted marketing campaigns to attract younger customers and communicate the bank's value proposition effectively. This will help expand the customer base and increase customer engagement.
- 3 **Enhance Employee Training:** Continuously invest in training programs to improve employees' courtesy, communication skills, and promptness in service delivery. This will further enhance customer satisfaction and loyalty.

#### 5.4.3 Impact of Service Delivery on Customer Loyalty

In order to retain a happy customer, the bank may consider implementing the following.

1. **Strengthen Service Offerings:** Regularly assess and update the range of products and services offered by the bank. This will ensure that customer needs are met effectively and that the bank remains competitive in the market.
2. **Foster Customer Engagement:** Establish channels for customers to provide feedback and actively listen to their suggestions and concerns. This will demonstrate a commitment to customer satisfaction and enable the bank to address issues promptly.
3. **Monitor and Improve Customer Satisfaction:** Implement regular customer satisfaction surveys to track and analyze customer feedback. This will help identify areas for improvement and guide strategic decision-making to enhance overall service quality.

- 4. Develop Customer Loyalty Programs:** Implement loyalty programs and incentives to reward long-serving customers and enhance customer retention.

### **5.5 Overall Limitations of the Study**

The study has some limitations which may hinder the generalization of its findings as its focus was only on the banking sector while other service sectors may show different results. The paper only focused on the customers' and bank staff' perceptions from one bank (Stanbic Bank Zambia) and town (Lusaka) while not including other banks and towns.

Further the researcher was unable to cater to clients that use digital channels and clients outside Lusaka as the research was limited to personal interviews and questionnaire distribution. The focus of this study was primarily on the traditional, physical aspect of service delivery within Stanbic Bank Zambia.

### **5.6 Areas for Further Study**

Further studies can explore the impact of technological adoption on customer satisfaction, specifically investigating how the adoption of digital banking technologies influences customer satisfaction.

Further, the researcher recommends extending the examination of the impact of service quality dimensions on customer satisfaction to other banks and towns as well as include sectors beyond the banking industry to gain insights into improving service quality and customer experiences across diverse service industries.

### **5.7 Chapter Summary**

The chapter checked if the research questions were answered; the objectives were met and if the study had made any contributions to the study site and the body of knowledge. Thus, the chapter begun with a summary of study findings upon which the conclusions were drawn and recommendations. The chapter concludes with the overall limitations of the study which informed areas for future studies a summary of the chapter.



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## APPENDICES

### 5.8 Appendix 1: Questionnaire

#### Introduction

My name is Namakau Mukelabai, I am a student at the University of Zambia (UNZA) pursuing a Master in Business Administration :Finance. In line with this, I am required to do a dissertation with the topic “Challenges of quality service delivery on customers satisfaction in the banking industry: A case study of Stanbic Bank”.

Therefore, you have been purposefully sampled to provide information for the topic indicated above. The information being collected is purely for academic purposes as such, it will be treated with maximum confidentiality. Subsequently, you are not supposed to indicate your name or any personal information that can lead to revealing of your identity.

**Your co-operation will be greatly appreciated.**

1. What is your gender?

- a) Female [     ]
- b) Male [     ]

2. In which age group are you?

- a) Under 20 Years [     ]
- b) 21 – 30 [     ]
- c) 31 – 40 [     ]
- d) 41 – 50 [     ]
- e) Above 51 Years [     ]

3. Marital status:

- a) Single [     ]
- b) Married [     ]
- c) Divorced [     ]

d) Other [ ]

4. What is your level of education?

a) Secondary/High School [ ]

b) Diploma [ ]

c) Professional Qualification [ ]

d) Degree [ ]

e) Master's Degree [ ]

f) PhD [ ]

5. What is your employment Status?

a) Employed [ ]

b) Unemployed [ ]

c) Student [ ]

d) Retired [ ]

6. How long have you been banking with Stanbic?

a) 1 year [ ]

b) 2 years [ ]

c) 3 years [ ]

d) 4 years [ ]

e) More than 5 years [ ]

7. Which branch do you visit most frequently?

a) Lusaka Main Branch [ ]

b) Kabulonga Branch [ ]

c) Woodlands Branch [ ]

d) Manda Hill Branch [ ]

e) Water Falls Branch [ ]

f) Arcades Branch [ ]

g) Kabwata Branch [ ]

h) Soweto Branch [ ]



- i) Industrial Branch [ ]
- j) Matero Branch [ ]
- k) East Park Branch [ ]
- l) Private Banking [ ]

**For each question below, tick the response that best characterizes how you feel about the statement.**

8. In terms of the service, you received from the customer service representatives/tellers, the representatives were friendly and courteous.

- 1) Strongly disagree [ ]
- 2) Disagree [ ]
- 3) Neutral [ ]
- 4) Agree [ ]
- 5) Strongly agree [ ]

9. In terms of the service, you received from the customer service representatives/tellers, the representative had Knowledge of bank's products & Services.

- 1) Strongly disagree [ ]
- 2) Disagree [ ]
- 3) Neutral [ ]
- 4) Agree [ ]
- 5) Strongly agree [ ]

10. In terms of the service, you received from the customer service representatives/tellers, the representatives had the Willingness to listen and respond to your need.

- 1) Strongly disagree [ ]
- 2) Disagree [ ]
- 3) Neutral [ ]
- 4) Agree [ ]
- 5) Strongly agree [ ]

11. In terms of the service, you received from the customer service representatives/tellers, the representatives were Fast and efficient service.

- 1) Strongly disagree [ ]
- 2) Disagree [ ]
- 3) Neutral [ ]
- 4) Agree [ ]
- 5) Strongly agree [ ]

12. In terms of the service you received from the customer service representatives/tellers, the representative had Recognition of you as valued customer.

- 1) Strongly disagree [ ]
- 2) Disagree [ ]
- 3) Neutral [ ]
- 4) Agree [ ]
- 5) Strongly agree [ ]

13. The bank provides services on time.

- 1) Strongly disagree [ ]
- 2) Disagree [ ]
- 3) Neutral [ ]
- 4) Agree [ ]
- 5) Strongly agree [ ]

14. The bank's employees give your personal attention.

- 1) Strongly disagree [ ]
- 2) Disagree [ ]
- 3) Neutral [ ]
- 4) Agree [ ]
- 5) Strongly agree [ ]

15. The Bank's employees tell you exactly when services will be performed.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

16. The Bank provides special services or counters for elderly/disabled.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

17. The Bank provides clear guidance and information to use facilities.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

18. The Bank fulfills, when it promises to do something by a certain time.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

19. You feel safe in your transaction with your bank.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

20. The bank's employees give you prompt services.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

21. The bank gives you individual attention.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

22. The bank's business hours are convenient to you.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

23. The bank has your best interest at heart.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

24. Service- related services (such as leaflets a visually appealing).

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

25. The Bank shows a sincere interest for solution, when you have problem.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

26. The Bank performs the services right the first time.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

27. The Bank's employees understand your specific needs.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

28. The Bank's employees are always willing to help you.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

29. The Bank's physical facilities are visually appealing.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

30. Employee's appearance of your bank is neat.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

31. The Bank is able to conduct transactions immediately.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

32. The Bank issues error-free bills, statements and other documents.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

33. The Bank's ATM is conveniently located.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

34. The Bank's employees are never too busy to respond to requests.

- 1) Strongly disagree [            ]
- 2) Disagree            [            ]
- 3) Neutral            [            ]
- 4) Agree            [            ]
- 5) Strongly agree    [            ]

35. The Bank's employees have necessary knowledge to answer.

- 1) Strongly disagree [            ]
- 2) Disagree [            ]
- 3) Neutral [            ]
- 4) Agree [            ]
- 5) Strongly agree [            ]

36. The Bank's employee's behavior creates confidence in you.

- 1) Strongly disagree [            ]
- 2) Disagree [            ]
- 3) Neutral [            ]
- 4) Agree [            ]
- 5) Strongly agree [            ]

37. The Bank uses modern looking equipment.

- 1) Strongly disagree [            ]
- 2) Disagree [            ]
- 3) Neutral [            ]
- 4) Agree [            ]
- 5) Strongly agree [            ]

38. How likely is it that you would you recommend a friend or colleague to bank with Stanbic?

- 1) Not Likely [            ]
- 2) Likely [            ]
- 3) Very Likely [            ]

39. Please rate your overall satisfaction level with your recent experience in the bank.



- 1) Extremely dissatisfied [    ]
- 2) Dissatisfied [    ]
- 3) Neutral [    ]
- 4) Satisfied [    ]
- 5) Extremely satisfied [    ]

40. What are your attributes to the bank relating Service delivery/Quality for customer Satisfaction?

Ans.....  
.....  
.....  
.....