
Service Quality and Customer Satisfaction of Deposit Money Banks in Maiduguri Metropolis: A Conceptual Review

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Abstract

This paper assessed the effect of service quality on customer satisfaction of deposit money banks in Maiduguri Metropolis, Borno state Nigeria. Thus, the specific objectives are to examine the effect of reliability, responsiveness, assurance, empathy and tangible on customer satisfaction. Data for the review were obtained solely from a secondary source. It was observed that reliability, responsiveness and empathy have strong influence on customer satisfaction. Based on the observation in this review, the following recommendations were made; banks need to make sure that their staff are well trained in being responsive and empathetic in their dealings in order to make their customers satisfied also, banks should render reliable services in order to build organizational integrity and increase customer Satisfaction as satisfied customers turn to be loyal customers.

Keywords: Service Quality, Customer Satisfaction, Bank.

1. Introduction

Businesses can only remain relevant in their respective industries when they satisfy their customers. Therefore, customer satisfaction remains the reason for business organisations' existence and sustainable growth (Sahoo, 2020). Expressively, customer satisfaction is the contentment regarding the services rendered by organisation, it is an emotional response toward a products (Venkatakrishnan, Alagiriswamy & Parayitam, 2023). Understanding customers' needs in a better way requires evaluation of both the customers and the competitors. Equally important, marketers are always striving to recognise and comprehend the wants and needs of their actual and potential patrons so as to offer the most satisfactory products. Notably, the importance of customer satisfaction cannot be overemphasized, as it does not disclose just the overall feelings of customers as the term implies, but it further points out the weaknesses as well as the strengths of the firms marketing strategies. Hence, it is imperative for marketers to know and comprehend all the reasons that may lead to customer satisfaction. (Schrey, 2020).

In effect, Customer satisfaction is the customer's feeling or perception toward the services rendered by bank. Hence, perceived quality of service by a customer may trigger satisfaction. Once a customer perceives a high quality of service, it may lead to satisfaction, and this clearly indicates that perceived high quality of service by customers may be a reason behind customer satisfaction. Service quality remains the basic factor for sustainable and successful business operations; many firms regard and acknowledge this as a crucial issue in different industries. More so, providing quality service enables banks to remain relevant in their respective industries, enhance their profits, satisfy existing customers as well as attract new ones. Through rendering satisfactory quality service, firms can gain a competitive advantage that make them look different from all other organisations rendering similar services, especially in the banking

industry where all firms are dealing with undifferentiated products. (Hapsari, Clemes & Dean 2016). There are so many ways to measure quality service, Alabboodi (2019) opined that, service quality can be measured through: responsiveness, assurance, tangibles, empathy, and reliability. This study adopted these dimensions and assessed their effects on customer satisfaction. The RATER dimension was proven to be efficient in measuring service quality in the banking industry (Perera & Aruppala, 2013 & Ahmed, 2017). Reliability is the business's capability to accurately provide quality services as promised to customers. Hence, it is essential for the banks to certify that quality and reliable services are always provided to their customers. More so, appropriate support and consideration should be given whenever customers complain about service delivery (Ofcom, 2017). Building strong connection with customers, especially in the banking industry can be attained through rendering reliable quality services.

Employee's civility and the capacity to foster trust and confidence are what constitute assurance. It comprises being kind, courteous, and comfortable for the customer and providing straightforward access to product information, resultantly, customers would be pleased. Importantly, this actions instil confidence on customers that service providers are honest and professional in their approach. Consequently, this may lead to development of good rapport between the banks and its customer which may culminate in higher satisfaction (chege, 2022).

Similarly, tangibles are also of important when considering customer happiness in the banking industry. Physical facilities and the appearance of workers extensively reveals the level of expertise and proficiency practiced by a banks. Additionally, the category of equipment used and physical facilities send a signal to customers as it results in increasing the confidence level of the customers or otherwise. Meanwhile, bank employees get to know the needs of their customers through interaction, an empathy implies a bank's ability to care about customers' individual hopes and interests. Hence, it is imperative for banks to be resolute in keeping their staff trained on how to exhibit empathy and recognise customers' needs. This make banks to better understand customers and offer good services that impress the customers (Aburayya & Susan, 2021). Equally important, customers appreciate timely provision of services, banks that are customer-oriented always focus on provision of better services so as to have advantages over competitors. Responsiveness is the banks know-how to react to customers' inquiry on time and ensure that services are provided on time. Most of the time, if a customer is satisfied, may easily refer others.

The significance of customer satisfaction cannot be overemphasized, considering the very competitive business nature of the banking industry. Customer satisfaction is an integral part of sustainable business growth and profit making. In the same vein, customer satisfaction is vital for nurturing good relations between banks and customers (Burhan, Najib & Endri, 2020). With the intense competition in the banking industry, banks are striving to satisfy their customers in both the banking hall and off-banking hall. This has led banks to use the innovations and advancements in ICT to establish various channels and avenues that will expedite effective and proficient service conveyance to customers. However, despite all the measures and innovations put in place by the banks to ensure effective and efficient service delivery, it seems that, due to the customer's exposure to information and communication technology, which leads to high perceived expectations, customers are still experiencing dissatisfaction with the banks. Poor banking network connectivity, slow service delivery, long waiting times, untimely resolving of customer's issues, unpleasant employees, unauthorised access and security breach by third parties are seems to account for the customers' dissatisfaction (Latha, 2019). Therefore, the main objective of this paper is to identify the influence of service quality on customer satisfaction.

2. Literature Review

2.1 Customer Satisfaction

Customer satisfaction has been recognized as one of the most important elements of contemporary marketing thought, particularly in the case of service sectors (Gobena, 2019). Over the years, there is no single widely accepted definition of what customer satisfaction is (Makanyeza & Mumiriki, 2016; Huang & Trusov, 2020; Bayad, Shwana, Pakzad & Zhilwan, 2021). Venkatakrishnan, Alagiriswamy & Parayitam, (2023) defined customer satisfaction as the happiness or displeasure a customer enjoys when comparing the actual performance with the expected performance of a product or service. Also, customer satisfaction is the magnitude to which customer recognises that the value of goods or services received is worth more than the price paid (Al-hawary & Al-smeran, 2017). Similarly, Malhotra, Srivastava, Jhajharia & Gera (2021) viewed customer satisfaction as the customer's aggregate assessment of the performance of a brand or offering. Additionally, Heri (2017) opined that customer satisfaction is a crucial point for weighing previous performance and forecasting forthcoming business performance, hence, it is imperative for banks to be resolute in looking into new ways of obtaining and retaining customers by completely altering the previous manner of executing the business. In view of the reviewed scholarly perspective on this concept, therefore, this study views customer satisfaction as the general assessment of product performance in relation to the price offered to the supplier.

2.2 Service Quality

Service quality is the consequence of an evaluation between pre-service anticipations and actual service experience. (Aliata, Ojera, and Mise, 2017). Also, Narteh (2018) considered service quality as the level of dissimilarity between genuine perceived service performance and anticipations for the service performance before delivery. Similarly, Zeithaml & Parasuraman (2003) defined service quality as the breach between consumers' anticipations and the truly received service. In today's changing settings, an organization's service effectiveness is being assessed through their ability to offer quality services. Offering quality services is an essential course of action for banks (Pakurar, Haddad, Nagy, Popp, and Olah, 2019). According to Anu and Manorselvi (2021), for the victory of every financial banks, quality service is key as banks' success or failure can be determined through it in the banking industry. Furthermore, Mohanty (2012) opined that even the regulatory measures put in place to ensure customers are well protected from the exploitation of business organisations are now advocating for high quality services in the market place. In spite of all the efforts by banks, due to the service intangibility nature, banks providing services are being confronted with some matchless challenges. According to Al-Khayyal, Alshurideh, Al Kurdi, & Aburayya (2020), service quality is purely a perception issue, with customers judging organisation's service grounded on how exactly it meets or exceeds their needs and expectations. To this end, this study views service quality as the overall patron's judgement between pre-service expectations and actual service delivered.

2.3 Reliability and Customer Satisfaction

Karim and Choudhury (2014) stated that, reliability indicates the service provider's wherewithal to render services in a responsible and precise approach. It also consists of doing it accurately at the onset to the end. Kennedy (2011) posited that, customers are not after unreliable banks, rather they focus on reliable ones whom they believed can offer the required services as at when due or requested. This indicate the importance of banks being reliable in business dealing. Equally important, Sakhaei, Afshari & Esmaili (2014) assert that, any effort aimed at improving service reliability is vital and tantamount to quality service improvement, and this directly relates to customer satisfaction. Similarly, Mohammad and Alhamadani (2011) opined that, the effect of service reliability on customer satisfaction is substantial. A

study by Golmohammadi and Jahandideh (2010) reported the reliability's importance among other dimensions. The study further maintained that bank customers considered reliability as the most essential dimension that was completely relate to customer satisfaction.

2.4 Responsiveness and Customer Satisfaction

Customers highly appreciate timely service provision. Efficient banks understand this. Being efficient is of the utmost concern as customers always consider where to get satisfaction. Hence, it would be good for the banks to reflect their willingness to assist their customers. More so, banks should be keenly observant of their services. As this will enable them to adjust in case of any deviation from what the customers' needs are. Regardless, maintaining such behaviour will greatly assist in keeping customers satisfied and competitors at bay (Karim & Chowdhury, 2014). By ensuring that customers are always in knowledge of when services will be offered and demonstration of willingness by employees to render prompt assistance will easily make customers to conclude that, a banks is being responsive in its business dealings (Sriyam, 2010). Equally important, customers in the banking industry always want to deal with banks that will express readiness to assist their customers in the case of any banking operations that involve customers. This shows the linkage between customer satisfaction and responsiveness in the financial institutions. Similarly Wafula (2019) expressed positive linkage between customer satisfaction and responsiveness. Often, when customers are satisfied with a banks' services, they can easily refer others to the banks. Also, a study by Pretiyudha and Amaliya (2021) confirmed the association between customer satisfaction and responsiveness and further confirms that banks' capacity to provide timely response or feedback to requests or problems raised by customers would make them delighted. Also, in a similar vein, Ojo (2016) opined that, customers make prompt and timely decision, however such decisions depends on information at hand. Timely response to customers request would make them feel that the banks is always there to respond to their request in case of any complaint. Such promptness would make customers to develop trust and confidence on the banks and enhances the satisfaction level by customers.

Additionally, Pandey and Devasagayam (2010) reported that, customer satisfaction may be driven through attention to their complaints and inquiries, also in the resolution of service provider–customer conflict, responsiveness takes precedence over a positive conclusion. This clearly indicates that responsiveness is among the major drivers of customer satisfaction.

2.5 Assurance and Customer Satisfaction

Assurance is attained by ensuring that a banks has individuals who instil trust in customers, are consistently pleasant and make customers to have impressions that all their dealings, are safe and secured. Importantly, the know-how to address customer queries make them to express happiness (Osman & Sentosa, 2014). In a study conducted by Ahmed (2017), Customers' trust on banks, is increased through assurance, which certifies that the banks will continue to provide high-quality service. Consequently, it is important for staff members to assess customers' needs, take note of their inputs, and fix any issues that may come-up in the course of service conveyance. When customers are certain that, the high quality of services they experienced is continuous or improving over time, and the banks has vividly express commitment to providing it consistently will surely lead to customer's satisfaction.

Similarly, Tahir and Bakar (2007) revealed that customers considered assurance a weighty factor for customer service quality and satisfaction. Similarly, Juniata, Musriha, and Siswanti (2021) explain that Customers are delighted when the service provider delivers on its promises. Customers might be impressed and satisfied if they obtain what was promised from the initial service. This will undoubtedly increases repeat purchases. Customers have greater anticipations regarding the anticipated service from providers. In most circumstances, customers analyse banks through the conveyed services and decide either to make perpetual

patronage or otherwise (Mohammad & Alhamadani, 2011). Additionally, Pakurar, Haddad, Nagy, Popp, and Olah (2019) explain that, in order for banks to remodel their tactics and offer services in the best possible ways, they must be able to comprehend the wants of their customers. This is what generates customer happiness, which in turn fosters loyalty, which is essential for sustainability in the banking industry.

2.6 Empathy and Customer Satisfaction

Emphasis is placed on empathy as a result of encounters that help staff members comprehend the requirements of customers (Armstrong, 2012). Employees in diverse businesses need to be taught to demonstrate empathy and comprehend the demands of customers given the levels of competition in industries, this is because, such actions can impress customers and help banks deliver superior services. Pratiyudha and Amaliya (2021) explains that customers are the reason why businesses exist. Customers are more likely to leave when they believe they are not valued or are being treated unfairly. If customers feel unjustly treated, they might never return for another purchases. They seek services elsewhere. As a result businesses must take care to treat customers with respect and empathy if they want to keep them. This can be done by responding to their expectations and continuously assessing their opinions. This can give banks the avenues and knowledge of what base to offer to their customers. The study further concluded that empathy by employees goes a long way in ensuring that customers are satisfied (Aburayya & Susan, 2021). Furthermore, apart from being proficient on how to deal with customers, Alkarim (2019) believes that staff should be given the ability to exercise discretion in updating consumers on the status of their requests and a platform to ask questions if they are unsure. Also, the study added that customer satisfaction and empathy are strongly correlated. Another study conducted by Meesala and Paul (2018) discovered that, the most important staff attributes in banking services are sympathy, self-assured, and being reliable. This attributes had a substantial influence on how customers perceived services. In an attempt to offer the intended services, that would meet the demands of customers, service providers first need to grasp what those customers' expectations are, and assumed their position. As a result, they will have a clearer understanding of what will satisfy their customers the most.

Also, Balinado et al. (2021) reported that customer satisfaction and empathy positively correlated. It further added that employees should always revealed that they have understanding of the consumer's needs. Furthermore, employees should give maximum concentration to their customers and develop a good rapport with them, as this would aid in understanding the needs of customers. Consequently aid in offering quality services. The study further revealed that empathy strongly influences customer satisfaction.

2.7 Tangibility and Customer Satisfaction

By ensuring that the tools utilised by service providers, such as computers and other apparatus, are of high quality, tangible value is added. Customers should be treated with respect by employees to progress the tangible nature of the provided service. Customer satisfaction is influenced by tangible service elements, according to a research by Lee, Lee, and Dewald (2016). Similar to this, Santos (2002) establish that, a business's degree of tangible features has a favourable effect on how well services are viewed by customers and how satisfied they are with them. Additionally, Sureshbabu (2014) found that the degree of satisfaction changes with regard to banks, frequency of visits, and years of interacting with a few tangible components. These factors of tangibility considerably influence customer satisfaction. Furthermore, Tamwatin, Trimetsoontorn, and Fongsuwan (2015) posited that, customer satisfaction is influenced by both tangible and intangible offerings and subsequently influence level of customers' loyalty and satisfaction.

3. Discussion and Conclusion

Customer satisfaction is an essential factor in determining the sustainability and growth of any business firm. Thus, identifying and understanding those factors that leads to it and factors affecting it in banking industry is very vital. Customer satisfaction remains the enabler for businesses to remain in existence and to maintain sustainable growth in their respective industries. Hence, its importance cannot be overemphasized. With the advancements and innovations in information and communication technology, banks have strived to come up with various channels that will ensure effective and efficient service delivery with the aim of offering maximum satisfactory services. Importantly, Service quality has a great input on customer satisfaction which leads to loyalty as seen as a result of the comparison that customers make between their expectations about a service and their perception of the way the service was performed. Accordingly, Banks are now striving to deliver quality services and put in mechanisms that will enable them to improve their services in case of any deviation from providing standard quality services, and this has been considered as a way of increasing customer satisfaction by the banks. Nowadays, as customers become more sophisticated, most banks imbibe the culture of retaining and enhancing constantly the quality of their services, so as to offer the most satisfactory quality services to their customers. Finally, it is emphasised in the review that bank customer always want banks to be reliable and responsive in their service delivery. Based on the facts reviewed in this paper, the following recommendations were made: banks need to make sure that their staff are well trained in being responsive and empathetic in their dealings in order to make their customers satisfied. Also, Banks should render reliable services in order to build organizational integrity and increase customer Satisfaction as satisfied customers turn to be loyal customers.

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