

SERVICE QUALITY PERSPECTIVES AND CUSTOMER SATISFACTION IN BANK OF AFRICA
(U) LIMITED

By

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Declaration

I, **Doreen Ayebare**, hereby declare that this dissertation is my own work and has never been produced and presented elsewhere for any other award.

Signature..... Date

Approval

This dissertation has been submitted for examination with our approval as Uganda
Management Institute Supervisors;

Signature: Date

Prof. Benon.C. Basheka.PhD

Signature: Date:

Mr. Lazarus Nabaho

Dedication

I dedicate this dissertation to my father Dr. James Kabaterana and mother Jane Tumusiime who invested a lot in the foundation of my education that I am now building on.

May the Almighty God bless you!

Acknowledgement

As the saying goes, “A single hand cannot tie a bundle”. This work would not have been successful if not for the support of various people to whom I am greatly indebted and appreciate.

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List Of Abbreviations

APA	-	American Psychological Association
ATM	-	Automatic Teller Machine
BMCE	-	Banque Marocaine du Commerce Extérieur
BOA (U) Ltd	-	Bank of Africa Uganda Limited
BOA	-	Bank of Africa
CVI	-	Content Validity Index
SERQUAL	-	Service Quality
SERVPERF	-	Service Performance
SME	-	Small and Medium Enterprises
TQM	-	Total Quality Management
UMI	-	Uganda Management Institute

Abstract

The study assessed the relationship between service quality perspectives and customer satisfaction in Bank of Africa (U) Ltd. Despite all the interventions the bank put in place to serve customers better, many were still complaining about poor services delivery, low product quality, high prices and rates, inadequate security, access and timeliness of services were lacking among others. Specific objectives that guided the study were to establish the relationship between service responsiveness and customer satisfaction, assess the relationship between reliability of service and customer satisfaction, and assess the relationship between tangibles of service and customer satisfaction in the bank. It was majorly a quantitative, cross-sectional survey, with some qualitative components. A sample size of 194 out of population of 11,274 was selected using purposive and simple random sampling methods. Questionnaire survey was the main method of data collection in addition to interviews for key informants. A response rate of 75.3% was realised. Quantitative descriptive statistics, reliability tests, bi-variate correlations and linear regression analysis were generated using the Statistical Package for Social Sciences (SPSS) software. The results confirmed that there was a positive and statistical significant relationship between service quality perspectives and customer satisfaction in Bank of Africa (U) Ltd; hence the hypotheses formulated were upheld. It was then concluded that service quality highly relate to customer satisfaction. The implications of the finding are that Bank of Africa Management should improve on the dimensions of tangibles and sustain responsiveness and reliability of services in order to constantly improve customer satisfaction. Further research is recommended on the other factors that affect customer satisfaction rather than reliability, tangibles and responsiveness.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This study was about how service quality affects customer satisfaction at Bank of Africa (U) Ltd. The Independent variable is Service Quality and the dependent variable is Customer Satisfaction. Reliability, responsiveness and tangibles dimensions were considered under the service quality and access, security, prices, period of stay and referrals dimensions were considered under customer satisfaction.

This chapter then presents the background to the study, statement of the problem, general and specific objectives, the research questions and hypotheses, conceptual framework, scope of the study, significance and limitations of the study and the operational definitions that were used in the study.

1.2 Background to the Study

1.2.1 Historical Background

Customer satisfaction became a subject of considerable interest to both the marketing practitioners and academics since the 1970s as stressed by Jones & Suh, (as cited in Culiber, 2010). In the 1980s, researchers relied on customer satisfaction and quality ratings obtained from surveys for performance monitoring, compensation, as well as resource allocation as put forward by Bolton, 1998 (as cited in Culiber, 2010) and began to further examine the determinants of customer satisfaction (Bearden & Terel, 1983). Achieving customer satisfaction has long been an important objective of marketing. In recent years, it has received growing attention from marketing researchers and practitioners alike. Customer satisfaction has become an explicit corporate objective for numerous firms, and it is frequently linked to

efforts to attain higher business profitability. The focus on satisfaction has in turn spawned a large industry and body of research concerned with understanding the drivers of satisfaction and measuring its impact on the organizations' business Loro, (1992), (as cited in Rubeisten, (2007).

Banking institutions across the globe have recognized the importance of customer satisfaction and developing and maintaining enduring relationships with their customers as two crucial parameters leading to business profits. At the same time, the banking industry is facing increasing level of retail customer dissatisfaction. Recent research shows that customer satisfaction is still a major reason for customers switching to other banks (Manrai & Manrai, 2007), (as cited in Aayushi and Santosh, 2012). This dissatisfaction could be due to a variety of reasons such as access, service quality, products, prices, image, personnel skills, waiting time, location, store appearance, treatment and credibility.

In Uganda, given the slow economic growth and tightened margins, banks should be focused on their most important stakeholders - customers. Customers are changing their behaviors and demanding lower fees for higher levels of service or other improvements. Customer satisfaction and trust levels remain low globally and customers are demanding more customized attention, products and services from their banks (Ernest & Young, 2012).

1.2.2 Theoretical Background

This study was guided by the expectancy - disconfirmation theory (Helson, 1964). The adaptation theory was the basis of what has now been known as the disconfirmation expectations theory rooted in the works of Helson, (1964). In this theory, customers form expectations of product performance characteristics prior purchase. When the product is bought or used, the expectations are compared to the actual performance using a better than

worse than heuristic. If customers' expectations are met, they are said to be confirmed and if they are not met, they are said to be disconfirmed. Others argue that confirmation occurs when performance exceeds expectations and disconfirmation occurs when performance falls short of expectations. When performance meets expectation, indifference is said to occur (Gilbert et al, 1992). Satisfaction is said to increase when performance meets expectations (Churchill et al, 1982). This theory will be used to test customer satisfaction.

The Service Quality (SERQUAL) model was also used in this study. This model is also called the Gap Approach developed by Parasuraman et al, 1988. This model refers to 5 dimensions of service quality; reliability, responsibility, assurance, empathy and tangibles. However, in this particular study, only three of those dimensions are addressed, which are reliability, responsiveness and tangibles. This model was used because it can extensively assess service quality, the independent variable of this study.

1.2.3 Conceptual Background

Services are defined by Heizer and Render, (1999) as “those economic activities that typically produce an intangible product such as education, entertainment, food and lodging, transportation, insurance, trade, government, financial, real estate, medical, repair and maintenance like occupations”. In recent years, quality has become a competitive advantage of great importance for all organizations that aim to be efficient. Theories and approaches relating to quality have evolved, notably from the inspection to total quality management (TQM). Berry and Zeithaml, (1998) define service quality as the gap between expectations and perception of the service quality and indicated five dimensions of service quality.

American Customer Satisfaction index (as cited in Fornell et al, 1996) also defines service quality as the degree to which a product or service provides customer requirements

(customization) and how these requirements are met (reliability). Perceived quality reflects the opinion of the consumer regarding the superiority or global excellence of a product or service (Zeithaml, 1998). Perceived service quality is one of the highly and debated research topics in marketing theory. Practitioners and academics alike are keen on accurately measuring service quality in order to better understand its essential antecedents and consequences, and ultimately establish methods for improving quality to achieve competitive advantage and build customer loyalty (Palmer and Coe, 1995); Zahorik and Rut, 1992 as cited in Shemwell et al, (1998).

The Talwar committee report defines customer as a user or potential user of the bank services. A customer would include an account holder, his or her representative, or a person carrying out casual business transactions with the bank or a person who, on his own initiative may come within the banking fold. The efficiency of the banking sector depends upon how best it can deliver services to its targeted customers. In order to survive the competitive environment and provide continual customer satisfaction, the banking service providers are required to continually improve the quality of services. It is seen that 5% increase in customer retention can increase profitability by 35% in the banking business, and 125% in customer credit card market. The banks are therefore stressing on retaining customers and increasing market share (Chothani et al, 2004)

Customer satisfaction is another important aspect for service organizations and is highly related with service quality (Bolton and Drew, 1991; Cronin and Taylor, 1992; Taylor and Baker, 1994; Spreng and Mackoy, 1996). In today's highly competitive environment, the key to sustainable competitive advantage lies in delivering quality service that will in turn result in satisfied customers (Shemwell et al, 1998), (as cited in Sureshchandar, Rajendran and Anantharaman, (2002) . As service quality improves, the probability of customer satisfaction

increases. Therefore the association between service quality and customer satisfaction has emerged as a topic of significant and strategic concern (Bolton and Dew, 1991; Cronin and Taylor, 1992; Taylor and Baker, 1994). Customers' evaluations of service quality are critical to the service industry that aims at improving their marketing strategies (Cronin and Taylor, 1992; Jain and Gupta, 2004; Ofir and Simonson, 2001).

Oliver (1997 p.13) defines satisfaction as “the consumers’ fulfillment response”, a post consumption judgment by the consumer that the service provides a pleasing level of consumption - related fulfillment, including over or under fulfillment. Similarly, Severt, (2002) defines satisfaction as an effective customer condition that results from global evaluation of all aspects that make up the customer relationship with the service provider.

Customer satisfaction influences repurchase intentions and behavior, which in the long run leads to an organization’s future revenue and profits. As a result of the linkage to profits, the issue of service quality and customer satisfaction has become a focus for the banking industries. More and more companies are compelled to assess and improve their service quality in an effort to attract customers (Gilbert & Veloutsou, 2006). Service quality is an antecedent of the broader concept of customer satisfaction (Gotlieb et al., 1994; Buttle, 1996; Zeithaml and Bitner, 1996; Lee et al., 2000) and the relationship between service quality and loyalty is mediated by satisfaction, (Caruana, 2002; Fullerton and Taylor (2002).

Hence, service quality is interpreted as perceived quality which means a customer’s judgment about service. The authors of SERQUAL, which has been extensively used in assessing service quality of different service providers, including banks suggested that “quality evaluations are not solely on the outcome of a service; they also involve evaluations of the process of service delivery” (Parasuraman et al., 1985 p.42). Within the SERQUAL model,

service quality is defined as the gap between customer perceptions of what happened during the service transaction and his expectations of how the service transaction should have been performed. SERQUAL refers to five dimensions of service quality; reliability, responsiveness, assurance, empathy and tangibles. Many authors (Babakus and Boller, 1992; Carman, 1990; Cronin and Taylor, 1992) have disconfirmed the five dimensions structure of service quality. The universality of the five dimensions has been questioned as the dimensions do not seem to be completely generic and largely depend on the type of industry being studied (Cronin and Taylor, 1992). Also the scale does not seem to be appropriate in every cultural context (Cui et al., 2003). Numerous authors (Babakus and Boller, 1992; Brady et al, 2002; Brown et al, 1993; Zhou, 2004-all cited in Carrillat et, 2007) are of the view that service performance (SERVPERF) is a better alternative for measuring service quality. Despite their argument, this study will use the SERQUAL model.

1.2.4 Contextual Background

Bank of Africa is a member of the Bank of Africa Group (BOA Group), which is a subsidiary of BMCE Bank. Formed nearly 30 years ago, the group operates in 41 African countries and it employs over 4000 people across the network. Bank of Africa (U) Ltd is an all-public-bank that provides a full range of banking products and services to large corporate companies, middle size local businesses as well as retail and small businesses. The bank services and solutions include, among others, Personal banking for individuals, private banking, SME business solutions, trade finance, investment and treasury services, corporate & institutional banking and money transfer services. It is also involved in foreign exchange services and its expertise covers markets, transactional banking, structured products, credit products, loan syndications and agriculture lending.

The vision of the bank is “to be a preferred bank in our chosen market”. The bank’s strong points are quality customer service, dynamic accessible staff, financial solidarity, a wide range of financing solutions, expertise in financial engineering and strong partners (BOA (U) Annual Report, 2011). The values of the bank are transparency, expertise, proximity, and responsibility.

In Uganda, Bank of Africa (u) Ltd started in 1998 with three (03) branches that have now grown to thirty four (34) branches across the country. In order to achieve its mission, the bank has come up with charters, manuals, processes and procedures to ensure that customers get excellent service. For example staff trainings are done on quarterly basis to ensure that the staff understands more about their products, watch their behaviors, act professionally when handling customers, know the importance of timeliness of service delivery (each transaction has a turn-around time) and master the operations of the bank in order to serve their customers in a satisfactory manner. Staff are also appraised every quarter and those whose performance is lagging, are trained more, warned and finally dismissed if they don’t improve.

To survive in a highly competitive market, organizations need to provide goods and services that yield satisfied and loyal customers. When customers are satisfied, they are more likely to return to those who helped them, while dissatisfied ones are more likely to go elsewhere. Thus, organizations are challenged to create demand for their products through outstanding customer satisfaction (Jones & Sasser, 1995). At BOA, the customers appreciate the efforts on reliability and responsiveness of service but indicated that there are loopholes in loan processing. Loans take long to get approved and interest rates are high compared to other banks. This has cost the bank some customers who have gone to other banks for loans.

BOA has established branches located in decent places for easy access and security. These all have 24hour security from different professional security groups and unarmed security personnel in the banking hall to ensure that queues are well managed and that there is no chaos whatsoever. All branches have automated teller machines (ATM) to ensure that customers can access their money when the branches are closed. This arrangement is appreciated by the customers because they feel that the environment is safe and they can access their money at any time they want.

On some occasions however, customers have complained that these ATMs are never on for 24hrs, especially on weekends and also that the processing and issuing of the ATM cards delay when requested for and they are not VISA cards. This inconveniences the customers, so they advised that the bank should have staff to specifically monitor and handle the ATMs on 24/7 basis. This is in relation to Deming, (1986) that excellent customer satisfaction requires internal systems that are aligned to serve the external customer with each internal subsystem adding value to others within the organization that are dependent on it as though the other subsystems were its customers.

Over the years, just like other organizations in Uganda, Bank of Africa has experienced the increased competition due to globalization, information technology, which calls for increased teamwork and exceptional service delivery at all different levels to be able to satisfy customers. The demand has shifted from power culture to emphasis on exceptional service delivery in order to satisfy customers.

So, the variables discussed under service quality in BOA (U) Ltd were reliability (delivering the promised outputs at the stated level), responsiveness (providing prompt service and help to customers, reaction speed plays an important role) and tangibles (equipment used in

service delivery, appearance of the bank branches and advert labels, dress code of staff, appearance). Under customer satisfaction, the study considered access, security, prices, referrals and period of stay dimensions.

1.3 Statement of the Problem

BOA is growing fast in terms of assets (loans and advances), capital base and investments, profitability, number of branches and number of customers, (BOA - annual report, 2011). It adopted a customer centric approach in order to delight their customers and win their loyalty by training its employees to increase competence, professionalism, provide adequate customer care and deliver excellent service in a timely manner (BOA annual report, 2011). To increase accessibility, it has fourteen (14) branches with fourteen (14) automated teller machines in Kampala alone. All the branches have 24 hour security guards to ensure physical security of the customers. The banking halls are spacious, well organized and neat to ensure excellent queue management; the signages are well placed and clear to ease location of places.

Despite the above interventions, customers still complain about poor services provided, product quality, high prices and rates, quality of security, access and timeliness of service. There are allegations of lack of customer care, skills amongst employees, long waiting time and regular technology network interruptions, (Ipsos report, 2012). For example, Global Fluids International at Ndeeba Branch complained about the slow loan processing on 6th April, 2010, *“I am displeased with how the bank is treating my loan application. It is now three weeks and I haven’t got any feedback yet the bank promised that it would be ready in two weeks”*. Also Mr. Chile Charles expressed his dissatisfaction on 20th October, 2009 about the delay to get his ATM card at Park Branch, saying *“how can an ATM card take three (3) weeks, yet other banks process it in one day? This is an inconvenience”*. Another

customer, Ms. Namutebi Phiona complained on 2nd May, 2010 about lack of ATM services during weekends at Ntinda Branch, *“I am unhappy about how all your town ATM machines can be off during the weekends. Please service them or do something worthwhile”*.

The list of complaints is endless and it explains the inadequacies of the interventions in areas of service quality, responsiveness, reliability and tangibles in increasing customer satisfaction in BOA. The trend is likely to affect the bank’s profitability and reduce returns to shareholders. It is for these reasons that there was necessary and urgent need to assess the relationship between service quality and customer satisfaction in BOA. This will provide interventions based on empirical evidence rather than the current reactionary approaches based on wisdom of management, industrial experts and prevailing circumstances.

1.4 Purpose of the Study

The purpose of the study was to assess the relationship between service quality perspectives and customer satisfaction in Bank of Africa (u) Ltd.

1.5 Specific Objectives of the Study

1. To establish the relationship between service responsiveness and customer satisfaction in Bank of Africa (U) Ltd
2. To assess the relationship between reliability of service and customer satisfaction in Bank of Africa (U) Ltd
3. To assess the relationship between tangibles of service and customer satisfaction in Bank of Africa (U) Ltd

1.6 Research Questions

1. What is the relationship between responsiveness of service and customer satisfaction at Bank of Africa (U) Ltd?

2. What is the relationship between reliability of service and customer satisfaction at Bank of Africa (U) Ltd?
3. What is the relationship between tangibles of service and customer satisfaction at Bank of Africa (U) Ltd?

1.7 Hypotheses of the Study

The study tested the hypotheses that:

H₁₁ = There is a significant relationship between responsiveness and customer satisfaction in Bank of Africa (U) Ltd

H₁₂ = Reliability of service significantly influence customer satisfaction in Bank of Africa (U) Ltd

H₁₃ = Tangibles of service significantly influence customer satisfaction in Bank of Africa (U) Ltd

1.8 Conceptual Framework

INDEPENDENT

Service Quality Perspectives

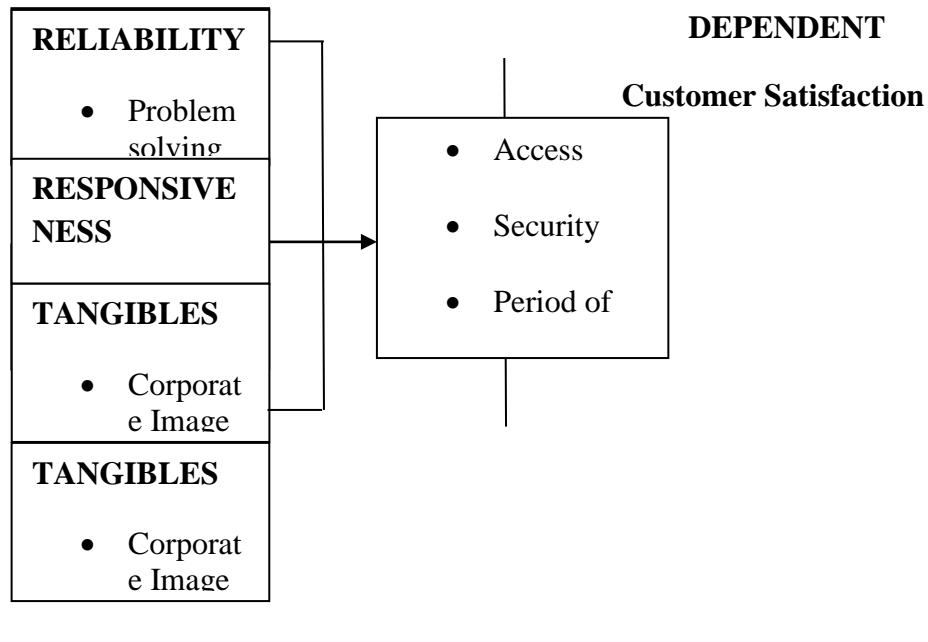


Figure 1: Conceptual Framework

Source: Adopted and modified from Parasuraman's SERQUAL model of service quality, BOA customer complaints reports, (2009, 2010 and 2011)

Figure 1 depicts the interrelationship between service quality perspectives as the independent variable and customer satisfaction as the dependent variable. Service quality, according to Parasuraman et al, (1988) is interpreted as perceived quality, meaning a customer's judgment about a service and this study focused on the three dimensions of the Service Quality (SERQUAL) model, reliability (refers to the ability to provide the exact required services according to given specifications and conditions), responsiveness (willingness of employees to serve customers quickly and properly) and tangibility (this includes physical facilities, equipment and physical appearance of employees).

Customer satisfaction, the dependent variable is defined by Patterson and Walker, (2001) as an individual's feeling of pleasure in relation to his or her expectations. This study focused on how customers perceive the services and comprises of access, security, prices, period of stay and referrals of the bank. Customers were asked questions of whether their expectations were met or not, about each service quality dimension/perspective just like the way Caepiel (1974) suggested that customer satisfaction can be measured by recording customer responses to different attributes of product and service.

According to Parasuraman et al (1988), if the customer's judgment about a service is positive, then there will be positive satisfaction. This is evident in the conceptual framework that if the customers think that their problems are being solved in time, employees behave as expected, know their products, have every transaction done in a timely manner, ATM machines are always up and running and so customers will easily access bank services, the prices will be worth it, they will stay longer with the bank and refer their friends to the bank. It is hypothesized that existence of excellent service quality dimensions in BOA shall increase customer satisfaction in terms of access, security, prices, referrals and period of stay.

1.9 Significance of the Study

The finding of this study will enable stakeholders who support customer satisfaction at BOA re-assess institutional factors which improve customer satisfaction and will in the long run create customer loyalty and consequently increase profits. This will also benefit the bank by exposing weaknesses inherent to customer satisfaction and propose solutions to improve customer satisfaction.

This study will result in the award of Masters Degree in Management Studies (MMS) of Uganda Management Institute which is very useful for my career growth and professional development.

Lastly, the study will contribute to the body of knowledge relevant to other academicians and researchers who wish to conduct research in the same field or any related field.

1.10 Justification of the Study

The reason for this study at Bank of Africa (U) Ltd was due to the scarce/limited literature concerning the topic in Uganda. Most of the literature is about the western countries. Therefore, this study would enable the bank know the exact root cause of customers' complaints and this should improve service delivery. In the long run, both the customers and the bank will benefit from the findings of the study.

1.11 Scope of the Study

1.11.1 Geographical scope

This study was conducted at Bank of Africa (u) Ltd whose head quarter is at plot 45, Jinja Road, Kampala. The bank has branches country wide, but the study only concentrated on branches that are found in Kampala.

1.11.2 Time scope

The study covered the years from 2009 to 2011. This period was chosen because BOA had instituted a fully functional Customer Service Manager to ensure that customers get good services and much was invested in training staff on excellent service delivery and customer services. For this reason therefore, offering excellent customer service should result in customer satisfaction, keeping other factors constant.

1.11.3 Content scope

The study assessed the relationship between responsiveness, reliability and tangibility of service to customer satisfaction in terms of access, security, prices, period of stay and referrals. Factors like empathy, assurance, and working conditions, under service quality are outside the scope of this study.

1.12 Operational Definitions

Service Quality - Defined as perceptions of the service that an organization provides (Parasuraman et al, 1988)

Customer satisfaction - Customer's evaluation of a service and whether it has met their needs and expectations (Zeithaml & Bitner, 1988, P.86).

Customer Service - The extent to which the perceived standard of service matches the expectations of the customer

Reliability - Consistency of performance and dependability. It also means that the firm performs the service right the first time (Zeithaml, 1988).

Responsiveness – is the willingness or readiness of employees to provide service when needed.

Access - is the approachability and ease of contact. It means the service is easily accessible whether by phones, ATMS or branches.

Security - refers to being free from danger, doubt and risk. That is, attaining the service in a safe and secure manner. It involves financial and physical security plus confidentiality.

Quality - comes from the Latin word 'qualitas', which means the nature of a person or object that is accuracy and perfection (Al-Dararkah, 2002). This study will use Karim's (1996) definition of quality, anything that accords with the characteristics of the product to meet the external client's needs.

Service – refers to any act based on contact between two parties, the receiver and provider

Customer - means a potential user of banking services. That is, an account holder, agent of account holder or anyone who comes within the banking premises.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, literature, concepts and theories of different scholars that have studied the same or related topics is reviewed. Saunders, Lewis and Thornhill, (2000) observed that reviewing literature is the preliminary search which helps one to generate and refine the research ideas (Delphi technique). Hence, this chapter presents the theoretical review and actual literature review objective by objective in addition to summary of literature review.

2.2 Theoretical Review

2.2.1 Service Quality (SERQUAL) Theory

The Service Quality model has been used in different ways in most of the study reports reviewed. As it is widely used, other studies actually criticize it by pointing out that the major problem of the instrument is its instability (Carman, 1990; Dyke & Van, 1997). Similarly, according to Galloway and Blanced (1994); Lee & Kwan (1994) the model is not helpful in measuring the loan product service quality in the banking sector. Also, the model is not suitable for measuring the service quality when evaluating totally different service in transversely unlike the industry (Bakakus et al, 1992).

Given this, different countries have totally different cultures and a number of dimensions of Service quality model may vary from culture to culture (Mattila, 1999; Gilmore, 2003). Therefore, this study used the Service model much as in the service sector it is not a complete model for measuring service quality, but it is widely accepted (Babakus et al, 1992; Cronin et al, 1992).

2.2.2 Expectancy – Disconfirmation Theory

Smith and Houston (1982) claimed that satisfaction and services are related to confirmation or disconfirmation of expectations. The theory stresses that satisfaction is related to the size and direction of disconfirmation experience where disconfirmation is related to the person's initial expectations (Churchill & Suprenaut 1982). Smith (1982) stated that expectancy disconfirmation theory is the most popular of all social science theories. In this theory, customers form expectations of product performance characteristics prior to purchase when the product or service is bought or used and the expectations are compared to actual performance using a better than worse than heuristic. Positive disconfirmation results when the product is better than the expected, while worse than expected performance results in negative disconfirmation. Satisfaction is expected to increase as positive disconfirmation increases (Churchill, et al 1982). If for instance a customer left another bank for Bank of Africa and got excellent service, a positive disconfirmation would be achieved.

This theory however did not consider Pfeffer's (1981) observation that individual and systems in an organization in a bid to satisfy the customer are likely to develop instinctive ideologies and structures which might stifle smooth interactions of internal customers and systems. This would hinder them from providing quality service to customers, and in the long run not giving excellent services, which would result in less customer satisfaction.

2.3 Conceptual Review

Crosby, (1981) defined quality as consistency with fixed specifications and this agrees with Karim's (1996) definition that quality is anything that accords with the characteristics of the product to meet the external client's needs. In addition, product quality differs from that of a service as the earlier is tangible, whereas the latter is intangible.

Service is however defined differently Kotler (2003) as “any behavior or act based on a contact between two parties: the provider and the receiver, and the essence of this reciprocal process is intangible”. Hakesver, (2000) looked at service as a set of economic activities that provide time, location and psychological benefits. Beer, (2003) defined service as a set of characteristics and overall properties of the service which aim to satisfy the clients and meet their needs. Walfried, et al (2000) defined service as a set of characteristics that meet the clients’ needs, strengthen the links between organization and them and enhance the clients’ values as well.

From these definitions, we conclude that the quality of banking services is an integrative assessment of the services offered to the external client, for clients are considered to be independent individuals with various requirements on the basis of which services are provided based on certain specifications. This requires that banks carefully select creative employees with good/appropriate qualifications and capabilities. Hence, Mohammed and Shirtley, (2009) emphasized that banks have to care about quality of their services since it is considered the essence or core of strategic competition.

Customer satisfaction is a customer’s evaluation of a service whether it has met their needs and expectations (Zeithaml & Bitner, 1988), as cited in Aayushi and Santosh, (2012). Anderson & Fornell, (1995) suggested two concepts of customer satisfaction: transaction specific, which focuses on individual consumer responses to individual products and services, while cumulative one describes the total consumption experience of a customer with the product or services (Anderson & Fornell, 1993; Boulding et al; 1993). However, there are some disagreements in the transaction-specific satisfaction. Parasuraman, Zeithaml and Berry, (1998) suggested that perceived service quality was an antecedent to perceived service quality. In satisfaction surveys, a direct causal relationship is presupposed between the

quality of a certain service delivery and user satisfaction. If service quality increases, satisfaction is assumed to increase as well. In reality however, this is not always the case (Bouchaert, 1995), as there are differences in producer and consumer views on quality.

2.4 Service Quality Perspectives and Customer Satisfaction

Customer satisfaction is currently the new standard by which customers measure business performance and a key to organizational survival as well as increased shared profitability (Nage & Cillierts, 1990). This study reviewed several earlier studies on customer satisfaction, but oftentimes their findings seem not to agree on what causes customer satisfaction. For example, Serenko & Turel (2006) investigated customer satisfaction in mobile service company in Canada and reported that perceived quality and perceived value are key factors in influencing customer satisfaction in mobile telecommunications services. Similarly, Gerpott, Rams and Schindler (2001) in Germany mobile telecommunication found that customer satisfaction drives customer loyalty, which in turn has an impact on customer retention. Also Oyewole (2001) who conducted a research on customer satisfaction in an airline in Binghamton city in New York in United States reported that gender, occupation, education and marital status had a significant influence on customer satisfaction in the airline services while age and income did not have significant influence at all. Yet in another study by Ahmad & Kamal (2002) in a commercial bank in America, they demonstrated that there is a negative significant relationship between age and satisfaction. In that, when age advances, satisfaction levels go down.

In general, most studies on customer satisfaction are contradictory and these contradictions have prompted the researcher to verify the stated hypotheses that there is a significant relationship between responsiveness and customer satisfaction; reliability of service

significantly influence customer satisfaction; and tangibles of service significantly influence customer satisfaction in Bank of Africa (U) Ltd.

2.4.1 Responsiveness of Service and Customer Satisfaction

Responsiveness is the willingness or readiness of employees to provide service when needed. For example, responsiveness dwell upon timeliness of service like just handling of questions, quick callbacks to confirm payments, handling complaints very fast and giving prompt services. Therefore, the issue of timing has to be addressed (Bitner, Booms & Tetreault, 1990; Clemmer & Schneider, 1993).

2.4.1.1 Timeliness

Speed and timeliness of service delivery is very crucial that includes the speed of through put and ability of service providers to respond promptly to customers' requests, with minimal waiting and queuing time. This is in agreement with Chindambaram and Alamelu, (as cited in Kotler and Phillip, (2003) who observed that customers expect their cheques to be encashed within a reasonable time, prompt realization of clearing cheques, a quick transfer of funds and timely receipt of correct statements of their accounts. Real time events or transaction in the long run will help the bank detect revenue opportunities or threats of client fall out. Adeleke and Waidi, (2011) stressed that once that is detected, decisions to determine appropriate action are made, thus improving service delivery and consequently customer satisfaction.

Similarly, a quick recovery response to service failure will enhance customers' evaluation (Clark, Kaminski, & Ruirk, 1992). Specifically, the speed with which problems and complaints are handled has been identified as an important dimension of procedural justice (Blodgett, Hil & Tax, 1993). In this case, we suppose that the longer it takes for the service

provider to effect recovery, the greater the customers' perception that procedural justice has been violated.

According to Kim (2004), factors that led to customer satisfaction among 350 respondents in Korea included timely delivery; value added services and customer support. This means that timeliness of service is one of the key factors in customer satisfaction. So, Bank of Africa must ensure that distribution of monthly statements is done on time, account opening is done as fast and efficiently as possible, customer call backs are done as fast as possible, response to customer queries is done in 12 hours for technical complaints and 2 hours for commercial complaints, (BOA Customer Charter).

2.4.1.2 Product Knowledge

Neilson and Chandha, (2008) urge banks to focus on human resource development initiatives for banking staff to make them more knowledgeable. This enables them provide accurate banking services with courtesy and in a trusting manner to promote satisfying experience of the clients. This agrees with Wilson, (2009) who says that bank personnel should demonstrate professional knowledge of their products while interacting with the customers so as to know what product to sell to what customer in order to suit the customers' needs. Unless the staff knows their products, they cannot meet customer needs, thus causing dissatisfaction and consequently financial loss. When the staff knows their products, processes and procedures, it saves on the time spent on one customer because it involves less-consultation on the telephone. It also instills confidence in the staff, thus improving their service delivery and consequently satisfying the customer.

According to Gerson (1994), customer satisfaction at a profit is the goal of any business organization. He further says that knowledgeable employees can increase purchase and re-purchase levels of customers. He therefore advises that organizations should not only aim at

producing quality services, but provide satisfaction to all customers who will stay over time. However, Baker (1995) differs by saying that customer satisfaction is no longer the goal because customers expect to be satisfied and if they are to be satisfied, the delivery satisfaction will not generate customer loyalty. Even when customers are satisfied, they are capable of defecting when choices that seem more superior are put before them.

Chapman and Cowdell (1998) contend that attitudes are shaped by knowledge based emotional and intentional actions. This means that what determines attitude is what an individual thinks, believes, feels and eventually shows in action and determines to what extent an individual in an organization shall influence satisfaction from their services. So, if Bank of Africa staff are knowledgeable about their products, they should be able to advise their customers wisely on what product to take and when to take it, and in the long run they will have much from the same place rather than going to other places for the same products and services. Once the customers are impressed, they can easily refer their friends to the bank, thus more business and profits.

However, the literature reviewed did not directly establish the relationship between service responsiveness and customer satisfaction in banks in Uganda, a gap this study sought to address.

2.4.2 Reliability of Service and Customer Satisfaction

Reliability is highly weighed in exceeding expectations where process factors, particularly responsiveness, assurance and empathy, are most important (Berry, Brookes et al, 1991). Reliability involves consistence of performance and dependability. Tyran (2000) provides wide literature about service reliability especially in developing countries. He argues that reliability and regularity of supply play a vital role as far as users' willingness to repurchase

is concerned. If Bank of Africa is to have her customers refer more customers to the bank, reliability is key because for one to refer another, they should have got what they wanted or even more.

Delivering quality service means conforming to customers' expectations consistently (Lewis and Booms, 1983). Similarly, according to Drucker (1954), customer's perception is more critical for successful business performance than the seller's own perception, as he stated that ... "it is the customer who determines what business is..." For example, following customers up to see if they got what they needed delights a customer. Therefore, this study considered both banks' and customers' perceptions.

2.4.2.1 Employee Behavior and Consistence

Employees' attitudes, gestures and professional experience are important in customer satisfaction. Employees should create a professional relationship based on trust, reliability and empathy to create security, Wilson, (2009). Lasser, Manolis et al, (2000) asserts that bank personnel must realize that communication play important role in service delivery process and they should try to use appropriate terms to inspire trust and confidence in their customers. More so, bank personnel must be interested and concerned about customer needs and offer them support when they encounter problems. In their interaction with customers, employees must first listen to customers' needs and not be aggressive sellers. Their major interest should be trust gaining and not increase in sells, Ennew and Sekhon, (2007). This agrees with Kotler and Phillip, (2003) who say that favorable climate for excellent service manifests itself in employee behavior, for example, being attentive to customers, speaking favourably about the organisation and its services. Therefore, we can conclude that personnel related characteristics and behaviour can enhance or decrease customer satisfaction.

In Bank of Africa, the role of managers is to deliver reliable service quality at reasonable costs. Reliability here means that the bank performs the service right the first time and honours its promises to customers, for example, accuracy in monthly bank charges, handling customer complaints with urgency, correct record keeping and listening to the customer delights them. The managers can do this only if their behavior is professional and they give a listening ear to the customers. No wonder Bouckaert (1995) said that satisfaction is an emotional reaction by a customer in response to an experience with a product or service.

2.4.2.2 Problem Solving

For any organization to survive, it must satisfy its market. To achieve this goal, the market must perceive that its needs have been met and their problems solved, (Stewart, 2001). The significance of customer satisfaction to the business world is the concept that a satisfied customer will be a positive asset for the organization through reuse of the service, repurchase of the product or positive word of mouth, which leads to increased profits. The converse of this is that dissatisfied customers will tell more people of their dissatisfaction, possibly complain to the organization and if sufficiently disenfranchised, change to another organization for the same product or service, or totally withdraw from the market (Anderson & Sullivan, 1993; Fornell, Ittne & Larcker, 1995; Oliver & Bearden, 1995). This is in line with Berry et al, (1999) who says that a customer whose problem or complaint gets solved will stay with the organization for future business. In other words it creates security and confidence. More so, the cost of retaining customers by improving the services or products and solving their problems is lower than the cost of winning new customers.

According to Drucker (1954 p.34) the earliest scholar of marketing concept, the customer's perception is more critical for successful business performance than sellers' own perception, that is ... "it is the customer who determines what business is...". This study considered the

perceptions of the bank and the customer. This means that in a bid to solve customers' problems, the bank has to know what the customer thinks or expects the outcome of the solution to be or else they will feel that their problem has not been solved.

Brown, Mowen, Donovan and Licata (2002) also advise that organizations should empower their employees to improve their ability and attitudes to attend to customers' needs during their job performance. This way, customers' problems will be solved in a quick manner. It was also established that empowered employees can provide customers with interpersonal sensibility and social account (adequate explanation for undesirable outcomes).

Hence, to satisfy its customers, Bank of Africa should empower its employees with resources, trainings and responsibilities to understand and serve customer needs and demands. This way, the problem solving process will be fast, quick and efficient because every employee will be empowered. It has been suggested that these components of quality interpersonal treatment provided in a negotiation or exchange have a significant impact on customer satisfaction.

Thus, this study investigated the gap on the effect of reliability of services on customer satisfaction in a banking environment in Uganda.

2.4.3 Tangibility of Service and Customer Satisfaction

Zeithaml and Parasuraman (2004) defined tangibility of service as, equipment used to perform the service, personnel and visible communication materials such as signs, brand, logos, brochure that describe and create an image for the promised services, documents that certify the acquisition of a particular service and direction indicators. According to Wilson (2009), this dimension is important due to the intangible nature of service quality, which makes it impossible for customers to see or touch what they buy and even appreciate the service value before purchase. Customers expect to feel comfortable with in the bank units

and thus pay attention to the physical layout of equipment and other furnishings. This is also in support of Mohammed and Mohammad, (2003) who said that physical layout is of great importance, especially the waiting area and where customers can sit to fill in their forms, as well as the counters' arrangement to ensure the flow of operations. The more attractive and appealing the bank looks, the more people want to know what they offer. More so, cleanliness has a great impact on the general atmosphere inside the bank unit.

2.4.3.1 Corporate Image and Appearance

Dhandabani, (2010) defines corporate image as the physical location, appearance of sites, competence and behavior of service, external communication, prices and firm's employees. So, many financial institutions are looking at branding techniques to differentiate themselves from others. Harwood (2002) then argued that as a tool to build image is critical in the banking industry where all firms offer about the same kind of products.

Hence, it is critical that banks have a comprehensive knowledge of customers' values, attitudes, needs and perceptions of various services the bank offers and image, which customers have of the bank itself (Kaynak, (1986) as cited in Ennew and Sekhon, (2007). Accordingly, bankers must be able to build and manage their bank's image in order to clearly define the differences between their bank and its competitors. This helps the customer to know who they are identifying with. Alvarez, (2001) proposed that logic is no longer enough to sell the benefits of an intangible product or service. Furthermore, both Marthur, (1988) and Gronroos, (1984), as cited in Ennew and Sekhon, (2007) proposed image as an alternative to product differentiation.

2.4.3.2 Location and Performance of ATM machines

Adeleke and Waidi (2011) defined an ATM (automated teller machine) as a combination of a computer terminal, recordkeeping system and cash vault in one unit, permitting customers to

enter the bank's book-keeping system with a plastic card containing a personal identification number (PIN) or by punching a special code number into the computer terminal linked to the bank's computerized record 24hrs a day. The combined services of both the machines and human tellers imply more productivity for the bank during banking hours. It also saves time in service delivery as alternative to queuing in bank halls. This is in support of Dabholkar (2006) as cited in Ennew and Sekhon, (2007) who said that when ATMs are conveniently placed, customers are in direct contact with the technology and there is greater control and satisfaction about the bank's services.

However, the literature reviewed did not directly consider the effect of tangible of services on customer satisfaction in banks in Uganda, a gap this study sought to address.

2.5 Summary of the Literature Review

The literature reviewed shows that measuring service quality is not an easy task and a lot of problems are encountered in measuring it. Most forms of measurement of service quality focus on customer satisfaction. For instance, Cronin and Taylor, (1994) argue that measuring service quality using a performance minus expectations (SERQUAL) basis is inappropriate and suggests that performance only (SERVPERF) measurement is a better method. However, Parasuraman et al contend that SERQUAL scale using expectations or performance gaps method is much richer approach to measuring service quality. This supports their earlier assertion that service quality is multidimensional, rather than unique dimensional construct.

Several literature reviewed explained how service quality affects and is related to customer satisfaction in the banking industry. However, there are some gaps and unanswered questions, for instance the gaps stressed by Parasuraman et al, (1996) like the consumer expectations and management perception gap. Organisations may have inaccurate perceptions

of what consumers actually want and expect. This requires appropriate management processes, market analysis, tools and attitude. In this case however, much as management tries, as long as they don't know exactly what the customer wants, then even excellent service may be irrelevant to the customers. Another gap is the service delivery gap. Guidelines for service delivery do not guarantee high quality service delivery or performance. Reason being that there may be lack of sufficient support for frontline staff, process problems, contact staff performance variability.

The literature shows that in today's highly competitive environment, the key to sustainable competitive advantage lies in delivering quality service (Shemwell et al, 1998). However, delivering quality service alone is not enough. For example, in the banking industry, there are other factors other than service quality, like capital base, without which customers cannot be satisfied. However, the literature reviewed did not directly address service quality perspectives and customer satisfaction in banking environment in Uganda, the dimension that this study looked at.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the methods used in undertaking this study. This includes the research design, study population, sampling size and techniques, data collection methods and instruments, data collection procedure, ensuring quality of data and data analysis techniques.

3.2 Research Design

This study adopted a cross-sectional survey design because it is non-continuous and different categories of customers were studied at one point in time. A cross-sectional survey collects data to make inferences about the population of interest at one point in time and it has also been described as snapshots of the population about which they gather data. It focused on both qualitative and quantitative approaches. Qualitative approach because the study was interested in probing for information and quantitative approach because it aimed at establishing relationships between the key variables services quality and customer satisfaction.

According to Amin, (2005) such a mixed design is to facilitate the smooth sailing of all research operations thereby making the research as efficient as possible and yielding maximum information with minimal expenditure of effort, time and money. Further still, quantitative approach emphasizes use of numeric and quantifiable data that are collected and statistically analysed to explain, predict and control phenomena of interest, while qualitative approach obtains detailed non-numerical information about a phenomena being studied (Mugenda and Mugenda, (2003); Sekaran, (2003). This is also in line with Green and

Thorogood, (2004) who stresses that triangulation of different data sources allows validation of data.

3.3 Study Population

The population of study was 11,274 that consisted of the customers and bank staff. This was established from the customer records and employee list of the bank. Sekaran, (2003) defines population as the entire group of people or events or things that a researcher wishes to investigate. The target population of the study was BOA (U) employees like Branch Managers and customers that hold corporate, current individual and savings active and operational accounts. The bank account holders were chosen because they were recipients of the bank's services that placed them in the best position to assess the responsiveness, reliability and tangibles of services. On the other hand, the Branch Managers were chosen because they oversee all operations at the branches including handling all customers' complaints that placed them in the best position to ascertain whether the bank is giving the customers what they need.

3.4 Sample Size and Selection

According to Leary, (2004) as cited by Mubangizi (2011), sampling is the process by which a small group of participants are selected for the study from a population of interest. The sample size was 194 participants selected from a list of account holders and the bank's Branch Managers. All the bank staff (14) were included in the sample because the number was small and there is no recommended sample other than total consideration, (Amin 1995). See table 1.

Table 1: Sample size and selection

Category	Population	Sample size	Sampling Technique
1. Bank Customers:			
Corporate accounts	9400	134	Simple random sampling
Savings accounts	1060	26	Simple random sampling
Current individual accounts	800	20	Simple random sampling
2. Bank staff:			
Branch Managers	14	14	Purposive sampling
Totals	11,274	194	

The study only concentrated on Kampala branches because out of the 34 branches that existed at that time, 14 were found in Kampala and this was representative enough.

Non-probability, specifically purposive sampling was used to choose the Bank Branch Managers because they could provide the desired information because of their positions. Purposive technique also allowed the researcher collect focused information in the shortest time possible.

Probability, specifically simple random and convenience sampling methods were used to select the customers and this allowed better representation of each segment of the population. More so, more valuable and differentiated information was obtained with respect to each branch (Sekaran, 2005).

The formula
$$n = \frac{Z^2 \cdot N \cdot \sigma^2}{(N - 1) e^2 + Z^2 \sigma^2}$$
 was used to determine the sample size. Where:

Z – is the value of standard deviation at a given level of significance

N – is population size

σ – is the standard deviation for the population

n – is the sample size

From the formula, when N is 800:

$$\frac{n = (2.575) * (2.575) * 800 * (133.3) * (133.3)}{(800 - 1) * (800 - 1) e^2 + (2.575) * (2.575). (133.3) * (133.3)}$$
$$= 20$$

When N is 9400:

$$\frac{n = (1.96) * (1.96) * 9400 * (1567) * (1567)}{(9400 - 1)(9400 - 1) * e^2 + (1.96) * (1.96). (1567) * (1567)}$$

$$n = 134$$

When N is 1060:

$$\frac{n = (2.575) * (2.575) * 1060 * (177) * (177)}{(1060) * (1060) e^2 + (2.575) * (2.575). (177) * (177)}$$

$$n = 26$$

3.5 Data Collection Methods

Data collection methods are defined by Weller & Romney (1988) as cited in Mubangizi, (2012) as a systematic means of gathering information for use in various studies or decision making. Such methods include questionnaire surveys, interviews and direct observation, among others among others. This study used questionnaire survey and interview guide to collect data.

3.5.1 Questionnaire Survey

Quantitative measures were obtained by questionnaires administered to respondents. Amin, (2005) contends that questionnaires are efficient and convenient in collecting qualitative and quantitative data and is good for triangulation of data. Mugenda and Mugenda, (1999) add

that the use of questionnaires can have a wider circulation in a short time. This method was used to collect data from the 180 customers sampled.

3.5.2 Interview

Amin (2005) defines an interview as an oral questionnaire where the investigator gathers data through direct verbal interaction with participants. Quantitative measure was obtained by use of an in-depth structured interview for both bank staff and customers. Interviews enabled the researcher obtain information that could not be directly observed. It helps capture the meanings beyond the words spoken. Becker and Murmann, (2006) stress that interviews generate a large number of responses or a set of questions. More so, it allows the researcher gain control over the line of questioning.

3.6 Data Collection Instruments

3.6.1 Questionnaire

Amin, (2005) defined a questionnaire as a carefully designed instrument used for collecting data that consists of interrelated questions about the research problems based on its objectives. A questionnaire that consists of 5 point Likert scale; strongly disagree, disagree, uncertain (not sure) agree and strongly agree was designed and used.

One hundred fifty six (156) questionnaires were administered to customers as and when they entered the bank. The purpose was for them to answer each question in each section that corresponds to various aspects of service quality and customer satisfaction. All the respondents could read and write so it was easy for them to complete the questionnaires. In this case it was the most reliable and easy to administer tool, Becker and Murmann, (2006). A copy of the questionnaire is in appendix 1.

3.6.2 Interview Guide

Mugenda and Mugenda (1999) defines an interview as an oral administration of a questionnaire that involves face-to-face encounter and requires maximum cooperation from the respondents in order to obtain accurate and reliable data.

In this study, an interview guide was designed and used to get key information from the 14 Branch Managers and 24 customers that use various bank products. All interviews with all the purposively sampled respondents were conducted in person. The 24 bank customers were chosen basing on the BOA Big Movers' Report, 2009 and 2011; these customers come to the bank more than 4 times a week and use more than 5 bank products. Care was taken to formulate the questions to ensure that the respondents understand them clearly so as to answer them correctly. This encouraged them to answer with ease and report accordingly. Probing was also done in order to get multiple answers and responses. Whenever a respondent brought up a related but important topic to the investigation, it was noted since it is in mind that interviews provide expanded information by the respondents (Amin, 2005). A copy of the interview guide is in appendix 2.

3.7 Ensuring the Quality of Data

Under this section, the reliability and validity of the data collection instrument is discussed.

3.7.1 Reliability

Mugenda and Mugenda (1999) defines reliability as a measure of degree to which research instruments yield consistent results or data after repeated trials. Amin (2005) explains that an instrument is reliable if it produces the same results when it is repeatedly used. For this study, the questionnaire was pre-tested to ensure that it was reliable as suggested by Mugenda and Mugenda (1999, p.99). The overall Cronbach Alpha Coefficient was .918 (91.8%), which is

greater than the recommended alpha of .70 (70%). The reliability for the objective specific sections of the questionnaire was also analysed and results shown in table 2

Table 2: Cronbach Alpha Coefficient Variable by variable

Variable	Item number	Cronbach Alpha Coefficient
Responsiveness	8	78.7%
Reliability	13	86.2%
Tangibles	10	53.2%
Customer Satisfaction	15	82.7%

Table 2 shows the Cronbach Alpha Coefficient of all the variables where reliability has the highest percentage (86.3%), followed by customer satisfaction (82.7%), followed by responsiveness (78.7%) and lastly tangibles (53.2%). This means that the data collection instrument was reliable since the overall percentage is 91.8%. Statistical package for social sciences (SPSS) was used to establish the reliability and consistency of the responses.

3.7.2 Validity

Amin (2005) defines validity of an instrument as the appropriateness of the instrument to measure what it is supposed to measure. For this research, the questionnaire was valid because it was designed according to the objectives and research questions of the study. The Content Validity Index (CVI) to ascertain the appropriateness in measuring the study variables based on expert judgment as recommended by (Amin, 2005) was used.

The formula;

$$CVI = \frac{\text{Number of items declared relevant}}{\text{Total number of items used}}$$

Thus;

$$CVI = \frac{146}{194} = 0.75$$

According to Sekaran (2005), if the instrument has an average index of 0.70 or above, it is accepted as valid and in this case therefore, the instrument was valid.

Besides that training of research assistants on what was required also helped ensure that all questions were filled, thus guaranteeing the quality of data.

3.8 Data Analysis

Ader and Mellenbergh (2008) defines data analysis as a process in which raw data is ordered and organized, modeled and transformed into useful information. The data to this study is analyzed both quantitatively and qualitatively as prescribed in section 3.2, the research design

3.8.1 Quantitative Data Analysis

The quantitative data was collected by use of the questionnaire. Each questionnaire was checked for completeness and validity and then data was captured in the computer using SPSS data editor. According to Amin, (2005) this package helps in summarizing data and it facilitates quick interpretation. Basic frequency descriptive statistics were generated that enabled data cleaning and data summarization into tables. Inferential statistical tests were also conducted using bivariate correlation and linear regression analyses. American Psychological Association (APA) advises that when presenting the results of statistical tests, one should give descriptive statistics before the corresponding inferential statistics (Plonky, 2007). Data was summarized in frequencies and percentages to establish respondents' views on each of the variables. Bar graphs were also generated using MS Excel as the program is user friendly and has rich three dimensional charts unlike the one in SPSS.

3.8.2 Qualitative Data Analysis

Qualitative data was analysed by organizing and making sense of the information relating to the study variables. Data from the interview sessions were edited, sorted and grouped in different themes as source of information (Amin, 2005). This was then interpreted and meaning was derived from comparisons of findings in relation to the quantitative data, (Sekaran, 2005).

3.9 Measurement of Variables

A standard questionnaire on a five Likert scale with responses from strongly agree(5) to strongly disagree (1), and satisfied (5) to very dissatisfied (1) were used to get quantifiable primary data from the respondents under the guidance of the research assistants. The questions in the questionnaires were adopted from Dhandabani (2010), Mugambwa, (2012) and Nakuya, (2010) and were grouped in sections according to the objectives of the study.

CHAPTER FOUR

PRESENTATION ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents results of the study that aimed to determine the relationship between service quality perspectives and customer satisfaction in Bank of Africa (U) Ltd. The objectives of the study were to determine the relationship between service responsiveness and customer satisfaction; to assess the relationship between reliability of service and customer satisfaction; and to assess the relationship between tangibles of service and customer satisfaction. The presentations begin with background characteristics of the respondents, then the descriptive statistics done objective by objective and hypotheses testing was done hypothesis by hypothesis.

4.2 Response Rate

Table 3: Response Rate

Category	Sample size	Responses	Percentages (%)
Savings account	26	22	86.4%
Corporate account	134	94	70.1%
Current individual account	20	16	80%
Branch Managers	14	14	100%
Total	194	146	

Source: Primary data

According to table 3, out of the sample size of 194 respondents selected to take part in the study, 146 respondents actually participated. Out of that 156 questionnaires were distributed, but 118 were filled and returned. Similarly, 38 respondents were selected to be interviewed,

however, 28 were actually interviewed. Overall this leaves a total of 48 participants who did not fully participate in the study. From this scenario, the number of respondents used for testing the hypothesis was 132 customers plus the 14 Branch Managers, giving a total of 146 respondents.

4.3 Background Information on the Respondents

Insight into the respondents' background and characteristics was found to be vital for the purposes of making reliable interpretation and conclusions. The general information in this section includes the type of account held with BOA, and the duration of maintaining an account with BOA as summarized in the following sections.

4.3.1 Respondents by Type of Account Held

The question aimed at finding out the type of accounts held by respondents. This information was gathered using the questionnaire administered to the respondents. The findings are presented in table 4.

Table 4: Distribution of respondents by type of account held

Type of account held	Frequency (f)	Percentage (%)
Savings account	25	18.9
Corporate account	87	65.9
Current individual account	20	15.2
Total	132	100.0

Source: Primary data

Table 4 presents the type of account held by respondents. The study found that majority of the respondents hold corporate accounts 69.5% and this was followed by respondents holding savings accounts that were 18.9%. The table also showed that, current individual account holders were 11.7%. The different types of account held by the customers had different tariff rates and charges. Corporate accounts, which were business accounts, have higher monthly

charges compared to individual savings accounts. This revelation indicates that most account holders at BOA operate corporate accounts that were business accounts and are usually targeted to organizations and individuals linked with multinational institutions. Holders of this type of accounts were accorded limited waiting time, lounge facilities, great customer care and conducive banking environment, which they pay for as observed in an interview. In most commercial banks in and around Kampala, such incentives have very positive effects on customer satisfaction. This also implies that most customers at BOA were in favor of customer satisfaction as corporate account holders.

4.3.2 Duration Respondents Maintained their Accounts

The question sought to identify the period respondents have maintained their accounts with BOA. This information was obtained using the questionnaire administered to all the respondents and the result is shown in table 5.

Table 5: The duration respondents have maintained their accounts

Period of holding accounts	Frequency (f)	Percentage (%)
Less than one years	24	18.2
1-2 years	43	32.6
3-4 years	28	21.2
5 and above years	37	28.0
Total	132	100.0

Source: Primary data

Table 5 indicates the duration respondents have maintained their various accounts with Bank of Africa (U) Ltd. It reveals that majority of the respondents, 32.6% have operated their accounts with the bank for 1-2 years, followed by 28.0% of those with 5 and above years, then 21.2% of those with 3-4 years. The least were 18.2% of those who have held accounts with the bank for less than one year. This means that majority of the customers have spent at least more than a year with the bank.

A key issue for understanding satisfaction and service quality is the ability to make comparisons between units providing the same services, for example different branches and track changes overtime like at the Main branch, Ndeeba and Ntinda branches. This helps in understanding how expectations vary between different clients for different aspects over time. Individuals who in the past have received low levels of service would as a result have low expectations and in turn will be satisfied with levels of service that are not acceptable elsewhere. If expectations change overtime, either through a change in the makeup of customers or more general change in expectations across groups, different ratings will not necessarily reflect a change in performance, (As cited in Nakuya, 2010). It could be a reflection that the area has improved over the periods, but also customers' expectations have increased. So this finding indicates that the bank's business was built over a reasonable period of time.

4.4 Descriptive Statistics

In this section, the descriptive statistics of the dimensions of service responsiveness, reliability of services, tangibles of services and customer satisfaction are presented reflecting the frequencies and percentages of responses per each item investigated. The results and interpretations are presented objective by objective as follows.

4.4.1 Relationship between Responsiveness of Service and Customer Satisfaction

The first objective sought to assess the relationship between service responsiveness and customer satisfactions in the bank. The related findings were gathered using the questionnaire and interview guide respectively. Responsiveness as indicated in the conceptual framework consisted of product knowledge and timeliness. Descriptive statistics for this variable are presented in table 6.

Table 6: Service responsiveness and customer satisfaction

	Statements about responsiveness	Strongl y Agree	Agre e	Not Sure	Disagre e	Strongl y Disagre e
1	Employees responsiveness to customer's requests	37.1%	56.8 %	.8%	3.0%	2.3%
2	Employee product knowledge	49.2%	40.2 %	8.3%	2.3%	-
3	Responsiveness on customers taking less time waiting in the queue	32.6%	48.5 %	8.3%	6.1%	4.5%
4	Timeliness in addressing clients' complaints	30.3%	34.1 %	14.4 %	16.7%	4.5%
5	Responsiveness on clients being informed in case of any delay in transaction	33.3%	44.7 %	14.4 %	5.3%	2.3%
6	Responsiveness' on clients being informed in case of new products	35.6%	40.9 %	12.9 %	3.8%	6.8%
7	Timeliness in confirmation of loans processing	11.4%	24.2 %	35.6 %	14.4%	14.4%

Source: Primary data

Table 6 presents the findings on the relationship between service responsiveness and customer satisfaction in the bank. Regarding the statement that bank employees quickly respond to customer requests, it shows that majority, 56.8% of the respondents agreed to this statement, followed by 37.1% who strongly agreed, then 3.0% of them disagreed and 2.3% strongly disagreed with the statement. However, the finding also revealed that only .8% of the respondents were not sure.

The study went on to establish that BOA has instituted various measures for its employees to be as helpful to the customer as possible. For instance one interviewee said, *“this bank seems to train its staff on how to help customers. However ignorant and illiterate a customer may be, they will always get help as the staff does not discriminate. This keeps the guest moving fast because those who need help get it”*. More so, it was reported by some bank managers that the quick response to customers' requests has attracted many new customers to the bank.

The study further revealed that regarding the employees, 49.2% of the respondents strongly agreed, followed by 40.2% who agreed with the statement. In contrast it was revealed that 2.3% of the respondents disagreed with the statement while 8.3% of them were not sure. In line with the above findings, it was discovered that BOA customers appreciate that bank employees were knowledgeable about their products and advise customers accordingly depending on their needs.

Regarding the statement on customers taking less time waiting in the queue, table 6 also reveals that majority of the respondents, 48.5% agreed, followed by 32.6% who strongly agreed with the statement. In contrast, there were 6.1% of the respondents who disagreed and 4.5% who strongly disagreed with the statement. The findings further show that, there were 8.3% of the respondents who were not sure, thus neither agreeing nor disagreeing with the statement.

When tasked for their opinions regarding timeliness in addressing clients' complaints, the findings reveal that most respondents, 34.1% agreed that at BOA clients' complaints are timely addressed. These were closely followed by 30.3% who strongly agreed, compared to 16.7% who disagreed and 4.5% strongly disagreed with the statement respectively. Related to this 14.4% of the respondents were not sure, in as far as the above statement is concerned.

On the other hand, when asked, some clients interviewed noted that *“BOA staff will always address a customer's complaint with urgency. More so, they keep you posted on how far they have gone when handling the problem. That's a good thing”*.

This agrees with Blodget, Hil & Tax (1993) who said that the speed with which problems and complaints are handled have been identified as an important dimension of procedural justice.

The results in table 6 also show that most respondents, 44.7% agreed that clients were always informed in case of any delay in their transactions. This was closely followed by 33.3% who strongly agreed, 5.3% disagreed and some 2.3% of them strongly disagreed with the statement respectively. In relation to this, one Branch Manager also stressed that management and staff of Bank of Africa (U) Ltd has committed unwavering dedication to responding (meeting) to clients' financial needs.

The findings relating to the clients' being informed in case of new products, most respondents, 40.9% agreed to this statement, compared to 3.8% who disagreed that clients are always informed in case of any new products. According to the findings it was learnt that Bank of Africa every now and then introduces a new product for its current and future customers. One Interviewee also observed that:

“Everything new the bank does, we are informed on our phones and we like it. We are not complaining”.

An employee at Bank of Africa Jinja Road Branch also supplemented that:

“BOA has numerous new products including contract financing, export financing, import loans, invoice discounting product, letters of credit and document collections etcetera. We are usually informed by email or phone”.

On the issue of timeliness in processing loans, the findings revealed that 35.6% of the respondents were not sure of the timely processing of loans at the bank. This was closely followed by 24.2% who agreed and 11.4% who strongly agreed with the statement. Likewise, 11.4% disagreed and strongly disagreed with the statement respectively. However, the interview responses indicate significant number of respondents had not applied for Bank of Africa (U) Ltd loans, hence were not in position to clearly explain whether loans were always

processed on time or not. But for the few who contradicted the statement, it was claimed that there are some notable delays in processing loan applications as one client interviewed said,

“Loans za BOA sinyangu, Balwisa nyo”, translated in English, it means that BOA loans are not easy to access and the bank takes long to approve them. In relation to this, the Main Branch Manager countered that, *“The bank’s loan process may be long and take time but some customers bring the requirements in bits, thus delaying the process themselves.”*

4.4.1.1 Satisfaction with Responsiveness of the Bank’s Services

Also when asked whether the respondents were generally satisfied with the banks’ service responsiveness, the respondents’ views are presented in figure 2.

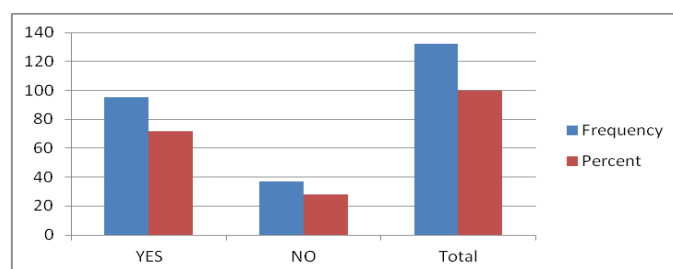


Figure 2: Satisfaction with the responsiveness of the bank services

According to figure 2, most respondents, 72% were satisfied with the service responsiveness of the bank but 28% were not satisfied. In line with this, there were several factors for this high level of satisfaction among BOA customers. Many identified staff friendliness, employee knowledge of banking products, as well as having their complaints promptly addressed as some of the most important factors influencing their satisfaction with Bank of Africa (U) Ltd. In support of those details, one interviewee at the bank’s Main Branch said:

“We pride ourselves as being a customer centric bank that offers practical and customized solutions to customers’ needs”.

4.4.1.2 Relationship between Responsiveness of service and Customer Satisfaction

A bi-variate correlation analysis was run between responsiveness and customer satisfaction and the result is presented in table 7.

Table 7: Correlation on responsiveness and customer satisfaction

		Responsiveness	Reliability	Tangibility	Customer Satisfaction
Responsiveness	Pearson Correlation	1	.655**	.481**	.444**
	Sig. (2-tailed)		.000	.000	.000
	N	132	132	132	132

** . Correlation is significant at the 0.01 level (2-tailed).

The result in table 7 presents the relationship between responsiveness and customer satisfaction. There is a positive but weak relationship at $r = 0.444$ that was statistically significant at 99% level of confidence as the $p = .001$. This means that customer satisfaction positively depends on the bank's responsiveness, i.e. as responsiveness to customer needs improve, customer satisfaction also increases.

The results above agree with KPMG (2013) report, which pointed out that customer care is a very important factor in any service industry, more so in banking where customers constantly relate with staff. The report highlighted friendliness of staff and their willingness to assist as the most important measure of customer care. This means that employees of the Bank of Africa (U) Ltd were willing to help and give services promptly and within time to their customers that greatly satisfies them. This was why management of the Bank of Africa (U) Ltd prides itself as a customer focused bank that puts the customer at the center of its services and products.

4.4.2 Relationship between Reliability of Service and Customer Satisfaction

This objective sought to find out the relationship between reliability of service and customer satisfaction in Bank of Africa (U) Ltd. The major themes under reliability of services were problem solving and employee behavior and helpfulness. The responses were collected using the questionnaire and interview guide designed and the finding is presented in table 8.

Table 8: Reliability of Service and Customer Satisfaction

	Statements about reliability	Strongl y Agree	Agre e	Not Sure	Disagre e	Strongl y Disagre e
1	The bank performs its services without errors	27.3%	51.5 %	10.6 %	6.1%	4.5%
2	Employees show sincere concern in solving customers' problems	38.6%	56.8 %	-	3.8%	.8%
3	Responsiveness to bank employees keeping information confidential	59.8%	40.2 %	-	-	-
4	Bank employees are knowledgeable about the business	43.2%	43.2 %	11.4 %	-	.8%
5	Responsiveness to errors being corrected once realized	40.9%	45.5 %	10.6 %	3.0	-
6	Customers' appreciation of the level of security at the bank and ATMs	48.5%	50.8 %	.8%	-	-
7	Responsiveness to the flexibility of services at Bank of Africa	25.8%	62.1 %	9.8%	-	2.3%

Source: Primary data

Table 8 shows the results relating to responsiveness to the bank performing its services without errors whereby most respondents, 51.5% agreed with the statement, followed by 27.3% who strongly agreed. In comparison, 4.5% of them strongly disagreed and 6.1% disagreed with the statement. In addition, the findings indicate that 10.6% of the respondents were not sure, thus neither agreeing nor disagreeing with the statement.

The results indicate that most respondents, 56.8% agreed with the statement that the bank employees show sincere concern in solving clients' problems related to bank business

operations. This was followed by 38.6% who strongly agreed, compared to 3.8% who disagreed while only .8% strongly disagreed with the same statement.

Regarding the bank employees keeping information confidential, the finding also reveals that a significant number of respondents, 59.8% strongly agreed and 40.2% agreed with the statement. According to the result 100% response rate reaffirms the fact that a significant number of BOA customers have not experienced a loss of confidential information due to either negligence or intention of the bank's employees. This view is strongly supported by the Branch Manager, Nbeebe who observed that:

“The bank has an approved code of conduct, which sets out the bank's core values relating to the lawful and ethical conduct of business. All employees have a copy of this code of conduct and are expected to observe high standards of integrity and fair dealing in relation to customers, fellow staff and regulators in the communities in which the bank operates”.

This proves that BOA has strict policies governing the conduct of its staff and their interactions with customers. This shows that these requirements are religiously followed, hence enabling the bank's top management control the security, confidentiality and trust of customers.

Relating bank employees being knowledgeable about the business, the finding shows that most respondents, 43.2% agreed and strongly agreed respectively that employees at Bank of Africa (U) Ltd were knowledgeable about their business. The result also indicates that 11.4% of the respondents were not sure, while only .8% strongly disagreed with the statement. Similarly according to a bank employees interviewed, most workers were knowledgeable about their work, thus:

“All new recruits at the bank undergo training on bank products and are equipped with the basics and internal operations of the bank. This gives them confidence and experience to serve the customer better. Employees are also given tests from time to time and those who fail are put on performance improvement lessons”, said the Equatoria Branch Manager.

However, the study was also informed that the bank has some staff who do not take initiative to read and equip themselves with all products and services that the bank offers. As such, they occasionally advise the customers wrongly, hence negatively affecting customers’ levels of satisfaction and loyalty to the bank.

The results further indicate that most respondents, 45.5% agreed with the statement that errors were corrected as soon as they are realized. This was followed by 40.9% of them who strongly agreed with the statement and 3.0% disagreed while 10.6% were not sure. The finding also indicate that a combined 86.4% of the respondents gave positive opinion relating to the statement, which shows that Bank of Africa (U) Ltd strives for excellence, thus avoids errors, especially when dealing with its customers as well as its other partners and stakeholders. The study also unearthed some dissenting responses who claimed to have experienced occurrences of errors while being served at the bank that were not promptly addressed. In support to this view one employee observed that:

“Complaint handling procedures should be changed so that all complaints are solved at the branches not forwarded to the risk department because sometimes they take long...”

Regarding customers’ appreciation of the level of security at the bank and ATMs, it was further reveals that most respondents, 50.8% agreed, followed by 48.5% who strongly agreed with the statement. The result also shows that .8% respondents were not sure, thus neither agreeing nor disagreeing with the statement. From this, a combined, 99.3% of all respondents

were in agreement with the statement that is an indicator of the high level of confidence customers have in their bank. In regard to this, one customer interviewed said:

“I feel secure and vehemently hold the belief that my life and finances are well protected while I transact business at the Bank or ATM point”.

It was further shown that most respondents, 62.1% agreed, followed by 25.8% who strongly agreed with the statement that service delivery at Bank of Africa (U) Ltd was flexible. In contrast only 2.3% of the respondents strongly disagreed, while 9.8% of them were not sure. This means a combined 87.9% of all the respondents agreed that the bank was flexible while offering the various services like payment of utility bills, making deposits, transfer of funds, access credit and withdraw of petty cash with ATM cards at any ATM machine and online banking where customers can keep track of their entire cash position, reconcile accounts and update books quickly and easily among others. That is BOA offers flexible financial services that accommodate customer’s banking needs. It was discovered that BOA offers services ranging from.

4.4.2.1 Satisfaction with the Reliability of the Bank’s Services

Also when asked whether the respondents were generally satisfied with the banks’ service reliability, the respondents’ views are presented in figure 3.

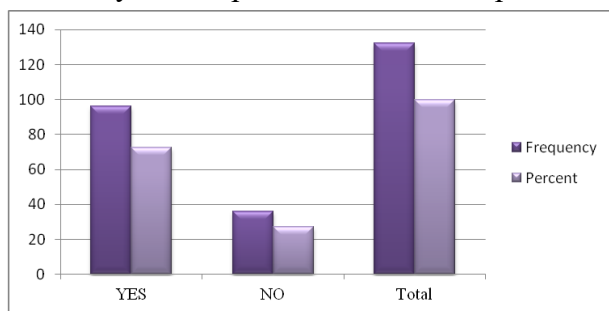


Figure 3: Satisfaction with the reliability of the bank’s services

According to figure 3, most respondents, 72% confirmed that they were satisfied with the level of reliability of service at Bank of Africa (U) Ltd., but small number, 28% of respondents were not or less satisfied. Among others, satisfaction with the reliability in services delivery was derived from employees' keeping information confidential, employees being knowledgeable about the business and flexibility of service. The finding generally means that BOA has captivated customers' satisfaction by delivering most promises services. As a matter of fact, customers want to do business with institutions that keep their promises, especially promises about their core services.

4.4.2.2 Relationship between Reliability of Services and Customer Satisfaction

A bi-variate correlation analysis was run between reliability of services and customer satisfaction and the result is presented in table 9.

Table 9: Correlation on reliability of services and customer satisfaction

		Responsiveness	Reliability	Tangibility	Customer Satisfaction
Reliability	Pearson Correlation	.655**	1	.544**	.605**
	Sig. (2-tailed)	.000		.000	.000
	N	132	132	132	132

** . Correlation is significant at the 0.01 level (2-tailed).

The result in table 9 presents the relationship between reliability and customer satisfaction. There is a positive relationship at $r = 0.605$ that was statistically significant at 99% level of confidence as $p = .001$. This means that customer satisfaction positively depends on the bank's reliability of service, i.e. as reliability of service improve, customer satisfaction also increases. This therefore implies that BOA is reliable in the provision of services promised to customers that was driven by accurate and timely execution of services by bank staff.

4.4.3 Relationship between Tangibles of Services and Customer Satisfaction

This objective aimed at establishing the relationship between tangibles of service and customer satisfaction in Bank of Africa (U) Ltd. The relationship of tangibles consists of corporate image and appearance, as well as performance of machines like the ATMs. Data was collected by use of the questionnaire and interview guide and the finding is summarized in the table 10.

Table 10: Tangibles of service and customer satisfaction

	Statements about effects of tangibles	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1	The ambience and appearance of the bank offices is appealing	43.9%	54.5%	1.5%	-	-
2	The bank has modern looking technical equipment	25.0%	61.4%	6.1%	6.1%	1.5%
3	Responsiveness to bank employees dressing suitably and neat	39.4%	50.8%	3.8%	2.3%	3.8%
4	Printed materials look attractive	32.6%	65.9%	1.5%	-	-
5	The bank's location of ATM machines is convenient	30.3%	56.1%	4.5%	7.6%	1.5%
6	Money carrying parcels and packaging materials are reliable	29.5%	43.9%	15.9%	3.8%	6.8%

Source: Primary data

Table 10 present responses on the effect of tangibles on customer satisfaction in Bank of Africa. Majority of the respondents, 54.5% agreed with the statement that the ambience and appearance of the bank offices were appealing. This was closely followed by 43.9% who strongly agreed with the statement, compared to only 1.5% who were not sure thus could neither agree nor disagree with the statement. Related to this, the data gathered through interviews also indicated that Bank of Africa has very neat, attractive and organized banking halls that appeals to its customers, hence giving them that revered sense of satisfaction. In fact, a customer interview observed that all BOA Branches were always very well arranged,

with Branch Mangers sitting within the banking halls in order to supervise the ongoing activities and operations on a daily basis.

Regarding the bank having modern looking technical equipment, it was also found out that majority of the respondents, 61.4% agreed, while 25.0% strongly agreed with the statement. More still, 6.1% disagreed as well were not sure respectively. Another 1.5% of the respondents were strongly in disagreement with the statement. This implies that a combined 86.4% of the respondents supported the statement that Bank of Africa (U) Ltd has some modern technological equipment like computers, ATMs, Account conditioning, scanners and photocopiers among others. This means that the bank's modern equipment and technologies were some of the methods adopted to enhanced service delivery to enable staff work efficiently, hence build strong working relationships with their clients through satisfactory service delivery.

It was further discover that relating to the view that bank employees dress suitably and neat, majority of the respondents, 50.8% agreed and this was closely followed by 39.4% who strongly agreed with the statement. However, 3.8% of the respondents strongly disagreed and were not sure with the statement respectively, but only 2.3% of them disagreed. Similarly, it was revealed that BOA staff dress appropriately, they were always smart and neat, which gave them a professional look. This gives customers confidence and satisfaction that their bank is efficiently managed. This implies that the bank has in place certain norms, which have given it that uniqueness to attract and trigger customer satisfaction.

The result relating to the statement that printed materials at Bank of Africa (U) Ltd look attractive also reveals that most respondents, 65.9% agreed, followed by 32.6% who strongly agreed with the statement. However, 1.5% of them were not sure thus neither agreed nor

disagreed with the statement. Additionally from the interview data, the bank emphasizes quality in all of its publications viewed as very important communication tools to its customers and other stake holders. In the words of one employee interviewed at Park Branch:

“The bank recognizes the importance of good communication with all stakeholders. The electronic and print mediums are used as an opportunity to communicate with all stakeholders, most especially the bank’s customers”.

This view indicates that BOA regards its various mediums of communication with the customer as important. The emphasis on quality publications, further justifies the level of priority placed on printed materials at the bank.

The finding also indicates that a significant number of respondents, 56.1% agreed with the statement that the bank’s location of ATM machines were convenient and 30.3% of them strongly agreed, compared to 7.6% who disagreed and only 1.5% who strongly disagreed with the same statement. Furthermore, 4.5% of them were not sure, hence neither rejecting nor supporting the statement. This indicates a combined 86.4% of all the respondents were in agreement with the statement, and this highlights the connivance to Bank of Africa (U) Ltd customers that such a well distributed network of ATM machines has generated. This finding is in agreement with the statement of one of the bank’s Branch Manager that:

“The bank has built a network of ATM machines all over the city. The machines are easily accessible and often functional. This has enabled many of the bank’s clientele have quick and easy access to their money, which has further strengthened their trust and loyalty in the bank”.

On the other hand however, some customers were in disagreement as they pointed out their displeasure over the high charges on utilizing ATM services, coupled with a very limited

number of ATMs in up-country locations among others. This has left a fraction of the bank's customers unsatisfied with this service. This generally means that BOA has endeavored to extend its services closer to the customer, especially in terms of access to money on a round the clock basis.

On the matter concerning money carrying parcels and packaging materials being reliable, most of the respondents, 43.9% agreed, while 29.5% strongly agreed with the statement. This compared to 6.8% of them who strongly disagreed and 3.8% who disagreed with the same statement. It also emerged that another 15.9% of them were not sure, thus neither agreeing nor disagreeing with the statement.

So, a combined 73.4% of all the respondents agreed, while 10.6% of them disagreed to the statement. This generally implies that Bank of Africa (U) Ltd places a lot of emphasis on the security of customer's money by having various measures like providing money carrying parcels and various other packaging materials which enable customers transfer their money in more secure means to ensure that customers are well protected. This has also gone a long way in triggering satisfaction among different BOA customers in Kampala and Uganda at large.

4.4.3.1 Satisfaction with Tangibles of Services and Customer Satisfaction

Also when asked whether the respondents were generally satisfied with the tangibles of services, the respondents' views are presented in figure 4.

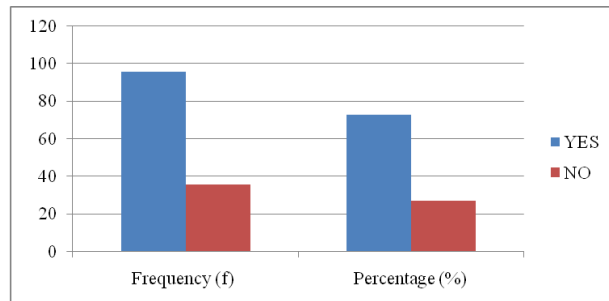


Figure 4: Satisfaction with tangibles of services at Bank of Africa

According to figure 4, most of the respondents, 72.8% were generally satisfied with the bank's tangibles and only 27.2% were not satisfied. However, it was found out that some dimensions of tangibles were more satisfying to customers than others, i.e. ambience and appearance of the bank were appealing than the bank having modern technical equipment, employees being suitably dresses and neat as well as the physical location of BOA branches being convenient. In addition to the tangibles, most BOA customers are satisfied with the experiences they have with the bank. All these revelations imply that the physical location of the various BOA facilities, the excellent organization of the bank, and convenience in access to money were all very effective contributors to customer satisfaction.

4.4.3.2 Relationship between Tangibles of Service and Customer Satisfaction

A bi-variate correlation analysis was run between tangible of services and customer satisfaction and the result is presented in table 11.

Table 11: Correlation between tangibles and customer satisfaction

		Responsiveness	Reliability	Tangibility	Customer Satisfaction
Tangibility	Pearson Correlation	.481**	.544**	1	.576**
	Sig. (2-tailed)	.000	.000		.000
	N	132	132	132	132

** . Correlation is significant at the 0.01 level (2-tailed).

The result in table 11 presents the relationship between tangible services and customer satisfaction. There is a positive relationship at $r = 0.576$ that was statistically significant at 99% level of confidence as $p = .001$. This means that customer satisfaction positively depends on the bank's tangible service, i.e. as tangibility of services improve, customer satisfaction also increases. This therefore implies that BOA initiate a variety of measures to improve customer experiences, attract new clients and increase customer loyalty, for they base on the various facilities at the bank to evaluate the quality of services.

In conclusion, among the three independent variables, reliability at BOA has the most effect on customer satisfaction at .605, followed by tangibles at .576 and responsiveness had the least effect at .444.

4.4.4 Customer Satisfaction at Bank of Africa (U) Ltd

The study also established the level of customer satisfaction in the bank and the finding is presented in table 12.

Table 12: Determining customer satisfaction in BOA services

	Statements about effects of tangibles	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1	Customers always have access to their money whenever needed	49.2%	42.4%	2.3%	6.1%	-
2	There is privacy when transacting business	38.6%	47.0%	3.8%	7.6%	2.3%
3	There are security personnel at the bank	50.8%	46.2%		-	2.3%
4	Responses on the convince of the banks' opening hours	29.5%	59.8%	2.3%	-	7.6%
5	Bank employees are very helpful	44.7%	50.8%		-	3.8%
6	Responsiveness to price charges of BOA being fair	27.3%	51.5%	18.9%	-	1.5%
7	Responses to customers having difficulties with ATM cards	18.2%	50.8%	11.4%	11.4%	7.6%
8	Respondents' recommendation of the bank	33.3%	50.8%	7.6%	2.3%	5.3%
9	Responses on the amount of time customers spend to be served	33.3%	50.8%	7.6%	2.3%	5.3%

Source: Primary data

Table 9 presents the responses regarding customers' satisfaction at Bank of Africa (U) Ltd. Concerning customers always having access to their money whenever needed, most respondents, 49.2% strongly agreed, followed by 42.4% who agreed with the statement. In addition 6.1% of them disagreed, while only 2.3% were not sure of the same statement. This means a combined 91.6% of the respondents agreed, thus highlighting the ease of access to one's money by quickly withdrawing and depositing which has given many BOA customers belief and satisfaction in the bank's services. In the words of one bank employee during an interview session:

"We have an extensive branch network in and around Kampala".

Yet another bank customer also observed that:

"Unlike other banks where you have to make an order for your 200 million to be paid to you and you wait for hours, in BOA you get out with your money without any hassle even if it is 500M".

These testimonies imply that satisfactory customer services were BOA's fundamental priority.

The study also found out that most of the respondents, 47.0% agreed that there was privacy when transacting at any of Bank of Africa branches, compared to 7.6% who disagreed. Yet, another 38.6% respondents strongly agreed, while only 2.3% strongly disagreed with the same statement and 3.8% of them were not sure, hence neither agreeing nor disagreeing with the statement. In view of this, significant number of respondents, 85.6% of the respondents supported the view that BOA has created an atmosphere of privacy when one is transacting in either the banking halls or at ATM points distributed around Kampala. This thus means that the bank strives to provide its customers with protection, while at the bank premises. It also stresses that on realizing the bank was customer focused, many satisfied customers remained loyal.

Regarding the statement that there were security personal at the bank, it was established that majority of the respondents, 46.2% strongly agreed, versus 2.3% who strongly disagreed with the statement. It also reveals that 50.8% of the respondents agreed with the statement. So, it is clear that Bank of Africa (U) Ltd pays special attention to the security of its customers. The well-guarded bank facilities was a confirmation of the importance BOA management attaches to the well-being of customers and other stake holders who visit the bank regularly. This also shows that BOA clients could transact from any branch or ATM without fear of attacks from thugs or thieves. As such, that guaranteed assurance has proved a major contributor to customer satisfaction in the bank's services.

More still, it was also found out that most respondents, 59.8% agreed that the bank's opening hours were convenient to customers and 29.5% of them strongly agreed. While 7.6% of

whom strongly disagreed, 2.3% of the respondents were not sure in response to the statement. This gives a combined 89.3% of the respondents being satisfied with the bank's operating hours. This observation is supported by a customer in an interview at the Park branch that:

“The bank opens early and they close late at 06:00 p.m. and have no queues. Their services are quick, superior to other banks and I have value for my money”.

In addition to the above statement, another customer at the Oasis Mall branch appreciated the fact that the branch closes at 09:00 p.m. so, overall these revelations show that BOA customers are satisfied with the time and days that the bank is open and operating faultlessly. This imply that BOA has very convenient opening hours, further evidence that the bank is a customer centric financial institution, with a very strong prioritization to customer satisfaction.

The study went on to show that 50.8% of the respondents agreed with the statement that the bank employees were very helpful. Another 44.7% of them strongly agreed, while 3.8% strongly disagreed with the statement. This shows that 95.5% of all the respondents supported the assertion that employees were very helpful to customers as they perform their various transactions within the banking halls. To justify this statement, two BOA customers interviewed confirmed that:

“My impression is that BOA attracts very good people who are focused and energized to do business. As such my loyalty is guaranteed to this bank”.

Yet another customer said:

“I have never had to wait. They have always ushered me through warmly and respectfully helped me out”.

These statements have reaffirmed that BOA employees go extra mile in satisfying customers' needs, for all the time they visit the bank.

Furthermore, regarding to the view that price charges of Bank of Africa (U) Ltd were fair, it was established that 51.5% of the respondents agreed and 27.3% of them strongly agreed with the statement. On the other hand, only 1.5% strongly disagreed with the statement while 18.9% were not sure or indifferent. Therefore, it is notable that various banks charge various prices for their products and services, but to the Bank of Africa customers, many expressed satisfaction regarding the charges they incur while transacting and utilizing the numerous services and products offered by the bank. This implies that the respondents were very sensitive to price charges, fees and interest rates charged by the different financial institutions in Uganda. By incurring a fair charge on transactions, BOA customers have a sound reason for being satisfied with the bank.

It was further established that 50.8% of the respondents agreed and 11.4% disagreed with the statement that they experienced no difficulties with the ATM cards of Bank of Africa (U) Ltd. Another 18.2% of them strongly agreed with the statement compared to only 7.6% who strongly disagreed, while 11.4% were not sure thus remaining indifferent to the statement. In view of this, in today's business world, variety of technologies have emerged to significantly transform both institutional and individual banking practices. This means that the increased innovations banks like BOA are adopting have witnessed significant increase in customer satisfaction.

Yet again, 50.8% of the respondents agreed, while 2.3% of them disagreed with the statement that they recommend their friends to the bank. Also 33.3% of the respondents strongly agreed, only 5.3% strongly disagreed with the same statement, while 7.6% were not sure. Overall, a significant response of 84.1% of the respondents testified to the view that they would recommend their friends to the bank. To support this finding, a respondent observed that:

“I bank at the Oasis branch of BOA. I have always been blown away by the branch staff for not just service, but true banking knowledge. I have gotten to know the manager and some of the tellers and are all great people. I highly recommend that branch to all of my friends and family”.

This statement was an indicator of the great service quality and customers’ perception of the bank. Within this general framework, customers can access the service quality provided and often recommend the bank to their friends and family.

Average number, 50.8% of the respondents agreed with the statement that they were satisfied with the amount of time spend waiting to be served as 2.3% disagreed with the statement. While 33.3% of them strongly agreed, 5.3% of them strongly disagreed and 7.6% were not sure, thus were undecided. Overall, according to this result, 84.1% of the respondents were satisfied with the amount of time they spend waiting to be served. This confirms that many of them did not have to spend much time in the banking halls as most did not have queues that would force customers to wait longer time to be served. BOA also had many teller points in all of its branches in various locations around the city, hence serving customers with utmost speed. What this means is that BOA is presently in position to captivate customer satisfaction by meeting their needs and exceeding their expectations.

4.4.4.1 Determining Customer Satisfaction in BOA Services

When asked whether the respondents were generally satisfied with the customer services offered at the BOA, their views are presented in figure 5.



Figure 5: How respondents rate the services offered by BOA

According to figure 5, about 55% of the respondents rated the BOA services very good. This is followed by about 34% who rated it just good, 18% rated it excellent and about 6% considered the services fair. On the other hand, only 4% of the respondents rated the bank's services as poor. From these ratings, a combination of factors contributed to the very high ranking of Bank of Africa services among its customers. Most notable factors could be the focused bank employees who were energized, helpful and professional in performing their duties despite some hiccups here and there.

4.5 Hypotheses Testing

Multiple regression analysis to test the hypotheses postulated to determine the variance of the effect of all the service quality perspectives together on the customer satisfaction was carried out, presented and the following is the results deduced from them. These are presented hypothesis by hypothesis in section 5.1, 5.2 and 5.3

Table 13: Model Summary for Service Quality Perspectives and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.672 ^a	.452	.439	.35556	.452	35.228	3	128	.000

a. Predictors: (Constant), Tangibility, Responsiveness, Reliability

b. Dependent Variable: Customer Satisfaction

The regression model summary output in table 13 shows that $R = .672$, which is the multiple correlation coefficients for the service quality perspectives under study with customer satisfaction after all the inter-correlations among them are taken into account.

The coefficient of determination, the R-square is .452, which is a measure of the strength of the computed equation that represents the proportion of variance accounted for in customer satisfaction (dependent variable) by service quality perspectives (all the predictor variables). Thus, in this case the service quality perspectives have explained only 45.2% of the variance in the customer satisfaction at Bank of Africa (U) Ltd. This result means that 54.8% of the variability in the customer satisfaction is due to other factors outside the scope of this study.

Similarly, the cumulative Beta (β) coefficient between service quality perspectives and customer satisfaction is .672, shown to be positive and statistically significant at $\rho = .001$ level. This means that the higher the bank's responsiveness to customer demands, customer satisfaction equally increases in that proportion, $\beta = .672$, $t = 8.913$, $\rho < .001$. see appendix 4

4.5.1 H₁ = There is a significant relationship between responsiveness of service and customer satisfaction

Table 14: Model Summary on Responsiveness and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.444 ^a	.197	.191	.42721	.197	31.869	1	130	.000

a. Predictors: (Constant), Responsiveness

b. Dependent Variable: Customer Satisfaction

From the model summary table 14, the coefficient of determination, the R-square is .197, which is a measure of the strength of the computed equation. This represents the proportion of variance accounted for in customer satisfaction (dependent variable) by responsiveness (the predictor variable). Thus, in this case responsiveness has explained only 19.7% of the variance in the customer satisfaction at Bank of Africa (U) Ltd.

Similarly, the standardized β coefficient between responsiveness and customer satisfaction is .444, shown to be positive and statistically significant at p .001 level. This means that the higher the bank's responsiveness to customer demands, customer satisfaction equally increases in that proportion, $\beta = .444$, $t = 5.645$, $p < .001$. see appendix 4

This implies that customers at BOA are satisfied by the responsiveness they receive from the staff at the different branches. This includes responding to customers' questions and complaints, helping them understand their accounts and ensuring that each and every one inside the bank has been attended to and on time. In other words, the services and products offered at the bank often times meet customers' expectations, which is an indication that the methods management has adopted to improve customer satisfaction are effective, and have transformed BOA into a truly customer focused financial institution.

Therefore, the first alternate hypothesis that “*there is a significant relationship between responsiveness and customer satisfaction in Bank of Africa (U) Ltd*” is upheld.

4.5.2 H₁₂=Reliability of service significantly influence customer satisfaction

Table 15: Model Summary on Reliability and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.605 ^a	.365	.361	.37973	.365	74.871	1	130	.000

a. Predictors: (Constant), Reliability

b. Dependent Variable: Customer Satisfaction

According to the model summary table 15, the coefficient of determination, the R-square is .365, which represents the proportion of variance accounted for in customer satisfaction (dependent variable) by reliability of services (the second predictor variable). Thus, in this case reliability of services has explained only 36.5% of the variance in the customer satisfaction at Bank of Africa (U) Ltd.

The β coefficient between reliability of services and customer satisfaction is .605, shown to be positive and statistically significant at $p = .001$ level. This means that as the bank's services become highly reliable, customer satisfaction equally increases in that proportion, $\beta = .605$, $t = 8.653$, $p < .001$. see appendix 6

This proves that reliability of services affects customer satisfaction at BOA as management has put a lot of emphasis on those daily events that most affect a customer's perception. Such moments have proved very important to the bank as management can assess the bank's customer service capabilities (especially among its staff), and ensure a proper alignment of institutional improvements with customer needs. In support of the above, a KPMG (2012)

report highlighted that quality and reliable customer care in banking is one of the most strategic ways of customer retention. And true to the statement, BOA has been able to offer a variety of quality and reliable services that have retained the banks customers over the years.

Therefore, the second alternate hypothesis that “*reliability significantly affects customer satisfaction in Bank of Africa (U) Ltd*” is upheld.

4.5.3 H₃=Tangibles of service significantly influence customer satisfaction

Table 16: Model Summary for Tangibles and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.576 ^a	.332	.327	.38961	.332	64.615	1	130	.000

a. Predictors: (Constant), Tangibility

b. Dependent Variable: Customer Satisfaction

Similarly the model summary table 16 indicates the R-square value as .332, the proportion of variance accounted for in customer satisfaction by tangibles of services (the third predictor variable). Thus, tangible of services has explained only 33.2% of the variance in the customer satisfaction at Bank of Africa (U) Ltd.

The β coefficient between tangible of services and customer satisfaction is .576, positive and statistically significant at $p .001$ level. This means that as the bank’s services become highly tangible, customer satisfaction equally increases in that proportion, $\beta = .576$, $t = 8.038$, $p < .001$. This proves that tangibility of services affects customer. See appendix 4

This therefore implies that the various tangibles (including infrastructure and technologies) at the bank have significantly contributed to improvement in service delivery, lowered the

transaction costs incurred by BOA customers in accessing its various products and services tailored to meet customer satisfaction. In addition, the widespread use of technology and high quality printed materials has also enhanced customer expectations, specifically on the aspects of speed, reasonableness of service charges and quality of service delivery among others.

This in other words shows that the hypothesis that is retained.

Hence, the third alternate hypothesis that “*tangibles significantly affect customer satisfaction in Bank of Africa (U) Ltd*” is retained.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the summary, discussion, conclusion and recommendations on the findings are presented. They are presented in accordance with objectives of the study and some future research implications of the findings are also suggested.

The general objective of the study was to determine the relationship between service quality perspectives and customer satisfaction in Bank of Africa (U) Ltd. Specifically the study sought to establish the relationship between service responsiveness and customer satisfaction, to establish the relationship between reliability of service and customer satisfaction and to establish the relationship between tangibles of service and customer satisfaction in Africa (U) Ltd.

5.2 Study Summary

5.2.1 Responsiveness of Service and Customer Satisfaction

It was found out there was positive relationship between responsiveness and customer satisfaction at Bank of Africa Uganda (U) Ltd. This means that responsiveness exhibited at the bank (through its various products and services, as well as the skill and professionalism of its employees) towards customers was a significant source of customer satisfaction. Indeed the bank prides itself as a customer focused bank that puts the customer at the forefront of its services, because customers always expect a fair hearing of their complaints, a quick response to their queries, and expeditious service while at the bank. Furthermore, it was found out that the bank was transparent, objective, non-discriminatory and non-exploitative

of customers in terms of pricing, quality of service and full disclosure of information to the rightful beneficiaries among others.

5.2.2 Reliability of Service and Customer Satisfaction

The study also found out a positive relationship between reliability and customer satisfaction at Bank of Africa (U) Ltd. This implies that BOA was reliable in the provision of services and products to customers, as the accurate and timely execution of services by the bank staff was a major driving force in customer satisfaction. More so, today the bank customers are experiencing a huge proliferation of bank branches, numerous banking services and top niche products in addition to the widespread use of the latest banking technology has also enhanced the customer expectations, specifically on the aspects of speed and quality of service delivery.

5.2.3 Tangibles of Service and Customer Satisfaction

The study also revealed a positive relationship between tangibles and customer satisfaction. It was established that the bank has put in place various modern looking technical equipment, quality and attractive printable materials, not to mention the bank's location of ATM machines offering convenient accessibility. These tangibles have greatly influenced customer satisfaction at Bank. So, the tangibles have a significant effect on customer satisfaction in banking institutions like Bank of Africa (U) Ltd, which reaffirms the argument that in order for commercial banks to maintain success in a very highly competitive market, they ought to initiate a variety of measures to improve customer experiences, attract new clients and increase customer loyalty. Hence, customers are attracted to banks partly for the facilities and quality of services offered.

5.3 Discussion

5.3.1 Responsiveness of Service and Customer Satisfaction

The study established that there was a positive relationship between dimensions of responsiveness and customer satisfaction at .444. This implies that responsiveness exhibited at BOA through the various products and services, coupled with the professionalism showed by the bank employees in their level of product knowledge, while handling customers is a significant source of customer satisfaction. According to a KPMG (2013) study, commercial banks in Africa and Nigeria in particular have inevitably turned their attention to the customer as they look to grow earnings. Already the report further claims that customers are redefining the agenda in commercial banking institutions, with excellent customer service has replacing financial stability as the primary reason for maintaining banking relationships in the retail and corporate segments.

In line with the above, today Bank of Africa (U) Ltd prides itself as a customer focused bank that puts the customer at the forefront of its services. This statement was further echoed by a respondent that:

“We pride ourselves as being a customer centric bank that offers practical and customized solutions to customers’ needs”.

The banking industry today is very competitive, as such, providing excellent customer services from the time a customer steps onto a bank’s premises until he/she leaves has gone a long way in winning customers for various financial institutions. Bank of Africa realized this early, and has over the years placed a lot of emphasis on ensuring that it’s customer-facing staff understand the banks’ customer care values (courtesy, transparency objectivity, non-discrimination, non-exploitative and respect etc) have tremendously helped in building

customer loyalty and satisfaction by empowering their employees through product trainings and quizzes. This fact was emphasized by one manager who said:

“The quarterly quizzes impact on ones KPI and end of year appraisals”

This agrees with Metlen, Eveleth and Bailey (2005) who said that employee product knowledge positively influences timeliness of service and in the long run customer satisfaction in regard to referrals and repeat purchases.

Similarly, (Bitner, Booms & Tetreault, 1990; Clemmer & Schneider, 1993) stressed that speed and timeliness of service delivery is very crucial to customer satisfaction. Indeed, the authors point out that responsiveness is the willingness or readiness of employees to provide a service when needed. The timely handling of questions, quick callbacks to confirm payments, handling complaints fast and giving prompt service are some of the key factors banks are adopting to guaranteed customer satisfaction.

Also in the face of evolving customer behavior and expectations, it has become imperative for banks to listen and understand the voice of the customer as they shape their strategies to reach out to customers. In support, Neilson and Chandha, (2008) urged banks to focus on human resource development initiatives for banking staff to make them more knowledgeable in the provision of accurate banking services to promote satisfying experience for the clients. This is also echoed by Wilson, (2009) who says that bank personnel should demonstrate professional knowledge of their products while interacting with the customers so as to know what product to sell to what customer in order to suit the customers' needs. Unless the staff knows their products, they will not meet customer expectations thus causing dissatisfaction and consequently financial loss and vice versa.

Related to that, in today's highly competitive banking industry in Uganda, differentiation is difficult to achieve on many fronts, with meeting customer expectations key among these. However, it is clear that the quality of service delivery experienced by BOA customers is a differentiating factor that is giving the bank a cutting edge over other banks. In addition, while expounding on the expectancy/disconfirmation theory, Smith and Houston (1982) claimed that satisfaction and services are related to confirmation or disconfirmation of expectations. Indeed the theory stresses that satisfaction is related to the size and direction of disconfirmation experienced where disconfirmation is related to the person's initial expectations. Therefore, by prioritizing meeting customer initial expectations, especially for prospective customers, BOA is agreeing with the expectancy theory that customer satisfaction is the differentiating factor in all of its operations. The continued prioritization of customer satisfaction services will not only retain BOA at the summit of the banking industry in Uganda, but will also propel the bank to larger markets both in Africa and beyond.

5.3.2 Reliability of Service and Customer Satisfaction

The study also found out that there was a correlation between reliability and customer satisfaction .605. This indicates that BOA exhibits consistency in the delivery of services, thus triggering customer loyalty and satisfaction. In support to this, a respondent stated:

“The bank offers practical and customized solutions to customer's needs in as far as problem solving is concerned in a timely manner”.

The statement only re-affirms that Bank of Africa (U) Ltd is a customer centric financial institution that not only offers day to day banking services, but also has a dedicated workforce who expresses sincere concern towards the customer. The above is in line with Drucker, (1954), who claimed that delivering quality service means conforming to customers' expectations, on a consistent basis.

Furthermore, reliability involves consistence of performance and dependability. According to Tyran (2000), reliability and regularity of supply play a vital role as far as users' willingness to repurchase is concerned. The author also stressed that delivering quality service means conforming to customers' expectations on a consistent basis and at BOA this is the benchmark upon which the bank has attained so much success in recent years. As seen earlier, the bank focuses on customer satisfaction as the foundation for its success. Against this, it has tried to be as reliable and dependable as possible towards the customer, and to achieve this pleasant and seamless experience has been encouraging bank staff to interact with customers and build friendly and hospitable relationships with them.

In addition, Addo and Kwarteng, (2012) claimed that the relationship between a bank and its customers must be a permanent and lasting one, which needs to be maintained with good quality services. Indeed the competition among financial institutions today is driving them into forging lasting relationships with their customers. The study learnt that at Bank of Africa (U) Ltd employees are friendly and always willingness to assist hence going a long way in positively affecting customer's satisfaction.

Furthermore, being reliable in service reassures customers that their bank is capable and able to handle their needs. According to Ernest & Young (2012), customer satisfaction and trust levels remain low globally and customers are demanding more customized attention, products and services from their banks. This has as a result put unprecedented pressure on various financial institutions to perform as reliably as never before, so that they can maintain the loyalty of their customers.

In today's highly competitive environment, the key to sustainable competitive advantage lies in delivering quality service that will in turn result in satisfied customers (Shemwell et al,

1998), (as cited in Sureshchandar, Rajendran and Anantharaman, 2002). As such, being reliable in service has propelled institutions like Bank of Africa (U) Ltd to initiate various measures to satisfy, attract and retain customers.

The study further revealed that a significant number of respondents rated the dimensions of reliability; bank employees keeping clients' information confidential, and that employees show sincere concern in solving clients' problems related to bank business operations highest as compared to the dimensions of responsiveness. These factors have enabled many bank customers remain loyal to the bank despite the numerous competitors with equally attractive services. In view of the above a KPMG, (2013) report indicated that the approachable attitude of bank workers gives customers a positive image about the bank and the services provided. Also the physical environment regarding the infrastructure, the design and the atmosphere as well as duration of service (short waiting time) are taken into account by customers in assessing the quality of services of banks and all these combined contribute to the satisfaction of customers at Bank of Africa.

More to the above, excellent customer service should not be limited to branch visits alone, but must be carried out through to all other delivery channels such as call centers. In view of this a KPMG, (2013) report points out that the bank's understanding of their customers' needs and being proactive in presenting alternatives is important to them, and this highlights the fact that banks need to constantly be steps ahead of the customer by developing various ways of resolving customer issues and problems efficiently and effectively.

5.3.3 Tangibles of Service and Customer Satisfaction

According to the study findings, there was a positive relationship between tangibles and customer satisfaction at Bank of Africa (U) Ltd at .576. The result indicated that the

dimensions of tangibles like money carrying parcels and any packaging materials were reliable and positively related with there being privacy when transacting business. The result also showed that customers at the bank are satisfied with the print materials looking attractive, the bank having modern looking technical equipment and the bank's location of ATM machines being convenient. Consequently, BOA customers expressed confidence that their bank is fulfilling the promise:

“To be a preferred bank in our chosen market”

This statement is also supported by Addo and Kwarteng, (2012) whose study on customer satisfaction of retail banking services found out that customers are satisfied with infrastructure facilities, modern equipment, staff appearance, and interior decoration of banks, which instills confidence and inspires trust among current and potential customers. They further pointed out that the competitive power and survival of a bank lies in the degree of customer satisfaction and therefore, banks should pay attention to customer satisfaction. Since banks sell undifferentiated products, the only effective tool they can survive in the market place is their quality of service, for banks that can offer high quality service, in high quality environments will have the competitive edge and will benefit from large market share, increase profits and customer loyalty.

Anderson, Eugene, & Sullivan, (1993) illustrated that connecting with customers in new, meaningful and consistent ways has remained elusive, due to the high volume of customer choices. In the banking industry for instance, banks are finding it increasingly difficult to engage with customers on a personal basis, especially at an early stage of the banking process. But in order to influence this interaction at such early stages, BOA has deployed tangibles such as corporate lounge facilities, attractive, image supported reading materials,

and spacious banking halls among others to make a first time impression to customer and also make them feel at home while at the bank.

According to Adeleke, & Waidi, (2011) technology is changing the way and manner people conduct business today. The authors claim that there has never been such a time in history, like now, when technology has transformed the finance world, especially banking, leaving customers yearning for more innovative products and services from their banks. For example, due to significant investments in ATMs by Bank of Africa (U) Ltd the bank is witnessing a sharp rise in transaction volume using the ATM machine points than transacting from the branches. In support of this, a respondent observed that:

“The bank has built a network of ATM machines all over the city. The machines are easily accessible and often functional. This has enabled many of the bank’s clientele have quick and easy access to their money, which has further strengthened their trust and loyalty in the bank”.

Against this revelation, there is a serious need for banks to innovate, in terms of products and services, to operate in very attractive and conducive environments, and above all to understand the customer. It should also be realized that merely satisfying customers will not be enough to earn their loyalty. Instead, customers must experience exceptional service worthy of their repeat business and referral. BOA for one has already championed this process, but now is not the time to rest. The bank must remain upbeat in order to retain the lead position in this dynamic and challenging market.

5.4 Conclusion

From the study, it is evident that a variety of factors influence customer satisfaction in the banking institutions like Bank of Africa (U) Ltd. Therefore, it is concluded as follows:

5.4.1 Reliability of Service and Customer Satisfaction

Bank of Africa (U) Ltd is a customer centric financial institution that not only offers day to day banking services, but also has a dedicated workforce who expresses sincere concern towards the customer. Indeed, the study found that reliability dimensions like employees keeping clients' information confidential and showing sincere concern in solving client's problems related to bank business operations, as being very significant factors to customer satisfaction.

It is a well-known fact that delivery of quality services means conforming to customers' expectations on a consistent basis and at BOA this is the benchmark upon which the bank has attained so much success in recent years. Against this, BOA trains her staff to be as reliable and dependable as possible towards the customer and handle their customers and even solve customers' problems. However, according to the findings, on some occasions, there are delays in the problem solving process because employees have to receive directions from top management leaving them no room for innovation while delivering services to customers. This adversely affects customer satisfaction.

It is important for all organizations to know how best to prepare and motivate their employees to provide the best possible service to customers as this will help organizations attract and retain customers who will make repeat purchases, refer their friends, stay longer with the bank and increase the organisation's profits.

5.4.2 Responsiveness of Service and Customer Satisfaction

The study also established that the responsiveness exhibited at Bank of Africa (U) Ltd to the customers, particularly in terms of employees' quick response to client's requests and their willingness to help customers only cement the fact that the bank is truly a customer focused institution. Today the bank has placed even more efforts into prioritizing customer

satisfaction services, giving it a cutting edge over the competition, as well as propelled BOA to wider market segments in Uganda. Therefore, banks ought to realize that excellent customer services should not be limited to branch visits alone, but must be carried out through other service delivery channels, and this among others will keep banks ahead of the customer by developing various ways of resolving customer issues and problems efficiently and effectively. By so doing, timeliness of service in the long run will cause customers to feel secure in as far as their business dealings are concerned when dealing with BOA and they will refer friends to the bank.

The findings also demonstrate that power concentration in the hands of a few compromises customer satisfaction. This is because employees receive directions of what is required of them from top management leaving them no room for innovation while delivering services to customers. This has negative impact on the issue of timeliness of service thus, adversely affects customer satisfaction.

5.4.3 Tangibles of Service and Customer Satisfaction

Similarly, the study found a positive relationship between tangibles and customer satisfaction in Bank of Africa (U) Ltd. Tangibles such as the ambience and appearance of the bank offices being appealing, printed materials looking attractive, and the bank's location of ATM machines being convenient proved very effective to customer satisfaction. However, there is a serious need for banks to innovate, in terms of products and services, to operate in very attractive and conducive environments, and above all to understand the customer. The mere satisfying of customers will not be enough to earn their loyalty. Instead, customers should be enabled to experience exceptional service worthy of their loyalty and referral. It was established that Bank of Africa (U) Ltd is already on the road towards this goal. Caution

should however be taken for the bank must remain focused and also improve on the branches that are not well equipped with the necessary tangibles.

5.5 Recommendations

Against the findings of the study, the following objective specific recommendations are made:

5.5.1 Reliability of Service and Customer Satisfaction

BOA should improve on the problem solving procedures and always keep the customers in the know in cases where their solutions will take long. This could be done by giving the Branch Managers power on decision making concerning customers complaints and problem solving rather than forwarding them to the Risk Department. This will reduce on the time spent when handling customers' complaints.

The bank should reward employees that act and behave professionally and exceed expectations of customers. The rewards should be fair in relation to one's workload. This could be done by giving awards to best performing employee on quarterly basis or even monthly shopping vouchers to motivate them.

5.5.2 Responsiveness of Service and Customer Satisfaction

In order to survive the competitive environment in which banking institutions operate in Uganda today, the banks should provide continual customer satisfaction. Banks like BOA should continually improve the quality of their services. Therefore, this study strongly recommends for the improvement in the dimensions of response by the bank to its customers. At BOA special consideration should be paid to the time loans are processed and the time of addressing clients' complaints among others. Turnaround time should be set for all activities

to ensure timeliness of services, for example in the case of loan processing, there should be fewer procedures involved when a loan request is made.

It is further recommended that banks should invest more effort in the improvement of service quality levels, by for instance training new and retraining their old and new staff to be more responsive, reliable and sensitive to customer needs, hence providing services that are more efficient and effective which will culminate into customer satisfaction and loyalty.

5.5.3 Tangibles of Service and Customer Satisfaction

Banks and especially BOA should focus on their most important stakeholders - their customers to stay afloat. So, it is hereby recommended that the bank identifies and improves upon the tangible factors that could increase customer satisfaction. Key among these are having clear signage at the various bank branches and ATMs, having a sufficient branch network, having ATMs running 24hr and evenly distributed around Kampala and the country at large. BOA in particular should consider establishing more up-country branches, but not concentrating in the city alone.

In addition, atmosphere of the banking halls can also be improved by ensuring cleanliness and favorable ambience with appropriate facilities like water dispenser and sitting areas.

5.6 Areas for Further Research

The study assessed the relationship between service quality perspectives and customer satisfaction in Bank of Africa (U) Ltd. However, similar study could be conducted on different research design other than the cross-sectional survey design. Yet another study could examine service quality perspectives and customer satisfaction in commercial banks in Uganda with wider geographical scope and much larger sample size as this study concentrated on only one commercial bank (Bank of Africa (U) Ltd.

There is also need for further research to establish the other factors that could explain the unaccounted for .548 of variability in customer satisfaction in the bank since the service quality perspectives investigated in this study could only explain .452

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Appendices

Appendix 1: Questionnaire

Uganda Management Institute - Kampala (Uganda)

Service Quality perspectives and Customer Satisfaction in Bank of Africa (U) Limited

Respondent No: _____

Dear Respondent,

I am **Doreen Ayabare**, pursuing a Masters Degree in Management Studies (Human Resource Management) at the Uganda Management Institute, Kampala. I am carrying out a study on the Role of Service Quality and Customer Satisfaction in Bank of Africa (U) Limited in partial fulfillment of the above award.

I am kindly requesting you to spare your valuable time by completing these questions about the subject matter. The information you give is purely for academic purposes and will be treated with confidentiality. The responses you give shall help BOA (U) Ltd in improving service delivery to its valuable customers.

General information

1. Name (Optional):

2. What type of account do you hold with BOA (U) Ltd?

Current individual account

☐

Corporate account

☐

Savings account

☐

3. How long have you maintained the above account with BOA (U) Ltd?

Less than 1 year

☐

1 to 2 years

☐

3 to 4 years

☐

5 Years and above

☐

SECTION A: Questions on Service Quality

RESPONSIVENESS

Demonstrate the extent to which you agree with the under listed statements regarding the responsiveness of BOA (U) Ltd Employees on a scale of 1- 5 with a tick (✓)

Where 1= Strongly Agree 2= Agree 3= Neutral/ Not sure

4= Disagree 5= Strongly Disagree

S/No	Opinion statements	Scale				
		1	2	3	4	5
4.1.	Bank employees quickly respond to my requests	1	2	3	4	5
4.2.	Bank employees are always willing to help customers	1	2	3	4	5
4.3.	I take less time waiting in the queue.	1	2	3	4	5
4.4.	Clients' complaints are timely addressed	1	2	3	4	5
4.5.	Clients are always informed in case of any delays in their transactions.	1	2	3	4	5
4.6.	Clients are always notified timely incase of any new products	1	2	3	4	5
4.7.	Loans are always processed timely	1	2	3	4	5
4.8	Employees are never too busy to respond to customer questions.	1	2	3	4	5

I am very satisfied with the responsiveness of service at BOA (U) Ltd

Yes/ No

Explain.....

RELIABILITY

Demonstrate the extent to which you agree with the under listed statements regarding the reliability of BOA (U) Ltd services on a scale of 1- 5 with a tick (✓)

Where 1= Strongly Agree 2= Agree 3= Neutral/ Not sure
 4= Disagree 5= Strongly Disagree

S/No	Opinion statement	Scale				
		1	2	3	4	5
5.1.	The Bank performs its services without errors	1	2	3	4	5
5.2.	Bank employees show sincere concern in solving my problems related to bank business operations	1	2	3	4	5
5.3.	The Bank performs services exactly as promised	1	2	3	4	5
5.4.	The employees keep my information confidential	1	2	3	4	5
5.5.	The employees are knowledgeable about the business	1	2	3	4	5
5.6.	Errors are corrected as soon as they are realized	1	2	3	4	5
5.7.	I clearly understand the purposes of any service charges to my account	1	2	3	4	5
5.8.	Security provided at the Bank and at ATMs is good	1	2	3	4	5
5.9.	Lending rates are good	1	2	3	4	5
5.10	The employees are very helpful.	1	2	3	4	5
5.11	There is flexibility of service	1	2	3	4	5
5.12	The employees follow through to see if you got what you wanted.	1	2	3	4	5
5.13	The bank is solvent to meet my needs.	1	2	3	4	5

I am satisfied with the reliability of service at BOA (U) Ltd.

Yes/No

Explain with reasons.....

TANGIBLES

Demonstrate your level of satisfaction with the under mentioned tangible services/ facilities provided by BOA (U) Ltd to its Customers on a scale of 1- 5 with a tick (✓)

Where 1= Highly Satisfied 2= Satisfied 3= Neutral/ Not sure
 4= Dissatisfied 5= Highly Dissatisfied

S/No	Opinion statement	Scale				
		1	2	3	4	5
6.1.	The ambience and appearance of the Bank offices is appealing.	1	2	3	4	5
6.2.	The Bank has modern looking technical equipment.	1	2	3	4	5
6.3.	Bank employees are suitably dressed and neat considering the work they perform.	1	2	3	4	5
6.4.	Printed materials look attractive.	1	2	3	4	5
6.5.	The bank's location of ATM Machines is convenient.	1	2	3	4	5
6.6.	Money carrying parcels and any packaging materials is	1	2	3	4	5
6.7.	The bank avails refreshment to its customers as they wait in the queue.	1	2	3	4	5
6.8.	The bank has sufficient branches and ATMs round the city.	1	2	3	4	5
6.9.	There is clear signage at the branches and ATMs.	1	2	3	4	5
6.10.	The physical location of BOA branches is convenient.	1	2	3	4	5

I am satisfied with the tangibles of service at BOA (U) LTD.

Yes/No

Explain with reasons.....

SECTION B: CUSTOMER SATISFACTION

The following set of statements relate to your perspectives about BOA (U) Ltd. Kindly show the extent to which you believe BOA has featured by ticking/ confirming how the mentioned dimensions appeal to you on a scale of 1-5.

Where: - 1= Strongly Disagree 2= Disagree 3= Neutral/ Not Sure
 4= Agree 5= strongly agree

S/No	Opinion statements	Scale				
		1	2	3	4	5
8.1	I always get my money whenever I need it.	1	2	3	4	5
8.2	The employees are courteous, understanding and helpful towards customer queries	1	2	3	4	5
8.3	There are no dangerous substances and chemicals at the bank premises	1	2	3	4	5
8.4	There is privacy when transacting	1	2	3	4	5
8.5	There are security personnel at the bank premises.	1	2	3	4	5
8.6.	The customers feel safe in their transactions with BOA.	1	2	3	4	5
8.7.	The bank opening hours are convenient to customers	1	2	3	4	5
8.8.	The bank restores service quickly after an interruption	1	2	3	4	5
8.9.	The bank employees are very helpful.	1	2	3	4	5
8.10.	The price charges of BOA are ok compared to other banks.	1	2	3	4	5
8.11	The bank is accurate in their dealings.	1	2	3	4	5
8.12	I have not had difficulties with the ATM cards of this bank.	1	2	3	4	5
8.13	I recommend my friends to the bank.	1	2	3	4	5
8.14	Bank information is easy to read and interpret.	1	2	3	4	5
8.15	I am satisfied with the amount of time I spend waiting to be served.					

Overall, how will you rate the services offered by BOA (U) Ltd

Excellent	<input type="checkbox"/>	Very Good	<input type="checkbox"/>	Good	<input type="checkbox"/>	Fair	<input type="checkbox"/>
Poor	<input type="checkbox"/>	Very Poor	<input type="checkbox"/>	No comments			

What suggestions can you give to improve service quality at BOA (U) Ltd and increase customers' satisfaction?

THANK YOU FOR YOUR COOPERATION

Appendix 2: Interview Guide

This interview schedule is to prompt you give the researcher free response and give personal opinions about BOA's weaknesses in the variables under study. Your answers will only be used for academic purposes.

RESPONSIVENESS

1. BOA employees respond to customers inquiries promptly and efficiently.
2. Employees provide timely responses to customer's complaints
3. Employees are always willing to help customers.
4. Employees give customers personal attention.
5. Employees understand specific needs of customers.
6. Employees keep their promises to do something by a certain time.

RELIABILITY

1. Employees perform the service right at the first time.
2. My problems get solved whenever I present them to the bank staff.
3. The behavior of staff instills confidence in the customer.
4. The employees provide a service at the time promised.
5. Employees are courteous with customers.
6. The employees attend to me with respect (courtesy)
7. Employees keep their promises to do something by a certain time

TANGIBLES

1. Bank employees are suitably dressed and neat, considering the work they perform
2. The bank equipment is appealing.

3. I have not had any problems with my ATM card.
4. The ATM machines are always functional.
5. The ATM machines are easily accessed.
6. Printed materials (forms, brochures, monthly statements, bank cards) look attractive

CUSTOMER SATISFACTION

1. The prices charged on my account are fair compared to other banks..
2. The bank working hours are convenient to customers.
3. The ATM machines are always functional.
4. My money is always available when I need it.
5. I have confidence in the bank
6. The surroundings of the bank are safe.
7. There is security at all bank premises
8. I have referred my friends to open accounts with BOA.
9. There are warnings on all dangerous chemicals.

THANK YOU FOR YOUR COOPERATION

Appendix 3: Frequency Tables

ACCOUNT TYPE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	CURRENT ACCOUNT	20	15.2	15.2	15.2
	CORPORATE ACCOUNT	87	65.9	65.9	81.1
	SAVINGS ACCOUNT	25	18.9	18.9	100.0
	Total	132	100.0	100.0	

PERIOD OF STAY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	LESS THAN ONE YR	37	28.0	28.0	28.0
	1-2YRS	43	32.6	32.6	60.6
	3-4YRS	28	21.2	21.2	81.8
	5 AND ABOVE YRS	24	18.2	18.2	100.0
	Total	132	100.0	100.0	

EMPLOYEE RESPONSE TO MY REQUESTS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	49	37.1	37.1	37.1
	AGREE	75	56.8	56.8	93.9
	NOT SURE	1	.8	.8	94.7
	DISAGREE	4	3.0	3.0	97.7
	STRONGLY DISAGREE	3	2.3	2.3	100.0
	Total	132	100.0	100.0	

EMPLOYEE WILLINGNESS TO HELP CUSTOMERS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	65	49.2	49.2	49.2
	AGREE	53	40.2	40.2	89.4
	NOT SURE	11	8.3	8.3	97.7
	DISAGREE	3	2.3	2.3	100.0
	Total	132	100.0	100.0	

LESS TIME IS SPENT IN THE QUE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	43	32.6	32.6	32.6
	AGREE	64	48.5	48.5	81.1
	NOT SURE	11	8.3	8.3	89.4
	DISAGREE	8	6.1	6.1	95.5
	STRONGLY DISAGREE	6	4.5	4.5	100.0
	Total	132	100.0	100.0	

COMPLAINTS ARE ADDRESSED TIMELY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	40	30.3	30.3	30.3
	AGREE	45	34.1	34.1	64.4
	NOT SURE	19	14.4	14.4	78.8
	DISAGREE	22	16.7	16.7	95.5
	STRONGLY DISAGREE	6	4.5	4.5	100.0
	Total	132	100.0	100.0	

CLIENTS ARE INFORMED IN CASE OF DELAYS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	44	33.3	33.3	33.3
	AGREE	59	44.7	44.7	78.0
	NOT SURE	19	14.4	14.4	92.4
	DISAGREE	7	5.3	5.3	97.7
	STRONGLY DISAGREE	3	2.3	2.3	100.0
	Total	132	100.0	100.0	

CLIENTS ARE NOTIFIED IN CASE OF NEW PRODUCTS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	47	35.6	35.6	35.6
	AGREE	54	40.9	40.9	76.5
	NOT SURE	17	12.9	12.9	89.4
	DISAGREE	5	3.8	3.8	93.2
	STRONGLY DISAGREE	9	6.8	6.8	100.0
	Total	132	100.0	100.0	

LOANS ARE PROSESED TIMELY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	15	11.4	11.4	11.4
	AGREE	32	24.2	24.2	35.6
	NOT SURE	47	35.6	35.6	71.2
	DISAGREE	19	14.4	14.4	85.6
	STRONGLY DISAGREE	19	14.4	14.4	100.0
	Total	132	100.0	100.0	

EMPLOYEES ARE NEVER TOO BUSY TO RESPOND TO CUST

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	48	36.4	36.4	36.4
	AGREE	67	50.8	50.8	87.1
	NOT SURE	5	3.8	3.8	90.9
	DISAGREE	5	3.8	3.8	94.7
	STRONGLY DISAGREE	7	5.3	5.3	100.0
	Total	132	100.0	100.0	

IAM SATISFIED WITH THE RESPONSIVENESS OF SERVICE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	95	72.0	72.0	72.0
	NO	37	28.0	28.0	100.0
	Total	132	100.0	100.0	

ERROR FREE RECORDS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	36	27.3	27.3	27.3
	AGREE	68	51.5	51.5	78.8
	NOT SURE	14	10.6	10.6	89.4
	DISAGREE	8	6.1	6.1	95.5
	STRONGLY DISAGREE	6	4.5	4.5	100.0
	Total	132	100.0	100.0	

EMPLOYEES SHOW CONCERN IN SOLVING MY PROBLEMS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	51	38.6	38.6	38.6
	AGREE	75	56.8	56.8	95.5
	DISAGREE	5	3.8	3.8	99.2
	STRONGLY DISAGREE	1	.8	.8	100.0
	Total	132	100.0	100.0	

THE BANK KEEPS ITS PROMISES

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	30	22.7	22.7	22.7
	AGREE	62	47.0	47.0	69.7
	NOT SURE	22	16.7	16.7	86.4
	DISAGREE	17	12.9	12.9	99.2
	STRONGLY DISAGREE	1	.8	.8	100.0
	Total	132	100.0	100.0	

MY INFORMATION IS KEPT CONFIDENTIAL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	79	59.8	59.8	59.8
	AGREE	53	40.2	40.2	100.0
	Total	132	100.0	100.0	

EMPLOYEES ARE KNOWLEDGEABLE ABOUT THE PRODUCTS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	57	43.2	43.8	43.8
	AGREE	57	43.2	43.8	87.7
	NOT SURE	15	11.4	11.5	99.2
	STRONGLY DISAGREE	1	.8	.8	100.0
	Total	130	98.5	100.0	
Missing	System	2	1.5		
Total		132	100.0		

ERRORS ARE CORRECTED AS SOON AS THEY ARE REALISED

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	54	40.9	40.9	40.9
	AGREE	60	45.5	45.5	86.4
	NOT SURE	14	10.6	10.6	97.0
	DISAGREE	4	3.0	3.0	100.0
	Total	132	100.0	100.0	

I UNDERSTAND ALL BANK CHARGES ON MY ACCOUNT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	28	21.2	21.2	21.2
	AGREE	60	45.5	45.5	66.7
	NOT SURE	17	12.9	12.9	79.5
	DISAGREE	10	7.6	7.6	87.1
	STRONGLY DISAGREE	17	12.9	12.9	100.0
	Total	132	100.0	100.0	

SECURITY AT ATM AND BRANCHES IS PROVIDED

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	64	48.5	48.5	48.5
	AGREE	67	50.8	50.8	99.2
	NOT SURE	1	.8	.8	100.0
	Total	132	100.0	100.0	

LENDING RATES ARE GOOD

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	7	5.3	5.3	5.3
	AGREE	43	32.6	32.6	37.9
	NOT SURE	34	25.8	25.8	63.6
	DISAGREE	32	24.2	24.2	87.9
	STRONGLY DISAGREE	16	12.1	12.1	100.0
	Total	132	100.0	100.0	

EMPLOYEES ARE VERY HELPFUL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	59	44.7	44.7	44.7
	AGREE	61	46.2	46.2	90.9
	DISAGREE	11	8.3	8.3	99.2
	STRONGLY DISAGREE	1	.8	.8	100.0
	Total	132	100.0	100.0	

FLESIBILITY OF EMPLOYEES

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	34	25.8	25.8	25.8
	AGREE	82	62.1	62.1	87.9
	NOT SURE	13	9.8	9.8	97.7
	STRONGLY DISAGREE	3	2.3	2.3	100.0
	Total	132	100.0	100.0	

EMPLOYEES FOLLOW UP ON CUSTOMERS REQUESTS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	39	29.5	29.5	29.5
	AGREE	63	47.7	47.7	77.3
	NOT SURE	21	15.9	15.9	93.2
	DISAGREE	4	3.0	3.0	96.2
	STRONGLY DISAGREE	5	3.8	3.8	100.0
	Total	132	100.0	100.0	

THE BANK IS SOLVENT TO MEET MY NEEDS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	66	50.0	50.0	50.0
	AGREE	48	36.4	36.4	86.4
	NOT SURE	14	10.6	10.6	97.0
	DISAGREE	4	3.0	3.0	100.0
	Total	132	100.0	100.0	

AM SATISTIFED WITH RELIABILITY OF SERVICE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	YES	96	72.7	72.7	72.7
	NO	36	27.3	27.3	100.0
	Total	132	100.0	100.0	

AMBIENCE AND APPEARANCE OF THE BRANCHES IS APPEALING

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	58	43.9	43.9	43.9
	AGREE	72	54.5	54.5	98.5
	NOT SURE	2	1.5	1.5	100.0
	Total	132	100.0	100.0	

MODERN LOOKING TECHNICAL EQUIPMENT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	33	25.0	25.0	25.0
	AGREE	81	61.4	61.4	86.4
	NOT SURE	8	6.1	6.1	92.4
	DISAGREE	8	6.1	6.1	98.5
	STRONGLY DISAGREE	2	1.5	1.5	100.0
	Total	132	100.0	100.0	

EMPLOYEES ARE SUITABLY DRESSED

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	52	39.4	39.4	39.4
	AGREE	67	50.8	50.8	90.2
	NOT SURE	5	3.8	3.8	93.9
	DISAGREE	3	2.3	2.3	96.2
	STRONGLY DISAGREE	5	3.8	3.8	100.0
	Total	132	100.0	100.0	

PRINTED MATERIAL LOOK GOOD

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	43	32.6	32.6	32.6
	AGREE	87	65.9	65.9	98.5
	NOT SURE	2	1.5	1.5	100.0
	Total	132	100.0	100.0	

LOCATION OF ATMS IS CONVENIENT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	40	30.3	30.3	30.3
	AGREE	74	56.1	56.1	86.4
	NOT SURE	6	4.5	4.5	90.9
	DISAGREE	10	7.6	7.6	98.5
	STRONGLY DISAGREE	2	1.5	1.5	100.0
	Total	132	100.0	100.0	

MONEY CARRYING PARCELS ARE RELIABLE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	39	29.5	29.5	29.5
	AGREE	58	43.9	43.9	73.5
	NOT SURE	21	15.9	15.9	89.4
	DISAGREE	5	3.8	3.8	93.2
	STRONGLY DISAGREE	9	6.8	6.8	100.0
	Total	132	100.0	100.0	

AVAILABILITY OF REFRESHMENTS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	13	9.8	9.8	9.8
	AGREE	23	17.4	17.4	27.3
	NOT SURE	16	12.1	12.1	39.4
	DISAGREE	39	29.5	29.5	68.9
	STRONGLY DISAGREE	41	31.1	31.1	100.0
	Total	132	100.0	100.0	

SUFFICIENT ATMS AND BRANCHES AROUND THE CITY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	29	22.0	22.0	22.0
	AGREE	72	54.5	54.5	76.5
	NOT SURE	8	6.1	6.1	82.6
	DISAGREE	20	15.2	15.2	97.7
	STRONGLY DISAGREE	3	2.3	2.3	100.0
	Total	132	100.0	100.0	

CLEAR SIGNAGE AT BRANCHES AND ATMS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	50	37.9	37.9	37.9
	AGREE	63	47.7	47.7	85.6
	NOT SURE	10	7.6	7.6	93.2
	DISAGREE	6	4.5	4.5	97.7
	STRONGLY DISAGREE	3	2.3	2.3	100.0
	Total	132	100.0	100.0	

PHYSICAL LOCATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	42	31.8	31.8	31.8
	AGREE	64	48.5	48.5	80.3
	NOT SURE	10	7.6	7.6	87.9
	DISAGREE	13	9.8	9.8	97.7
	STRONGLY DISAGREE	3	2.3	2.3	100.0
	Total	132	100.0	100.0	

AM SATISFIED WITH TANGIBLES OF SERVICES AT BOA

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	83	62.9	62.9	62.9
	AGREE	49	37.1	37.1	100.0
	Total	132	100.0	100.0	

I ALWAYS GET MY MONEY WHENEVER I NEED IT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	65	49.2	49.2	49.2
	AGREE	56	42.4	42.4	91.7
	NOT SURE	3	2.3	2.3	93.9
	DISAGREE	8	6.1	6.1	100.0
	Total	132	100.0	100.0	

EMPLOYEES ARE COURTEOUS, UNDERSTANDING AND HELPFUL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	66	50.0	50.4	50.4
	AGREE	57	43.2	43.5	93.9
	NOT SURE	2	1.5	1.5	95.4
	DISAGREE	4	3.0	3.1	98.5
	STRONGLY DISAGREE	2	1.5	1.5	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

NO DANGEROUS SUBSTANCES AT BRANCHES

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	61	46.2	46.6	46.6
	AGREE	56	42.4	42.7	89.3
	NOT SURE	5	3.8	3.8	93.1
	STRONGLY DISAGREE	9	6.8	6.9	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

PRIVACY WHEN TRANSACTING

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	51	38.6	38.9	38.9
	AGREE	62	47.0	47.3	86.3
	NOT SURE	5	3.8	3.8	90.1
	DISAGREE	10	7.6	7.6	97.7
	STRONGLY DISAGREE	3	2.3	2.3	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

THERE ARE SECURITY PERSONNELS AT THE BR

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	67	50.8	51.1	51.1
	AGREE	61	46.2	46.6	97.7
	STRONGLY DISAGREE	3	2.3	2.3	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

CUSTOMERS FEEL SAFE WHEN TRANSACTING

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	56	42.4	42.7	42.7
	AGREE	59	44.7	45.0	87.8
	NOT SURE	12	9.1	9.2	96.9
	DISAGREE	4	3.0	3.1	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

OPENING HRS ARE CONVENIENT

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	39	29.5	29.8	29.8
	AGREE	79	59.8	60.3	90.1
	NOT SURE	3	2.3	2.3	92.4
	STRONGLY DISAGREE	10	7.6	7.6	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

SERVICE IS RESTORED QUICKLY AFTER AN INTERAPTION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	39	29.5	29.8	29.8
	AGREE	75	56.8	57.3	87.0
	NOT SURE	9	6.8	6.9	93.9
	DISAGREE	3	2.3	2.3	96.2
	STRONGLY DISAGREE	5	3.8	3.8	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

BANK EMPLOYEES ARE HELPFUL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	59	44.7	45.0	45.0
	AGREE	67	50.8	51.1	96.2
	STRONGLY DISAGREE	5	3.8	3.8	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

PRICE CHARGES ARE OK

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	36	27.3	27.5	27.5
	AGREE	68	51.5	51.9	79.4
	NOT SURE	25	18.9	19.1	98.5
	STRONGLY DISAGREE	2	1.5	1.5	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

ACCURACY IN THEIR DEALINGS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	26	19.7	19.8	19.8
	AGREE	81	61.4	61.8	81.7
	NOT SURE	15	11.4	11.5	93.1
	DISAGREE	6	4.5	4.6	97.7
	STRONGLY DISAGREE	3	2.3	2.3	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

NO DIFFICULTIES WITH ATMS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	24	18.2	18.3	18.3
	AGREE	67	50.8	51.1	69.5
	NOT SURE	15	11.4	11.5	80.9
	DISAGREE	15	11.4	11.5	92.4
	STRONGLY DISAGREE	10	7.6	7.6	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

I RECOMMEND MY FRIENDS TO THE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	44	33.3	33.6	33.6
	AGREE	67	50.8	51.1	84.7
	NOT SURE	10	7.6	7.6	92.4
	DISAGREE	3	2.3	2.3	94.7
	STRONGLY DISAGREE	7	5.3	5.3	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

BANK INFO IS EASY TO READ AND UNDERSTAND

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	41	31.1	31.3	31.3
	AGREE	80	60.6	61.1	92.4
	NOT SURE	10	7.6	7.6	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

TIME SPENT WAITING IS OK

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	38	28.8	29.0	29.0
	AGREE	78	59.1	59.5	88.5
	NOT SURE	2	1.5	1.5	90.1
	DISAGREE	10	7.6	7.6	97.7
	STRONGLY DISAGREE	3	2.3	2.3	100.0
	Total	131	99.2	100.0	
Missing	System	1	.8		
Total		132	100.0		

OVERALL RATING

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	EXCELLEN T	24	18.2	18.5	18.5
	VERY GOOD	63	47.7	48.5	66.9
	GOOD	34	25.8	26.2	93.1
	FAIR	7	5.3	5.4	98.5
	POOR	2	1.5	1.5	100.0
	Total	130	98.5	100.0	
Missing	System	2	1.5		
Total		132	100.0		

Appendix 4: Correlation Output

Correlations		Responsiveness	Reliability	Tangibility	Customer Satisfaction
Responsiveness	Pearson Correlation	1	.655**	.481**	.444**
	Sig. (2-tailed)		.000	.000	.000
	N	132	132	132	132
Reliability	Pearson Correlation	.655**	1	.544**	.605**
	Sig. (2-tailed)	.000		.000	.000
	N	132	132	132	132
Tangibility	Pearson Correlation	.481**	.544**	1	.576**
	Sig. (2-tailed)	.000	.000		.000
	N	132	132	132	132
Customer Satisfaction	Pearson Correlation	.444**	.605**	.576**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	132	132	132	132

**. Correlation is significant at the 0.01 level (2-tailed).

Appendix 5: Regression Output

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Tangibility, Responsiveness, Reliability ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: Customer Satisfaction

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.672 ^a	.452	.439	.35556	.452	35.228	3	128	.000

a. Predictors: (Constant), Tangibility, Responsiveness, Reliability

b. Dependent Variable: Customer Satisfaction

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.360	3	4.453	35.228	.000 ^a
	Residual	16.182	128	.126		
	Total	29.542	131			

a. Predictors: (Constant), Tangibility, Responsiveness, Reliability

b. Dependent Variable: Customer Satisfaction

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.297	.164		1.808	.073
Responsiveness	.006	.065	.008	.086	.932
Reliability	.363	.082	.409	4.434	.000
Tangibility	.406	.092	.350	4.398	.000

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Responsiveness ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: Customer Satisfaction

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.444 ^a	.197	.191	.42721	.197	31.869	1	130	.000

a. Predictors: (Constant), Responsiveness

b. Dependent Variable: Customer Satisfaction

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.816	1	5.816	31.869	.000 ^a
	Residual	23.726	130	.183		
	Total	29.542	131			

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.816	1	5.816	31.869	.000 ^a
	Residual	23.726	130	.183		
	Total	29.542	131			

a. Predictors: (Constant), Responsiveness

b. Dependent Variable: Customer Satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.178	.126		9.367	.000
	Responsiveness	.326	.058	.444	5.645	.000

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Reliability ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: Customer Satisfaction

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.605 ^a	.365	.361	.37973	.365	74.871	1	130	.000

a. Predictors: (Constant), Reliability

b. Dependent Variable: Customer Satisfaction

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.796	1	10.796	74.871	.000 ^a
	Residual	18.746	130	.144		
	Total	29.542	131			

a. Predictors: (Constant), Reliability

b. Dependent Variable: Customer Satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.813	.125		6.507	.000
	Reliability	.537	.062	.605	8.653	.000

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Tangibility ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: Customer Satisfaction

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.576 ^a	.332	.327	.38961	.332	64.615	1	130	.000

a. Predictors: (Constant), Tangibility

b. Dependent Variable: Customer Satisfaction

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.808	1	9.808	64.615	.000 ^a
	Residual	19.734	130	.152		
	Total	29.542	131			

a. Predictors: (Constant), Tangibility

b. Dependent Variable: Customer Satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.469	.176		2.669	.009
	Tangibility	.668	.083	.576	8.038	.000

Appendix 6: Reliability Output

Scale: ALL VARIABLES

Case Processing Summary

	N	%
Valid	129	97.7
Cases Excluded ^a	3	2.3
Total	132	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.915	.918	46

Scale: ALL VARIABLES

Case Processing Summary

	N	%
Valid	132	100.0
Cases Excluded ^a	0	.0
Total	132	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.787	8

Scale: ALL VARIABLES

Case Processing Summary

	N	%
Valid	130	98.5
Cases Excluded ^a	2	1.5
Total	132	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.862	13

Scale: ALL VARIABLES

Case Processing Summary

	N	%
Valid	132	100.0
Cases Excluded ^a	0	.0
Total	132	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.532	10

Scale: ALL VARIABLES

Case Processing Summary

	N	%
Valid	131	99.2
Cases Excluded ^a	1	.8
Total	132	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.827	15