



Service Quality And Customer Satisfaction In Republic Bank Of Ghana.

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ABSTRACT

The upsurge of competition and recent events in the Ghanaian banking sector calls for exceptional service quality delivery not just to win customers but also to retain them to maximise profits. It is in light of this that most banks have to assess their service quality to be able to survive in the ever stiffening banking sector. This has formed the premise within which this study is being carried out with the main objective of assessing the effects of customer service quality on customer satisfaction using Republic Bank as the case study. The study had its specific objectives as; to ascertain the level of satisfaction of customers of Republic Bank and to ascertain the relationship between service quality and customer satisfaction. The study used convenient sampling to select 200 respondents who walk into the Cape Coast branch banking hall of Republic Bank to perform a transactions. The study employed the SERVQUAL model using its five dimension to assess customer satisfaction of Republic Bank. The study revealed that respondents were satisfied with the services and products offered by Republic



Bank, with all respondents recommending Republic Bank to family and friends. Respondents agreed to speak publicly about the service quality and the satisfactory delivery of services to them. The study recommend that mystery shopping should be conducted periodically to maintain the high level of customer service delivery. There should also be periodic training of the frontliners and other staff of the bank to help deliver quality customer service. The product development team should also continue to be innovative and keep up with the changing trends in customer taste and the market at large.

KEYWORDS: Service quality, Customer Service, Republic Bank, Ghana.

Background of Study

In today's global competitive business environment, service quality has become an important concept in service delivery. It is virtually impossible for a business organization to survive without building customer satisfaction and brand loyalty. Numerous scientific research have empirically proven that service quality significantly influences firms performance, improves profit margin and market share, boost brand image and promote customer loyalty (Loh et. al., 2010). It might well be accepted nowadays that intensive competitiveness in terms of both quantity and quality makes it extremely difficult for a firm to differentiate itself from its competitors. Moreover, dynamic business environments and increasing customer power have pushed firms toward a customer-focused strategy, especially using new technology to build relationships with the customer (Ryding, 2010). Success of a service provider depends on the



high quality relationship with customers' which is a determinant of customer satisfaction and loyalty. Research has shown repeatedly that service quality influences organizational outcome such as performance superiority, increasing sales profit and market share, improving customer relations, enhance corporate image and promote customer loyalty (Loh et. al., 2010). Furthermore, service quality and customer satisfaction were found to be related to customer loyalty through repurchase intentions. Delivering quality service to customers is a must for success and survival in today's competitive banking (Lo et. al., 2010). As a result, excellent business processes and intangible assets such as brands, customer satisfaction, and powerful human resources might become the most essential sources of sustainable competitive advantages (Chien and Tsai, 2012).

Objectives of the Study

- To ascertain the level of satisfaction of customers of Republic Bank.
- To ascertain the relationship between service quality and customer satisfaction.

LITERATURE REVIEW

The Concept of Service Quality

Today's organizations are striving to provide high standard service quality to their customers, deliver and assess the performance of the service provided to consumers, therefore, customers perception towards provided services is crucial for organizations success (Mukesh et al., 2009). Many different definitions related to the actual meaning of service quality were presented in the literature. Oakland (1993) defined service quality as the extent to which a service meets customer's needs or expectations. Hoffman and Bateson (1997) defined service quality as an attitude shaped by a long-term overall evaluation of a



service performance. Accordingly, service quality can be defined as discrepancy between consumer service expectation and the perceived service, if the expectations were greater than the performance, the consumer satisfaction will not occur (Parasuraman et al., 1985). Service quality focuses on satisfying consumers' needs during the service process, where the customers shape their perceptions about the delivered service (Kong and Muthusamy, 2011).

A service refers to any activity that one party offers to another which is essentially intangible and through some form of exchange satisfies an identified need (Zeithaml, Bitner, and Gremler, 2006). Service quality is considered by Zeithaml (1987) as consumer's judgment about an entity's overall excellence or superiority. Kibera (1996) posit that service quality is the conformance of a service to customer specification and expectation, while Kimonye (1998) elucidates that service quality is the degree of match between expected and actual service provided by the service giver and that the higher the fit, the higher the level of customer satisfaction. In contrast, Kang and James (2004) observed that the construct of service quality centres on the perceived quality, a position supported by Sultan and Wong (2010), who described service quality as a form of attitude representing a long run overall evaluation. This study adopted the later position and defines service quality 'as a form of attitude representing customers long run overall evaluation of a service after a service encounter'.

When the quality concept is considered from the viewpoint of manufacturing businesses and service businesses, it is observed that it is very difficult to derive a standard quality concept in service businesses due to the intangibility and concurrency characteristics of the service (Kucukaltan, 2007). Service quality can be described briefly as a phenomenon considered within the context of customers' expectations and perceptions about the service offered



(Yilmaz, 2011). Therefore, the same service can be perceived as high quality by a customer and as low quality by another customer. In other words, service quality depends on the customer's perception (Kucukaltan, 2007). Therefore, instead of the quality of service, "perceived quality of service" term is widely used in the literature. Perceived service quality is a result of the comparison of customer's expectations prior to receiving the service and his/her actual service experience. It is assessed by the direction and magnitude of the difference between customers' expectations and perceived performance (Zeithaml and Bitner, 2000).

Customers' expectations and perceptions of service will determine the quality of service. If the provided service does not meet or exceed the expectations of the customer, then the service quality will be perceived to be low; if it does exceed the expectations, then the service quality will be perceived to be high (Akbaba and Kilinc, 2001). Based on this approach, service quality can be defined as the difference between the customer's expectations about the service performance prior to the service provision and the customer's perceptions of the service provided (Asubonteng et. al., 1996).

Parasuraman, Zeithaml and Berry (1985) described service quality as the comparison of expected service and perceived service performance and they developed the SERVQUAL measurement technique to measure the service quality as such. While service quality is defined by Edvardsson (1998) as the degree of being able to meet the customers' expectations and to determine their needs and wants, Kandampully (1998) gave a similar definition of satisfying the customer's expectations with the service provided. On the other hand, Teas (1993) defined service quality as the comparison of performance with ideal standards.



As can be seen from this review, service quality definitions are often focused on the customer. However, what customer says should not be considered sufficient at all times. Particularly, unspoken customer needs and expectations should be revealed and identified (Atilgan, 2001).

Measurement of service quality constitutes the first phase of service quality improvement and development process. If a business is able to obtain access to accurate information about the current quality level, then they can take the necessary steps about what needs to be done more effectively (Usta and Memis, 2009). A business that desires to improve the quality of their services should initially determine its position and then should set out what needs to be done in order to improve the quality of service (Akbaba and Kilinc, 2001).

It is a common belief that it is very difficult to measure the service quality because of the differences in the meanings attributed to quality by each individual customer (Ruetzler, 2005). Since services are consumed by customers at the time they are produced, a customer is not only interested in the quality of the output that is produced as a result of production as is the case in product quality, but also is interested in the quality of other elements of service with which he/she is in interaction during the entire production process. This feature of the service has introduced the concept of service quality dimensions (Sevimli, 2006).

Researchers have suggested various dimensions in order to determine the quality of the service provided and have tried various approaches. Parasuraman et. al., (1988) built the service quality gap model in their study and identified 10 general dimensions of service in order to determine the difference between customer expectations and perceptions. This and other ongoing work of Parasuraman et al. (1988) have been used by many service quality researchers and they have become prominent in the measurement of service quality.



Parasuraman et al. (1988) progressively applied the 10 dimensions comprised of physical/tangible features, reliability, responsiveness, competence, courtesy, credibility, security/safety, convenience, communication, and understanding the consumer on four different service sectors (banking, telephone companies, credit cards, and product repair and maintenance services) in their 1988 study and consequently developed the SERVQUAL scale which consists of 22 propositions in five dimensions. These dimensions according to Parasuraman et. al., (1988) are:

Tangible/Physical Features, Reliability, Responsiveness, Assurance and Empathy.

Although it is observed that SERVQUAL scale is widely used for measurement of service quality in the related literature, it is possible to come across other models of service quality measurement. It could be suggested that criticisms on the SERVQUAL scale have been effective in development of other service quality measurement models. These criticisms are grouped under two main headings. One of them is that the scale cannot be applied to all service industries and all situations, its variables (dimensions) are not the same for all service industries but in fact they differ from one industry to another. The other criticism is that the five dimensions included in the scale are not sufficient, the dimensions are not independent of each other, and there are inconclusive results of the tests proving the validity and accuracy of the scale at the point of statistical significance and acceptability (Akbaba and Kilinc, 2001).

Despite all the criticism it has received, the SERVQUAL scale is remarkable as it is the most common method used to measure service quality (Yilmaz, 2007).

For the measurement of service quality in catering businesses, having been inspired by the SERVQUAL, Stevens, Knutson and Patton (1996) developed the DINESERV1



(Dining Service Quality) scale which comprised 29 propositions in five dimensions of SERVQUAL. It is found in the literature that this scale is frequently used for measurement of service quality in catering businesses (Kilic and Eleren 2009).

In order for a company's offer to reach the customers there is a need for services. These services depend on the type of product and it differs in the various organizations. Service can be defined in many ways depending on which area the term is being used. An author defines service as "any intangible act or performance that one party offers to another that does not result in the ownership of anything" (Kotler and Keller, 2009). In all, service can also be defined as an intangible offer by one party to another in exchange of money for pleasure.

Quality is one of the things that consumers look for in an offer, which service happens to be one (Solomon, 2009). Quality can also be defined as the totality of features and characteristics of a product or services that bear on its ability to satisfy stated or implied needs (Kotler et al., 2002). It is evident that quality is also related to the value of an offer, which could evoke satisfaction or dissatisfaction on the part of the user.

Service quality in the management and marketing literature is the extent to which customers' perceptions of service meet and/or exceed their expectations for example as defined by Zeithaml et al. (1990), cited in Bowen and David, (2005) Thus service quality can intend to be the way in which customers are served in an organization which could be good or poor. Parasuraman defines service quality as "the differences between customer expectations and perceptions of service" (Parasuraman, 1988). They argued that measuring service quality as the difference between perceived and expected service was a valid way and could make management to identify gaps to what they offer as services.

The aim of providing quality services is to satisfy customers. Measuring service quality is a better way to dictate whether the services are good or bad and whether the customers will or are satisfied with it. A researcher listed in his study: “three components of service quality, called the 3 “Ps” of service quality” (Haywood 1988). In the study, service quality was described as comprising of three elements:

- “Physical facilities, processes and procedures;
 - Personal behaviour on the part of serving staff, and;
 - Professional judgment on the part of serving staff but to get good quality service.
- “Haywood 1988).

He stated that “an appropriate, carefully balanced mix of these three elements must be achieved.” (Haywood, 1988) What constitutes an appropriate mix, according to him will, in part, be determined by the relative degrees of labour intensity, service process customization, and contact and interaction between the customer and the service process. From the look of things, this idea of his could be design to fit with evaluating service quality with the employee perspective.

One of the most useful measurements of service quality is the dimensions from the SERVQUAL model. In the creation of this model for the very first time, “Parasuraman et. al., (1985) identified 97 attributes which were condensed into ten dimensions; they were found to have an impact on service quality and were regarded as the criteria that were important to access customer’s expectations and perceptions on delivered service (Kumar et al., 2009).

The SERVQUAL scale which is also known as the gap model by Parasuraman et. al., (1988) has been proven to be one of the best ways to measure the quality of services provided

to customers. This service evaluation method has been proven consistent and reliable by some authors (Brown et al., 1993). They held that, when perceived or experienced service is less than the expected service; it implies less than satisfactory service quality; and when perceived service is more than expected service, the obvious inference is that service quality is more than satisfactory (Jain et. al., 2004). From the way this theory is presented, it seems the idea of SERVQUAL best fits the evaluation of service quality from the customer perspective. This is because when it is stated “perceived” and “expected” service, it is very clear that this goes to the person, who is going to or is consuming the service; who definitely is the consumer/customer.

The original study by Parasuraman et. al., (1988) presented ten dimensions of service quality.

- **Tangibles: Reliability, Responsiveness, Competence, Courtesy, Credibility, Security, Access, Communication, Understanding the customer.**

In the first SERVQUAL model that came there were 22 pairs of Likert-type items, where one part measured perceived level of service provided by a particular organization and the other part measured expected level of service quality by respondent (Kuo-YF, 2003). Further investigation led to the finding that, among these 10 dimensions, some were correlated. After refinement, these ten dimensions above were later reduced to five dimensions as below:

Tangibility, Reliability, Responsiveness, Assurance, Empathy:

The aggregated sum of difference between perceptions and expectations from the five dimensions forms the global perceived quality construct. (Laroche et. al., 2004) Following this view, customers’ expectations were met through the outcome dimension (reliability)



and exceed it by means of the process dimension (tangibility, assurance, responsiveness, and empathy).

To confirm the validity of SERVQUAL model in the evaluation of service quality, Zeithaml et. al., (2006), stated that “service quality is a focused evaluation that reflects the customer’s perception of reliability, assurance, responsiveness, empathy, and tangibles” (Zeithaml et al., 2006). They added that among these dimensions, “reliability” has been shown consistently to be the most important dimension in service quality (Zeithaml et. al., 2006)

Other researchers saw the need of additional components of service expectations that is functional and technical dimensions. (Grönroos, 1983) The idea was that, consumers make service evaluations based on the technical dimension that is what is delivered and on the functional dimension that is how, why, who, and when it is delivered. (Laroche et. al., 2004: Grönroos, 1983)

Although the elements listed in SERVQUAL model have been proven to be the main method for evaluating service quality from the consumer’s perspective (Brown et. al., 1993), drawbacks in using SERVQUAL in measuring service quality has been the reason that the SERVPERF scale was proposed by Cronin and Taylor (1992, cited in Jain et. al., (2004) after they called into question the conceptual basis of the SERVQUAL, having found it, led to confusion with service satisfaction (Jain et. al., 2004). These researchers discarded the ‘E’ for ‘expectation’ claiming instead that ‘P’ for ‘performance’ alone should be used. They meant that higher perceived performance entails higher quality service. Unfortunately, during this past century, customers have changed their behaviours in ways that do not suit organizational behaviour. Till date, it is unclear as to which of SERVQUAL and SERVPERF is superior in measuring service quality (Jain et. al., 2004).



Laroche et. al., (2004) made an assessment of the dimensionality and will service expectations. They used a survey measuring customers' post encounter expectations and vis-à-vis a well-known airline with a sample of 363 and examined the existence of hypothesized functional and technical dimensions of should and will expectations and determined the casual relationships between two types of expectations and hypothesized dimensions. They tested their dimensions in the context of the turbulent airline industry. This study measured service quality with other service quality dimensions such as technical and functional dimensions proposed by Grönross (1983). Hence it was proven that the SERVQUAL model must not be used in evaluating service quality in all organizations. This could mean that; different industries might require different measurements for service quality.

Customer Satisfaction

According to Solomon (2009) customers are people who buy goods and demand for services provided by a company, an institution and even individuals. In other words, a customer is a stakeholder of an organization who provides payment in exchange for the offer provided to him or her by the organization with the aim of fulfilling a need and to maximise satisfaction. Sometimes the term customer and consumer are confusing. A customer can be a consumer, but a consumer may not necessarily be a customer. Another author explained this difference. I.e. a customer is the person who does the buying of the products and the consumer is the person who ultimately consumes the product (Solomon, 2009). When a consumer/customer is contented with either the product or services it is termed satisfaction. Satisfaction can also be a person's feelings of pleasure or disappointment that results from comparing a product's perceived performance or outcome with their expectations (Kotler and Keller,



2009). As a matter of fact, satisfaction could be the pleasure derived by someone from the consumption of goods or services offered by another person or group of people; or it can be the state of being happy with a situation. Satisfaction varies from one person to another because it is utility. “One man’s meal is another man’s poison,” an old adage stated describing utility; thus highlighting the fact that it is sometimes very difficult to satisfy everybody or to determine satisfaction among group of individuals.

Client happiness, which is a sign of customer satisfaction, is and has always been the most essential thing for any organization. Customer satisfaction is defined by one author as “the consumer’s response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption” (Tse and Wilton, 1988) hence considering satisfaction as an overall post-purchase evaluation by the consumer” (Fornell, 1992,). Some authors stated that there is no specific definition of customer satisfaction, and after their studies of several definitions they defined customer satisfaction as “customer satisfaction is identified by a response (cognitive or affective) that pertains to a particular focus (i.e. a purchase experience and/or the associated product) and occurs at a certain time (i.e. post-purchase, post-consumption)”. (Giese and Cote, 2000) This definition is supported by some other authors, who think that consumer’s level of satisfaction is determined by his or her cumulative experience at the point of contact with the supplier (Sureshchander et. al., 2002). It is factual that, there is no specific definition of customer satisfaction since as the years passes, different authors come up with different definitions. Customer satisfaction has also been defined by another author as the extent to which a product’s perceived performance matches a buyer’s expectations (Kotler et. al., 2002). According to Schiffman and Karun (2004) Customer satisfaction is defined as “the individual’s perception of the performance of the products or services in

relation to his or her expectations” (Schiffman and Karun,2004). In a nutshell, customer satisfaction could be the pleasure obtained from consuming an offer.

Measuring customer satisfaction could be very difficult at times because it is an attempt to measure human feelings. It was for this reason that some existing researcher presented that “the simplest way to know how customers feel, and what they want is to ask them” this applied to the informal measures (Levy, 2009; NBRI, 2009).

Levy (2009) in his studies, suggested three ways of measuring customer satisfaction:

- A survey where customer feedback can be transformed into measurable quantitative data:
- Focus group or informal groups where discussions orchestrated by a trained moderator reveal what customers think.
- Informal measures like reading blocs, talking directly to customers.

Asking each and every customer is advantageous in as much as the company will know everyone’s feelings, and disadvantageous because the company will have to collect this information from each customer (NBRI, 2009). The National Business Research Institute (NBRI) suggested possible dimensions that one can use in measuring customer satisfaction, e.g.:

- Quality of service
- Innocently
- Speed of service
- Pricing
- Complaints or problems



- Trust in your employees
- The closeness of the relationship with contacts in your firm
- Other types of services needed
- Your positioning in clients' minds

There exist two conceptualizations of customer satisfaction; transaction-specific and cumulative (Boulding et. al., 1993; Andreassen, 2000). Following the transaction-specific, customer satisfaction is viewed as a post-choice evaluation judgement of a specific purchase occasion (Oliver, 1980) until present date, researchers have developed a rich body of literature focusing on this antecedents and consequences of this type of customer satisfaction at the individual level (Yi, 1990). Cumulative customer satisfaction is an overall evaluation based on the total purchase and consumption experiences with a product or service over time. (Fornell, 1992, Johnson and Fornell 1991) This is more fundamental and useful than transaction specificity customer satisfaction in predicting customer subsequent behaviour and firm's past, present and future performances. It is the cumulative customer satisfaction that motivates a firm's investment in customer satisfaction.

Kotler and Keller (2006) view customer satisfaction as a person's feelings of pleasure or disappointment resulting from comparing product's perceived performance (or outcome) in relation to his or her expectation. In a related definition, Juran (1991) posit that customer satisfaction is the result achieved when service or product features respond to customers need and when the company meets or exceeds customer's expectation over the lifetime of a product or service. Customer satisfaction is described by Bolton and Drew (1991) as a judgment made on the basis of a specific service encounter. Oliver (1981) viewed satisfaction as an emotional reaction which influences attitude and is consumption specific.

In a university context, Elliot and Shin (2002: 198) observed that student satisfaction was a “short-term attitude resulting from an evaluation of the student’s educational experience or as a student’s subjective evaluation of the various outcomes and experiences with education and campus life”. Most definitions favour the notion of consumer satisfaction as a response to an evaluation process, however Giese and Cote (2000) observed that there is an overriding theme of consumer satisfaction as a summary concept (a fulfilment response (Oliver 1997); affective response (Halstead, Hartman, and Schmidt 1994); overall evaluation (Fornell 1992); psychological state (Howard and Sheth 1969)). In this study, customer satisfaction is defined as the results achieved when service or product features respond to customers need.

Brown (1998) postulates that there is a connection between satisfaction and profitability and that customer satisfaction measurement should include an understanding of the gap between customer expectations and performance perceptions. Customer satisfaction theories reveal the existence of a significant relationship between service quality and customer satisfaction in higher education (Navarro et al., 2005). In connecting the two Shieh (2006) noted that customer satisfaction was the level of service quality performance that met user’s expectation.

Relationship between Service Quality and Customer satisfaction

According to Ozturk and Seyhan (2005) the main objective of businesses is to reach the profitability levels targeted for certain periods. In order to achieve this goal, businesses are required to keep the customer portfolio that adds value to them as wide as possible and maintain this portfolio. This fact necessitates that businesses keep the satisfaction levels of their customers who are buying their products and services high.



Businesses' ability to understand the needs and expectations of not only their current customers but also their potential customers and to act in accordance with this is of utmost importance for the realization of high levels of customer satisfaction. Therefore, acting with a customer-focused approach presents itself as a must-have requirement for improving the satisfaction of customers. Being able to act with a customer-focused approach is closely related to the customers' expectations and preferences as well as the level of quality of the services provided by the business to its customers (Kocbek, 2005). In particular, for the businesses to be able to win customers with potential to add value to them at a higher level in an increasingly growing competitive market structure they need to provide products and services that can satisfy the needs of the customers; this is of vital importance in sustaining their presence in the market. The underlying cause of this can be related to the high level of expectations of customers at all times and under all circumstances concerning the products and services that they have been offered. If the perception of the level of quality of products and services offered to the customer is lower than expected, it can bring about dissatisfaction that is proportionate to the difference between expectation and perception. In another aspect, if the customers' perceived service quality is high, then it can lead to high levels of satisfaction. Therefore, while businesses engage in certain measurements to determine the satisfaction levels of their customers, they should also determine the differences between customers' expectations and their perceptions about the realized results at the same time. In this way, it would be possible to determine which service quality elements lead to satisfaction or dissatisfaction and guide the customer relations policies accordingly (Ozturk and Seyhan, 2005).

The debate on the relationship between service quality and satisfaction has been spurred by academicians including; Spreng and Singh (1993) who established that the higher



the level of service quality the higher the level of customer satisfaction, Stafford et al., (1998) deduced that service quality and customer satisfaction are distinct but related, while Shekarchizadeh et al. (2011) posit that customer satisfaction is antecedent to service quality. Satisfaction is generally associated with one particular transaction at a particular time and has been described by Spreng et al., (1996) as an emotional reaction to a product or service experience. Service quality on the other hand is more congruent with a long term attitude. Overall, satisfaction is more experimental, transitory and transaction-specific, while service quality is believed to be more enduring.

Athiayman (1997) posits that even though the study of the relationships between perceived quality and satisfaction is relatively new within the university scope, it must not be forgotten that the purpose of services whether public or private, is user satisfaction. In addition, Navarro et al. (2005) notes that most studies in higher education designate the student as the element in the best position to evaluate the teaching received through a measurement of the levels of satisfaction. The relationship between perception of quality and customer satisfaction is of great importance especially for the service sector. It could be suggested that this is because customers are not only interested in the tangible aspects of the products offered to them in the service sector but also the intangible aspects of these products in the provision process. To give an example from the catering businesses assessed within the scope of the service sector that constitutes the research field of this study, customers purchasing the food and beverage offered by these businesses are likely to consider certain other factors that determine quality in addition to the quality of food and beverage; other factors such as the atmosphere of the business, hygiene of the space and the food and beverage, attitudes and behaviours of service personnel, and perception of the value of the price paid for the products and services offered. Moreover, owing to the concurrency factor,

which is a characteristic of the service provision, it becomes even more difficult for service businesses to compensate for the lack of quality that may occur in relation to products and services offered to the customers and the resulting dissatisfaction. Therefore, it could be suggested that in order for the catering businesses to increase the level of customer satisfaction and consequently assure their competitiveness in the market, they should place more importance on, and pay greater attention to improving the service quality.

RESEARCH METHODOLOGY

Population of the Study

The population of the study was all customers of REPUBLIC Bank. It is from these customers that respondents would be selected for questionnaire administration through discussions and interviews to obtain the information needed to carry out the study.

Sample Size and Sampling Procedure

The sample size of the study was gotten using the formula proposed by Yamane (1967) which was as follows:

$$n = N / (1 + N(e)^2)$$

Where n = sample size N = population of the study e = level of significance

With $N = 414,000$ and $e = 0.10$

Then $n = 414,000 / (1 + 414,000(0.10)^2)$

$$n = 414,000 / 4141$$

$$n = 99.98 = 100$$



Even though the calculation led to a sample size of 100; 200 customers of REPUBLIC Bank were selected as the sample size for the study. These respondents were selected using the convenient sampling procedure due to the busy nature of customers. Convenient sampling is a non-probability sampling procedure where respondents are selected due to their proximity and accessibility (Explorable, 2009). The respondents were selected from the customers of REPUBLIC Bank who walk into selected branches to perform their transactions. These sampled respondents were interviewed to complete the questionnaire in order to collect the required data to complete the study.

RESULTS AND DISCUSSIONS

Relationship between Service Quality and Customer Satisfaction

Relationship between Service Quality and Customer Satisfaction

Customer Satisfaction	Frequency			
	Disagree	Neutral	Agree	Mean
Services				
I am satisfied with the turnaround time of service delivery	6	18	178	4.0
I am very satisfied with the way Republic Bank resolves my issues	4	0	196	4.6
I am satisfied with the services offered by Republic Bank	0	10	190	4.2
Products				
Republic Bank products meet and exceed my needs	4	12	184	4.1

I am satisfied with the level of innovation and creativity of Republic bank	14	6	180	3.9
I am very satisfied with the products Republic Bank offers me	8	0	192	4.4
Retention				
I will do more business with Republic bank	2	6	192	4.3
I am loyal to Republic Bank	0	6	194	4.5
I will stick with Republic Bank	0	0	200	4.8
Recommendation				
I will recommend Republic Bank to others	0	0	200	4.7
I will speak positively about Republic Bank to others	0	2	198	4.6
I am a proud customer of Republic Bank	0	0	200	4.7

Source: Field survey, 2018

Table 4.7 above presents the level of customer satisfaction on service quality, on service it shows that 178 of respondents agreed that they were satisfied with the turnaround time of service delivery with a mean response of 4.0; 196 of respondents agreed that they were very satisfied with the way Republic Bank resolves my issues with a mean response of 4.6; 190 of respondents agreed that they were satisfied with the services offered by Republic Bank with a mean response of 4.2. The mean response for service was 4.3 which was an indication that respondents agreed to the fact that service delivered by Republic Bank was very good.

On the products offered by Republic Bank, 184 of respondents agreed that Republic Bank products met and exceeded their needs with a mean response of 4.1; 180 of respondents



agreed that they were satisfied with the level of innovation and creativity of Republic bank with a mean response of 3.9; and 192 of respondents agreed that they were very satisfied with the products Republic Bank offers them with a mean response of 4.4. The mean response for products was 4.1 which gives a strong indication that the products offered by Republic bank met the needs of customers and were satisfactory enough due to the value offered them.

For retention of respondents; 192 of respondents agreed that they will do more business with Republic bank with mean response of 4.3; 194 of respondents agreed that they were loyal to Republic Bank with a mean response of 4.5; and all respondents 200 agreed that they will stick with Republic Bank with a mean response of 4.8. The mean response for retention was 4.5 which was a strong indication of customers staying and continuing to bank with Republic Bank.

As for recommendation 200 representing all the respondents agreed they will recommend Republic Bank to others with a mean response of 4.7; 196 of respondents agreed that they speak positively about Republic Bank to others with a mean response of 4.6 and 200 of respondents agreed that they were proud customer of Republic Bank with a mean response of 4.7. The mean response for recommendation was 4.7 which implied that their customers would recommend more people to join Republic Bank due to their good products and better service.

Discussions and Interpretation of Findings

How satisfied are customers of Republic Bank?

On how satisfied customers were with Republic bank, their responses implied that they were very satisfied with the service delivery, products and innovation and issue resolution of



Republic Bank. This is related to the findings of Shekarchizadeh et al. (2011) which stated that for customers to be satisfied they ought to be okay with the quality of the products and services offered or the quality of products and services should meet their expectations and or perception. Su et. al., (2002) also found out that aside perception and expectations customers mostly get satisfied after they have had a bad experience some where else in relation to service delivery or products offered.

What is the relationship between service quality and customer satisfaction of Republic bank?

On the relationship between service quality and customer satisfaction the findings implied that service quality delivered value which led to customer satisfaction. The result of that satisfaction was retention and recommendations of other people to Republic Bank. It means that respondents would continue to bank with Republic Bank by keeping their accounts there and even doing more business with the bank in future. Respondents would also go ahead to recommend Republic bank to friends and relatives as they service delivered were of quality and they ensured customers were satisfied by given them the best customer service delivery. The products offered met the needs of respondents and were satisfactory enough. This is in line with the findings of Chien and Tsai (2012) which stated that aside the tangibles, the intangible assets such as quality service, professional human resource and brands were essential for customer satisfaction and retention which gives them the competitive edge. Also Wang and Hing-Po (2002), went into details to bring in customer value in the study of the relationship between customer satisfaction and service quality and found out that aside the service provided, products which provided customers with the needed value and satisfaction were key



to service quality and customer satisfaction. The recent and ongoing shake up in the banking sector might also have contributed to customers wanting to leave their banks for others especially foreign owned banks which are perceived as more solid. The findings of Bennett and Barkensjo (2005) stated that “relationship quality and actual service quality induced beneficiaries to want to recommend a charity to other people and to engage in positive word-of-mouth.” Therefore having such a good number of respondents ready and willing to recommend Republic Bank was an indication that their services were of quality and indeed satisfactory.

CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings

The data collected from the field was analyzed and below are the summary of the findings of the study in accordance with the objectives of the study;

Level of Satisfaction of Customers

The study found out that customers were very satisfied with the services and products of Republic Bank as the products and services met their needs and were delivered satisfactorily. Respondents did confirm that their expectations on the services and products offered by Republic Bank were met. Respondents also agreed that they were satisfied with the turn around time for issue resolution and even how professionally issues were resolved. Aside being satisfied with the services delivery they were equally satisfied with the level of innovation and creativity of Republic Bank as their products met their needs.

To ascertain the relationship between service quality and customer satisfaction



On the relationship between service quality and customer satisfaction the study found out that the value respondents derived from the quality services and products offered by Republic Bank led to customer satisfaction. Respondents agreed that service and products designed by Republic Bank met their expectations and they were equally satisfied. This has resulted in customer retention as more respondents agreed to stay loyal to Republic Bank and even most respondents promised doing more business with Republic bank. Also due to the quality of services delivery and the level of satisfaction respondents derived from Republic Bank they agreed to recommend Republic Bank to their friends and relations. They also agreed to speak positively about Republic Bank and they are proud to bank with them.

Recommendations of the Study

Considering the findings of the study through to the conclusions drawn the following recommendations are made:

- Management of Republic Bank should keep up with the on going customer services strategy but should do well to introduce some mystery shopping to maintain the high level of customer service delivery.
- There should also be periodic training of the frontliners and other staff of the bank to help deliver quality customer service.
- The product development team should also continue to be innovative and keep up with the changing trends in customer taste and the market at large.

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