

Impact of Quality Service Delivery Challenges on Customer Satisfaction in the Banking Industry: A Case of Stanbic Bank, Zambia

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Abstract

Since Zambia's 1991 economic liberalization, there has been notable growth in the retail banking sector. Quality search is perhaps the most critical consumer trend in recent years because consumers are now more demanding than ever. Customers have diverse options in an era of rapid global change, often relying on brand names for complex financial services. Hence, it becomes imperative to delve into the challenges surrounding quality service delivery and customer satisfaction. A mixed methods approach was adopted, and involved 340 bank customers who attended a questionnaire and 20 customers and bank staff who participated in in-depth interviews. The study found that the majority (43.8%) of customers were generally satisfied with the services at the bank. The study also found that tangibility and assurance were the service quality dimensions that highly influenced customer satisfaction perception at Stanbic Bank. Tangibility had a positive influence on customer satisfaction ($\beta=0.153$), and a p-value (0.028) less than the selected level of significance (0.05), an indication of the influence of tangibility on customer satisfaction. The study concluded that customer satisfaction and loyalty depended on the quality of services the bank provided. At the same time, the study's practical implications suggest that the bank should focus on improving reliability, responsiveness, and empathy to enhance customer satisfaction.

Keywords: Competition, Service Quality, Customer Satisfaction, Responsiveness and Bank

JEL Classification: D12, G21, L84, M31, O33

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1. Introduction

Given the increasing competition, banks are currently facing enormous challenges that make it increasingly difficult to survive (Yuan et al. 2022). This was also long suggested by (Kheng et al., 2010) who posited that intense competition, the sophisticated nature of customers, flexible and unpredictable demand and similarity of services offered by banks, and enhanced service quality to satisfy customers is regarded as the main concern to retain loyal customers. For financial services providers to survive and be successful, it is critical that the current environment is aligned with new management practices that ensure customer satisfaction and improve business performance. However, service quality issues have long been neglected in developing economies when compared to the information available about developed economies (Munusamy, Chelliah & Mun, 2010). In order to draw in and keep customers, (Asumbonteng et al., 1996), long suggested that businesses operating in the same market sector must evaluate the quality of the services they offer. More recently, Komunda and Osarenkhoe suggested that when service failures or customer complaints do occur, how banks handle these situations can significantly impact customer satisfaction. Banks may need to assess their service recovery processes to ensure that they are effective in addressing customer complaints and resolving issues. Building an emotional connection with customers can be a challenge in the banking industry, thus banks need to assess how they can create a more personalized and empathetic customer experience that builds trust and loyalty (Komunda and Osarenkhoe 2012).

The construct of service was coined in the 1980s by Churchill and Suprenant (1982) together with Asumbonteng et al., (1996), who popularized the customer satisfaction theory by measuring the firm's actual service delivery in conformity with the expectations of customers, as defined by the attainment of perceived quality, and that is meeting the customers' wants and needs beyond their aspirations. Armstrong et al., (1997) later expanded the concept of service into the five dimensions of service quality that comprised tangibles, reliability, responsiveness, assurance, and empathy. Parasuraman et al. (1988), developed a conceptual model of service quality where they identified five gaps that could impact the consumer's evaluation of service quality in four different industries (retail banking, credit card, securities brokerage, and product repair and maintenance).

Research has repeatedly shown that service quality influences organizational outcome such as performance superiority (Obanaya, 2019) increasing sales profit (Annan, 2020) and market share (Fisher, 2001), improves customer relations, enhances corporate image and promotes customer loyalty (Ehigie, 2006). However, most studies on service quality and customer satisfaction have been conducted in industrialized economies such as the United States (Adams, et al. 2004), the United Kingdom (Chatura & Andy, 2003), and Pakistan (Basharat, & Zoune, 2011).

In recent years, there has been a lot of scholarly focus on the connection between consumer satisfaction and service quality. For example, a study on customer experience monitoring in Zambian banks by Simwanza and Owolusi (2020), found that quality of service provided and customer satisfaction are important when monitoring the experience of customers based on the effects of quality of service and customer loyalty and their returns thereafter. While this study was important in highlighting the importance of the constructs of interest in the current study, it did not add a bank perspective on the impact the dimensions had as well as highlight the specific service quality dimensions. Sichinsambwe et al. (2017) sought to determine the relationship between service quality and the resultant customer satisfaction for both foreign

and local banks in Zambia. They found that the mean expectations of the five dimensions of service quality are higher than the mean perception thereby indicating that in general customers of both local and foreign banks are not satisfied with the service being offered by the banks. While a connection has been established in previous studies, it remains unclear the impact of these parameters on the bank and its positioning in the competitive business environment.

In the current competitive Zambian banking context, customers have grown savvier and are changing businesses as a result of globalization and technological innovation similar to the assertion in a study by (Timmermann, 2018). In the case of Stanbic Bank, one of the leading banks in Zambia, quality service delivery is a growing concern. In 2022, the Competition and Consumer Protection Commission saw an increase in the number of poorly executed services (unsuitable services) mostly in the banking and financial services sector which accounted for 64.47% of the two thousand four hundred and twelve (2,412) violated provisions recorded (CCPC performance update 2023). Several factors were identified as negatively influencing the customer and could be categorized as service quality perception, employee attitudes, accessibility, service recovery, and emotional connections. Even though Stanbic Bank holds a prominent banking position in the country, it is not exempt from these challenges and the impact of leaving the situation unaddressed.

While a study was done on the effect of online banking on customer satisfaction at Stanbic Bank (Sambaombe and Phiri, 2022), there hasn't been a study specifically analyzing the impact of service quality delivery challenges on customer satisfaction at Stanbic Bank. The perceived future of banking is that banks can realign to compete in new arenas, organized around distinct customer needs. These arenas would expand far beyond the current definition of financial services, and they would also be hotly contested by a wide range of tech giants, tech start-ups, and other nonbanks (Ulrich-Diener, et al. 2023).

2. Literature Review

2.1. Measures of Service Quality

Researchers have, over the years, used several components to measure service quality. For example, an early study by Parasuraman et al. (1991) came up with ten dimensions of service quality that include access, communication, competence, credibility, courtesy, security, tangibles, responsiveness, reliability, and understanding the customer. Sangjae and Kun (2020) put forth six different dimensions of service quality which involve: ease of use, usefulness, reliability, system security, empathy, and responsiveness. However, in recent times most scholars have made use of five major components to stand as the dimension for service quality including reliability, responsiveness, assurance, empathy, and tangibles. Gogoi and Jyoti (2020) elaborated on the use of SERVQUAL (service quality), developed using both qualitative and quantitative research by Parasuraman et al. (1985, 1988, and 1994) to measure service quality. SERVQUAL identifies service gaps and measures strengths and weaknesses in service delivery using five dimensions of service quality to access the level of service quality along each dimension. These measures are;

- i. Tangibility measures the appearance of physical facilities, equipment, personnel, and communication materials,
- ii. Reliability measures the staff ability to perform the promised service dependably and accurately,

- iii. Responsiveness measures the willingness of the staff to help customers and provide prompt service when needed by the customers,
- iv. Assurance is the measure of knowledge and courtesy of employees and their ability to convey trust and confidence in the personal information that has to do with the customer, while,
- v. Empathy measures the care, and individualized attention the firm provides its customers.

2.2. Service Quality and Customer Satisfaction

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

The relationship between service quality and customer satisfaction is becoming crucial with the increased level of awareness among bank customers. Demographic characteristics should be considered by bank managers to understand their customers (Sureshchander et al. 2002). Considering the aforementioned, the importance of delivering quality services that meet customer satisfaction cannot be overemphasized, especially in a competitive market. Research has shown that customer satisfaction leads to increased customer loyalty, profitability, and a positive public image, while poor service quality leads to customer loss, negative word of mouth, and other associated costs. For marketers or service providers, achieving customer satisfaction is important because it is supposed to be an important motive of customer loyalty, repeated business (with customers), and positive word of mouth (Kaura et al. 2012). The relationship between service quality and customer satisfaction is critical for the success and survival of businesses in today's market. Therefore, it may be essential for businesses like Stanbic bank to prioritize service quality improvement issues to drive high levels of customer satisfaction and retain their markets.

2.3 Customer Satisfaction on Customer Loyalty and Retention

For organizations to ensure that there is customer loyalty, organizations must be able to anticipate the needs of their customers (Khan & Fasih 2014). Monson (2021), suggested that a customer's interest in maintaining a loyal relationship depended on the firm's ability to anticipate customers' future needs and offer them before anyone else does. Stanbic Bank could benefit by concentrating on fostering client loyalty through outstanding service delivery and anticipating customer wants, according to the study that has been provided. It is crucial to remember that although client happiness is required, it does not guarantee loyalty. Organizations must also be able to anticipate customer needs and offer solutions before competitors. By doing so, Stanbic Bank could create a sustainable competitive advantage and increase customer loyalty, ultimately leading to long-term success.

3. Research methods

3.1 Research Design

This is because mixed methods research combines the strengths of both quantitative and qualitative research methods to provide a more complete and comprehensive understanding of the research problem. Kirshenblatt-Gimblett (2006) argues that mixed methods research provides a more comprehensive understanding of the research problem than using either method alone. This is because mixed methods research allows researchers to use the strengths of both quantitative and qualitative methods, while minimizing their weaknesses. The study used a sequential exploratory design, which involves collecting and analyzing qualitative data first, followed by collecting and analyzing quantitative data. Saunders et al. (2019) argue that mixed methods research is particularly useful when a single research method cannot answer all the research questions satisfactorily.

The quantitative phase of the study involved collecting data through a questionnaire, which we initially administered to a sample of 397 participants. The data was analyzed using statistical methods, such as descriptive statistics, correlations, and regression analysis, to identify patterns and trends. The qualitative phase of the study involved conducting in-depth interviews with a sub-sample of participants ($n=20$). The data collected from the interviews was analyzed using thematic analysis to identify themes and patterns in participants' attitudes and behavior towards the research problem.

3.2 Participants

In this study, the population involved all categories of customers- retail, private/ executive, and Corporate at Stanbic Bank. As Creswell (2014) explains, "A sample is a group of individuals, events, or settings that are selected from the population for study". Stanbic Bank had a population of about 49,000 in Lusaka only, which constituted the study population. This study used a sample of this population which was calculated using Yamane's 1967 simplified formula for calculating sample size $n=N/1+N(e)^2$. Hence, a sample size of 397 possible respondents was drawn from the 49,000 customers and staff at Stanbic Bank in Lusaka. However, due to the response rate, we reduced the sample to 340 respondents as 15 questionnaires were incomplete and 42 questionnaires were not filled. Further, we redeemed the sample size by purposively interviewing customers who did not participate in the questionnaire.

The sampling technique employed in this research is non-probability sampling particularly convenience and purposive sampling. A convenience sample is a sample where the customers are selected, at the convenience of the researcher. We only made a limited attempt to ensure that this sample is an accurate representation of some larger group or population. Convenience sampling was used in this case because; the customers did not come to the bank in any order. Customers move at any time and since the researcher was only in the bank at certain hours of the day, it was best to use convenience sampling in order to get as many customers as possible.

Then, purposive sampling was used to get almost all of them that satisfied the inclusion criteria. In this case, the study targeted Stanbic bank customers from different branches in Lusaka and purposely those that were above 18 years of age and had been banking with Stanbic for more than 3 years for purposes of consent and having tangible experience with bank services. Further, we concentrated on bank staff that directly relate to customers and could influence the customer's perception of the bank.

3.3 Data Collection

The instruments employed in the study were questionnaires and interviews. The questionnaire was adopted from the literature and modified to fit the current study. The questionnaire was

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

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

3.4 Data Analysis

Descriptive analysis was used in the study and it provided the researcher with profiles of the study population. In this case, data quality control and cleaning commenced in the field by the researchers, ensuring that all the information on the questionnaires had been properly collected, recorded, and checked for completeness of data and internal consistency. Data analysis was done after all data captured was entered. Quantitative data were analyzed using nominal scales into mutually exclusive categories and frequencies using descriptive statistics. Qualitative data were analyzed using conceptual content analysis. The analysis involved producing and interpreting frequencies, counts, tables, and graphs that described and summarized the data. ANOVA and Pearson's correlation coefficient were used to examine the relation between the independent variables of the respondents. We further triangulated the responses from key informants to analyze and determine common themes emerging from their responses; looking at the number of key informants, the themes that more than two informants held were considered for a frequency count and further presented as verbatims in this study.

4. Results and Discussion

4.1 Customer Satisfaction with Stanbic Bank Services

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

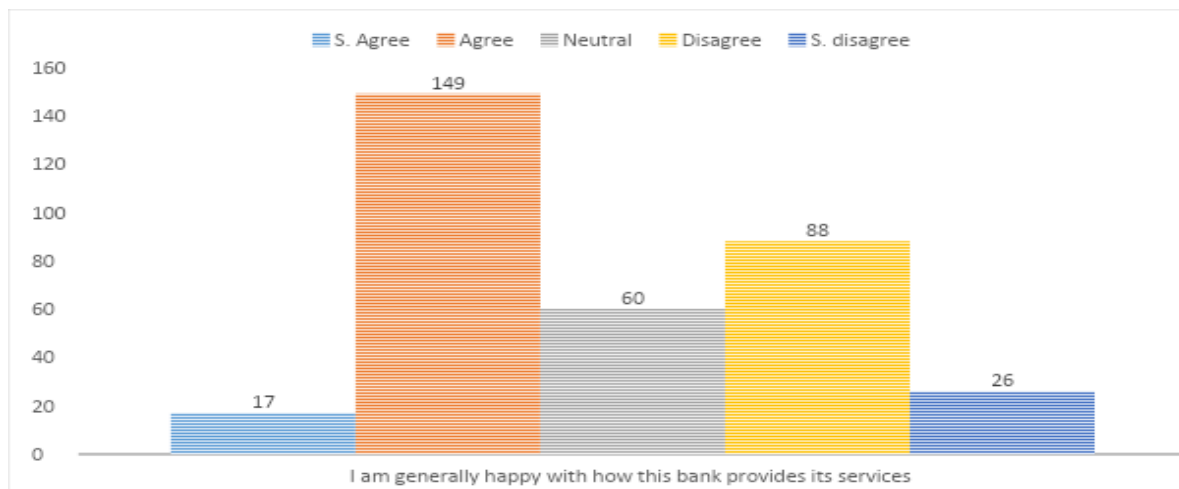


Figure 1: Customer Satisfaction with the Quality of Services at Stanbic Bank

Fig. 1 shows that the majority, 43.8% (149 of the customer's respondents), agreed to the statement "I am generally happy with this bank (Stanbic Bank Zambia) providing its services". While this was the case, 171 respondents (aggregate) were either neutral or disagreed with this statement. This phenomenon was of interest to the customer and when interviewed some of the customers expressed concerns over the responsiveness of the bank particularly the number of days it took the bank to respond to the queries raised by customers.

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

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

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

4.1.1 Customers' Experience with the Bank Physical State (Tangibility)

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

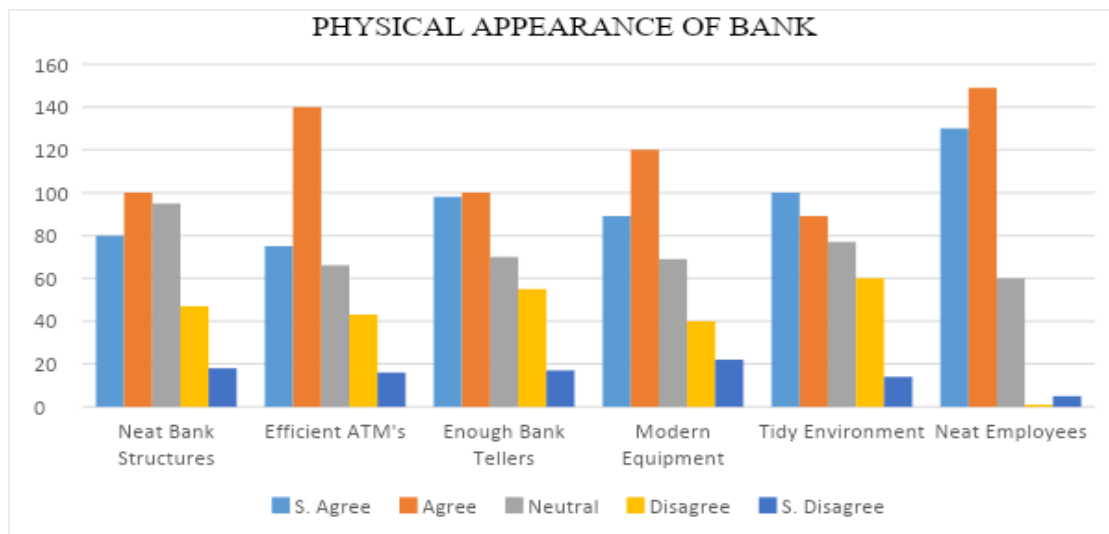


Figure 2: Bank and Employee Appearance

Fig. 2 presents the customer's perception of the bank's and its employees' physical appearance and how they perceive that it affects their satisfaction and loyalty. The findings reveal that 88.6 % of the respondents agreed that employees and the structure of Stanbic Bank were neat and were a significant part of customer satisfaction. They further expressed their gladness at how modern the bank structures were. However, 66.7% of the respondents expressed dissatisfaction with the performance of the ATMs and the number of tellers that the bank had, while 70% of the respondents had a neutral stance on this subject. It was therefore asserted that not only does the attitude of bank employees affect customer satisfaction at Stanbic, but so does the appearance of the bank and employees and the functioning of ATMs.

4.1.2 Customer Satisfaction with Reliability of Stanbic Employees

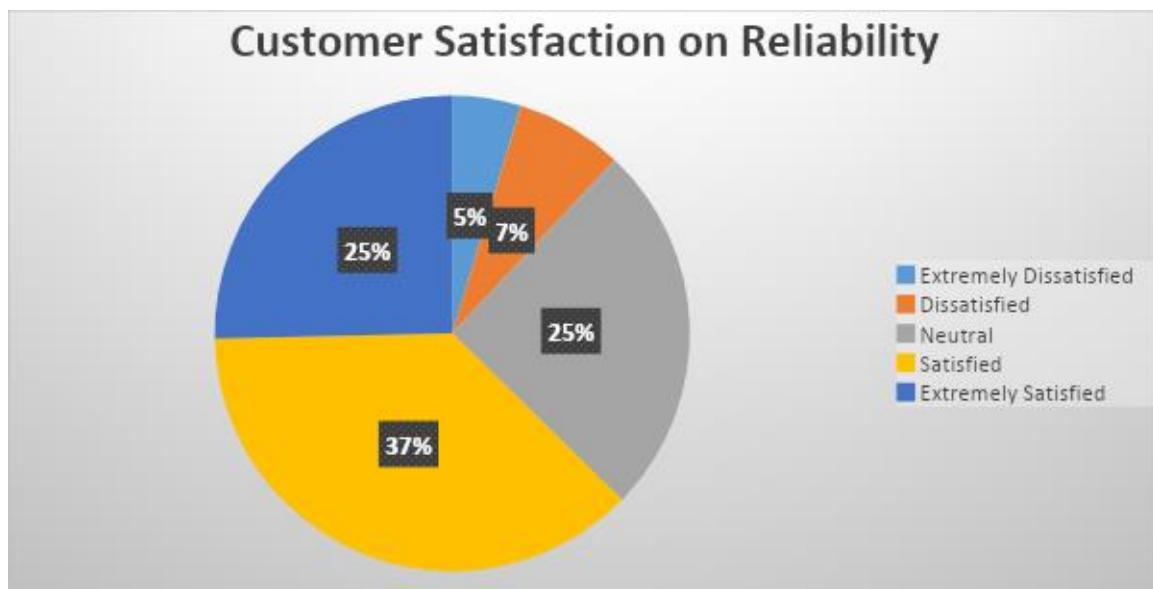


Figure 3: Customer Satisfaction with Employee Reliability at Stanbic Bank

As displayed by the results in the chart above, 25% of the research respondents were extremely satisfied with the employee reliability at Stanbic Bank. In like manner, though in less strength,

38% of respondents expressed satisfaction, while 25% have a neutral stance on their satisfaction with the Stanbic Quality of services. On the other hand, 7% of the respondents and 5% of the respondents displayed dissatisfaction with employee reliability, ultimately affecting the quality of services received.

4.1.3 Responsiveness and Assurance to Customers

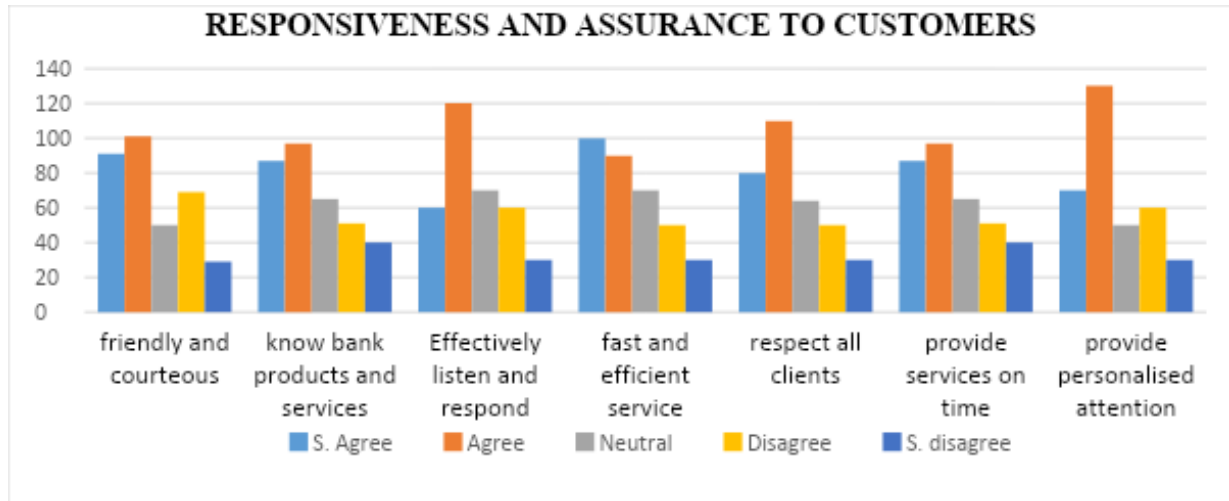


Figure 4: Promptness and Confidence at Stanbic Bank

The knowledge and courtesy of employees and their ability to inspire trust and confidence is so important in customer service. Figure 4 presents descriptive statistics on how the respondents regarded various elements of bank customer service. The findings reveal that 89.6 % of the respondents agree that, indeed, employees of Stanbic Bank would tell customers exactly when services were performed, provide personalized services, and are friendly and courteous. Additionally, 17.6 % of the respondents agreed that employees of Stanbic Bank provided prompt service to customers. In the same regard, 93.5 % of the respondents agreed that, indeed, employees of Stanbic Bank have knowledge and understanding of all the products and services that they offer.

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

4.1.4 Empathy of Employees

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

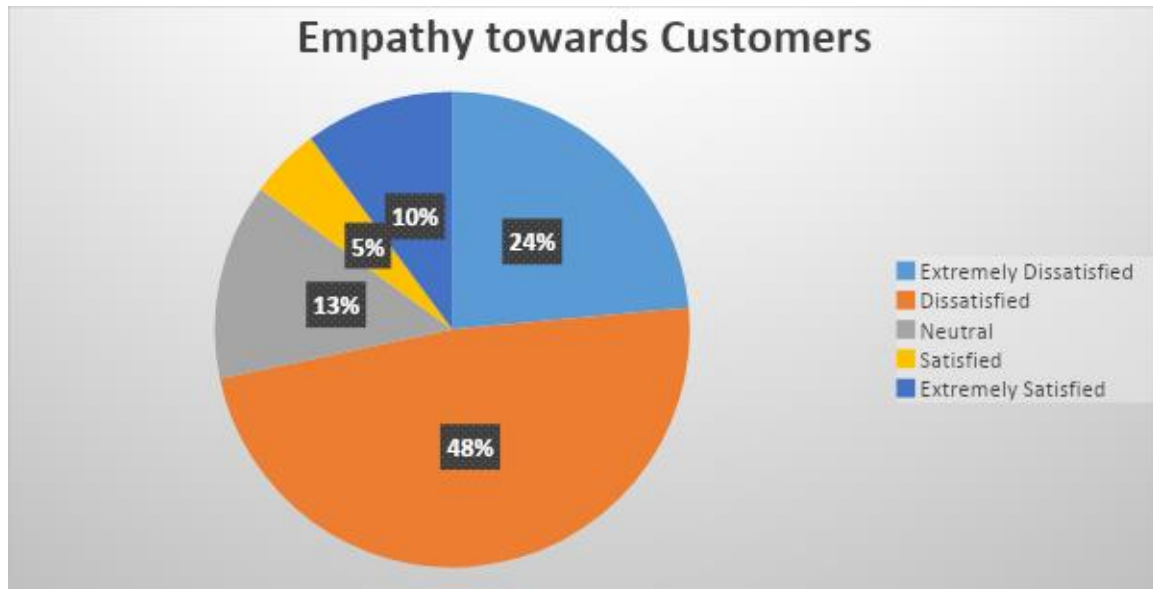


Figure 5: Empathy Towards Customers

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

Lastly, factor analysis was essentially developed to investigate the determining factors and most important dimensions that customers consider while transacting with Stanbic Bank.

4.2 Quality Service on Customer Satisfaction

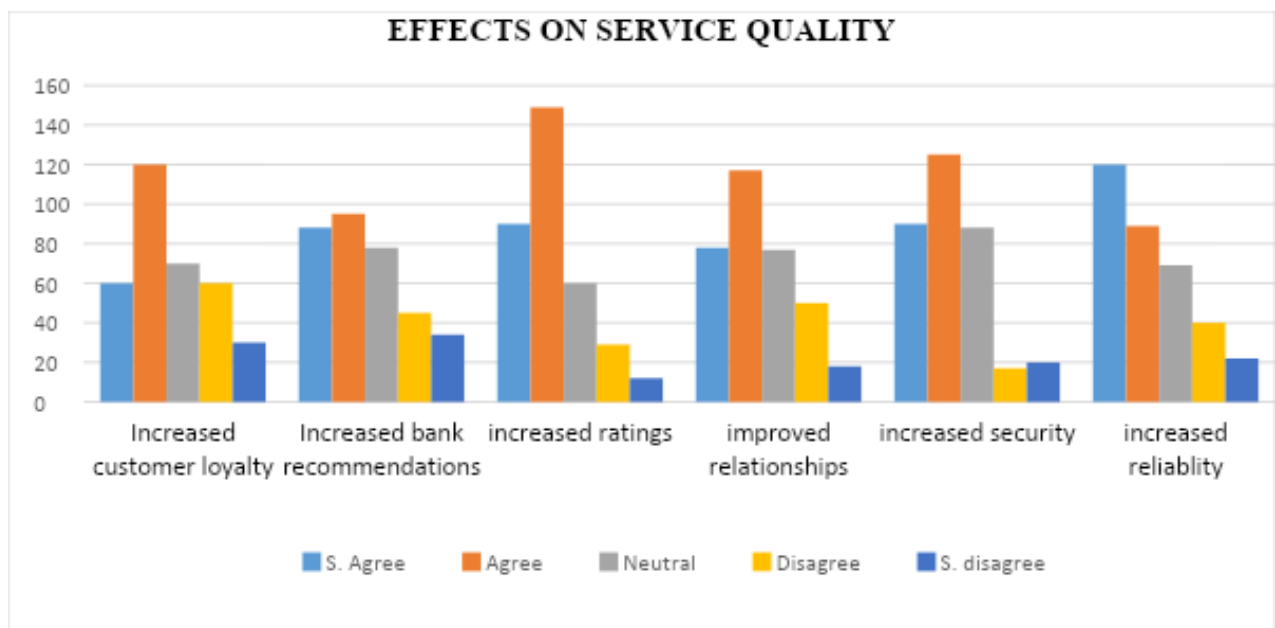


Figure 6: Quality Service to Customer Satisfaction

Fig. 6 shows that 94.6% of the respondents agree that indeed customer satisfaction would bring about increased ratings and bank recommendations. Additionally, 15.4 % of the respondents agreed that customers of Stanbic Bank may have improved relationships with the bank based on the satisfaction attained. In the same regard, 97.8% of the respondents agreed that indeed customers of Stanbic Bank would have increased security depending on the level of satisfaction that the bank offers. On the other hand, 15.4 % of the respondents agreed that indeed customers of Stanbic Bank would have increased reliability in the bank if the customers were satisfied.

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

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

This was also supported by another respondent who stated that he trusts Stanbic staff, and that they delivered services in a consistent and ethical manner. The trust shared between Stanbic staff and its customers is two-sided. Some staff interviewed indicated that they were comfortable with named customers

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

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

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

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

4.3 Impact of Customer Service Delivery on Customer Loyalty

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

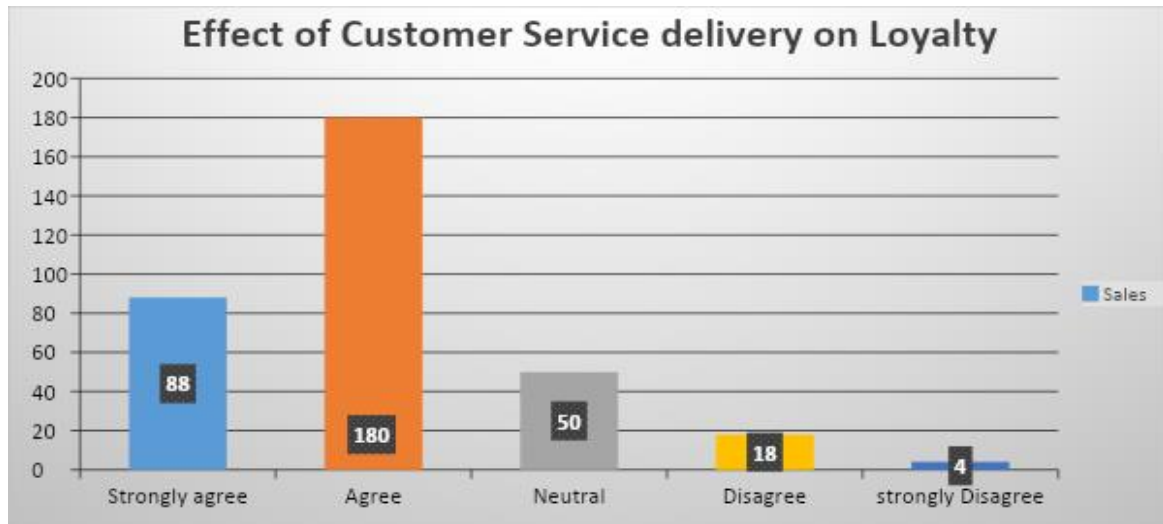


Figure 7: Effect of Customer Service Delivery on Customer Loyalty

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

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

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

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

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

4.5 Gaps in Customer Service Delivery

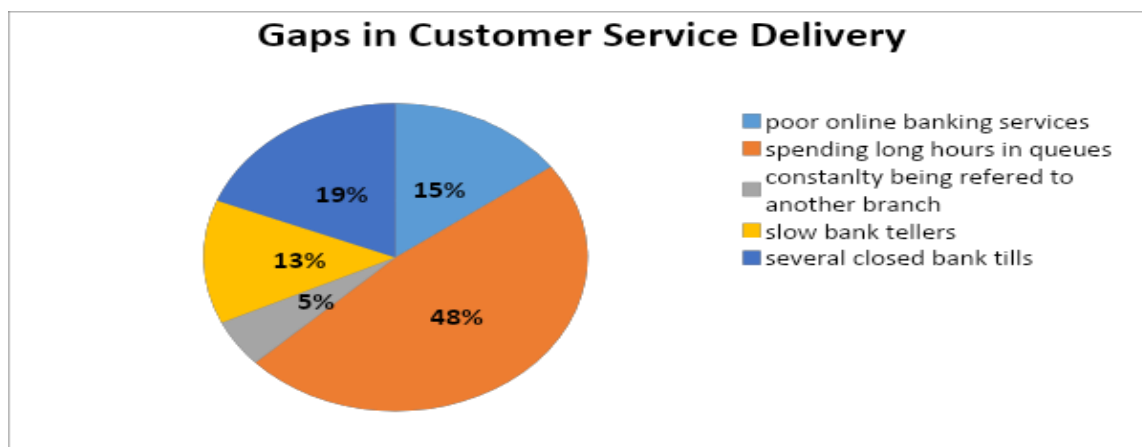


Figure 8: Gaps in Customer Service Delivery

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

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

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

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

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

Another respondent commented and said,

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

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

4.6 Service Delivery Strategies to Enhance Customer Satisfaction

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

Several strategies were revealed to be adopted by staff working in Stanbic Bank. Their suggestions were grouped into five categories of strategies as depicted in Table 1.

Table 1: Service Delivery Strategies

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

Customer feedback refers to customer information as to whether the product or service is acceptable or not and whether they have general experience with a Bank. As indicated in Table 9, 13.3% of the respondents referred to this strategy as effective for service quality delivery at Stanbic Bank. Workers could be helped to settle their own issues by knowing when to train and manage and asking the right questions. Based on Table 1, 20% of the respondents adopted this strategy to deliver service quality at Stanbic Bank. Active listening focuses on what is said, not just hearing the speaker's message in passive terms. It is an ability that is developed and learned in practice. Table 1 suggests that 20% of the respondents practice active listening with

customers as a strategy to deliver service quality at Stanbic Bank. Data allows a worker a better chance to understand who, when and where the best customers are. Results in Table 1 indicate that 13.3% of the respondents adopted this strategy for delivering service quality at Stanbic Bank. Employees should always learn to develop their communication skills, interpersonal relationships, technical know-how and time management skills, all to enhance the customer service sector. Table 1 shows that 33.3% leaned on this strategy to improve service quality delivery at Stanbic Bank.

Lastly, from the interviews, most respondents also stated changes they'd like to see in the services of the bank. These recommendations include:

Increase ATM's

Remain reliable to their customers if indeed they need to remain competitive in the market.

Innovate new ways of enhancing the way they respond to customer needs so as to avoid service breakdowns.

Consider empathy as one of the strong points in enhancing customer satisfaction.

Identify new incentives for long-serving customers.

4.6 Correlation Analysis

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

Table 2: Correlation coefficient matrix

	C S	T	R	R	A	E
Customer Satisfaction (CS)	1					
Tangibility (T)	.671**	1				
Reliability (R)	.624**	.513*	1			
Responsiveness (R)	.639**	.539**	.061	1		
Assurance (A)	.619**	.374**	.119	.565**	1	
Empathy (E)	.658**	.339**	.066	.640**	.266**	1

The findings showed a strong relationship between the dependent and the independent variables. The findings show that tangibility has a strong positive correlation with customer satisfaction ($r=0.671$, $p\text{-value}=0.003$); reliability and customer satisfaction are strongly and positively correlated ($r=0.624$, $p\text{-value}=0.000$); responsiveness had a strong positive relationship with customer satisfaction ($r=0.639$, $p\text{ value}=0.001$); assurance and customer satisfaction were positively and significantly related ($r=0.619$, $p\text{-value}=0.005$); and lastly, empathy had a strong positive correlation with customer satisfaction ($r=0.658$, $p\text{-value}=0.004$). These findings suggest that tangibility, reliability, responsiveness, assurance, and empathy are directly related to customer satisfaction in the banking service industry. This also indicates that these dimensions contribute to overall customer satisfaction. However, it is important to note that correlation does not imply causation. While variables are related, other factors could also contribute to customer satisfaction. Therefore, further analysis such as the regression model

was necessary to establish causal relationships and determine the relative importance of each dimension in driving customer satisfaction.

4.6.1. Analysis of Variation (ANOVA)

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

Table 3: ANOVA

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

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

4.6.2. Coefficients of the Study Variable

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

The regression model was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Where; Y= Customer satisfaction, β_0 = constant (coefficient of intercept), X_1 = Tangibles; X_2 = Reliability; X_3 = Responsiveness; X_4 = Assurance; X_5 = Empathy; ε = error term;

Table 4: Regression Coefficients Results

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

a. **Dependent Variable:** customer satisfaction

From the findings, the following regression model was fitted;

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

The standardized coefficient (beta) allows us to compare the relative importance of the variables, Empathy seems to have the largest impact on the dependent variable, followed by reliability, assurance, tangibility, and responsiveness in decreasing order of importance. From the above equation, it is evident that when the variables; tangibility, reliability, responsiveness, assurance, and empathy are held to a constant zero, customer satisfaction has a constant value of 1.730.

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

4.7. Discussions

4.7.1. Customer Satisfaction with Stanbic Bank Services

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

4.7.2. Customer Satisfaction and Service Quality Dimensions

The study found that 88.6 % of the respondents agreed that employees and the structure of Stanbic Bank were neat and were a significant part of customer satisfaction. They further expressed their gladness at how modern the bank structures were. However, 66.7% of the respondents expressed dissatisfaction with the performance of the ATMs and the number of tellers that the bank had, while 70% of the respondents had a neutral stance on this subject. It was therefore asserted that not only does the attitude of bank employees affect customer satisfaction at Stanbic, but so does the appearance of the bank and employees and the functioning of ATMs. The study also found that 94.6% of the respondents agree that indeed customer satisfaction would bring about increased ratings and bank recommendations. The dimensions of quality services that were observed at Stanbic Bank were relatively of good

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

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

4.7.3. Impact of Customer Service Delivery to Customer Loyalty

The study found that tangibility had a strong positive correlation with customer satisfaction ($r=0.671$, $p\text{-value}=0.003$); reliability and customer satisfaction was positively correlated ($r=0.624$, $p\text{-value}=0.000$); responsiveness had a strong positive relationship with customer satisfaction ($r=0.639$, $p\text{ value}=0.001$); assurance and customer satisfaction were positively related ($r=0.619$, $p\text{-value}=0.005$); and lastly, empathy had a strong positive correlation with customer satisfaction ($r=0.658$, $p\text{-value}=0.004$). These findings suggested that tangibility, reliability, responsiveness, assurance, and empathy all have a direct relationship with customer satisfaction in the banking service industry.

The study also found that tangibility positively influences customer satisfaction ($\beta=0.153$). The study also found that tangibility had a $p\text{-value}$ (0.028) less than the selected level of significance (0.05), an indication that the influence of tangibility on customer satisfaction is significant. Therefore, tangibility had a positive significant influence on customer satisfaction.

Consistent with these findings, previous studies hold similar findings. A study conducted by Mohamud, and Jibril. (2016) investigated the challenges of quality service delivery on customer satisfaction in the banking industry in Uganda. The study used a mixed-methods approach and found that the major challenges faced by banks in Uganda in delivering quality service include poor customer service, long waiting times, and inadequate technology infrastructure. Lomendra et al. (2019) assess the impact of the service quality dimension on the satisfaction of customers in the commercial banks in Mauritius. Vingirayi and Ishumael (2020) investigated the challenges of quality service delivery on customer satisfaction in the banking industry in Zimbabwe. The study found that the major challenges facing banks in Zimbabwe

in delivering quality service include poor customer service, long waiting times, lack of adequate technology infrastructure, and low financial literacy among customers.

5. Conclusion

This study aimed to explore the impact of service quality dimensions on customer satisfaction in the service sector at Stanbic Bank. The study concluded that customers at various Stanbic branches in Lusaka district were generally satisfied with the services they accessed in their respective locations. However, there were some areas of improvement that customers highlighted but generally, the level of satisfaction was above average. Tangibility and assurance were the quality service dimensions that influenced the perceived customer satisfaction at Stanbic Bank Zambia in Lusaka. However, empathy, reliability, and responsiveness were less influential thus requiring improvement for the bank to effectively achieve greater customer satisfaction. Satisfied customers were more likely to continue doing business with the bank and even recommend it to others. A positive experience fosters loyalty as customers tend to stick with institutions that consistently provide a high level of service.

Based on the results of this study, it is recommended that the bank needs to prioritize the service quality dimensions to provide quality services to its various customers. Further, the researcher recommends extending the examination of the impact of service quality dimensions on customer satisfaction to other banks and towns as well as include sectors beyond the banking industry to gain insights into improving service quality and customer experiences across diverse service industries.

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