
Assessment of Customers' Satisfaction Management in Selected Commercial Banking Industry in Kaduna State Metropolis

Stephen Pembu & Peter I. Yakura

Department of Business Administration, Faculty of Social and Management Sciences

Adamawa State University, Mubi-Nigeria

E-mail: stephenpembu@gmail.com

Department of Accountancy, School of Business and Management Studies

Federal Polytechnic, Mubi-Nigeria

Email: ipyakura@gmail.com

ABSTRACT

Customer satisfaction has been regarded as a key to business strategy of every organization and a benchmark against which many commercial banks have set their standard. The Banking system in Nigeria was designed to provide simple, quick, easily accessible and flexible financial solution to meet the needs of the shareholder and borrowers in the Nigerian financial system. Lack of customer satisfaction in the banking industry would have problems on the resources of any kind, profits, and consequently, lack market niches that enable them compete in a chaotic environment. Therefore, the objective of this study is to assess customers' satisfaction in selected commercial banking industry in Kaduna State Metropolis. The data for the study was obtained using a structured questionnaire administered on a sample of two hundred (200) customers from five (5) banks namely: Access Bank, Diamond Bank, Guarantee Trust Bank, Wema

Bank and First Bank. The data was subjected to percentage (%) analysis and the Chi-square to test the hypotheses respectively. The result signifies that the customer satisfaction has positive significant effect on the Nigerian banking industry. The study recommends that Banks should seek to develop strategies that boost positive behavioral responses in terms of satisfaction decision and forbid pessimistic ones. In addition, all the factors influencing customer satisfaction recognized in the study should continuously be assessed and improve.

Keywords: *Benchmark, Business Strategy, Customer Satisfaction, Financial System*

1.1 INTRODUCTION

Contemporary banking has been influenced by globalization. Regulatory, structural, and technological factors are significantly changing the banking environment throughout the world

leading to intense completion pressures (Grigoroudis, Politis, & Siskos, 2002). According to Hull, (2002) the banking industry is highly competitive with banks not only competing among each others, but also with non-banks and other financial institutions. Customer satisfaction has been regarded as a key to business strategy of every organization and a benchmark against which many commercial banks have set their standard. Anubave, (2010) maintain that existing customers for organization is ever more important than the ability to capture new ones. Customers are critical factors for any organization weather service, manufacturing and commercials to survive. Without customers, banking industry would have no resources of any kind, profits, and thus, no market niches that enable them compete in a turbulent environment especially in Nigeria and globally

Just as Kotler and Keller, (2006) rightly put today's customer are becoming harder to please, smarter, more price conscious, more demanding, less forgiving and they are approached by many more competitors with equal or better offers. Thus, customer satisfactions are potentially and effective tools that banks use to gain a strategic advantage and survive in today's ever increasing banking competitive environment. Banking in Nigeria

can be seen as an avenue which provides investors alternative investment avenues to invest their surplus fund and at the same time provide a platform for investors requiring funds for investment. It may be seen as one of the subsidiary services that deal with money and other financial matters which facilitates business with watch to payments and acceptance of deposit.

The Banks have the accountability of mobilizing and carefully investing their capitals into feasible ventures in order to make profit to sustain their businesses, accomplish their social responsibility, increase and protect the shareholders' interest and above all meet their customers' anticipation. The Banking system in Nigeria was designed to provide simple, quick, easily accessible and flexible financial solution to meet the needs of the shareholder and borrowers in the Nigerian financial system. Commercial Banks were expected to play general roles of providing institutionalized banking for the Nigerian in all subdivision in the financial system.

Many businesses around the globe has expanded an enormous amount of effort in the hope of eliciting a smile and a well pleased nod from customers of goods services (Macaulay, 2008) he went further to opine the approbation is south not for its own sake, but for result it is

believed to produce such as customer satisfaction and retention. Customer satisfaction is derived largely from the quality and reliability of products and services (Sokefun, 2011). However, almost every bank in Nigeria encounters similar problems in meeting customers' satisfaction. For example the issue of money transfer in banks is a major problem that customers face in banks. In most cases the customers hardly receives the payment of cash transfer into account immediately. The long time spends in queues and huge crowds in the banking halls can be highly be devastating and discouraging most time.

Therefore, the major objective of this paper is to assess the customers' satisfaction management in selected commercial banking Industry in Kaduna State metropolis. However, the following specific objectives are to:

- i. Assess the overall level of customer satisfaction in the commercial banking industry in Nigeria; and
- ii. Assess the factors and their level of influence on customer satisfaction in the commercial banking industry in Nigeria.

1.2 RESEARCH HYPOTHESIS

This hypothesis is states in null form which was tested in the study.

H_0 : Customer Satisfaction has no significant effect on Nigerian Commercial banking industry

2.1 LITERATURE REVIEW

2.1.1 Customer satisfaction

Customer satisfaction is positively the key element to success for every organization. There are several contributions in the literature that narrate customer satisfaction with concepts such as customer loyalty, repetition of orders, the word-of-mouth effect and the increase in profitability. There are also numerous empirical studies that have found a positive relationship between customer satisfaction and business results. Definitely, in order to understand the customer and, by extension, the market in which the company is involved, it is essential to listen to the customers, to compile and study quantitative and qualitative data on the extent of their satisfaction (Arturo & Prado, 2007).

Customer satisfaction is commonly illustrated as the complete meeting of one's potentials. Customer satisfaction is the emotion or approach of a customer towards a product or service after it has been utilized. Just as Gustafsson, Johnson and Ross, (2005) rightly put that customer satisfaction entails customer needs and expectations being met all the time, every time throughout the life of a product or

service. It is similar to the work of Kotler, Armstrong and Cunningham, (2002) as stated that satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to the person's expectations. As the definition designate, satisfaction is a function of perceived performance and expectations. The term 'customer satisfaction' is a subjective, non-qualitative term (Mburu, Zyl, & Cullen, 2013). Customer satisfaction results from either the quality of banking services (product), quality of service, engagement of the customer, price factors and meeting or exceeding customers' expectations, consuming products and services (Prabhakar, 2005). If the performance of a bank cascade short of these expectations, the customer becomes dissatisfied. If the performance matches expectations, the customer is satisfied. If the performance exceeds expectations, the customer is delighted. Only delighted customers or highly satisfied customers stay loyal to the services provider (Salmen & Muir, 2003; Dubrovski, 2001).

Customer satisfaction is a primary result of marketing activity whereby it serves as a relationship between the various stages of consumer buying behavior. Customer satisfaction is widely recognized as a key

influence in the formation of customer' future purchase intention (Kaboli, Fathi, & Aziz, 2011). Satisfied customers are also likely to tell others about their favorable experiences and thus engage in positive word of mouth advertising. Dissatisfied customer, on the other hand, are likely to switch brands and engage in negative word of mouth advertising (Jamal & Naser, 2002).

Customer satisfaction is a post consumption evaluation or a pleasurable level of consumption-related fulfillment (Henning-Thurau & Thurau, 2003). As regard to banks, satisfaction refers to the degree to which banking products and services meet customer desires. Customer satisfaction has numerous aspects. A few of the observable measures are service quality, loyalty; repurchase behavior and trust, among others. Also Olsen and Johnson (2003) distinguished between two form of customer satisfaction: cumulative and transaction-specific. Cumulative satisfaction signifies a customer's overall evaluation of a product or service and is measured on a single-item rating scale. In contrast, transaction-specific refers to a customer's evaluation of a display of different attributes of the products or services after having an experience with it. These measures have been studied extensively in isolation or together by different marketing scholars. Previous studies in the developed

countries such as the studies done by Anderson and Fornell (2001); and Anderson and Mittal (2000) have attempted to look at different dimensions of quality service and how they relate to customer satisfaction. Nearly all studies assessment is unanimous that a satisfied customer is loyal and contributes to profitability.

Satisfactions strengthen positive attitudes toward the brand, leading to a greater possibility that the consumer will repurchase the same product. Dissatisfaction results when consumer expectations are not met. Such disconfirmation of expectations is likely to lead to negative brand attitudes and lessens the likelihood that the consumer will buy the same brand again. As customers experience more satisfied with services, they will be more likely to repurchase and persuade others to use the products or services through word-of-mouth.

2.1.2 Consequences of Satisfaction and Dissatisfaction

The following are the Consequences of satisfaction and dissatisfaction:

Complaints: Customer complaints as a consequence of dissatisfaction can be both negative and positive for providers. According to Singh (1988), complaint behavior as a result of dissatisfaction can be manifested in three negative forms namely: Voiced complaints,

Negative word-of-mouth and Legal actions. On the other hand, several authors have noted that complaints can be positive when they constitute an opportunity for improvement and service recovery. Zeithaml and Bitner, (2000) argued that consumers with a tendency to complain are likely to be consumers who are generally satisfied with the service, but who are giving the provider an opportunity to rectify the cause of dissatisfaction. In the specific context of banking services, Proenca and Rodrigues, 2011) contended that complaints give banks an opportunity to turn dissatisfaction into satisfaction if the provider accepts responsibility for a problem and actively seeks to find a solution.

Word-of-mouth: Fornell (1992) demonstrated that there is a positive correlation between customer satisfaction and positive word-of-mouth; in other words, satisfied consumers are more inclined to express a preference for a service provider and recommend that provider to others. Other authors have confirmed that a significant positive relationship exists between perceptions of superior service quality and consumer recommendation to other potential customers (Proenca & Rodrigues, 2011).

Repurchase intention: Repeated purchases over time are the aim of any organization. It has been shown that satisfied consumers are

more loyal and have greater repurchase intention. In the context of banking services, Mols (1998) showed that customers who use internet have greater repurchase intention, and demonstrate less sensitivity to price (Proenca & Rodrigues, 2011).

Price sensitivity: Although automation has enabled providers to offer cheaper transactions, there is evidence that satisfied customers are actually less price-sensitive than dissatisfied customers. This was confirmed in a study of German consumers who had a “strong or significant interest” in mobile phone banking; the majority of such consumers were found to be willing to pay extra for this service price (Proenca & Rodrigues, 2011).

Propensity to change providers: Fornell (1992) suggested that SSTs can function as a barrier to customers’ propensity to change providers. In addition, because accessibility attracts consumers, which can increase the number of transactions and hence the strength of the link between a bank and a given consumer, SSTs can render that consumer more ‘captive’ and less likely to turn to competitors price (Proenca & Rodrigues, 2011).

Loyalty: Customer loyalty is difficult to define. In general, there are three distinctive approaches to measure loyalty: behavioral

measurements, attitudinal measurement and composite measurements. The behavioral measurements consider consistent, repetitive purchase behavior as an indicator of loyalty. One problem with the behavioral approach is that repeat purchases are not always the result of a psychological commitment toward the brand. Attitudinal measurements use attitudinal data to reflect the emotional and psychological attachment inherent in loyalty. The attitudinal measurements are concerned with the sense of loyalty, engagement and allegiance.

The third approach, composite measurements of loyalty, combine the first two dimension and measure loyalty by customers’ product preferences, propensity of brands switching, frequency of purchase, regency of purchase and total amount of purchase. The use of both attitude and behavior in a loyalty definition substantially increase the predictive power of loyalty (Bowen & Chen, 2001). One of the new line of thought it has been concluded that consent is not necessarily lead to loyalty. In fact Frederick Shield was found that 65% to 85% consumers who claim that they are satisfied or very satisfied don’t use that services again (Denove, 2006).

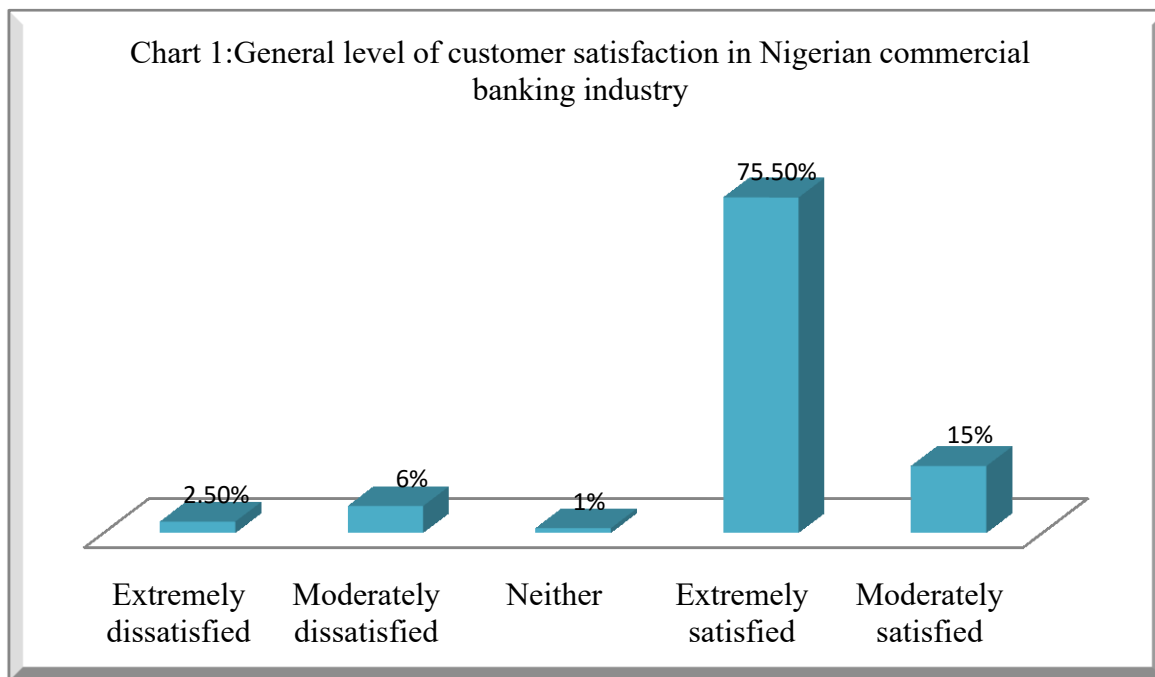
3.1 Research Methodology

To achieve the objective of the study, the population of the study was carved out of

commercial banks customers in Kaduna Metropolis. The data used in this study was based on sample of banks customers' randomly selected. The total of two hundred (200) customers from five (5) banks namely: Access Bank, Diamond Bank, Guarantee Trust Bank, Wema Bank and First Bank. Forty (40) customers from each Banks were used.

The study employed both the primary and secondary sources of data collection that includes: journals, textbooks, seminar papers, and questionnaires. For the sake of this study, Data collected from the questionnaires were summarized, analyzed and interpreted accordingly with the aid of descriptive statistical techniques such as frequency distribution and percentage analysis. Chi-square is use for testing hypothesis.

4.1 DATA ANALYSIS, RESULT AND DISCUSSION



Source: Survey, 2018

The majority of the respondents indicated an extremely satisfaction level with their bank services in the state involved in the study as shown in chart 1. Out of the 200 customers of the banks, 151(75.5%) indicates that they were satisfied with their bank services. While 30

(15%) respondents indicates their satisfaction level moderately with the banks, It also interesting result that only 5 (2.5) of the respondents indicates they were extremely dissatisfied with their banks in the state studied.

Table 2: Factors and their level of influence on customer satisfaction

S/n	Factors	To a very little degree (%)	To a little degree (%)	To a moderat ely degree (%)	To a large degree (%)	To a very large degree (%)	Mean	SD
1	Speed of service	2.5	3.0	12.5	31.0	51.0	4.25	0.960
2	The image of the bank	15.0	14.0	47.5	11.0	12.5	2.92	1.162
3	Good credit options	20.5	1.0	0.5	25.5	52.5	3.89	1.554
4	Bank product are suited for customer needs	7.5	10.0	57.5	7.5	17.5	3.18	1.072
5	Service rate	0.5	7.5	17.5	14.5	60.0	4.26	1.028
6	Positive word of mouth	9.5	10.0	7.5	60.5	12.5	3.57	1.128
7	Responsiveness to customer changing needs	0.5	2.5	18.5	22.5	56.0	4.31	0.893
8	Convenient location and branch network	0.5	0.5	25.0	68.5	5.5	3.78	0.569
9	Physical appearance of the bank	6.0	54.0	9.5	19.5	11.0	2.76	1.167
10	Offering rewards and benefits	2.0	3.5	16.0	53.0	25.5	3.97	0.859
11	Efficiency and effectiveness in handling complains	0.5	1.0	15.5	30.5	52.5	4.34	0.810
12	Access to electronic transaction	0.5	1.0	38.0	14.0	46.5	4.05	0.965
13	Good customer relationship	2.5	2.0	8.0	19.0	68.5	4.49	0.913
14	Provision of incentives	3.5	10.0	70.5	6.0	10.0	3.09	0.834
15	Range of service offered	10.5	7.5	68.0	12.0	2.0	2.88	0.826
16	Employees' Attitude and behavior	5.0	8.5	15.5	16.5	54.5	4.07	1.222
17	Bank performance in term of stock	5.5	11.0	49.5	9.5	25.0	3.38	1.136
18	Service quality	0.5	3.0	5.0	72.0	19.5	4.07	0.638
19	Proactive communication to customers	4.5	15.5	23.0	18.5	38.5	3.71	1.250
20	Minimal of waiting period	7.5	12.0	14.0	15.5	21.0	3.31	1.153

Source: Survey, 2018

From table 2 the factors with the highest degree of influence on customers' satisfaction are

employees' attitude and behavior, efficiency and effectiveness in handling customers'

complains, good customer relationship, responsiveness to customers' changing needs, good credit options, service rate and speed of service. However, the factors with the least influences on customer satisfaction are the range of service offered provision of incentives convenient location and branch network and the bank image.

4.2 Testing of Hypothesis

This hypothesis is states in null form which was tested in the study.

H₀: Customer Satisfaction has no significant effect on Nigerian Commercial banking industry.

Table 3: Test Statistics of the Influence of Customer Satisfaction on Nigerian Commercial banking industry

Chi-Square	396.850 ^a
Df	4
Asymp. Sig.	.000
The result is significant at 0.05 level of significance	

The chi-square result of 396.850 at (0.05) level of significance was obtained. The test result signifies that the customer satisfaction has positive significant influence on the Nigerian banking industry as shown in table 3.

5.1 CONCLUSION

The significant of factors influencing the level of customer satisfaction in the Nigerian banking industry are increasingly becoming a vital business issues as the banks have become sensitive to the benefits of customer satisfaction. Customer satisfaction provides an indication of how successful the banks are at

providing products or services to the customers in the marketplace.

This study has validated the views held by other researchers like Henning, Thurán and Thurán (2003); Kang, Nobuyuki and Herbert (2004) whose studies linked satisfaction to quality service, pricing, relationship with service providers, staff and value. It further reinforces the findings from Ganesh, Arnold and Reynolds (2000) and Tam (2004) whose findings linked customers' satisfaction to post purchase or retention.

Customer satisfaction and retention has long been recognized to play an essential role of for the success and survival in today's competitive environment (Kotler & Keller, 2006). This study has helped to have some insight as regards what influences the level of customer satisfaction. It revealed a significant positive level of influences on customer satisfaction with the banks.

This study contributes to the customers' decision making process for choosing their bankers by looking at customers' motive and assesses the important of different attributes affecting the authentic choice of the banks.

5.2 RECOMMENDATIONS

In the glow of the above findings, the study recommends the followings:

- i. As banks improve on the quality of the products or services, they should also consider paying much attention to customer complaints and as far as possible make their products or services reasonably priced.
- ii. In satisfying customers' needs, all the factors influencing customer satisfaction recognized in the study should continuously be assessed and improve.

- iii. Recurrent enhancement of staff is also imperative in meeting customer satisfaction. Thus, training programs should be organized for the staff of the bank to improve their competence level with regard to quality service delivery and customer relationship.
- iv. The bank for success compared to the competitors, should always from view point of customers categorize their activities and the managers have awareness from all the services that is present by bank to the need transformation process.
- v. Banks should seek to develop strategies that boost positive behavioral responses in terms of satisfaction decision and forbid pessimistic ones. Such strategies according to Macaulay (2008) include meeting customer's desire-service levels, preventing service problems from occurring, dealing effectively with dissatisfied customers, solving service problems effectively when they occur and confronting customers' complains positively.

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