

Exploring the Relationship between Service Quality and Customer Satisfaction in Quoted Deposit Money Banks in Nigeria

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Abstract

The study empirically explored the relationship between service quality and customer satisfaction in quoted Deposit Money Banks (DMBs) that operates in Benin City, Edo State, Nigeria. Cross-sectional survey strategy was employed for the study. The population comprised customers with registered Bank Verification Number (BVN) that have one or more types of customers' bank accounts with different DMBs in Benin City, Nigeria. The sample size consists of four hundred (400) customers. A non-probability technique (convenience sampling) was used to choose the sample respondents. Thus, 400 copies of questionnaire were administered to respondents, out of which three hundred and sixty seven (367) were retrieved and found appropriate. Descriptive and inferential statistics were employed in analyzing data. The study found out that responsiveness, assurance and empathy have statistically significant relationship on customer satisfaction in quoted DMBs in Benin City. Therefore, it recommends that management and staff should always maintain effective modalities for reliable and prompt delivery of service, protect customers' privacy and put in place strategies to forestall any undesirable perception customers may feel about their bank (s).

Keywords: Assurance, Customer, Empathy, Management, Responsiveness, Service quality.

1. Introduction

The Nigerian banking industry has undergone different phases, that is, the pre-independence phase, independence phase and post-consolidation phase. The emergence of the Central Bank of Nigeria (CBN) in 1958 brought into limelight a deliberate effort by the government to introduce a regulatory and supervisory context at fostering a modern financial and monetary policy framework in Nigeria. The international corporate research (2010) specified that the Nigerian banking sector, which is under the ambit of the CBN and Nigerian Deposit Insurance Corporation (NDIC) are statutory institutional authorities mandated to regulate and supervise Deposit Money Banks (DMBs) and Other Financial Institutions (OFIs) which include, Microfinance Banks (MfBs), Finance Companies (FCs), Development Finance Institutions (DFIs), Bureau-De-Change (BDC), Discount Houses (DHs) and Primary Mortgage Institutions (PMIs). The indigenization decree of the 1970s changed the banks ownership structure from foreign dominance to indigenous involvement in the sector. In 1987 the sector was deregulated which resulted to the establishments of many banks, consequently in turn introduced opportunities for local and individual participation (Idowu, 2013). Soludu (2004) introduced the recapitalization reform (consolidation) policy that will strengthen the banking structure and safeguards all activities within and outside the sector particularly to guarantee customer deposits and shareholder funds with a view to maintaining a credible national and global financial competitive market diversification. However, economic liberalization and rapid technological advancement assisted in the collective banking sector consolidation and reform program (Osifo & Isibor, 2017). Williams, Ogege and Idoji(2014) stated that in the banking sector a well-organized customer focus oriented service is among the most essential approaches in retaining customers irrespective of the difficulties either in the micro, macro and international environment. There are numerous approaches that can be applied to boost customer confidence such as providing adequate feedbacks to facts and questions asked by customers in an in-depth and suitable way, direct conversation with customers, interaction through mobile phones, Internet facilities, fax, mails and so forth. In the banking sector, customer satisfaction is viewed as one of the central benchmark used to evaluate the performances and rankings of banks. (Munari, Ielasi & Bajetta, 2013). Thus, it is of immense benefits for management and staff of banks to provide and ensure maximum customer satisfaction regularly. The primary objectives of DMBs are to reach the profitability levels targeted for certain periods. As a means to achieve these objectives, DMBs are required to hold onto the customers' portfolio and investment that enhances potential worth to them frequently. The banking industry in any world economy is the most foremost vital segment because of their capacity to assemble capitals from the reserves to the shortfall segment in the economy (Oluwakayode, 2017). This study focused on the inference of determinants of Service Quality (SERVQUAL) constructs for assessing the disparities between customer expectations and perceptions regarding service delivery. Measuring service quality had always been a difficult task for service providers including banks, because of the intangible and most notably the inseparable and heterogeneous nature of service.

Objectives of the Study

The pivotal objective of the study is to empirically explore the relationship between service quality and customer satisfaction in quoted DMBs in Benin City. Definitely to:

- i. determine responsiveness and its relationship on customer satisfaction in quoted DMBs in Benin City.

- ii. evaluate assurance and its relationship on customer satisfaction in quoted DMBs in Benin City.
- iii. investigate empathy and its relationship on customer satisfaction in quoted DMBs in Benin City.

2. Literature Review

Customer satisfaction

Customer satisfaction has become an essential prerequisite in the business sequences because when customers are satisfy it results to profitability in profit-oriented organizations (Deng, Lu, Wei & Zhang, 2009). Yi (1990) opined that customer satisfaction is the combine outcomes of psychological tendencies in affiliations to responses encountered from product/service utilization. Customer satisfactions are expressions frequently used by customers to indicate sensations in profiling organizations that fulfilled their wants and remain loyal (Hill & Allen, 2007). Lamb, Hair and McDaniel (2004) argued that customer satisfaction is the emotion regarding whether the product/service perceived performance is less than, equal or exceed customer's expectations. Customer satisfaction relates to post-purchase feelings of pleasure or disappointment that have a tendency to be multi-dimensional and transaction-specific (Kent, 2007).

Service Quality

Service quality is judgmentally determined from customers' expectations and perceived performance in association with service delivery (Ninichuck, 2001; Curry & Sinclair, 2002). These results to fluctuations that lead to complexities to almost all the organizations in the sector to the extent that excellence in quality services has now become a barometer on which an organization achievement is measured (Akpan, 2016). Service quality is a concentrated assessment that makes customer thinks deeply about the perceptions of specific dimensions of quality (Zeithaml, 2000). Williams, Ogege and Ideji (2014) stated that customer loyalty are indications on how effective and determine are banks when providing customer service before, during and after transactions notwithstanding hitches in the industry.

Determinants of Service Quality

Tangibility, reliability, responsiveness, assurance and empathy are generally referred to as the five determinants of SERVQUAL constructs (Parasuraman, Zeithaml & Berry, 1988). Under review are the three determinants related to the study.

Responsiveness

The eagerness to assist customers with inquisitiveness in an effort to satisfy and provide prompt services. Staff attitudes accompanying with social and accommodating dispositions are vital compliments to make customer feel and have a pleasant relationship to convey firm belief. Customers get pleased when difficulties encountered before, during and after transaction delivery are given the desired consideration by firms (Kumar, Kee & Manshor, 2009). According to Zeithaml, Bitner and Gremler (2006) the customer's stance rather than the organization's perspective should be taken into cognizance as symptoms of responsiveness in view of attaining effectiveness within the organization. The first hypothesis of the study is stated in the null form.

H₀₁: Responsiveness has no statistically significant relationship on customer satisfaction in quoted DMBs in Benin City.

Assurance

Staff knowledge, courtesy and their ability with the aim of gaining the customers trust and confidence. When delivering banking services to customers, assurance entails assisting customer financially in a polite and friendly manner, ease in accessibility and secrecy of account details. This will necessitate the need for a well-trained, experienced and professional staffs capable of ensuring suitable results after service delivery (Sadek, Zainal, Taher & Yayha, 2010). The trust and confidence may be exemplified in the staff that associates the customer to the organization (Zeithaml *et al.*, 2006). Banks should have a firm measure for quality assurance services. When conducting the electronic and manual services such as the Internet, mobile banking, documents and files among others, customers' data and details must be secured adequately to guarantee confidentiality and safety. The second hypothesis of the study is stated in the null form.

H₀₂: Assurance has no statistically significant relationship on customer satisfaction in quoted DMBs in Benin City.

Empathy

Illustrates the individualize care, benefits and interest that customers receive from banks. In the process were by banks serve their customers the excellent service quality; customers will achieve high level of satisfaction, remain loyal to the bank and make positive referrals (Rehman, 2012). Individualized and convenient operating duration, improved knowledge of customers' requirements, bridging communication gap among staffs and customers and so forth in turn will bring about the desire satisfaction to customers (Ananth, Rames & Prabaharan, 2011). The accomplishments of every single service providing organization rely on the quality of relationship it has developed over time with its customers. (Panda, 2003). The third hypothesis of the study is stated in the null form.

H₀₃: Empathy has no statistically significant relationship on customer satisfaction in quoted DMBs in Benin City.

Empirical Literature Review

Akhtar, Hunjra, Akbar, Rehman and Niazi (2011) conducted an investigation on customer satisfaction and service quality relationship in Islamic banks. Data were sourced from the application of the survey based technique. SPSS and AMOS were employed to analyze the data and test the model on one hundred and sixty seven (167) questionnaire retrieved and found acceptable for the study. Findings from the study show that compliance, assurance, empathy and representativeness have a positive and significant relationship with customer satisfaction. In conclusion the study also, realized that compliance and representativeness have higher effects on customer satisfaction in Pakistani Islamic banks.

Siddiqi (2011) investigated the interrelations among service quality attributes, customer satisfaction and customer loyalty in Bangladesh retail banking sector. The survey method was utilized as the means of gathering data. One hundred (100) customers in the retail banks in Bangladesh constituted the sample size. The study found out that all the service attributes are positively correlated to customer satisfaction; likewise customer satisfaction is positively correlated to customer loyalty in Bangladesh retail banks. In view of the aforementioned

empathy exhibits the highest positive correlation in coalition with customer satisfaction, while the least positive correlation in coalition with customer satisfaction was illustrated by tangibles. The study recommended that within the Bangladeshi setting SERVQUAL instrument was found as suitable and reliable for assessing service quality.

Ashante and Kwasi (2012) did an assessment of customer service quality delivery in the Ghanaian banking sector, using Ecobank customers as the case study. One hundred and fifty (150) copies of questionnaire were administered to respondents to record their assessment on a Likert-type five point scale in order to generate the require data. Findings disclosed that banks service quality delivery and the total customer satisfaction was generally low, that is five(5) SERVQUAL dimensions which consequently resulted to gaps among customers' perception and expectation. The recommendation was that the affected banks should conduct a reviewed of the various dimension used and do a reappraiser to bridge up the gaps.

Mamo (2014) examined service quality practices and customer satisfaction in Kenya commercial banks. The field survey technique was adopted with the aid of the Likert-type scale questionnaire as the primary means to obtain data from both the operational manager and bank customers. The findings of the study reveals that reliability, assurance, tangibility, empathy and responsiveness which are classified as dimensions of SERVQUAL, equally customer loyalty, customers' degree of appreciation and customer strengthened relationship, also classified as indicators of customer satisfaction have significant relationship. The study recommended in view that cognizance should be given to factors of service quality that can result to greater customer satisfaction.

Furthermore, Devkota and Dahal (2016)determined the impact of service quality dimensions on customer satisfaction and customer loyalty in Nepalese commercial banking sector. Sobel test for mediation in conjunction with descriptive and inferential statistics such as factor analysis, multiple regression analysis were utilized with the aid of SPSS. The study found out that customer satisfaction and customer loyalty had positive and significant relationship on the five (5)service dimensions, tangibles, reliability, responsiveness, assurance and empathy. It recommended the benefits of the study to commercial banks in order to enhance their service quality delivery which can result to high customer satisfaction, loyalty and positive referrals.

Aremu, Ademola and Aremu (2017) did a study titled exploring the impact of service quality on customer satisfaction in Nigerian banking industry. The sample size comprised two hundred and fifty (250) respondents, of which copies of questionnaire were administered to them. Descriptive analysis, multiple correlation, and multiple regression were employed and consequently appropriate data was imputed for final analysis. Findings from the study reveal positively the relationship between service quality and customer satisfaction, equally responsiveness, tangibility and reliability statistically influence customer satisfaction in the banking industry. The study recommends that banks should provide modern quality services techniques, which in the long run would satisfy customer's requirements.

Another empirical study by Hennayake (2017) was conducted to examine service quality on customer satisfaction of commercial banks in the public sector. Conceptual framework and hypotheses were constructed with the application of a deductive approach. Field survey

technique was used for gathering data and analysis was carried out with the utilization of the SPSS 20.0 software packages. Correlations and regression analysis were used as the benchmark to confirm the formulate hypotheses. The study disclosed that related human factors of perceived service quality have significant influence on customer satisfaction. However, reliability and responsiveness indicated the highest significant influence on customer satisfaction.

A study conducted by Anjalika and Priyanath (2018) also ascertained the influence of service quality on customer satisfaction of private and public bank customers in Sri Lanka which focus on an empirical study. Gampaha district serve as location where data were administered and retrieved from respondents. The SERVQUAL five (5) dimensional constructs were applied to test the hypothetical relationships among service quality and customer satisfaction of commercial banks. Findings from the study show that customer satisfaction of both public and private banks had a significant positive relationship among tangibles and responsiveness. Also, in private banks vis-à-vis customer satisfaction, assurance recorded a positive relationship that was low; contrary in public banks customer satisfaction recorded no significant relationship with assurance. In public banks empathy and reliability recorded a positive relationship with customer satisfaction that was low; ironically in public banks it did not establish any significant relationship with customer satisfaction. The study found out that customer satisfaction vis-à-vis the service quality of public banks is greater than private banks in terms of comparison.

3. Methodology

The survey strategy was utilized for this study because it is cross-sectional in nature. The population of the study comprised of customers with registered Bank Verification Number (BVN) that have one or more types of customers bank accounts with different DMBs in Benin City, Nigeria. In order to have a reliable and dependable sample size, convenience sampling a non-probability technique was used to arrive at four hundred (400). This was necessitated, because the sampling frame consists of a large number of appropriate potential respondents. Also, accessibility and administration of questionnaire to respondents was easy. Sixteen (16) DMBs quoted in the Nigeria Stock Exchange (NSE) operates in Benin City, the capital of Edo State, located in South-South geo political region of Nigeria. Benin is known as an ancient city famous in sculptural works and commercial activities. The DMBs include; Access Bank Public Limited Company (PLC), Ecobank Nigeria PLC, Fidelity Bank PLC, First City Monument Bank PLC, First Bank of Nigeria Limited, Guaranty Trust Bank PLC, Heritage Banking Company Limited, Keystone Bank Limited, Polaris Bank Limited, Stanbic IBTC Bank PLC, Sterling Bank PLC, Union Bank of Nigeria PLC, Unity Bank PLC, United Bank for Africa PLC, Wema Bank PLC and Zenith Bank PLC. The study used primary data as the main source of information. The structured questionnaires have two sections. The first part (section A) contains questions on respondents' demographics data, which were measured on a two point categorical and multiple interval scales. Likewise, the second part (section B) contains questions on the independent variables and dependent variable, which were also measured accordingly with the use of five point Likert-type (5=strongly disagree to 1=strongly agree) as the assessment record format. These data were obtained from opinions via questionnaire that were administered to respondents of the quoted DMBs in Benin City. Descriptive and inferential statistics were employed in analyzing data with the aid of

Statistical Package for Social Sciences (SPSS version 24.0) and Econometric (Eviews 8.0) software as platforms for data analysis.

Model Specification

The functional form of the model is stated explicitly below:

$$Y = f(X_1, X_2, X_3) \text{----- (i)}$$

The empirical form of the model is also, stated explicitly below:

$$Y = C + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon \text{-----(ii)}$$

Where: Y = Dependent variable: Customer Satisfaction (CS), C = Constant value, β_1 to β_3 = Regression coefficients of the independent variables X_1 to X_3 : X_1 - Responsiveness (RES); X_2 - Assurance (ASS) and X_3 - Empathy (EMP), ε = Error term and *a priori* expectations = $\beta_1 \dots \beta_3 > 0$

4. Data Presentation, Analysis and Interpretation

Three hundred and sixty seven (367) questionnaires were retrieved and found appropriate and imputed into SPSS and Eviews software for the projected detailed statistical review.

Descriptive Statistics

This was used to measure the respondents’ demographic data and respondents opinions in relation to the independents and dependent variables

Table 1: Respondents Demographic data

Characteristic	Category	Frequency (n=367)	Percentage (100%)
Gender	Male	197	53.7
	Female	170	46.3
Marital status	Single	179	48.8
	Married	188	51.2
Age category	Under 20 years	37	10.1
	21 – 30years	76	20.7
	31 - 40years	116	31.6
	41 - 50years	93	25.3
	Over 51 years	45	12.3
Educational qualification	SSCE/GCE	49	13.4
	ND/NCE	65	17.7
	HND/First Degree	140	38.1
	Master’s Degree	94	25.6
	Ph.D.	19	5.2
Occupation	Government sector	59	16.1
	Private sector	97	26.4
	Self-employed	114	31.1
	Student	60	16.3
	Retired	37	10.1

Years of transaction with primary bank of respondents	Below 1year	52	14.2
	1 - 5years	114	31.1
	6 - 10years	86	23.4
	10 - 15year	84	22.9
	Above 16years	31	8.4

Note: (GCE) - General Certificate of Education, (HND) - Higher National Diploma, (NCE) - National Certificate of Education, (Ph.D). - Doctor of Philosophy & (SSCE) - Senior Secondary Certificate of Education

Source: Researchers' Fieldwork, 2022 using SPSS v 24.0

Table 1 highlights data of respondents used in the study. Gender of Respondents shows that 197 (53.7%) are males, while 170 (46.3%) are female. In terms of marital status of respondents, 179 (48.8%) are singles, while 188 (51.2%) are married. In the age levels categories of respondents, 37 (10.1%) are under 20 years; 76 (20.7%) are within 21-30 years, 116 (31.6%) are within for 31- 40 years, also those within 41-50 years are 93 (25.3%) and while the remaining 45 (12.3%) are over 51 years. Educational qualification of the respondents indicates that 49 (13.4%) had SSCE/GCE, while 65 (17.7%) accounts for ND/NCE, also 140 (38.1%) possessed HND/First degrees, while 94 (25.6%) earned Master's degrees, lastly 19 (5.2%) obtained Ph.D. In ascertaining the occupation of the respondents, 59 (16.1%) work in Government sector, 147 (47.3%) are in private sector, 114 (31.1%) are self-employed, 60 (16.3%) are students, finally only 37 (10.1%) have retired. In conclusion, respondents years of transaction with primary bank showed that 52 (14.2%) are below 1 year; 114 (31.1%) are within 1-5 years, 86 (23.4%) are within 6-10 years, also, 84 (22.9%) are within 10-15 years, lastly 31 (8.4%) are above 16 years.

Respondents' opinions in Relation to Independents and Dependent Variables

Each item in the variable outcomes of respondents' perception in respect to specific objectives in Section B of the questionnaire of this study which are combinations of the independents and dependents variables are presented in Tables 2 to 5. The respondents were asked to indicate their response with the following statement questions using a 5-point Likert scale (1=Strongly Disagree, 2=Disagree, 3=Undecided, 4=Agree & 5 Strongly Agree) respectively. In the presentation the two options (frequencies and percentages) for 'strongly agree' and 'agree' were summed up for agreement while 'strongly disagree' and 'disagree' were summed up for 'disagreement'. The undecided option was however, untouched since it is not on the either side of the scale. The mean scores were based on the five point scale used in the instrument. The mean score was calculated by multiplying the frequency of each point by the weight and later divided by the total number of respondents. The implication of this is that the higher the mean, the more the level of 'agreement' with respect to the variable and vice versa. This was done in other to give room for easy interpretation and understanding.

Table2: Respondent opinion on Responsiveness (RES)

S/N	Statement	SD(D)	U	A(SA)	Mean	SD
1	Staff of my bank tell customers exactly when service will be performed.	58 (15.8%)	21 (5.7%)	288 (78.5%)	4.02	1.086
2	Staff of my bank gives prompt service to customers.	60 (16.3%)	56 (15.3%)	251 (68.4%)	3.84	1.212
3	Staff of my bank are always willing to help customers.	88 (24%)	15 (4.1%)	264 (71.9%)	3.83	1.249
4	Staff of my bank are never too busy to respond to customers' request.	61 (16.6%)	30 (8.2%)	276 (75.2%)	3.96	1.190
5	The behaviour of staff in my bank instills confidence in customers.	64 (17.5%)	29 (7.9%)	274 (74.7%)	4.05	1.186
Overall mean and standard deviation index of responsiveness					3.94	1.184

Note: SD-strongly disagree, D-disagree, U-undecided, A-agree, SA-strongly agree, & SD-standard deviation

Highly considered (mean \geq 3.0)

Source: Researchers' Fieldwork, 2022 using SPSS v 24.0

Table 3: Respondent opinion on Assurance (ASS)

S/N	Statement	SD(D)	U	A(SA)	Mean	SD
6	When customers have problems, my bank is compassionate and reassuring.	104 (28.3%)	48 (13.1%)	215 (58.6%)	3.54	1.346
7	Customers feel safe in transactions with my bank.	86 (23.5%)	31 (8.4%)	250 (68.1%)	3.74	1.322
8	Customers can put their trust on employees of my bank.	104 (28.3%)	48 (13.1%)	215 (58.6%)	3.54	1.346
9	My bank staff are always polite.	85 (23.2%)	31 (8.4%)	251 (68.4%)	3.80	1.230
10	Staff are eager to instill confidence in customers.	58 (15.8%)	38 (10.4%)	271 (73.9%)	3.93	1.175
Overall mean and standard deviation index of assurance					3.71	1.284

Note: SD-strongly disagree, D-disagree, U-undecided, A-agree, SA-strongly agree, & SD-standard deviation

Highly considered (mean \geq 3.0)

Source: Researchers' Fieldwork, 2022 using SPSS v 24.0

Table 4: Respondent opinion Empathy (EMP)

S/N	Statement	SD(D)	U	A(SA)	Mean	SD
11	Staff of my bank serve their customers with care.	78 (21.2%)	36 (9.8%)	253 (68.9%)	3.78	1.196
12	Staff of my bank always give individual attention to customers.	67 (21%)	34 (9.3%)	256 (69.7%)	3.74	1.198
13	My bank provides operating hours convenient to all their customers.	95 (25.9%)	37 (10.1)	235 (64%)	3.68	1.281
14	My bank staff always try to recognize what customers' needs are.	82 (22.3%)	38 (10.4%)	247 (67.3%)	3.71	1.288
15	My bank offers the products/services that best suit its customers.	82 (22.3%)	43 (11.7%)	242 (65.9%)	3.71	1.225
Overall mean and standard deviation index of empathy					3.72	1.238

Note: SD-strongly disagree, D-disagree, U-undecided, A-agree, SA-strongly agree, & SD-standard deviation

Highly considered (mean \geq 3.0)

Source: Researchers' Fieldwork, 2022 using SPSS v 24.0

Table 5: Respondent opinion on Customer Satisfaction (CS)

S/N	Statement	SD(D)	U	A(SA)	Mean	SD
16	I am very satisfied with the services offered by my bank.	104 (28.3%)	48 (13.1%)	215 (58.6%)	3.54	1.346
17	My bank comes up to my beliefs of a good bank.	86 (23.5%)	31 (8.4%)	250 (68.1%)	3.74	1.322
18	Overall, I have a good and positive impression towards my bank.	104 (28.3%)	48 (13.1%)	215 (58.6%)	3.54	1.346
19	Staff of my bank are highly motivated to solve customer problems.	85 (23.2%)	31 (8.4%)	251 (68.4%)	3.80	1.230
20	I am satisfied with the accuracy of information provided.	58 (15.8%)	38 (10.4%)	271 (73.9%)	3.93	1.175
21	I am satisfied with the performance of my bank.	67 (18.3%)	37 (10.1%)	263 (71.7%)	3.89	1.201
Overall mean and standard deviation index of customer satisfaction					3.74	1.27

Note: SD-strongly disagree, D-disagree, U-undecided, A-agree, SA-strongly agree, & SD-standard deviation

Highly considered (mean \geq 3.0)

Source: Researchers' Fieldwork, 2022 using SPSS v 24.0

Inferential Statistics

Correlation analysis and Variance Inflation Factor (VIF) were used to analyze the data and to check for multicollinearity; finally Ordinary Least Square (OLS) Estimation method was utilized for the stated hypotheses.

Table 6: Correlation Analysis

Variable	CS	RES	ASS	EMP
CS	1.000000			
RES	0.345411	1.000000		
ASS	0.386544	0.021710	1.000000	
EMP	0.420620	0.260140	-0.400686	1.000000

Note: Correlations are significant at the 5% level, CS - Customer Satisfaction, RES Responsiveness, ASS - Assurance & REL - Reliability

Source: Researchers' computation, 2022 using E-views 8.0

Table 6 illustrates the correlation matrix of variables employed in the study. The correlation coefficients of the independent variables; reliability, assurance and empathy are less than 0.90 confirms the nonexistence of multicollinearity (Hair, Black, Babin & Anderson, 2014).

Table 7: Variance Inflation Factors (VIF)

Variable	Coefficient Variance	UncenteredVIF	CenteredVIF
(Constant)	0.076063	13.44402	NA
RES	0.001564	36.14294	1.283640
ASS	0.001768	45.01315	1.216337
EMP	0.001819	44.01315	1.323328

Note: RES - Responsiveness, ASS - Assurance, EMP - Empathy

Source: Researchers' computation, 2022 using E-views 8.0

Table 7 shows the VIF of variables utilized in the study. The centered VIF of variables are less than 10 reveal the non-availability of multicollinearity (Studenmund, 2000).

Table 8: Ordinary Least Square (OLS) Estimation Method

Variable	Coefficient	Standard Error	t-Statistic	Probability Value	Hypotheses
(Constant)	1.178157	0.257595	4.271861	0.0000	Significant
RES	0.154621	0.039543	3.910197	0.0001	Significant
ASS	0.253792	0.042052	6.035211	0.0000	Significant
EMP	0.269238	0.042648	6.313055	0.0000	Significant
(SUMMARY STATISTICS) R-squared=0.317993; Adjusted R-squared=0.308547; F-statistic 33.66401=Prob(F-statistic)=0.000000; Durbin-Watson Stat=1.749338					

Note: Correlations are significant at the 5% level, RES - Responsiveness, ASS - Assurance, EMP- Empathy & C- Constant

Source: Researchers' computation, 2022 using E-views 8.0

Accordingly, the model was stated as:

$$Y = C + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \text{----- (iii)}$$

The regression fit will therefore be written as:

$$CS = 46.76143 + 0.154621RES + 0.253792ASS + 0.269238EMP + \varepsilon$$

(1.864046) (3.910197) (6.035211) (6.313055)

Table 8 shows the OLS multiple regression estimation of variables utilized in the study. The summary statistics specified that the coefficient of determination (R^2) value of 0.317993 was obtained. The adjusted R^2 of 0.308547 specifies that the independent variables mutually described 31% of the variant in the dependent variable. The F-statistics of 33.66401 is significant at $p < 0.05$ ($p = 0.000000$), specifies that both the dependent and independent variables are statistically significant. Statistically, Durbin-Watson (DW) value of 1.749338 shows the nonappearance of autocorrelation (Studenmund, 2000).

Test of Research Hypotheses

The results in Table 8 were used to test hypotheses one to three. The decision rule was to reject the hypothesis formulated if it is statistically significant at 5%, otherwise we accept the hypothesis.

Hypothesis One

Responsiveness stood at calculated t-statistics value of 3.910197 and p -value of 0.0001 is significant at 0.05 while the critical p -value was 5% level of significance (95% confidence). The result shows that responsiveness is statistically significant and the coefficient was at a positive value of 0.154621. The null hypothesis formulated is rejected.

Hypothesis Two

Assurance stood at calculated t-statistic value of 6.035211 and p -value of 0.0000 is significant at 0.05 compared to the critical p -value at 5% level of significance (95% confidence). The result reveals that assurance is statistically significant and at a positive coefficient value of 0.253792. The null hypothesis formulated is rejected.

Hypothesis Three

Empathy (EMP) stood at calculated t-value of 6.313055 and p -value of 0.0000 is significant at 0.05 while the critical value was 5% level of significance (95% confidence). The result indicates that empathy is statistically significant with a positive coefficient value of 0.269238. The null hypothesis formulated is rejected.

Discussion of Findings

First, it was observed that responsiveness is statistically significant. This result concurred with Mamo (2014) who found that responsiveness has significant relationship with indicators of customer satisfaction. Hennayake (2017) study indicated that responsiveness was among the highest that have significant influence on customer satisfaction.

Second, this study also revealed that assurance is statistically significant. It contradicts the study of Ashante and Kwasi (2012) who specified that banks service quality dimensions such as assurance and the total customer satisfaction was generally low, which consequently

resulted to gaps among customers' perception and expectation. Thus, the result is consistent with the findings of Devkota and Dahal (2016) as their study found out that customer satisfaction and customer loyalty had positive and significant relationship on the five service dimensions including assurance.

Lastly, the study showed that empathy is statistically significant. This result also validates the outcome of Akhtar, Hunjra, Akbar, Rehman and Niazi (2011) their research reveals that service quality constructs such as empathy have a positive and significant relationship with customer satisfaction. It also corresponds with the results of Siddiqi (2011) who study illustrates that empathy exhibits the highest positive correlation in coalition with customer satisfaction.

5. Conclusion and Recommendations

The study has extended research on the relationship between service quality and customer satisfaction in the Nigerian DMBs, in an organized and comprehensive approach using three determinants of SERVQUAL which include responsiveness, assurance and empathy. The Nigerian banking industry has witness notable changes over the years, in terms of the number of restructured and institutionalized DMBs, bureaucratic structure, mode of operations and ownership structure. These were achieved via decree/act of parliament, deregulation/recapitalization reform (consolidation) policy, regulatory and supervisory institutions, technological advancement and globalization/international treaty among nations. The recommendations proposed are as follows:

- i. banks should always maintain effective modalities for reliable and prompt delivery of service that are of quality benchmark to customers.
- ii. management and staff should protect customers' privacy and avoid revealing any information (data) without their consents.
- iii. management should put in place strategies to forestall any undesirable perception customers may feel about their bank (s).

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