THE EMPIRICAL STUDY ON CUSTOMER SATISFACTION TOWARDS SERVICE QUALITY OF COMMERCIAL BANKS IN ZAMBIA

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Banking sector is very competitive and very essential for day to day life. Customers are considered as the base of any particular organization as satisfied customer does have a positive effect on an organization's profitability. The banking industry is facing new challenges in this competition world. In today's competitive business environment delivering high quality service towards customers is the key for a sustainable competitive advantage. Zambian businesses have faced numerous challenges over the last two years as the economy has struggled to make headway amid a climate of low copper prices, severe energy shortages, a weak Kwacha and rising inflation. It is very difficult to struggle for survival. This paper examines customer delightfulness from different banking services in Zambia through a well-structured and pre-tested questionnaire. The study is carried out through survey from 100 respondents from foreign bank, private and public banks through personal contact. The results of the survey are analyzed using P test and chi square test. The findings revealed that customers are aware of electronic services. The paper contributes to the literature in area of customer satisfaction in electronic banking.

KEYWORDS: Customer Satisfaction, Reliability And Banking Sector.

INTRODUCTION

Banking in Zambia improved many aspects of the economy at large in that the government is able to account for its incomes and able to save for future usage. This has seen great improvement in the lives of many Zambians nationwide. Zambian businesses have faced numerous challenges over the last two years as the economy has struggled to make headway amid a climate of low copper prices, severe energy shortages, a weak Kwacha and rising inflation. The use of information technology in banks has changed the way of conducting business services and adopting the new methods for transaction. The use of new technology has brought in new products, service market opportunities and support management processes such as planning, controlling and coordination. Banks are important in every country because of their crucial role in supporting economic development through efficient financial services . Once good service is extended to a customer, a loyal customer will work as an Ambassador to the bank and facilitate growth of business (Bhaskar, P.V., 2004).

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Therefore, in the present era, the emphasis is on customer delight so as to exceed customer's expectations. Highly satisfied customer can be called delighted customer.

LITERATURE REVIEW

Bruce Mwiya (2017), the study clearly defined the influence of online banking services creates more positive insight. Based on 222 samples the author concluded that perceived usefulness, perceived ease of use and trustworthiness of e-banking systems and services positively correlate with attitude toward e-banking use. In addition, the study found that attitudes to e-banking are positively associated with intention to adopt e-banking. Most of the business and commercial industries concern on the term customer satisfaction as it impact the core business processes. Customer satisfaction is a term clarifying about a dimension of kind of products and services gave by a company to meet its customer's expectation. Empirical literature provides more insight on benefits of customer satisfaction for organizations. It is entrenched that fulfilled customers are vital to long haul business achievement (Kristensen et al., 1992; Zeithami et al).

SERVICE QUALITY

Service quality is very important element in any business related activity as it concern on satisfying the expectation of customers. Customer expectations are perceptions about a service that fill in as standards against which service performance is judged (Zrithaml et al., 1993); which customer thinks a service provider should offer, instead of on what might be on offer (Parasuram et al., 1988).

Andrew Chibuye (2016), Technology and innovation present banks with not only an extraordinary chance to upgrade their product and service offerings, in this way driving revenue growth, yet in addition an opportunity to enhance productivity.

SCOPE OF THE STUDY

The study is based on a survey conducted in Chipata region in Zambia. Public sector banks, private sector banks and foreign banks operating in Zambia.

RESEARCH METHODOLOGY

Research design is the blue print for empirical research work that guides the researcher in a scientific way towards the achievement of the objectives. Survey method has supported the researcher to find the influencing factor, reason for using digital mode, perception and buying behavior towards digital purchase.

PARTICIPANTS AND SETTINGS:

Participants of the study are customers of various young adults among college students, working individuals, own business and self- employed person. The sample size selected for this research purpose constituted of 100 customers though structured questionnaire in the natural environment. In this research, researcher used non-probability sampling by using its category of convenience sampling. The reason behind selecting convenience sampling was that because in this, the most easily accessible customers were chosen as subjects of research and it was the quickest, convenient and less expensive technique used.

DATA COLLECTION

Data was gathered from the respondents through self-controlled poll with negligible interface in no contrived work settings by considering individuals as unit of analysis.

FINDING AND DISCUSSION

The purpose of the study was to analyze and logically present the data collected by the researcher in the light of the objective. The data of the study was gathered by use of questionnaire as the research instruments.

Table 1.Demographic Characteristics of the Respondents

Demographic profile			Frequency	Percentage
Gender	Male		60	60
	Female		40	40
	Total		100	100
Age	0-25		40	40
	26-30		15	15
	31-35		15	15
	35 and above		30	30
	Total		100	100
Marital status	Married		66	66
	Un Married		34	34
	Total		100	100
Educational Qualification	Illiterate		11	11
	Primary		26	26
	Secondary		19	19
	Graduate		28	28
	Professional		16	16
	Total		100	100
Occupation	Government employee		15	15
	Private employee		55	55
	Self employed		15	15
	Others		15	15
	Total		100	100
Income level	Upto to 5000kwacha		53	53
	5000 to 15000		39	39
	15000 and above		8	8
	Total		100	100

Source: Primary Data

Majority i.e., 60 per cent of customers' surveyed were male and the rests of 40 per cent of respondents' were female. Out of 100 respondents' surveyed, 92.00 per cent of customers' have opined that they were highly satisfied with online banking services in banks.

From the table above indicated that, majority of 52 per cent of the respondents were unmarried .34% of the respondents indicated they were between 0-25 years old, 40 per cent of the respondents belongs to private employee.

Table 2.Name of the bank where account is held

	Frequency(f)	Percentage%
Private bank	12	12
Public Bank	24	24
Foreign Bank	64	64
Total	**100**	**100**

HYPOTHESIS

H0: There is no significant relationship between customer satisfaction and service quality dimensions in commercial banks.

H1: There is a significant relationship between customer satisfaction and service quality dimensions in commercial banks.

Table 3.P Test results for customer satisfaction and service quality dimensions

Variable	Private	Public	Foreign Banks
Reliability	.306	.207	.291
Responsiveness	.005	.000	.005
Assurance	.107	.007	.343
Empathy	.000	.003	.000
Tangibility	.000	.005	.000

Source: Primary Data

The above table shows the test results of the relationship between customer satisfaction and service quality dimensions. The p-value of "tangibility", "Responsiveness" and "Empathy" in all the banks lesser than 0.05, thus the H 0 is rejected for this dimension and H1 is accepted.

Meaning there is a significant relationship between customer satisfaction and "tangibility" service quality dimension in commercial banks.

The independent variable of "assurance" and Reliability, the p-value higher than 0.05, thus accepting H 0 and H1 is rejected. Meaning there is no significant relationship between customer satisfaction and this dimension in both banks.

Table 4.Chi Square Test

Perception	Chi-Square	DF	Table Value	Remark
Fast service in the branch	9.102	3	7.815	Rejected
The possibility to use the electronic banking	10.625	7	14.067	Accepted
Quality products and services	17.41	4	9.488	Rejected
Comfortable and friendly service in a branch	13.722	2	5.991	Rejected
The availability of branches	11.887	2	14.067	Accepted
Developed network of ATMs	19.41	7	14.067	Rejected

Level of Significance: 5 per cent

The calculated chi-square value 10.625 in the possibility to utilize the electronic banking is lesser than the table esteems 14.067 at 5 for every penny level of significance. Therefore, the speculation framed is accepted. Thus, it is induced that there exists close association between the possibilities to use the electronic banking.

The calculated chi-square value 11.887 is the availability of branches lesser than the table value 14.067 at 5 per cent level of significance. Therefore, the hypothesis framed is accepted.

Hence, it is inferred that there exists close association between the possibilities to use the electronic banking.

CONCLUSION

Results of the research could be an inspiration for banks' management in Chipata region because results defined a growth opportunities of customer delight which can be transformed to a higher volume of sales of banking products and services and thus may contribute to the increase of banks' financial performance.

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