



**CONSUMER PERCEPTION OF SERVICE QUALITY AT A SELECTED BANK IN
CAPE TOWN**

**By
David Mark Malila**

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Supervisor: Dr Darlington Peter Onojaefe

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ABSTRACT

Services like an action (collecting a bank card) or an activity (opening business account) which are offered by a bank to a consumer is evaluated to determine the quality that reflects consumers' perception of specific dimensions of service namely; reliability, responsiveness, assurance, empathy, tangibles. The purpose of the study was to understand bank performance regarding service provision based on the understanding of both service quality and consumer perception. This study identified service gap(s) to develop a service quality management framework that can be linked to competitiveness and marketing strategies in a banking environment. In this regard the SERVQUAL model was applied in a banking environment at a selected bank in Cape Town.

This study employed a quantitative methodology to investigate the phenomena being investigated. This research was undertaken ethically in order to protect all participants as well as the integrity of the University. A survey method was used to collect quantitative data from 100 respondents from selected branches of a local bank in Cape Town. The questionnaires were administered to purposively selected respondents based on their banking profile such as personal and business banking consumers within the universal code of research ethics.

Statistical Package for Social Software (SPSS 24.0) was used for data capturing and analysis. This study found a significant relationship between actual and perceived service provision. This paper suggests that a model that combines management theories and quality dimensions is used to obtain a better understanding of the quality of banking services in order to improve decision making that may impact strategic marketing and competitiveness.

Keywords: Competitiveness, Strategic Marketing, Technology, Processes, Banking Services, Services Quality

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CHAPTER 1

SCOPE OF THE STUDY

1.1 INTRODUCTION

Banking is regarded as a highly competitive industry. However, in recent times changing technology has influenced this dynamic even more. Service quality in particular has become a crucial element where banks can measure customer preferences. Service quality has widely been discussed since 20th century and its idea is still relevant to help today organizations in creating differentiation and gaining competitive advantage in an era of borderless world and globalization (Rao Kondasani & Panda, 2015). In quality management literature, service quality is often seen as a multi-dimensional construct. For example, Nordic school of thought suggests that effective service quality should have two important dimensions, namely technical quality (i.e., what customers received from services provided by an organization) and functional quality (i.e., how an organization delivers services to customers) (Ismail & Yunan, 2016). Later, the service quality construct has been modified and simplified by US school of thought where it proposes that effective service quality should have five specific dimensions, namely tangible (physical facilities, equipment, and appearance of workers), reliability (ability to perform the promised service dependably and accurately), responsiveness (willingness to help customer and provide prompt service), assurance (knowledge and courtesy of workers and their abilities to inspire trust and confidence), and empathy (caring, individualized attention the organization provides its customers) (Ismail, Rose & Foboy, 2016). This study will apply the dimensions of service quality in a bank environment.

1.2 BACKGROUND

Consumer perception of service quality is one of the most important factors to ascertain brand competitiveness, consumer satisfaction, attraction, and retention. With changes in the banking sector, bank competitiveness would depend greatly on service quality that is satisfactory with the potential to attract new and retain existing consumers. This study was conducted against the backdrop of both the changing banking sector and rebranding efforts of a participating bank in Cape Town. The perception of consumers was thought to be important indicator of service

quality measurement as program of competition and differentiation in commercial banks (Zopounidis, 2012). This is in addition to industry 4.0, new and emerging technologies and their impact on service provision, customer appetite for improved service quality and propensity changing taste, preference and lifestyle. This has resulted in more service from more banking service providers to choose from to the consumer including ones that are more flexible and responsive. Majority of complains relates to the right to demand good quality service which requires banks to listen to consumer requirements and complains. Profitable business cannot exist without satisfied consumers, especially in service-oriented industries.

The banking sector represents a highly competitive industry, because of banking structure and therefore determining services quality is very much an important component to assess its competitive position. It is argued that limited attention is given to aspects such as product design and dimensions of quality. Even less attention is given to services quality in an era where the level of competition has intensified (Ahmada, Ihtiyar & Omar, 2014; Camarate, & Brinckmann, 2017; Glowa, 2014). Without service quality the banking institutions may fail to deliver on critical strategic milestones which are financial inclusion. Financial inclusion involves improving the choice, quality and accessibility of financial services and products to the unserved, underserved and financially excluded. Values of financial inclusion include access, affordability, appropriateness, usage, quality, consumer financial education, innovation and diversification, and simplicity.

With an increase in factors such as foreign-owned banks and social media the level of options to banking consumers have increased. This has primarily been promulgated by digital technology resulting in greater responsiveness and flexible solutions to consumers (Sundaram, 2014).

Parasuraman et al.'s (1988) study developed a gap analysis model to measure the influence of service quality based on the integrated view of consumer-company relationship. The model refers to dimensions of service quality - tangible, reliability, responsiveness, assurance and empathy. For example, if consumers view that the implementation of quality dimensions in executing daily job will strongly fulfil their needs and expectations, this situation may lead to induced positive consumer behaviour. The essence of this perspective gained strong support from the service quality research literature (Ismail & Yunan, 2016).

We are in an age where consumer focus is strategically linked to performance in the banking industry (Sundaram, 2014). Until the advancement of technology very little focus was placed on the consumer and these efforts were largely disjointed. This was because the big banks had a monopoly in South Africa and found little use to analyse data and consumer feedback to bring about improved products and services. However, there were differences between the levels of service quality between branches but this was due to initiatives that were unique to some (Quyet, Vinh & Chang, 2015). Some branches provided better service by building a rapport with consumers over the years. Although such repeated interactions enabled bank staff to develop intimate knowledge about consumers and offer them personal attention, this knowledge was not shared with the institution and was certainly lost when the employees moved out. In addition, this was not an integral component of the organisational culture (Wang, Lo & Hui 2003).

Services are now more frequently measured by the consumer through a lens looking at professionalism, technology, infrastructure, knowledge and satisfaction to mention a few. Samli & Frohlich (1992) argued that service quality is directly related to success and to sustainability in today's competitive banking environment. Older sources in the literature suggest that gaining consumer loyalty is of paramount importance and the costs of retaining consumers are lower than the costs of acquiring new consumers (Dick & Basu, 1994).

Measuring services quality may be complex as certain characteristics such as reliability, tangibility, assurance, responsiveness and empathy are not easy to determine. For this reason indirect methods are employed in an attempt to determine perception of consumers (Tsoukatos, & Mastrojanni, 2010).

This situation becomes more complex if we refer to the services area, the offer of which greatly defines our times (service society). Such complexity lies in the specific characteristics of the services, such as intangibility, heterogeneity and simultaneity, which hamper their control and the assessment of their results, for which indirect methods are normally used through the perception of the clients (Hinson, Mohammed & Mensah, 2006).

Similar service regarding the determination of the quality of services of the selected bank is not on record. This drives the realisation of the investigation which will use a quantitative approach. In that sense this work will analyse the user quality perception of the services provided by the bank with a specific focus on multiple major branches in Cape Town. In this regard my study will contribute towards a conceptual foundation for investigating services quality.

For the context described above this approach includes a theoretical framework about service quality and SERVQUAL/SERVPERF models. Subsequently, the methodology used in the investigation is explained, followed by the presentation of the results. Lastly, the conclusions and final work reflections are presented.

1.2 PROBLEM STATEMENT

The major banks in South Africa have enjoyed extensive profitability over the years.

The emergence of digital solutions with lower-cost models launched by adjacent financial services players has changed the landscape within the sector. In this regard customers have been offered more responsive services. This has resulted in customer switching and reduced profitability to the major banks. The understanding of consumer perception in service quality in this regard is important for strategic marketing and competitiveness, image, branding; and the integration of key elements like policy, people, processes and technology. Following the amalgamation and rebranding of a selected bank in South Africa, the need to understand consumer perception of banking services is accentuated even more.

In the banking industry the level of service quality has been influenced by external and internal factors. Some of the internal factors include non-adherence to policy, procedure and limited skills of technology that have led to service failure, resulting in high staff turnover and subsequently lower service quality (Accenture, 2012). The banking sectors' competitiveness is linked to consumer perception and service quality (Camatrate & Brickmann, 2017).

The external factors include disruptive technology such as digital technological solutions that have allowed new entrants into the market. In this regard the traditional banks have experienced consumer switching as the new players in the market are offering more flexible solutions at lower costs. What is the perception of consumers on the quality of banking services? Is there a gap between consumers' perception of service quality and actual services? Banks have not been able to effectively measure services quality resulting in high rates of consumer switching as consumers seek better options for higher levels of satisfaction (Glowa, 2014).

This study has drawn on Parasuraman, Zeithaml, and Berry's (1988) SERVQUAL dimensions to address the research questions. These selected SERVQUAL dimensions are as follows:

Tangibles: These include the appearance of employees, physical facilities being offered and equipment which form part of service experience.

Reliability: The way the service is being delivered, that is, the ability to deliver the promised service precisely and consistently.

Responsiveness: Willingness to help consumers, respond to their queries and also to provide rapid service to them.

Assurance: Understanding and courtesy of staffs and their capability to inspire trust and confidence.

Empathy: Helpful, care about the consumers' requirements and the firm provides individualised attention to its consumers with compassion.

1.3 RESEARCH OBJECTIVES

The Objectives of the Research would be to:

- Understand consumers' perception of service quality in the banking sector;
- Determine the gap in consumer perception of service quality and actual service;
- Develop a service quality management framework to support banking service provision;
and
- To apply the SERVPERF model in a banking environment.

1.4 RESEARCH QUESTIONS

- What is level of consumer perception of service quality in the banking sector?
- Is there a gap in consumer perception of service quality and actual service?
- What framework can be used to support service quality management?

1.5 THEORETICAL FRAMEWORK

1.5.1 People

A dynamic element of the marketing mix is people (Paille, 2012; Carrel, Elbert & Hatfield, 1995). In the eyes of the consumer when they engage with banking staff, well trained and a motivated

employee are elements to the organizational image (Ikramullah & Shah, Sajjad, Hassan & Zaman, 2012). This is because their good behaviour or the nonexistence thereof, affects how the consumer perceives the service provider and the quality of service they are provided with (Paille, 2012). Contented employees provide a more efficient service to consumers and through this they help to build consumer trust, promote company benefits and evaluate the organizational performance as quality service delivery (Meyer & Allen, 1991).

1.5.2 Process

Process is the actual procedure, operation or activity taking place to deliver the service. There is a direct influence on management's understanding of banking processes in a way that meets consumer needs and requirements (Gupta, Dey & Singh, 2017). For any consumer to make an informed decision the operational flow are very important. When services become more specified the importance in the process becomes more evident (Wang, Huang, Wu & Li, 2014).

In the bank it's important for tellers to explain to consumers the process of making payments at teller counters, when this service is available at Automotive Transmissions Machines. When consumers make use of these electronic services, for example electronic banking, telephone banking or online finance applications they reduce queue time for banks and reduce the frustration consumers may have when they have to wait for service delivery in a queue (Thai, 2015).

1.5.3 Technology

The enhancements in technology based systems are the leaders in the industry as it has changed the perception how consumers views service delivery. With the development of internet banking platforms consumers views of the banking industry changed as consumers was very happy with the introduction of these platforms. This has placed much pressure on the banking industry to keep on developing new platforms of high tech services for consumers to interact with them.

High touch services are generally depended on individuals in the servicing process producing the service where high tech service is mostly and predominant automotive services. High touch services include physically resources and technology based systems that are managed and integrated into service processors. In addition, the level of advancements in technology in the

banking industry has been largely disruptive. Newer technologies have also been afforded to masses due to developments in mobile technology (McIntyre, Westland & Lillis, 2017; Nimish Radia, Hickey, Singh & Xu, 2015). That's why services in the banking industry include both high touch and high tech services.

1.5.4 Service Quality

Defining service quality is an action or activity which can be offered from one party to the other party (Agyapong, Agyapong & Darfor, 2011). Parasuraman et al.'s (1988) study developed a gap analysis model to measure the influence of service quality based on the integrated view of consumer-company relationship. The model refers to dimensions of service quality - tangible, reliability, responsiveness, assurance and empathy. For example, if consumers view that the implementation of quality dimensions in executing daily job will strongly fulfil their needs and expectations, this situation may lead to induced positive consumer behaviour. The essence of this perspective gained strong support from the service quality research literature (Ismail & Yunan, 2016).

Current research used a direct effects model to examine service quality in different service based organizations. Findings suggest that the when service providers practiced high levels of quality relating to tangibility, responsiveness, reliability, assurance and empathy in performing daily job functions positive consumer perceptions were enhanced (Al-Borie & Damanhour 2013; Ozturkcan, Aydin, Ates & Cetinet, 2009; Ismail, Zaki & Rose 2016; Baldwin & Sohal, 2003; Hussain, Nasser & Hussain, 2015; Rao Kondasani & Panda 2015).

1.5.5 Consumer Loyalty

Consumer loyalty is commonly understood as a consumer exhibiting behaviour of repeat buying which in turn is perceived as an indication of the level of attitude toward the quality of the service (Deng, Lu, Wei & Zhang, 2010; Gede & Sumaedi, 2013). This is better understood by corporate organizations in highly competitive environments. The quality of a service is associated with getting the consumer to reuse the service. This in turn influences the level of consumer loyalty. In this regard findings suggest that strong associations exist between consumer loyalty and service quality (Kuo, Wu & Deng, 2009; Saura et al. 2008).

Greater interest from organizations and from research has focused on consumer behaviour in relation to quality of good service. The good quality of service experienced by consumers will influence the demand of service in services related environments. In turn consumers are exposed to information and product/service aesthetics through social media. Consumers are therefore more exposed to options in the market and increasingly, organizations are required to understand the dynamics of consumer behaviour in relation to services quality (Kaura, Prasad & Sharma, 2015).

Contemporary studies in services marketing indicate that consumer loyalty is associated with service quality and consumer satisfaction (Muahmmad et al., 2015; Kitapci et al., 2013). Such studies have used indirect effects models in measuring consumer perceptions. This has been particularly prevalent in studies focusing on retail department stores. These studies indicate that the ability of service providers to implement high levels of intangibility, responsiveness, reliability, assurance and empathy in job functions strongly influenced consumer satisfaction and consumer loyalty (Bei & Chiao, 2006; Sivadas & Baker-Prewitt, 2000).

1.5.6 Consumer Satisfaction

In a quality management and marketing literature, consumer satisfaction is often viewed against transaction specific satisfaction ((Hwang, Jun, Chang & Kim, 2017; Rust & Oliver, 1994). Taking this perspective into account, consumer satisfaction is defined on the basis of several perspectives such as decisions made by consumers on service quality, product quality and price of a service or product (Parasuraman et al., 1991; Zeithaml et al., 1996). Such perspectives can also be seen as a consumer's personal experience from the service and equate this to the expected performance and actual performance (Fethi & Pasiouras, 2010; Churchill & Surprenant, 1982; Rosen, Surprenant & Rosen, 1998). These views suggest that consumer satisfaction can be achieved when consumer's needs have been met.

Several studies have investigated the relationship between service quality and consumer satisfaction (see Thai, 2015; Bellingkrodt & Wallenburg, 2015). Some studies have focused on the banking sector as banking products and services are very similar and used the level of service quality as a differentiator. Many studies (see Alves, Cavalcanti, Ferreira, De Sousa, Araujo & Pereira, 2015; Fragoso & Espinosa, 2017) have been conducted to explore the level of association between service quality and consumer satisfaction in retail banking. However, more

recent approaches included human and non-human related factors that have influenced the level of association between service quality and consumer satisfaction (Hennayake, 2017).

1.6 METHODOLOGY

Welman, Kruger & Mitchell (2005) describe research methodology as a scientific means of determining logic in line with chosen research methods and techniques. Scientific research can be categorized in numerous ways. Classification can be made according to the data collection techniques based on causality, relationship with time and the medium through which they are applied.

1.6.1 Research Approach

Research is conducted on the basis of a research philosophy or research stance. This stance underpins the thinking and practice behind research goals, objectives and research questions. A research philosophy is based on a belief about reality and how data is ultimately collated, analysed and interpreted. My approach for this work is to understand the phenomenon of services quality in the banking industry and to offer some contribution. Two concepts strongly associated with research approaches include epistemology and doxology. Epistemology relates to known facts about what is regarded as the truth whereas doxology relates to subjective interpretation of the truth. Epistemological thinking has always been subjected to change as the nature of problem diversity increases. Two major research schools of thought that have emerged include the positivist and the interpretivist perspectives (Singh, 2007).

Positivism is based on assumptions that reality is constant and that phenomena can be measured objectively (Singh, 2007). This view also implies that the research phenomena can be isolated and multiple observations can take place. In this way predictions can be determined on the basis of previous observations as well as explaining inter relationships between variables of study. For purposes of this study I will employ a positivist stance in understanding the phenomenon.

1.6.2 Target Population

Population refers to the group of people or things being considered for a research investigation (Coldwell & Herbst, 2004). In other words, population is the complete group of special population elements relevant to the research project (Zikmund, 2003). The target population in this study will be personal and business banking consumers of the selected branch.

1.6.3 Sampling Approach

A sample is defined as a subset of a population (Collins & Hussey, 2009) and it must be selected to represent the population. Hair, Black, Babin, Anderson & Tatham (2010) suggest that cost is in relation to sample sizes and the data collection procedures. Sreejesh, Mohapatra & Anusree (2014) state that a sample can be selected in two ways from a population-through probability sampling, or through non-probability sampling.

According to Hair et al. (2010) probability sampling is achieved through random selection which is based on a scientifically controlled procedure that ensures fairness of being considered for selection. The advantage of a probability sampling is that it allows an equal chance for participants to be selected as well as offering the opportunity to generalize the findings to the population interest. Sreejesh et al. (2014) maintain that in probability sampling, the sample size is the meaning of the deviation in the population study.

With regards to the implementation of this study it is not practical to obtain data from the entire population. Therefore, smaller denominations of the unit sample will be selected to represent appropriate attributes of the population (Collins & Hussey, 2009). This study will use probability sampling, in particular, simple random sampling.

1.6.4 Sample Size

According to Hair et al. (2010) confidence interval is a measure of how the sample accurately reflects the population and the margin of error is a percentage that describes how close the sample is to the true value. Three common standards of confidence intervals used by researchers are 90%, 95% and 99% (Hair et al., 2010). There are more than 10 branches of the participation bank in the Cape Metropolitan region. The population for this study is 100 and was made up of males and females, who are business consumers of the bank who visited the bank for business or individual transactions. The sample size was determined by the nature of data analysis proposed and the estimated response rate. Using a 95% confidence interval and a +/-

5% margin of error, the sample size for this study is 123 participants and will be comprised from two branches. Random sampling was selected to obtain the quality of service and the perception of the consumer. Consent will be obtained from each participating consumer before the questionnaire will be administered.

1.6.5 Quantitative Research

According to Welman, Kruger & Mitchell (2005) qualitative research adopts an anti-positivist stance. The anti-positivist perspective advocates a natural scientific method as the standard in human behavioural research. The anti-positivist view suggests that it's inappropriate to follow rigid scientific procedures when collecting and interpreting data. This view is also indicative of shortcomings of quantitative approaches in social science studies.

This study employed quantitative methodology to investigate the phenomena being investigated. My approach for this study is to understand the phenomenon of service quality in the banking industry and to offer some contribution. Two concepts strongly associated with research approaches include epistemology and doxology. Epistemology relates to known facts about what is regarded as the truth whereas doxology relates to subjective interpretation of the truth. Epistemological thinking has always been subjected to change as the nature of problem diversity increases. Two major research schools of thought that have emerged include the positivist and the interpretivist perspectives (Galliers, 1991).

Positivism is based on assumptions that reality is constant and that phenomena can be measured objectively (Galliers, 1991). This view also implies that the research phenomena can be isolated and multiple observations can take place. In this way predictions can be determined on the basis of previous observations as well as explaining inter relationships between variables of study. For purposes of this study I will employ a positivist stance in understanding the phenomenon.

I will employ a survey method in the selected branch. The survey will be administered to 100 consumers. These consumers will be selected on the basis of personal and business banking.

1.6.6 Data Collection

Primary data were collected through a survey procedure via questionnaires. The questionnaire will consist of four sections. The questionnaire was drawn from the SERVPERF model in quality and marketing studies determining the level of service quality. These include demographics, services quality (reliability, assurance, intangibility, physical, responsiveness and empathy, consumer satisfaction and consumer loyalty.

I have obtained permission from the bank's management team to conduct the study at two selected branches in Cape Town. Participants will be informed that participation in this study will be voluntary. Questionnaires will be administered to the banking consumers with the support of appointed staff members.

1.6.6.1 Questionnaire

A questionnaire was used in this study as the primary instrument for data collection. The questionnaire included closed-ended questions as these types of questions have been useful in obtaining information that could be easily quantified. The questionnaire consisted of 19 questions structured in such a way the recipients could complete easily. The questions could be answered by ticking the boxes or by selecting an answer from a list provided (see Appendix). This section discusses the process of developing the research instrument that was used in this study. The questionnaire is described in more detail in the methodology.

1.6.7 Target Population and Sample Design

Population refers to the group of people or things being considered for a research investigation (Coldwell & Herbst, 2004). In other words, population is the complete group of special population elements relevant to the research project (Zikmund, 2003). The target population in this study will be personal and business banking consumers of the selected branch.

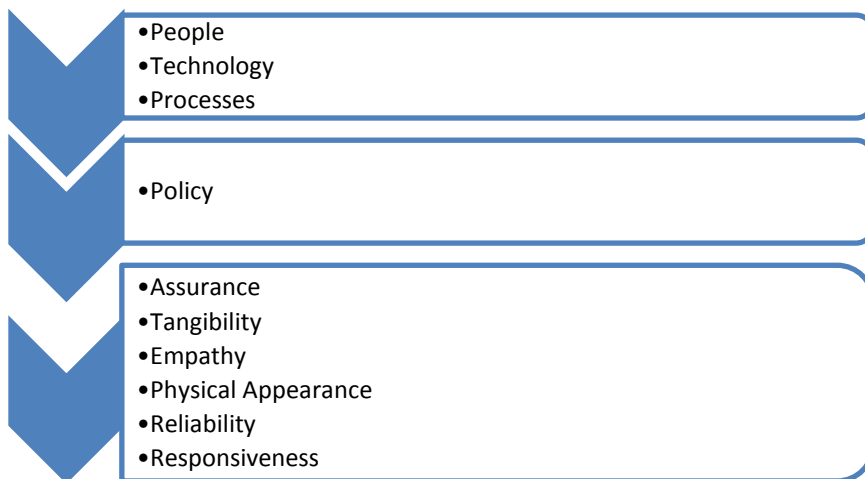
A sample is defined as a subset of a population (Collins & Hussey, 2009) and it must be selected to represent the population. Hair, Black Babin, Anderson & Tatham (2010) suggest that cost is in relation to sample sizes and the data collection procedures. Sreejesh, Mohapatra & Anusree (2014) state that a sample can be selected in two ways from a population-through probability sampling, or through non-probability sampling. This study will use probability sampling, in particular, simple random sampling.

According to Hair et al. (2010) probability sampling is achieved through random selection which is based on a scientifically controlled procedure that ensures fairness of being considered for selection. The advantage of a probability sampling is that it allows an equal chance for participants to be selected as well as offering the opportunity to generalize the findings to the population interest. Sreejesh et al. (2014) maintain that in probability sampling, the sample size is the meaning of the deviation in the population study.

According to Hair et al. (2010) confidence interval is a measure of how the sample accurately reflects the population and the margin of error is a percentage that describes how close the sample is to the true value. Three common standards of confidence intervals used by researchers are 90%, 95% and 99% (Johnson & Clark, 2006). Using a 95% confidence interval and a +/- 5% margin of error, the sample size for this study is 100 participants.

1.6.8 Data Analysis

Figure 1: Service quality model to determine service quality in the banking industry



SPSS v24 will be used to analyse the association between the independent variable, service quality (assurance, responsiveness, empathy, physical and reliability) and the dependent variables, consumer satisfaction and consumer loyalty. Descriptive statistics, correlation and regression will be used in this study. Descriptive statistics will be used to report on means,

range, standard deviation and variances for the demographic variables. Correlation statistics will be used to determine the association and strength of the association between the components of service quality. Correlation will also be used to determine the strength of the association between service quality, consumer satisfaction and consumer loyalty. Regression will be used to build a predictor model of consumer satisfaction and consumer loyalty.

1.6.8 Reliability and Validity

Neuman (2006) notes that that reliability and validity are primary issues in all forms of measurement. Both concepts relate to how measures are connected to specific constructs. Neuman (2006) suggests that reliability and validity are prominent because constructs in social theory are often evasive and not directly observable. Baker & Foy (2008) argued that responses to questionnaire can be taken as valid representation of underlying social phenomena relating to perceptions.

Singh (2007) & Babbie (2007) distinguish the two terms as follows:

Reliability provides an indication of consistency of measure relating to the, that is, the power of an instrument to produce approximately the same thing each time it is used. There are additional factors involved in measuring reliability. This includes stability and the issue of internal reliability relating to an index or scale.

Validity is a measure of concept which relates to the extent to which the concept measures the construct designed to measure. These two concepts are critically important as they are interrelated. On the contrary, there are instances where constructs in studies can be reliable even if it is invalid. Threats to both validity and reliability can be managed by means of appropriate research design. Reliability item analysis in SPSS will be used to determine the consistency of the scales in measuring the various constructs.

The results of quantitative questionnaire can be explanatory, confirming, or analytical. The quantitative method allows respondents to answer questions without any rush, can cover different geographical areas, respondents can choose when they want to answer the questions. It does not require any special skills or specialists with advanced knowledge (Grigoroudis & Siskos, 2010).

1.7 ETHICAL CONSIDERATION APPLICABLE TO THE RESEARCH APPROACH

Before answering the questionnaire, *consent* will be obtained from the participants in answering the questionnaire. Participation will be voluntary and they can withdraw at any time with no negative repercussions. They will be informed about the purpose of the study and the extent of the questionnaire. They will also be informed that non-participation will not affect the service delivery they expect from the branch. All information will be treated *confidentially* and the identity of all participants will be protected. They will be advised that the information will only benefit the organisation as it will help the branch office to improve service delivery to all consumers. *Risk and benefits* resulting from research will be fairly distributed, and those who participate will fairly benefit with the knowledge that are gained.

1.8 ORGANISATION OF THE STUDY

- **Chapter 1:** This chapter provides an introduction and background to the research context. The research procedure, research problem, the research objectives and the research questions are explained. The research assumptions and constraints are listed, together with the overall research design and methodology.
- **Chapter 2:** This chapter relates to the conceptual theoretical framework as well as the gaps in the literature.
- **Chapter 3:** This chapter relates to the research methodology and includes the research design, research context, research objectives, sampling framework, sampling criteria, interview procedures, data collection and data analysis.
- **Chapter 4:** This chapter relates to the results and includes descriptive statistics, description of the sample, correlation and regression statistics.
- **Chapter 5:** This chapter examines the data via analysis and interpretation in relation to the research questions and the literature presented.

- **Chapter 6:** This chapter presents the theoretical, practical, economic and policy implications. This section includes the recommendations for future research, strengths and limitations of the study.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

This section relates to relevant concepts influencing the level of service quality in the banking industry. The banking industry is characterised by high levels of competition as a result of disruptive technologies. The literature review also examines the various dynamics as a result of new entrants coming into the industry. Some of the dynamics that will be discussed include skills development in line with advancement of technology in the industry.

2.2 OVERVIEW OF BANKING

The banking industry has become very competitive with increasing options to consumers. The competitive environment has increased due to emerging businesses in the financial services industry. Businesses originated without a background in formal banking and explored new opportunities. This has continually changed the state of financial services in South Africa. In particular, digital technologies, low-cost operating models and supply-chain integration have changed the banking environment significantly. This has resulted in these emerging businesses seeking new opportunities such as improved online services to consumers (Ernst & Young, 2012).

The emergence of non-traditional players in the market has had a profound effect on the banking environment. With more options available to consumers the traditional banks in South Africa were forced to respond. In response to this threat in the environment the 'big banks' (Barclays Africa, Standard Bank, Nedbank and FirstRand) are attempting to find new ways to perpetuate dominance in the market (Camarate & Brinckmann, 2017).

Some of these innovative ways of improving current approaches included looking at key operational trends like digital transformation and data mining. By prioritising the aforementioned operational elements the banks could develop solutions to improve existing service offering to consumers. In this way they could compete more effectively with the new entrants in the market.

The discerning difference between the 'big four banks' and the emerging players are that the former has developed a sizable market share in the sector with particular reference to business and corporate banking consumers. In an attempt to maintain such advantage in the market these banks need to develop more effective ways of data mining and other forms of analyses in order to find efficient ways of maintaining market share.

Traditionally, the South African market has been profitable to the big banks. With the emergence of newer players not only has the banking landscape has changed but also the level of profitability. The three primary factors that have emerged in the market include the following:

- The emergence of digital technologies at lower operating costs initiated by emerging businesses such as financial services players (e.g. Discovery); The emergence of sector and industry-specific banks, closely integrated with broader supply chains, initiated by parastatal organisations such as the South African Post Office); and on-going transformation of the big banks to address changing consumer, regulatory and technology needs (Capgemini, 2012).

2.3 EMERGENCE OF DIGITAL SOLUTIONS

The financial services industry as a whole is rapidly evolving towards a far more open market. In the past decade the market has seen the inclusion of emerging players diversifying financial services offerings by introducing digitally-enabled banking solutions to provide better consumer experience at a lower cost. In the past insurance companies and loan providers are known for offering mass-market insurance and finance to individuals and existing businesses. However, with digital technologies financial services companies reshaped their offerings and entered the banking market.

2.4 INSURANCE

Over the past few years insurance companies have diversified their offerings. This included offering lending and savings schemes. Examples include Discovery's credit card facility, Old Mutual's Money Account that also acts as a transactional and savings account. Discovery also plans to start a retail bank which signifies a direct move to compete with the big banks (Camarate & Brickmann, 2017). The current era represents a time where organisations are

trying to understand changing consumer preferences in relation to digital technological solutions.

Another aspect in the business environment includes analysing consumer data in an attempt to expand the client base. Many large organisations have been examining data in order to influence repeat purchasing and retaining consumers. This includes offering loyalty or rewards programs in an attempt to make product/service offerings attractive. Financial services companies, particularly in the insurance sector have started to offer savings and investments schemes based on data mining strategies.

2.5 EMERGENCE OF SECTOR AND INDUSTRY-SPECIFIC BANKS

The supply chain in the existing banking sector was influenced with the emergence of new players. These companies have identified gaps in the industry and the need for more personalised services offered at lower prices. The literature suggests that in business banking the taxi industry presents an example of new opportunities that are unique to modern day banking.

The business needs of taxi operators appear to be uniquely positioned. One of the growing concerns of taxi operators is the high interest rate charges and limited access to finance. While the big banks have not responded to such changes in the economy and emerging industries, new players have filled such gaps. In real terms the financing needs of taxi operators exceed R40bn which primarily includes new vehicles. The historic interest rate charges offered by the big banks ranged between 16-18.5% which was too costly for the industry (Goldstuck, 2012).

The aforementioned represents a classic example of the manner in which the big banks continued to do business in South Africa. The emerging players in the industry identified these gaps and were more responsive. In addition, the collaboration of new players such as PEP and Post Bank created new challenges to the traditional banking industry. The combined real estate of PEP and Post Bank exceed that of the big banks collectively and have a wider network including areas some of the large banks have little to no presence (Capgemini, 2012). Due to such advantages the emerging players can leverage on existing distribution channel networks and compete far more effectively. Effectively this equates to offering a wider range of products and services at lower rates. The fact that such institutions can operate on a leaner basis and be more responsive to consumer requirements has raised new concerns for the big banks.

2.6 ON-GOING TRANSFORMATION OF THE FOUR UNIVERSAL BANKS

The big banks in South Africa instead of having a proactive stance in its strategic plan are now reacting to advancing disruptive technologies. In this regard they have incurred major investment with regards to digital technologies. In addition, far more emphasis has been placed on consumer satisfaction and consumer needs. The strategic plan now includes ways to improve risk management, operate more cost-efficiently and enhance client centricity through targeted products and improved on-boarding tools or channels.

There have been major changes as a result of consumer changing requirements, policy and technology (Schiuma, 2017). Some of these include implementation of emerging technologies to evolve or replace legacy systems, a strong focus on cyber and information technology, and digitising front and back-office operations. At the same time consumer needs are placed at the forefront compared to the past, particularly through electronic channels (Camarate & Brickmann, 2017).

The market is opening up far more as a result of the aforementioned changing trends. The market share that the big banks have occupied traditionally has been eroded with segment-specific challengers with a variety of competitors capturing a significant share in the industry.

The big banks have to become more innovative and responsive in the industry as technology continues to play a major role. The market share of the big banks will continue to be squeezed by the emerging players. It is therefore essential for banking operators to understand consumer requirements in the present and to anticipate future needs.

2.7 CONSUMER LOYALTY

As banks are increasingly under pressure to transform it has become imperative to measure consumer loyalty. Consumer loyalty is commonly understood as a consumer exhibiting behaviour of repeat buying which in turn is perceived as an indication of the level of attitude toward the quality of the service (Deng, Lu, Wei & Zhang, 2010; Gede & Sumaedi, 2013). This is better understood by corporate organizations in highly competitive environments. The quality of a service is associated with getting the consumer to reuse the service. This in turn influences the level of consumer loyalty. In this regard findings suggest that strong associations exist between consumer loyalty and service quality (Kuo, Wu & Deng, 2009; Saura, Frances, Contri & Blasco, 2008).

As indicated the level of service quality is linked to consumer loyalty. More broadly speaking consumer loyalty can be seen as repeat buying or the consumer intention to use the service again. Studies have found strong associations between service quality and consumer loyalty (Kuo et al., 2009; Saura et al., 2008).

Greater interest from organizations and from research has focused on consumer behaviour in relation to quality of good service. The good quality of service experienced by consumers will influence the demand of service in services related environments. In turn consumers are exposed to information and product/service aesthetics through social media. Consumers are therefore more exposed to options in the market and increasingly, organizations are required to understand the dynamics of consumer behaviour in relation to services quality (Kaura, Prasad & Sharma, 2015).

Contemporary studies in services marketing indicate that consumer loyalty is associated with service quality and consumer satisfaction (Muahmmad, Sharifah, Mohsin & Syamsulang, 2015; Kitapci, Akdogan & Dortyol, 2013). Such studies have used indirect effects models in measuring consumer perceptions. This has been particularly prevalent in studies focusing on retail department stores. These studies indicate that the ability of service providers to implement high levels of intangibility, responsiveness, reliability, assurance and empathy in job functions strongly influenced consumer satisfaction and consumer loyalty (Bei & Chiao, 2006; Sivadas & Baker-Prewitt, 2000).

2.8 THEORETICAL FRAMEWORK

The theoretical framework consists of four independent variables, people, processes, technology, policy and the dependent variable, SERVQUAL.

2.8.1 Technology

It is acknowledged in the literature that technology is having a major impact on banking (McIntyre, Westland & Lillis, 2017). The big banks have responded by adopting appropriate technology to migrate from physical channels and effectively downsizing branch networks. This is not merely a phenomenon to South Africa but is an experience shared globally. Are these measures taken by the big banks sufficient considering the magnitude of technology development?

These disruptive changes the banks are experiencing are driven primarily by innovation in information technology (Nimish Radia, Hickey, Singh & Xu, 2015). A concept known as peer-

to-peer lending represents a far more efficient way for lending and saving. This gap in the market has opened the door to SMEs operating in the banking industry. The new players are also competing directly with retail banks.

According to Nimish Radia et al. (2015) this means that more than 3 billion consumers globally, particularly in developing economies will look to mobile telecom operators, rather than chartered banks, to manage their money. In addition, the rise of crypto currencies like Bitcoin have also added to the existing complexities that exist in the banking industry (Sundaram, 2014). From the literature one can deduce that with several identified threats from several industries to banking, Bitcoin presents more of a future threat.

In this regard several emerging companies have started to specialise in certain areas within banking such as payments and lending. In Asia, some emerging companies have become market leaders in areas like mobile payments (Quyet, Vinh, Chang, 2015). There is also the possibility of new players such as GAFAs (Google, Amazon, Facebook and Apple) that may look to enter the industry with an approach of creating additional value to the consumer. As one can see increasing emphasis has been put on the consumer.

2.8.2 Banking Processes

As a result of the diversified market in the banking industry not only are the big banks adversely affected but there is also the advancement of foreign banks competing in the market. There is a direct influence on management's understanding of banking processes in a way that meets consumer needs and requirements (Gupta, Dey & Singh, 2017). Therefore, it is becoming more important to enhance competitiveness of traditional banks. In particular, securing the competitiveness of the big banks is important for successful reform.

The reform of historic strategies by traditional banks is important as the arrival of new entrants erodes profitability. In this regard the processes must be assessed in an attempt to reduce unnecessary costs and to improve overall efficiencies in banking operations.

This involves review of the execution of processes with regards to consumer satisfaction and services quality (Wang, Huang, Wu & Li, 2014). However, often initiatives and measures to determine operational efficiency is not done consistently (Fethi & Pasiouras, 2010). Contemporary research indicates that it is essential to determine the gaps regarding processes in the bank and operational efficiency. Equally it is important to determine not only what the gaps are but the type of intervention that is required (Chang, Jang, Li & Kim, 2017).

It is pointed out by Duncan & Elliot (2002) that service quality is inextricably linked to the nature of processes and ultimately influences the bank's short term profitability. The nature of processes in modern day banking includes things like duration to address consumer complaints, opening and closing of banking accounts, online support and the like. Contemporary approaches suggest that service quality is not only linked to the nature of processes and profitability but also to consumer satisfaction which influences consumer loyalty (Yun, Won & Park, 2016; Gummesson, 1998). It is also pointed out that as the level of competition intensifies in industry service quality and efficiency must be monitored more intensely.

Sometimes major changes in the environment can also influence the level of urgency for change. During the past decade, the financial sector in Ghana has undergone major changes mainly through the financial sector structural adjustment programme as part of the economic recovery programme. Business strategies such as mergers and acquisitions by big banks in an attempt to mitigate the effects of competition have influenced the dynamics of supporting business process efficiency.

It is important for banks to lure attractive and profitable consumers as a matter of priority. Banks are profit-seeking institutions that must provide acceptable returns to shareholders (Agyapong, Agyapong & Darfor, 2011). Therefore the banks' ability to improve business processes increases efficiency and reduces costs, service failures and increases sales and market share (Yun et al., 2016). Therefore, it is necessary to study the efficiency of business processes, service quality and consumer satisfaction. However, there are few studies suggesting a comprehensive approach to improving business process efficiency and service quality. This represents a gap in the literature that has not been previously addressed.

2.8.3 Policy

The literature suggests that the world in general and the banking industry specifically, are more complex now than they were a decade ago (Grosskopf, 2013). At the same time, a number of trends and developments are currently shaping the global landscape for financial services and in particular the banking industry, particularly since the global financial crisis in 2009 where new reforms were introduced.

The banking industry in South Africa has not been left unaffected by this. Demographic changes have a pronounced impact on the profile of economies around the world. Banks in South Africa are not excluded from this phenomenon and must anticipate these changes as

well as align products and services to their changing consumer base. Developing economies are experiencing significant population growth, specifically in economically active segments creating an attractive market for deposits, lending and transactional banking.

The level of service quality in the banking industry is also linked to legislation and policy (Capgemini, 2012). The South African banking sector has undergone significant changes over the past few decades with the introduction of the Banks Act of 1990. This was done in a time when a number of mergers and acquisition activity was taking place among the banks as well as some international banks entering the South African market.

The literature suggests that South Africa has a well-developed and highly regulated banking system which easily compares and even surpasses the developed countries' banking systems (Accenture, 2012). With increasing regulatory protocols in the industry there has also been an increase in compliance costs by traditional banks through money laundering legislation (FICA), consumer welfare legislation (FAIS), the National Credit Act and Consumer Protection Act.

The almost over regulatory burden in the industry has had a major impact on the banks to be increasingly more responsive to address consumer needs. In addition, the amount of time spent on training banking personnel to be knowledgeable of the regulations has its own dynamics. As people leave the banking industry the cost of retraining and level of services quality continues to be impacted (Hennayake, 2017).

The increase in regulatory reforms in the industry has had an impact on competitive dynamics and the implementation of Basel I, 2 and 3 which is directly impacting the traditional banks' ability to lend, the cost of lending and ultimately the pricing of banking products and services in the market. Often this has led to consumers switching banks and also opting for more flexible options (Hennayake, 2017).

2.8.4 People

People are at the heart of the bank's ability to produce acceptable levels of services quality. A relatively new concept even in banking is performance management. As the level of services quality is linked to people, the metric of performance is critical in determining gaps such as skill level deficiencies. Performance management is commonly used as a measure of performance in a work environment and makes extensive use of performance appraisals to measure such performance (Paile, 2012). Performance management is a management

technique that became very popular in the eighties as competition became more intensified and the impact of a globalised world (Carrel, Elbert & Hatfield, 1995).

Performance management typically involves salary structures, job design, skills development and leadership as key elements underpinning performance (Grobler, Wörnich, Carrell, Elbert & Hatfield, 2002). Other studies have looked at the long term success of performance management and how this impacts on the satisfaction of employees within the system (Ikramullah & Shah, Sajjad, Hassan & Zaman, 2012). Performance management in the main represents a strategy relating to the ongoing process of evaluating and managing both the behaviour and outcomes in the workplace.

People in the workplace are commonly associated with both performance and turnover. This can be classified into voluntary (resignation) or involuntary (dismissal or retrenchment) turnover (Capelli, 2004). Voluntary turnover can further be classified into functional, which is beneficial to the organisation – resignation of a poor performer – or dysfunctional – departure of a productive worker – which is detrimental to the organisation.

Many commentators have linked the advancement of technology as determinants of employee turnover (Kim, Price, Meuller & Watson, 1996; Kotze & Roodt, 2005; Samuel & Chipunza, 2009). Lee & Mitchell (1994) suggests that any individual's mobility is tempered by prevailing economic climate and industry conditions commonly referred to as market-related pull factors. This view is supported by Grobler & Warnich (2006) who determined that during economic upswings, the availability of jobs is high due to the prevailing conditions. Personal factors, which ultimately have the biggest impact on employee well-being, have also been highlighted as important drivers of employee turnover (Meyer & Allen, 1991).

Knowledge workers of the 21st century display occupational, rather than organisational commitment, possess skills that are in high demand and are characterised by high mobility (Horwitz, Heng & Quazi, 2003). Friedman, Hatch & Walker (1998) opine that the idea of 'a job for life' has become an 'oxymoron'. The situation has changed so much in recent years, that Capelli (2004) has described this change in retention as moving from tending a dam to managing a river: 'the aim is not to prevent water from flowing, but to control its direction and speed'.

This mobility is of great concern to organisations but particularly in the banking sector as disruptive technology has changed the dynamics significantly. The value associated with people is different compared to traditional perspectives. When employees leave the

organisation it is perceived as any tangible asset (Kinneer & Sutherland, 2001). The value of people in any modern day organisation is seen as a key contributor to the level of competitiveness of the company (Samuel & Chipunza, 2009).

There is also a popular belief that people tend to move from job to job. This is often referred to as job-hopping and it influenced by money. In South Africa there is also the added legislation such as Black Economic Empowerment with the main purpose of allowing more black professionals into the industry. Companies face penalties for non-compliance and therefore knee jerk initiatives have resulted in poor skills coming into the industry (Khanyile & Maponga, 2007).

Other findings suggest that the banking sector has not adequately contributed to the development of people in line with aforementioned environmental changes. Some of these findings suggest that black professional in particular face discrimination and isolation which contributes to higher job turnover (Khanyile & Maponga, 2007). The literature also suggests that banking organisations have not been flexible enough with increasing emphasis on hierarchy, rules and procedures and not driving a culture of innovation and responsiveness (Wisniewski & Donnelly, 1996; Jones, Hesterly & Borgatti, 1997). As the science of organisational theory developed over the years more focus is put on the rigidity of organisations not to change in line with contextual challenges. This has led to a dynamic academic debate focusing on alternative coping strategies and policies within the private and public sectors.

2.8.5 Services Quality and Consumer Satisfaction

The concept of services quality is relatively subjective; however, it has become increasingly important as a measure of performance in modern day organisations. The concept of services quality is measured in various ways. Gronroos (1984) pointed out that services quality is a measure of how the services are delivered. Parasuraman, Zeithaml & Berry (1985) proposed SERVQUAL model to define services quality. This model was used to determine the gap between consumer expectations and perceptions of 22 items in five dimensions including tangibility, reliability, responsiveness, certainty, and empathy, and is most widely used for measuring service quality in service industries, including banking.

Recent studies used the SERVQUAL model in evaluating services quality in the banking industry (Hwang, Jun, Chang & Kim, 2017; Schiuma, 2017; Fethi & Pasiouras, 2010). These studies concluded that managers in banks can benefit with a greater understanding of product quality and services quality and in this way enhance the bank's reputation.

It is important to understand and to clarify the definition of consumer satisfaction. The concept refers to a happy consumer as well more complex forms of satisfaction. Consumer satisfaction has become a widely acknowledged term in modern day organisations and commerce. It is typically a measure of the level of business performance with regards to a company's products and services and a specific focus on the consumer. The term consumer satisfaction is often seen as a company's key performance indicator (KPI). In a competitive environment such as banking, consumer satisfaction is seen as a vital part of the company's business strategy.

There is substantial literature suggesting that consumer satisfaction is linked to organisational success. Equally it is acknowledged that consumer satisfaction influences all organisations globally irrespective of size, profit or non-profit, local or multi-national. Consumer satisfaction is holistically described as the difference or gap between consumers' expectations and experience performance after using a service and/or product (Ahmad, Ihtiyar, Omar, 2014).

The value of the use of the model is highly commended. It is pointed out that with more importance placed on service quality, future studies should examine more specifically service quality of consumers' visiting and revisiting decisions (Chang et al., 2017). Chang et al. (2017) point out that consumer satisfaction should be mostly influenced by reliability, tangibility, and empathy. In addition, Chang et al. (2017) argued that future studies should look to do comparative studies between branches with regards to factors influencing consumer satisfaction.

2.9 CHAPTER SUMMARY

The banking industry has become very competitive with increasing options to consumers. The competitive environment has increased due to emerging businesses in the financial services industry through disruptive technologies. In particular, digital technologies, low-cost operating models and supply-chain integration have changed the banking environment significantly. The big banks have responded by adopting appropriate technology to migrate from physical channels and effectively downsizing branch networks. This is not merely a phenomenon to South Africa but is an experience shared globally. As a result of the diversified market in the banking industry not only are the big banks adversely affected but there is also the advancement of foreign banks competing in the market. There is a direct

influence on management's understanding of banking processes in a way that meets consumer needs and requirements. The almost over regulatory burden in the industry has had a major impact on the banks to be increasingly more responsive to address consumer needs. In addition, the amount of time spent on training banking personnel to be knowledgeable of the regulations has its own dynamics. People are at the heart of the bank's ability to produce acceptable levels of services quality. A relatively new concept even in banking is performance management. As the level of services quality is linked to people, the metric of performance is critical in determining gaps such as skill level deficiencies. Greater interest from organizations and from research has focused on consumer behaviour in relation to quality of good service. The good quality of service experienced by consumers will influence the demand of service in services related environments. It is important to understand and to clarify the definition of consumer satisfaction. The concept refers to a happy consumer as well more complex forms of satisfaction. Consumer satisfaction has become a widely acknowledged term in modern day organisations and commerce.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter will describe the statistical methodology and procedures that were followed in this study. A survey method was employed to collect quantitative data in a local bank in Cape Town. Leedy & Ormrod (2005) describes scientific research in terms of a process where data is collected and analysed to determine particular conclusions regarding certain phenomena. The questions were designed to obtain data relating to consumer perceptions of the selected local bank. This chapter explains the research design, research philosophy, research approach, population, sampling framework, data collection, validity, reliability and ethical considerations.

3.2 RESEARCH PHILOSOPHY

A research philosophy defines the belief about the manner in which data about a particular phenomenon being investigated should be gathered, analysed and applied. Generally, research philosophy influences the research paradigm with regards to either quantitative or qualitative approaches. The term epistemology (what is known to be true) as opposed to doxology (what is believed to be true) underpins diverse philosophies of research approaches. The purpose of science on this basis is the process of transforming things believed into things known: doxa to episteme. In this regard two primary research philosophies have been commonly identified, namely positivist (or scientific) and interpretivist (antipositivist) (Galliers, 1991).

3.2.1 Interpretivism

Interpretivism is regarded as a concept linked with contradictory epistemology (Bryman, 2012). Interpretivism's outlook is that phenomena and reality cannot be interpreted objectively but should instead be understood through collective constructivism. The study of phenomena in their natural environment is a key element to the interpretivist philosophy, together with the understanding that researchers cannot avoid affecting those phenomena they study. According to this approach there may be many interpretations of reality, but maintain that these interpretations are in themselves a part of the scientific knowledge they are pursuing. This approach suggests that in social sciences people and institutions are fundamentally different to that of natural sciences.

3.2.2 Positivism

Positivists believe that reality is stable and can be observed and interpreted objectively, i.e. without interfering with the phenomena being studied (Levin, 1988). They maintain that phenomena should be isolated and that observations should be repeatable. This often involves manipulation of reality with variations in only a single independent variable so as to identify regularities in, and to form relationships between, some of the constituent elements of the social world.

Predictions can be made on the basis of the previously observed and explained realities and their inter-relationships. "Positivism has a long and rich historical tradition. It is so embedded in our society that knowledge claims not grounded in positivist thought are simply dismissed as unscientific and therefore invalid" (Hirschheim & Klein, 1989). This view is indirectly supported by Alavi & Carlson (1992) who found that all the empirical studies were positivist in approach. Positivism has also had a particularly successful association with the physical and natural sciences. On this basis my reality was based on a positivist approach in obtaining a better understanding of the phenomena being investigated.

3.3 Research Design

It is the blueprint for conducting the study that maximises control over factors that could interfere with the validity of the findings. Designing a study helps the researcher to plan and implement the study. In this way I was able to obtain the intended results, thus increased the chances of obtaining information that could be associated with the real situation (Burns & Grove 2001).

3.3.1 Approach

The study followed a quantitative approach with a cross sectional design (Collins & Hussey, 2009). Research is conducted on the basis of a research philosophy or research stance. This stance underpins the thinking and practice behind research goals, objectives and research questions. A research philosophy is based on a belief about reality and how data is ultimately collated, analysed and interpreted. My approach for this study is to understand the phenomenon of service quality in the banking industry and to offer some contribution. Two concepts strongly associated with research approaches include epistemology and doxology. Epistemology relates to known facts about what is regarded as the truth whereas doxology relates to subjective interpretation of the truth. Epistemological thinking has always been subjected to change as the nature of problem diversity increases. Two major research

schools of thought that have emerged include the positivist and the interpretivist perspectives (Galliers, 1991).

Positivism is based on assumptions that reality is constant and that phenomena can be measured objectively (Galliers, 1991). This view also implies that the research phenomena can be isolated and multiple observations can take place. In this way predictions can be determined on the basis of previous observations as well as explaining inter relationships between variables of study. For purposes of this study I have employed a positivist stance in understanding the phenomenon.

The primary data was collected from a sample of 123 participants, of which all were polled using a questionnaire. The researcher was based inside the branch and cooperated with branch management to select the participants. Hard copy questionnaires were given directly to the participants inside the branch.

After the questionnaires were received back from the participants the data was entered into Excel. The data was then exported into SPSS v24 and a codebook was originated. The data was coded and cleaned. The purpose of this procedure was to get the data ready for statistical analysis, inferences and interpretations.

3.3.2 Study Area

The study was conducted at two local branches of the selected bank in Cape Town. These branches were based at Canal Walk and N1 City respectively. These branches were selected after an in-depth discussion with the banking management. Some of these reasons related to the diverse range of banking consumers that frequented these branches. Secondly, the selection was based on a decline in service quality levels over the past few years. In this regard management of these branches had a vested interest in determining the current levels of service quality. These branches were found to be used primarily for personal and business banking purposes and were identified as ideal targets.

3.4 POPULATION

A population is defined or conceptualised in research as the total group being investigated as specified by the primary objectives of the study. Polit & Hungler (1999) refer to the population as an aggregate or totality of all the objects, subjects or members that confirm to

a set of specifications. According to Brassington & Pettitt (2000) a larger sample size implies greater confidence about the population of interest. The target population for the questionnaire used was South Africans, currently banked or interested in banking facilities or accounts, aged between 18 and 65 years old. The population concerned in this study involves existing consumers of two branches of local bank in Cape Town.

3.5. SAMPLING TECHNIQUES

For the purposes of this study the researcher used a questionnaire and a questionnaire guide was used to construct the questionnaire. The participants were chosen through purposive sampling which entailed selecting specific participants (cases) that met the criteria of the study (non-sampling method) and enable the researcher to access relevant data for the study, as elaborated on below (Dudovskiy, 2017; Terre Blanche, Durrheim & Painter, 2006).

While purposive sampling was considered for the study, due to the fact that it encompassed a select group of participants, according to certain parameters, is a cost and time effective method, in this case it was not selected. It however had the disadvantage of possibly leading to higher levels of bias, creating the inability to generalise from the study and may have created vulnerability in judgement for the researcher (Dudovskiy, 2017). Convenience sampling principles was used for this study, which entailed subject selection based on their accessibility and proximity to the researcher.

The research participants for the study included a cross section of banking consumers (limited to two branches) who used the bank for personal and business banking services. The criteria for selecting the sample were therefore based on the following:

- The participant must be an existing consumer;
- The participant can be of any race and either sex;
- The participant must reside within South Africa;
- The participant must be 18 years or older; and
- The participant must be willing to participate.

A pilot study was undertaken prior to the full study being done. This will be elaborated under 3.7.

3.5.1 Selection of the Sample and the Sampling Technique

Due to the technical complexity of gathering data and a high non-response rate in studies undertaken in the banking industry, a purposive sample of 150 respondents was targeted from both branches. The final sample size of 123 was adequate to provide reliable and valid data to answer the research questions and develop generalizations about the study phenomena (Hair et al., 2010). The selection of the sample was conducted in conjunction with consumer relationship management in the branch. As the bank could not make a database available due to the bank's policy I was assisted through management by access to a pilot sample. This procedure is explained below. Conducting a survey in a banking environment has been proven to be challenging considering the sensitivity of money. As a result of the sensitivity the banking staff initially communicated the purpose of the study to potential consumers that entered the bank. After this initial screening process the consumers were assigned to a room where the survey was conducted. In this regard a convenience sampling technique was used in this study.

3.6. DATA COLLECTION METHODS

The primary method of data collection included a survey method involving a structured questionnaire which the participant completed with appropriate and clear instructions. The researcher obtained permission from management to conduct the research study and to approve the data collection procedures, where applicable. In addition, the researcher obtained informed consent from all participants prior to the commencement of the study. Participants were informed that participation in this study was voluntary. The questionnaire was used to collect data on participants' perceptions towards service quality.

The researcher chose a quantitative approach, such that this method research approach was used to achieve the objectives as set out by the researcher. The questionnaire formed the primary quantitative data collection instrument, as surveys and questionnaires were mainly used to gather this type of information.

For purposes of the study only primary data sources were used and/or consulted. The questionnaire therefore formed the basis of the primary data collection tool, of which the questions were structured such that quantitative primary data was received for further analysis.

The questionnaire was used to collect data on the perceptions and understanding of participants towards service quality of the bank, particularly reliability, tangibility, assurance, responsiveness and empathy. Additionally, the researcher attempted to investigate a series of service delivery perceptions based on their personal experiences, information gathered from their surroundings and reactions to observed system dysfunctions.

A covering letter was included to explain the purpose of the study, the background to this study, contact details for the researcher, as well as the value this study would have for the researcher. A Likert-scale was employed as the rating tool as this is the most common understood scale, where each question was accompanied with a rating tool, with the respondent choosing a value or option between the two extremes (Halperin & Heath, 2012: 261).

3.6.1 Research Instrument (Questionnaire Design and Survey)

Chapter 1 clarified that the most commonly used method to gather data about the population is through a survey procedure. A questionnaire was designed and directed at banking consumers who were using the branch for personal or banking purposes. Based on an extensive review of the literature, a draft of the questionnaire was prepared. The survey included closed-ended questions as these types of questions have been useful in obtaining information that could be easily quantified. The questionnaire consisted of 19 questions structured in such a way the recipients could complete easily. To further simplify the process of collecting the data, the study was conducted face-to-face in order to clarify any unclear questions. The questions could be answered by ticking the boxes or by selecting an answer from a list provided (see Appendix). This section discusses the process of developing the research instrument that was used in this study. A 19 item survey instrument was developed and constituted of 3 broad sections. Section 1 focused on demographics (Gender, Age and Educational levels) whilst section 2 focused on SERVQUAL, a widely used construct in services related industries. The respondents were asked to select related level of satisfaction with regards to various dimensions of service quality – Tangibility, Physical Appearance, Responsiveness, Reliability, Assurance and Empathy with respect to the branches. Section 3 focused on the independent variables, People, Technology, Process and Policy.

3.6.2 Primary Data Collection

The primary data was gathered using a survey in the branch for its suitability to obtain relevant data for specific study, conveniently and minimal financial demands. Two field

workers were employed to assist in collecting the primary data. The questionnaires were chosen as they are quicker to administer, and more importantly, interviewer variability would be eliminated. This method also mitigated for subjectivity of participant responses. Due to time constraints and the sensitivity of the environment during pilot survey, the field workers were supported by management to administer questionnaires directly to the suitable respondents within the respective branches. No open ended questions were included in the questionnaire and this is noted as a limitation in the survey. However, due to time constraints and discussion with management only closed ended questions were used.

3.7 PILOTING (REASONS FOR PILOTING)

Prior to the actual research the questionnaires were tested to ensure validation of the study, for specificity and ease of comprehension. The questionnaire was piloted among a sample of 25 banking consumers from both branches. The contribution of the study areas were as follows Canal Walk 13 and N1 City 12 comprising 25 participants. The purpose of the pilot sample was to determine clarity of the questions as well as the duration of the survey. The purpose of the pilot was also used to explain to banking consumers the purpose of the survey. To ensure the integrity and the questionnaire within the study, a pilot study (pre-testing) was undertaken with the 25 participants to ensure that the research collection tool was not ambiguous in any way. The sample for the pilot was obtained after in-depth discussions with management. The participants were surveyed at different time periods; however, the surveys were conducted during the mornings. Additionally, the full process was tested including the covering letter, distribution medium, and data collection. In the event of any errors or ambiguities that arose, the questionnaire was rectified and adjusted to the same group of participants. The feedback from the pilot phase was positive and no problems were experienced. Participants understood the purpose and clarity of the questions. On average a questionnaire took about 10 to 15 minutes to complete. In this regard no changes were made to the questionnaire.

3.8 RELIABILITY AND VALIDITY

The purpose of reliability is to ensure consistency (Treiman, 2009). Researchers indicate that reliability is a measure of consistent results when the research is repeated (Collis & Hussey, 2013; Weiner, 2007). Other perspectives suggest that research findings in a study will remain unchanged if the same measurement is repeated over time (Treiman, 2009). As

this research study measures opinion and attitude the reliability of results is important to ensure consistency.

For the purpose of the current study, reliability of responses was tested using Cronbach alpha and SPSS. It is commonly accepted that an indicator of reliability is Cronbach's alpha scores above 0.60. Nunnally (1978) states that a Cronbach's alpha of 0.55 is acceptable for basic and exploratory research (Zikmund et. al, 2013).

Validity is related to the accurate measurement of the fundamental concepts. Collis & Hussey (2013) and Treiman (2009) describe it as an indicator of a measuring instrument's ability to quantify what it supposed to measure. There are generally two kind of validity; external and internal validity. External validity defines generalisation of data across persons, settings as well as time while internal validity ensures the ability of the instrument to measure what it is professed to measure. The current study is based on content validity.

3.9 QUANTITATIVE DATA ANALYSIS

The empirical findings collected using 6 point Likert Scales has been converted into numerical values, aggregated and prepared by means of coding, code cleaning and finally come up with various response classifications. Averages were drawn from frequency tables and the grouping of data according to the purpose of visit, the hotel grading and hotel product innovation category. The descriptive statistics enabled the analysis of raw categorical data using frequencies – means, variance and standard deviation. The demographic, dependent and independent variables were analysed based on purpose of visit, branch, and top characteristics of the bank, age profile, education level and gender of the participants.

3.9.1 Method for Data Analysis

This study incorporated various statistical methods to analyse various types of data. Standard quantitative methods were employed to analyse quantitative data from closed-ended questions. The data was captured on Microsoft Office Excel sheet before imported to the SPSS version 24 statistical software package. Descriptive statistics by means of frequency tables were constructed. The frequency data were used to measure demographic variables. Thus, the data was summarised and presented in tables and graphs. Data analysis in the study was achieved through SPSS version 24.

Through the various categories, conclusions and inferences were drawn and discussed further. The results will further be analysed with the findings presented in the form of discussions, tables, and graphical illustrations. Thereafter, certain linkages will be concluded for correlation purposes.

Correlation and multiple regressions were used to analyse the relationship between dependent variable – service quality and independent variables – people, technology, processes and policy using SPSS as indicated. With correlation statistics I was attempting to obtain a measure that indicated the extent to which two or more variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases. The researcher engaged the pilot study to verify the proposed findings and framework generated (Denzin & Lincoln, 1994), which gave rise to the final questionnaire. In this way the quantitative dimensions were integrated into the final survey questionnaire.

To analyse and present the findings, the quantitative data collected were processed and analysed in an integrated manner such that the results were merged and analysed accordingly, to give rise to meaningful data. This was interpreted and represented graphically and explained where required.

3.10 FIELD WORK CHALLENGES

- The banking environment present a very sensitive space due to the fact that people regard the custodians of monies as highly confidential;
- Banking consumers were generally not eager to spend more than 10 minutes per questionnaire;
- The bank decided on the branches to be surveyed; and
- Access to a wider spectrum of banking staff was not possible. This was limited to customer services banking employees.

3.11 ETHICAL CONSIDERATIONS

The participants were the main stakeholders and were selected from with the assistance of branch management in the respective branches. To manage the stakeholders, effective communication and explanations were employed in writing such that there was an understanding and assurance of the results and confidentiality.

The researcher administered the questionnaires physically where possible such that the objective of the research was clear to the participants, where they can choose to participate or not, and where their data and responses are confidential. Also, it would be easier and quicker to administer the questionnaires electronically, with the rise of mobile phone use and social media platforms to allow items to spread easier and quicker than before (Schivinski & Dabrowski, 2016).

A major risk associated with the research project is that of breach of confidentiality/trust. As the researcher will not require/ keep any personal information from the participants, this risk would be mitigated.

Additionally, the only other risk was the number of responses received. To anticipate a low response to the survey the branch management were cooperative in clarifying the purposes of the study to the consumers in the branch.

Lastly, as this was not an experimental research there is no ethical concerns and the personal views of the participants were accepted without being prejudicial to the individuals involved in the study.

3.12 DELIMITATIONS AND LIMITATIONS

3.12.1 Delimitations

For the study, the following would constitute delimitations:

- Certain number of limited variables – Due to practicality purposes, only a specific number of variables were covered in the study, with other possible contributing variables being excluded from the scope of the study; and
- A cross section of the population was polled.

3.12.2 Limitations

For the study, the following would constitute limitations:

- Limited geographic scope – The study will only cover the two branches in Cape Town. This may affect the bias of the results to the specific area, with the results possibly not being able to be generalised.

3.13 CHAPTER SUMMARY

The study followed a quantitative approach with a cross sectional design. The primary data was collected from a sample of 123 participants, of which all were polled using a questionnaire. The researcher was based inside the branch and cooperated with branch management to select the participants. Hard copy questionnaires were given directly to the participants inside the branch. After the questionnaires were received back from the participants the data was entered into Excel. The data was then exported into SPSS v24 and a codebook was originated. The data was coded and cleaned. The purpose of this procedure was to get the data ready for statistical analysis, inferences and interpretations. The study was conducted at two local branches of the selected bank in Cape Town. These branches were based at Canal Walk and N1 City respectively. These branches were selected after an in-depth discussion with the banking management. Due to the technical complexity of gathering data and a high non-response rate in studies undertaken in the banking industry, a purposive sample of 150 respondents was targeted from both branches. The final sample size of 123 was adequate to provide reliable and valid data to answer the research questions and develop generalizations about the study phenomena. This study incorporated various statistical methods to analyse various types of data. Standard quantitative methods were employed to analyse quantitative data from closed-ended questions. The data was captured on Microsoft Office Excel sheet before imported to the SPSS version 24 statistical software package.

CHAPTER 4

RESULTS AND FINDINGS

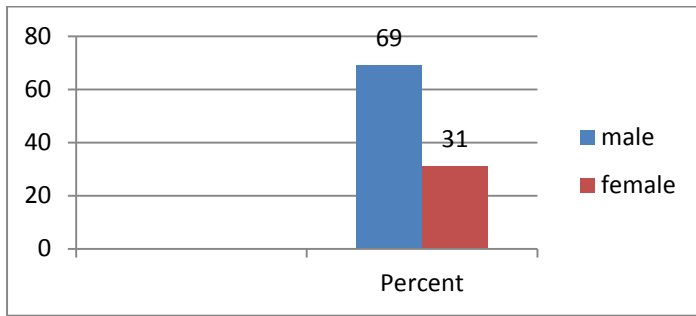
4.1 INTRODUCTION

The preceding chapter clarified the steps for conducting this study. The main focus is on the process of data collection from a sample of 123 participants. The study areas, research instrument and the fieldwork challenges were explored. This chapter depicts the results of the survey conducted, diverse sample characteristics (n = 123) of banking consumers from a selected bank in Cape Town. This chapter presents and illustrates the results derived from the survey. The respondents were drawn from two branches in Cape Town (N1 City and Canal Walk). A total of 123 responses were received from targeted 150 respondents which constitutes an 82% response rate for the survey. The responses collected from the survey have been analysed with SPSS version 24 software. Tables and graphs presented summarize the responses in relation to the key variables investigated in the study. This chapter describes the results through descriptive, correlation and regression statistical analyses. In section 1 demographic data are described and this relates to age, gender, reasons for banking, top characteristics of the bank etc. In section 2 correlation statistical testing is conducted. This included correlating the independent and dependent variables. In section 3 stepwise regressions is conducted where independent variables are entered into a model independently to determine the impact on the dependent variable.

4.2 SECTION 1 – DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE

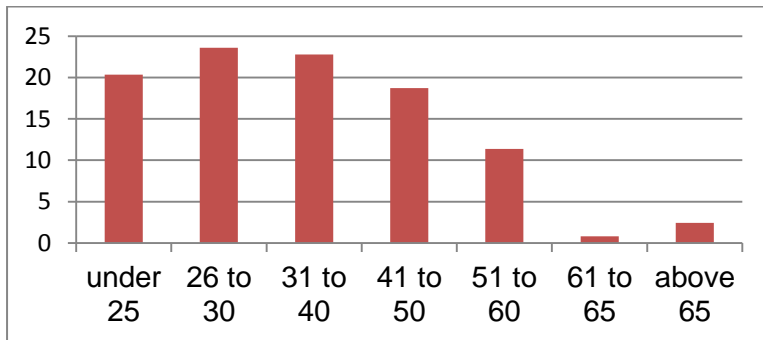
Sample characteristics and demographics are presented in tables 1 to 15 which depicts gender, age, branch, employment status, reasons for banking, internet banking, number of years at the bank, top 5 characteristics of the bank and the SERVQUAL variables. Therefore, this section is divided into 3 areas.

Table 1: Gender



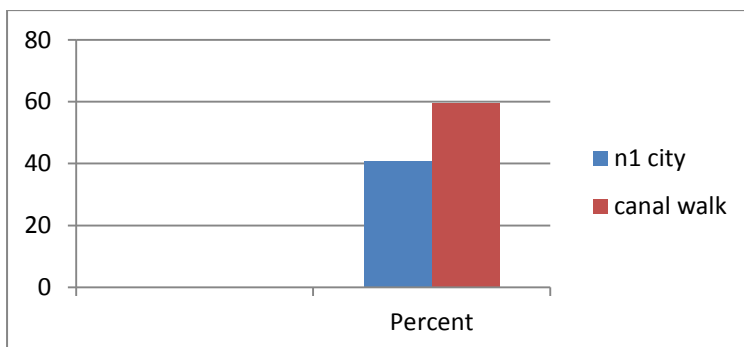
According to table 1 the majority of the participants were male consumers. This is represented by 69% (male consumers) compared to 31% (female consumers).

Table 2: Age



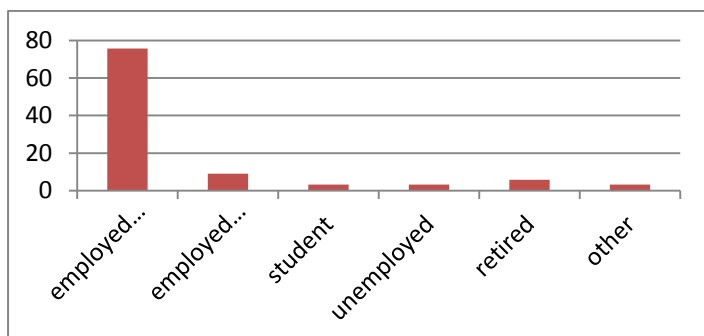
The majority of consumers are comprised of people under the age of 40 (see table 2). The age category 26 to 30 is represented by 24%. The age category 31 to 40 is represented by 23%. The age category under 25 is represented by 20%.

Table 3: Branch



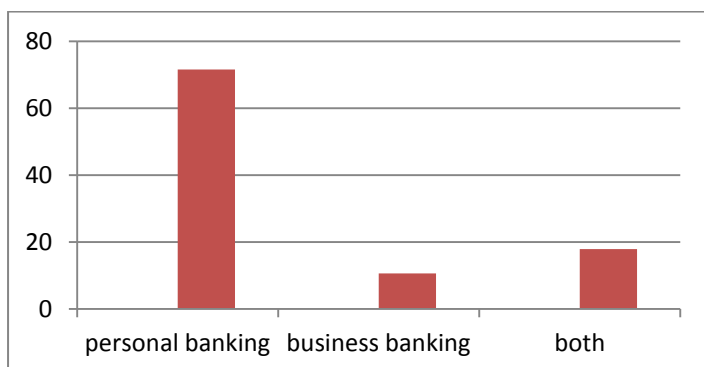
The majority of the participants were from Canal Walk branch and this is comprised by 59% (see table 3).

Table 4: Employment Status



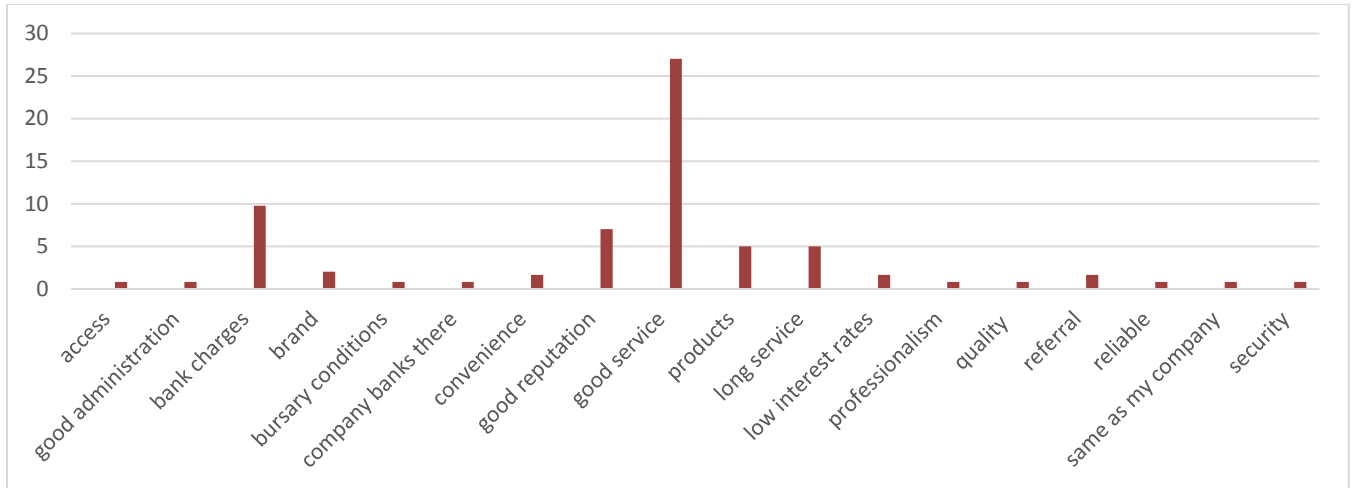
Most of the participants are comprised by employed persons and is represented by 76% (see table 4). Part time employed persons are comprised of 9%. The category, “other” is represented by self-employed persons and is comprised of 3%.

Table 5: Reason for Banking



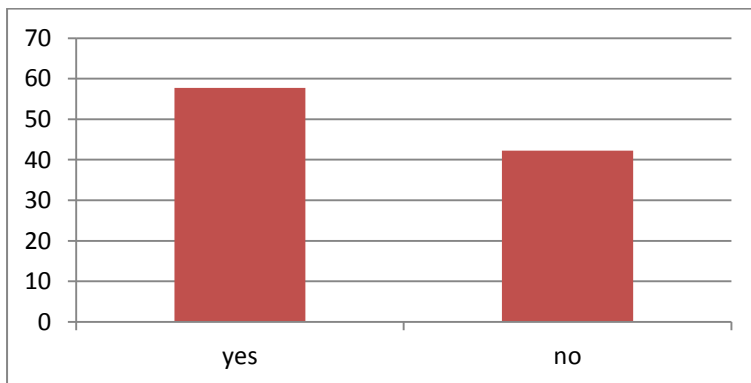
The majority of the participants indicated that the main reason for choosing the bank is for personal banking and is represented by 72% (see table 5). Participants that indicated business banking as a reason for choosing the bank is represented by 11%.

Table 6: Top 5 characteristics of the bank



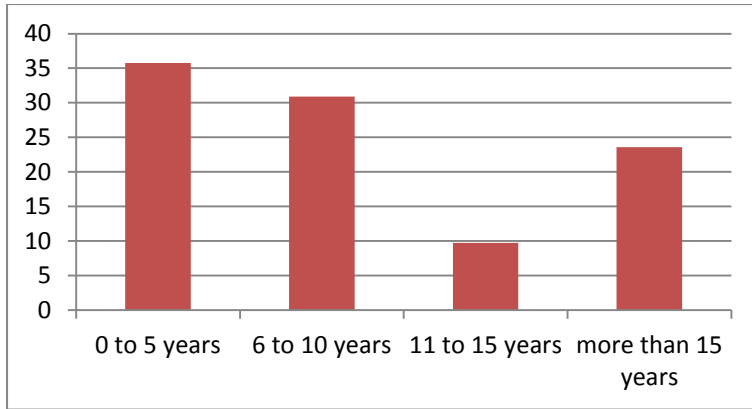
Participants indicated that good service is the main characteristic associated with the bank and this is represented of 27% (see table 6). Bank charges were indicated as the second most important characteristic associated with the bank and is represented by 10%. The third most important characteristic is good reputation and this is represented by 7%. Long service and products are listed as the fourth most important characteristics and are represented by 5%.

Table 7: Internet banking



Internet banking is regarded as an important feature in modern day banking (see table 7). The majority of participants indicated that they use internet banking and this is represented by 58%.

Table 8: Number of years at the bank



Consumer loyalty is an important parameter for modern day banking (see table 8). Consumers who are banking with the bank for more than 10 years are represented by 34%. New consumers are represented by the category “0 to 5 years” and this is comprised of 36%. Equally important are consumers banking for more than 5 years (6 to 10 years) and this is represented by 31%.

4.2.1 Services Quality

This section presents descriptive statistics for the dependent variables - Physical Appearance, Reliability, Responsiveness, Empathy, Assurance and Tangibility (see table 9). The descriptive statistics include mean, standard deviation and variance measures. These measures are reported on individual items per construct as well as a combined measure.

Table 9: PA Descriptive Statistics

Item	Mean	Standard deviation	Variance	Question
PA1	5.19	0.89	0.79	The physical appearance of the bank is attractive
PA2	5.11	0.99	0.99	The bank has technologically advanced equipment
PA3	5.20	0.87	0.75	Staff is tidy and presentable
PA4	5.00	0.96	0.92	Services of the bank are attractive
PA5	4.89	1.11	1.23	Extra services are attractive
Combined average	5.08	0.78	0.61	

Five factor items were used to measure physical appearance. PA3 referred to the tidiness and how presentable the staff was and this had the highest mean value (5.20). PA5 referred to extra services provided and this had the lowest mean value (4.89). In all categories there

were minimum values of 2 which referred to the lowest ratings on the construct, however, there were also maximum values of 6. The overall mean value for this construct is 5.08 denoting a moderately to high level of services quality.

Table 10: Reliability Descriptive Statistics

Item	Mean	Standard deviation	Variance	Question
R1	4.80	1.14	1.29	The bank fulfills the promised services on time
R2	5.02	1.03	1.06	The staff are reassuring and friendly when there is a problem
R3	4.64	1.24	1.53	The bank fulfills the services instantly
R4	4.92	1.14	1.29	The banking fee structure related to banking products and services is fair and reliable
R5	4.93	1.08	1.17	This branch provides its services within reasonable time frames
R6	5.05	0.93	0.87	Queries in the branch are dealt with efficiently and promptly
R7	4.83	1.06	1.13	Staff give consumers individual attention during consultation times
R8	4.76	1.20	1.43	Services in the branch are performed at first time resolution
Combined average	4.87	0.88	0.77	

Eight items were used to measure reliability as a services quality dimension (see table 10). R6 measured the extent to which the bank deals with queries efficiently and effectively and this had a mean value 5.05. This is also the highest mean value in this category. R3 measured the level to which the bank fulfills services instantly. This had to lowest mean value of 4.64. The combined average for this construct was 4.87 which reflect a moderate to high level of services quality.

Table 11: Empathy Descriptive Statistics

Item	Mean	Standard deviation	Variance	Question
E1	4.89	0.98	0.95	Staff deals with me in a caring fashion
E2	4.80	1.15	1.32	Staff shows interest in consumers individually and personally
E3	4.37	1.46	2.14	The bank arranges its working hours accordingly to the consumer needs
E4	4.76	1.17	1.37	Staff shows special interest to the consumers
E5	4.67	1.16	1.35	Staff is interested in the consumer benefits
E6	4.63	1.26	1.60	Staff deduces the consumer special needs
Combined average	4.69	0.97	0.95	

Empathy consisted of 6 items (see table 11). E1 represented how staff deals with consumers in a caring fashion and the mean value is 4.89. The lowest mean value (4.37) was depicted by E3 which represented the ability of the bank to arrange working hours according to consumer needs. The combined average for this construct is 4.69 which represent a moderate to high level of services quality.

Table 12: Assurance Descriptive Statistics

Item	Mean	Standard deviation	Variance	Question
A1	4.83	1.07	1.14	The staff has appropriate knowledge to answer my questions
A2	4.81	1.07	1.15	The staff understand the needs of their consumers

A3	4.80	1.05	1.11	The staff are courteous to me
A4	5.11	0.90	0.82	I feel secure in my transactions with this branch
Combined average	4.89	0.87	0.75	

The construct assurance consisted of 4 items (see table 12). A3 represented how courteous the staff appears to consumers. The mean value for this item is 4.80. A4 represented how secure consumers felt in making transactions with the bank. The mean value for this item is 5.11. The combined average for this construct is 4.89 which represents moderate to high level of services quality.

Table 13: Responsiveness Descriptive Statistics

Item	Mean	Standard deviation	Variance	Question
Re1	4.69	1.01	1.02	Administrative are never too busy to assist me
Re2	4.81	1.01	1.02	I have confidence in the staff
Re3	3.76	1.69	2.85	Staff do not always show a willingness to assist consumers
Re4	4.76	1.05	1.10	The bank provides its services at a time it promises to do so
Combined average	4.51	0.87	0.76	

The construct responsiveness consisted of 4 items (see table 13). RE3 measured the ability of the staff's willingness to assist consumers and had the lowest mean value (3.76). In contrast RE4 representing the ability of the bank to provide services timeously had the highest mean value (4.76). The overall mean value for this construct is 4.51 which is a moderate to high level of services quality.

Table 14: Tangibility Descriptive Statistics

Item	Mean	Standard deviation	Variance	Question
T1	4.97	1.06	1.11	Physical facilities are visually appealing
T2	4.94	1.11	1.23	Branch has up to date equipment
T3	4.91	1.02	1.05	Materials associated with banking products and services look good and attractive
T4	4.72	1.20	1.44	Receiving practical information that was usable in decision making through social media and related
Combined average	4.88	0.95	0.91	

The construct tangibility consisted of 4 items (see table 14). T1 measured the appeal of infrastructure and aesthetics in the bank and received the highest rating (4.97). T4 measured the transfer of information through social media and related devices and received the lowest rating (4.72). The overall rating reflected a moderate to high level of services quality (4.88).

4.2.2 Independent Variables - People, Technology, Processes and Policies

This section presents the descriptive statistics for the independent variables – People, Technology, Processes and Policies. The statistical measures include mean, standard deviation and variance. The statistical measures are reported for individual items per construct as well as a combined measure.

Table 15: People

Item	Mean	Standard deviation	Variance	Question
People 1	4.81	1.12	1.25	The level of efficiency in dealing with consumers
People 2	4.83	1.17	1.37	The level of satisfaction obtained from banking

				staff
People 3	4.89	1.15	1.33	Banking staff is friendly and courteous
People 4	4.91	1.12	1.25	Level of professionalism of banking staff
People 5	4.84	1.22	1.50	Staff has necessary skills to add value
Combined average	4.86	1.04	1.09	

People consisted on 5 items (see table 15). People 4 measured the level of professionalism displayed by banking staff and received the highest rating (4.91). People 1 measured the level of efficiency that the staff applies when attending to consumer queries. This measure received the lowest rating (4.81).

The construct “tangibility” consisted of 4 items. T4 had the lowest mean value (4.72) and represented the bank providing practical information to consumers in order to facilitate decision making. T1 represented how appealing the physical infrastructure was and this had a mean value of 4.97. Overall the construct had a mean value of 4.88 which represents moderate to high levels of services quality.

Table 16: Policies

Item	Mean	Standard deviation	Variance	Question
Policy 1	4.93	1.07	1.14	Policy of consumer first
Policy 2	4.85	1.08	1.16	Policy of services quality is visibly promoted
Policy 3	4.70	1.19	1.43	Policy of consumer complaints is very good
Policy 4	4.72	1.23	1.50	Policy is clearly communicated to consumers and staff
Policy 5	4.46	1.50	2.23	Policy of rewarding long standing consumers
Combined average	4.73	1.08	1.17	

The construct, policies consisted of five items (see table 16). Policy 1 measured the extent to which policy emphasized “consumer first policy” and received the highest rating (4.93). Policy 5 referred to policy regarding rewarding long standing consumers. This factor received the lowest rating (4.46). The combined average for this construct is 4.73 signifying moderate to high services quality.

Table 17: Processes

Item	Mean	Standard deviation	Variance	Question
Processes 1	4.70	1.11	1.23	Delivery on time performance and commitment to meet expectations is efficient
Processes 2	4.87	1.03	1.07	Staff makes it easy to understand processes involving queries
Processes 3	4.88	1.08	1.16	General banking processes are easy to follow
Processes 4	4.86	1.14	1.29	Banking processes are easy to understanding – loans, vehicle finance and bond applications
Combined average	4.83	0.94	0.88	

Processes consisted of four items (see table 17). Processes 3 measured the extent to which general banking processes are easy to follow and obtained the highest rating (4.88). Processes 1 referred to how efficient banking processes are received the lowest rating (4.70). The combined average for this factor was 4.83 which is a moderate to high level of services quality.

Table 18: Technology

Item	Mean	Standard deviation	Variance	Question
Tech 1	4.98	1.17	1.36	Online banking services
Tech 2	4.95	1.10	1.21	Technical support
Tech 3	5.01	1.02	1.04	User friendly technologies
Tech 4	4.87	1.17	1.38	Bank website is user friendly
Tech 5	4.89	1.12	1.26	Banking accounts can be easily accessed through online banking
Tech 6	4.90	1.11	1.24	Banking technology – ATMs and quick cash machines
Tech 7	5.04	1.00	1.01	Card ordering services and opening of bank accounts
Combined average	4.95	0.90	0.80	

4.3 SECTION 2

4.3.1 Correlation

This section involved correlation statistical measures between the independent and dependent variables. These measures provided the strength of association between the independent and the dependent variables. The strength of association is described below.

Table 19: Correlation Statistics

		PH	RE	EM	AS	RES	TAN	PE	TE	PR O	POL	SQU AL
PH	Pearson Correlation Sig. (2- tailed)	1	,598 **	,633 **	,558 **	,438 **	,557 **	,463 **	,481 **	,462 **	,431 **	,772* *
	N	123	123	123	123	123	123	123	123	123	123	123
RE	Pearson Correlation	,598 **	1	,641 **	,643 **	,550 **	,487 **	,594 **	,629 **	,631 **	,592 **	,807* *

EM	on Sig. (2-tailed)	,000		,000	,000	,000	,000	,000	,000	,000	,000	,000
	N	123	123	123	123	123	123	123	123	123	123	123
AS	Pearson Correlation	,633**	,641**	1	,651**	,505**	,560**	,549**	,611**	,624**	,650**	,830**
	on Sig. (2-tailed)	,000	,000		,000	,000	,000	,000	,000	,000	,000	,000
RES	N	123	123	123	123	123	123	123	123	123	123	123
	Pearson Correlation	,558**	,643**	,651**	1	,720**	,605**	,574**	,680**	,658**	,606**	,862**
TAN	on Sig. (2-tailed)	,000	,000	,000		,000	,000	,000	,000	,000	,000	,000
	N	123	123	123	123	123	123	123	123	123	123	123
PE	Pearson Correlation	,438**	,550**	,505**	,720**	1	,572**	,552**	,638**	,600**	,553**	,781**
	on Sig. (2-tailed)	,000	,000	,000	,000		,000	,000	,000	,000	,000	,000
TE	N	123	123	123	123	123	123	123	123	123	123	123
	Pearson Correlation	,557**	,487**	,560**	,605**	,572**	1	,751**	,654**	,589**	,625**	,787**
PRO	on Sig. (2-tailed)	,000	,000	,000	,000	,000		,000	,000	,000	,000	,000
	N	123	123	123	123	123	123	123	123	123	123	123
POL	Pearson Correlation	,463**	,594**	,549**	,574**	,552**	,751**	1	,781**	,616**	,595**	,724**
	on Sig. (2-tailed)	,000	,000	,000	,000	,000	,000		,000	,000	,000	,000
SQUAL	N	123	123	123	123	123	123	123	123	123	123	123
	Pearson Correlation	,481**	,629**	,611**	,680**	,638**	,654**	,781**	1	,764**	,651**	,766**
AL	on Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000		,000	,000	,000
	N	123	123	123	123	123	123	123	123	123	123	123
AL	Pearson Correlation	,462**	,631**	,624**	,658**	,600**	,589**	,616**	,764**	1	,790**	,739**
	on Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000		,000	,000
AL	N	123	123	123	123	123	123	123	123	123	123	123
	Pearson Correlation	,431**	,592**	,650**	,606**	,553**	,625**	,595**	,651**	,790**	1	,720**
AL	on Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000	,000		,000
	N	123	123	123	123	123	123	123	123	123	123	123
AL	Pearson Correlation	,772**	,807**	,830**	,862**	,781**	,787**	,724**	,766**	,739**	,720**	1
	on Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000	

on Sig. (2- tailed)	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000
N	123	123	123	123	123	123	123	123	123	123	123

** Correlation is significant at the 0.01 level (2-tailed).

Correlation was used to measure the strength of the relationship between the independent (people, processes, technology and policy) and dependent variables (physical appearance, reliability, tangibility, responsiveness, empathy and assurance) (see table 19). The correlation coefficient measures the strength and direction of a linear relationship between two variables. The value of r ranges between +1 and -1. The interpretation of r is as follows:

- Exactly -1. A perfect downhill (negative) linear relationship;
- -0.70. A strong downhill (negative) linear relationship;
- -0.50. A moderate downhill (negative) relationship;
- -0.30. A weak downhill (negative) linear relationship;
- 0. No linear relationship;
- +0.30. A weak uphill (positive) linear relationship;
- +0.50. A moderate uphill (positive) relationship;
- +0.70. A strong uphill (positive) linear relationship;
- Exactly +1. A perfect uphill (positive) linear relationship.

Physical Appearance (PA) was positively and significantly correlated with People (PE) ($r = .463$; $P < .00$), Technology (TE) ($r = .481$; $p < .00$), Processes (PRO) ($r = .462$; $p < .00$) and Policy (POL) ($r = .431$; $p < .00$). Reliability (RE) is positively and significantly correlated with People (PE) ($r = .594$; $p < .00$), Technology (TE) ($r = .629$; $p < .00$), Processes (PRO) ($r = .631$; $p < .00$) and Policy (POL) ($r = .592$; $p < .00$). Empathy (EM) is positively and significantly correlated to People ($r = .549$; $p < .00$), Technology (TE) ($r = .611$; $p < .00$), Processes (PRO) ($r = .624$; $p < .00$) and Policy (POL) ($r = .650$; $p < .00$). Assurance (AS) is positively and significantly correlated to People (PE) ($r = .574$; $p < .00$), Technology (TE) ($r = .680$; $p < .00$), Processes (PRO) ($r = .658$; $p < .00$) and Policy (POL) ($r = .606$; $p < .00$). Responsiveness (RES) is positively and significantly correlated to People (PE) ($r = .552$; $p < .00$), Technology (TE) ($r = .638$; $p < .00$), Processes (PRO) ($r = .600$; $p < .00$) and Policy (POL) ($r = .553$; $p < .00$). Tangibility is positively and significantly correlated to People (PE) ($r = .751$; $p < .00$), Technology (TE) ($r = .654$; $p < .00$), Processes (PRO) ($r = .589$; $p < .00$) and Policy (POL) ($r = .625$; $p < .00$). The individual constructs representing Services Quality was collapsed into one variable, SERVQUAL. SERVQUAL was positively and significantly

correlated to People (PE) ($r = .724$; $p < .00$), Technology (TE) ($r = .766$; $p < .00$), Processes (PRO) ($r = .739$; $p < .00$) and Policy (POL) ($r = .720$; $p < .00$).

4.3.2 Regression

In the statistical procedures employed in this section forward stepwise regression was used as a means of determining best fit regression models in which the choice of predictive variables is carried out by an automatic procedure. In statistics, stepwise regression is a method of fitting regression models in which the choice of predictive variables is carried out by an automatic procedure. In other words the independent variables were entered into a regression model individually alongside the dependent variable to measure independent effects. This procedure allowed the researcher to determine which independent variables had a greater or more profound effect on the dependent variable. In each step, a variable is considered for addition to or subtraction from the set of explanatory variables based on some pre-specified criterion. In each step, a variable is considered for addition to or subtraction from the set of explanatory variables based on some pre specified criterion. In regression, the adjusted R^2 coefficient of determination is a statistical measure of how well the regression predictions approximate the real data points. An adjusted R^2 of 1 indicates that the regression predictions perfectly fit the data. This process involved the regression of the independent against the dependent variables through seven phases.

Table 20: Regression on Physical Appearance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,524(a)	,274	,250	,676	,274	11,147	4	118	,000
2	,000(b)	,000	,000	,780	-,274	11,147	4	118	,000

A. Predictors: (Constant), Policy Total, People Total, Process Total, Technology Total

B Predictor: (constant)

In the first phase the independent variables, people, process and policy were regressed against the dependent variable, physical appearance (see table 20). The regression model

indicates that the independent variables explain 25% of the variance in the dependent variable ($r = .25$; $p < .05$).

Table 21: Regression on Reliability

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,695(a)	,483	,466	,642	,483	27,598	4	118	,000
2	,000(b)	,000	,000	,878	-,483	27,598	4	118	,000

A Predictors: (Constant), Policy Total, People Total, Process Total, and Technology Total

B Predictor: (constant)

In the second phase the independent variables, people, process and policy were regressed against the dependent variable, reliability (see table 21). The regression model indicates that the independent variables explain 47% of the variance in the dependent variable ($r = .47$; $p < .05$).

Table 22: Regression of Empathy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,701(a)	,491	,474	,705	,491	28,468	4	118	,000
2	,000(b)	,000	,000	,972	-,491	28,468	4	118	,000

A Predictors: (Constant), Policy Total, People Total, Process Total, and Technology Total

B Predictor: (constant)

In the third phase the independent variables, people, process and policy were regressed against the dependent variable, empathy (see table 22). The regression model indicates that the independent variables explain 47% of the variance in the dependent variable ($r = .47$; $p < .05$).

Table 23: Regression on Assurance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,722(a)	,521	,505	,610	,521	32,142	4	118	,000
2	,000(b)	,000	,000	,867	-,521	32,142	4	118	,000

A Predictors: (Constant), Policy Total, People Total, Process Total, and Technology Total

B Predictor: (constant)

In the fourth phase the independent variables, people, process and policy were regressed against the dependent variable, assurance (see table 23). The regression model indicates that the independent variables explain 51% of the variance in the dependent variable ($r = .51$; $p < .05$).

Table 24: Regression on Responsiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,671(a)	,450	,432	,658	,450	24,164	4	118	,000
2	,000(b)	,000	,000	,872	-,450	24,164	4	118	,000

A Predictors: (Constant), Policy Total, People Total, Process Total, and Technology Total

B Predictor: (constant)

In the fifth phase the independent variables, people, process and policy were regressed against the dependent variable, responsiveness (see table 24). The regression model indicates that the independent variables explain 43% of the variance in the dependent variable ($r = .43$; $p < .05$).

Table 25: Regression on Tangibility

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,784(a)	,614	,601	,601	,614	46,944	4	118	,000
2	,000(b)	,000	,000	,951	-,614	46,944	4	118	,000

A Predictors: (Constant), Policy Total, People Total, Process Total, and Technology Total

B Predictor: (constant)

In the sixth phase the independent variables, people, process and policy were regressed against the dependent variable, tangibility (see table 25). The regression model indicates that the independent variables explain 60% of the variance in the dependent variable ($r = .60$; $p < .05$).

Table 26: Regression on SERVQUAL

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,838(a)	,703	,693	,397	,703	69,762	4	118	,000
2	,000(b)	,000	,000	,716	-,703	69,762	4	118	,000

A Predictors: (Constant), Policy total, People total, Process total, and Technology total

B Predictor: (constant)

In the seventh phase the independent variables, people, process and policy were regressed against the dependent variable, SERVQUAL (see table 26). The regression model indicates that the independent variables explain 69% of the variance in the dependent variable ($r = .69$; $p < .05$).

4.4 CHAPTER SUMMARY

The majority of consumers are comprised of people under the age of 40. The age category 26 to 30 is represented by 24%. The age category 31 to 40 is represented by 23%. The age category under 25 is represented by 20%. Participants indicated that good service is the main characteristic associated with the bank and this is represented of 27%. Bank charges were indicated as the second most important characteristic associated with the bank and is represented by 10%. The third most important characteristic is good reputation and this is represented by 7%. Long service and products are listed as the fourth most important characteristics and are represented by 5%. Consumer loyalty is an important parameter for modern day banking. Consumers who are banking with the bank for more than 10 years are represented by 34%. New consumers are represented by the category "0 to 5 years" and this is comprised of 36%. Equally important are consumers banking for more than 5 years (6 to 10 years) and this is represented by 31%. Physical appearance had the highest mean value of 5.08 while responsiveness had the lowest mean value of 4.51. In testing the model regression was used to determine the goodness of fit. The independent variables, people, process and policy were regressed against the dependent variable, SERVQUAL. The regression model indicates that the independent variables explain 69% of the variance in the dependent variable ($r = .69$; $p < .05$).

CHAPTER 5

ANALYSIS AND INTERPRETATION

5.1 INTRODUCTION

The previous chapter outlined the results and findings for this study. This chapter provides the analysis and interpretation findings of consumer perceptions of services quality of a commercial bank in Cape Town. The analysis will provide an elaboration on the key results reported in chapter 4. More specifically, this section attempts to answer three research questions:

- What is consumers' perception of service quality in the banking sector?
- Is there a gap in consumer perception of service quality and actual service?
- What framework can be used to support service quality management?

5.2 UNDERSTANDING CONSUMER PERCEPTIONS OF SERVICES QUALITY IN THE BANKING SECTOR

5.2.1 Demographic Data

Participants were asked about which factors they value the most when choosing a bank. As indicated in the previous chapter the participants indicated that good service is the main characteristic associated with the bank and this is represented of 27%. Whilst the banking industry is becoming increasingly becoming more competitive with newer technologies, marketing strategies have to evolve in order to maintain market share, particularly the traditional banks.

However, a dynamic element of the marketing mix is good people (Paille, 2012; Carrel, Elbert & Hatfield, 1995). This finding indicates that good service is of paramount importance and has been pointed out as the most important factor. In the eyes of the consumer when

they engage with banking staff, well trained and a motivated employee are elements to the organizational image (Ikramullah & Shah, Sajjad, Hassan & Zaman, 2012).

Organisational image in this regard can be at the heart of conveying good service as the promise that is made to the consumer. This is because their good behaviour or the nonexistence thereof, affects how the consumer perceives the service provider and the quality of service they are provided with (Paille, 2012). Contented employees provide a more efficient service to consumers and through this they help to build consumer trust, promote company benefits and evaluate the organizational performance as quality service delivery (Meyer & Allen, 1991). This also implies a culture where the workforce and the consumer are valued by the organisation.

Bank charges were indicated as the second most important characteristic associated with the bank and is represented by 10%. This factor was pointed out as the second most important factor as to why the consumer would choose the bank. As pointed out in the literature the banking industry has become very competitive with increasing options to consumers. The competitive environment has increased due to emerging businesses in the financial services industry. This has placed increasing emphasis on lower costs of banking services. In particular, digital technologies, low-cost operating models and supply-chain integration have changed the banking environment significantly. This has resulted in these emerging businesses seeking new opportunities such as improved online services to consumers (Ernst & Young, 2012). In view of the aforementioned the cost of banking fees is a key factor to be taken into account.

The third most important characteristic is good reputation and this is represented by 7%. Although good reputation is rated as the third most important factor the arrival of new entrants into the market has made a significant impact. Traditionally, the South African market has been profitable to the big banks and at the same time they relied on good reputation as a means of consumer retention. With the emergence of newer players not only has the banking landscape has changed but also the level of profitability. As indicated in the literature the emergence of digital technologies resulted in new firms entering the market. Some of these firms are known as reputable organisations and therefore this factor will remain vital to industry players.

Long service and range of products are listed as the fourth most important characteristics and are represented by 5%. Long service and range of products have been associated with consumer satisfaction and services quality. Although consumer satisfaction is not directly part of the conceptual framework put out in this study, it can be inferred that the reason why

consumers would be long standing clients could be due to high levels of consumer satisfaction. However, consumer loyalty was measured in this study and is an important parameter in modern day banking practices. Long service consumers who are banking with the bank for more than 5 years constitute 67% and this must be incorporated as a key performance indicator going forward. Equally, the range of products and the quality of products would be as important following the aforementioned. Similar findings are noted in earlier studies involving consumer satisfaction; products and long service (see Parasuraman et al., 1991; Zeithaml et al., 1996; Fethi & Pasiouras, 2010; Churchill & Surprenant, 1982; Rosen, Surprenant & Rosen, 1998).

5.2.2 SERVQUAL Data

5.2.2.1 Physical Appearance

Physical appearance (PA) represented the first SERVQUAL factor and consisted of five factors. Whilst factors such as PA1 and PA3 were rated moderate to high, PA5 had the lowest rating. PA represented additional services and represents a vital area for consideration. Intangibility implies that a consumer's perception of quality is often based on physical evidence and price rather than the core service. Physical evidence refers to the environment in which the service is delivered and where the firm and the consumer interact and also any tangible commodities that facilitate performance or communication of the service. This demonstrates that the physical evidence of a health care service production process can influence the service experience as demonstrated in other studies (see Schiuma, 2017). Physical appearance can therefore be seen as a solid dimension to determine services quality – physical facilities, equipment, personnel etc. (Camarate & Brickmann, 2017).

5.2.2.2 Reliability

Reliability represented the second factor of SERVQUAL and consisted of eight items. This factor measured the bank's ability to dependably and accurately deliver the specified services. R6 represented the bank's ability to address and to solve queries quickly. In modern day banking one of the key performance indicators is to reduce queuing times. To this extent the bank attained a moderate to high rating. However, R3 measured the ability of the bank to fulfil services spontaneously and received the lowest rating. R3 would therefore represent a perspective to prompt management to integrate this factor into the key performance indicator dashboard. This finding supports recent studies that used the

SERVQUAL models in evaluating services quality in the banking industry (Hwang, Jun, Chang & Kim, 2017; Schiuma, 2017; Fethi & Pasiouras, 2010). These studies concluded that managers in banks can benefit with a greater understanding of product quality and services quality and in this way enhance the bank's reputation.

5.2.2.3 Empathy

Empathy consists of six items and represents the third SERVQUAL factor. Empathy measures the ability of the bank to show caring and individual attention to the consumers. E1 received the highest rating and determined the level of care displayed by the bank. However, E3 received the lowest rating and measured the level at which the bank arranges working hours in relation to the consumer needs. The gap between these two factors is clear and demonstrates the varying levels of care practiced by the bank. Empathy has been shown to relate strongly to consumer satisfaction (Schiuma, 2017; Fethi & Pasiouras, 2010). It is important to understand and to clarify the definition of consumer satisfaction. The concept refers to a happy consumer as well more complex forms of satisfaction. As emphasised earlier although this study did not directly measure consumer satisfaction, it did measure loyalty. Studies have linked consumer satisfaction to loyalty and have become widely acknowledged in modern day organisations and commerce (Chang et al., 2017). The importance of empathy is that it is typically linked to business performance with regards to a company's products and services as a result of a specific focus on the consumer. In this regard the introduction of empathy can be linked to contemporary studies (see Chang et al., 2017).

5.2.2.4 Assurance

Assurance represented the fourth factor of SERVQUAL and consisted of four items. A4 represented the consumers' sense of feeling secure and received the highest rating. Conversely, A3 received the lowest rating and measured the staffs' ability to be courteous. Assurance is a construct that is directly associated with people. In turn people in the workplace are commonly associated with both performance and turnover (see Capelli, 2004). Other studies have linked assurance to knowledge. Knowledge workers of the 21st century display occupational, rather than organisational commitment, possess skills that are in high demand and are characterised by high mobility (Horwitz, Heng & Quazi, 2003). Friedman, Hatch & Walker (1998) opine that the idea of 'a job for life' has become an 'oxymoron'. The situation has changed so much in recent years, that Capelli (2004) has

described this change in retention as moving from tending a dam to managing a river: 'the aim is not to prevent water from flowing, but to control its direction and speed'.

5.2.2.5 Responsiveness

Responsiveness represents the fifth dimension of SERVQUAL and measures the bank's eagerness in aiding consumers and providing expeditious service. This factor is all about ensuring excellent service. RE2 measured the level of confidence that consumers have in the bank and this received the highest rating. RE3 measured the ability of staff to show willingness to assist consumers. This factor received the lowest rating which should be a key component of services quality. As indicated in the literature the emergence of non-traditional players in the market has had a profound effect on the banking environment placing increasing emphasis on the bank to excel in areas such as responsiveness. With more options available to consumers the traditional banks in South Africa were forced to respond. In response to this threat in the environment the 'big banks' (Barclays Africa, Standard Bank, Nedbank and FirstRand) are attempting to find new ways to perpetuate dominance in the market (Camarate & Brinckmann, 2017).

5.2.2.6 Tangibility

Tangibility consisted of four items and measured the quality of materials, equipment and quality of information received. T1 received the highest rating and represented the appeal of the facilities. T4 received the lowest rating and measured the quality of information received from banking staff. It has been argued that the single most important difference between services and products is the characteristic of intangibility and this has a significant influence on the marketing management of services. Other studies have also linked tangibility to consumer loyalty, a concept that is commonly understood as a consumer exhibiting behaviour of repeat buying which in turn is perceived as an indication of the level of attitude toward the quality of the service (see Deng, Lu, Wei & Zhang, 2010; Gede & Sumaedi, 2013).

5.2.3 SERVQUAL Management Framework – A Predictor Model

In phase one correlation was used to determine the strength of association between the independent variables, people, processes, technology, policy and the dependent variable, SERVQUAL. Generally, the independent variables were moderately to highly correlate with the SERVQUAL variables. This finding is in line with contemporary studies in services

marketing and indicates that consumer loyalty is associated with service quality and consumer satisfaction (see Muahmmad et al., 2015; Kitapci et al., 2013). Such studies have been used in determining consumer perceptions in measuring consumer perceptions. This has been particularly prevalent in studies focusing in retail businesses. These studies indicate that the ability of service providers to implement high levels of intangibility, responsiveness, reliability, assurance and empathy in job functions strongly influence consumer satisfaction and consumer loyalty (see Bei & Chiao, 2006; Sivadas & Baker-Prewitt, 2000).

In phase two linear regressions was used to establish a predictor model for services quality in a banking environment. In principle regression was used to predict the value of a variable based on the value of another variable. People, technology, process and policy were regressed against the dependent variable, physical appearance to determine to what extent the variance can be explained. As reported in the results the regression model indicates that the independent variables explain 25% of the variance in the dependent variable ($r = .25$; $p < .05$) which represents the lowest variance compared to the other SERVQUAL constructs. In contrast to the sixth phase the independent variables, people, technology, process and policy were regressed against the dependent variable, tangibility.

The regression model indicates that the independent variables explain 60% of the variance in the dependent variable ($r = .60$; $p < .05$) which represents the highest variance compared to the other SERVQUAL constructs. However, when the independent variables were regressed against the combined variable, SERVQUAL, 67% of the variance in the dependent variable could be explained. In this regard one can conclude that the independent variables are good predictors of variation in services quality in a banking environment.

The development of newer technologies has had a profound effect on the level of services quality provided by the traditional banks. Studies have indicated that this has been particularly the case as a result of insurance companies diversifying their offerings over the past few years (see Camarate & Brickmann, 2017). This included offering lending and savings schemes. Examples include Discovery's credit card facility, Old Mutual's Money Account that also acts as a transactional and savings account. Discovery also plans to start a retail bank which signifies a direct move to compete with the big banks (Camarate & Brickmann, 2017). The current era represents a time where organisations are trying to understand changing consumer preferences in relation to digital technological solutions.

At another level the literature identified that there have been major changes as a result of consumer changing requirements, policy, people, processes and technology (Schiuma,

2017). A more prominent key performance feature is attaining excellent consumer service levels. In this regard far more emphasis has been placed on consumer needs and aligning such needs to service levels (see Schiuma, 2017; Camarate & Brickmann, 2017).

5.3 CHAPTER SUMMARY

Organisational image can be at the heart of conveying good service as the promise that is made to the consumer. This finding indicates that good service is of paramount importance and has been pointed out as the most important factor. The third most important characteristic is good reputation and this is represented by 7%. Although good reputation is rated as the third most important factor the arrival of new entrants into the market has made a significant impact. Physical evidence refers to the environment in which the service is delivered and where the firm and the consumer interact and also any tangible commodities that facilitate performance or communication of the service. In modern day banking one of the key performance indicators is to reduce queuing times. Empathy has been shown to relate strongly to consumer satisfaction. Assurance is a construct that is directly associated with people. In turn people in the workplace are commonly associated with both performance and turnover. As indicated in the literature the emergence of non-traditional players in the market has had a profound effect on the banking environment placing increasing emphasis on the bank to excel in areas such as responsiveness. Other studies have also linked tangibility to consumer loyalty, a concept that is commonly understood as a consumer exhibiting behaviour of repeat buying which in turn is perceived as an indication of the level of attitude toward the quality of the service. In phase one correlation was used to determine the strength of association between the independent variables, people, processes, technology, policy and the dependent variable, SERVQUAL. Generally, the independent variables were moderately to highly correlate with the SERVQUAL variables. The regression model indicates that the independent variables explain 60% of the variance in the dependent variable ($r = .60$; $p < .05$) which represents the highest variance compared to the other SERVQUAL constructs. However, when the independent variables were regressed against the combined variable, SERVQUAL, 67% of the variance in the dependent variable could be explained.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

Chapter 1 provided an introduction and background to the research context. The research procedure, research problem, the research objectives and the research questions were explained. The research assumptions and constraints were listed, together with the overall research design and methodology. Chapter 2 related to the conceptual theoretical framework as well as the gaps in the literature. Chapter 3 related to the research methodology and includes the research design, research context, research objectives, sampling framework, sampling criteria, interview procedures, data collection and data analysis. Chapter 4 related to the results and includes descriptive statistics, description of the sample, correlation and regression statistics. Chapter 5 examined the data via analysis and interpretation in relation to the research questions and the literature presented. Chapter 6 presents the theoretical, practical, economic and policy implications. This section includes the recommendations for future research, strengths and limitations of the study.

6.2 OVERVIEW OF THE STUDY

The primary purpose of this study was to establish a baseline measure using SERVQUAL in a banking environment. The study attempted to identify gaps through consumer perceptions. The ability of the bank to obtain information about the level of service quality has become critical to support a sustainable business model amidst the arrival of new entrants into the market. The influence of evolving technology has had a big impact on banking processes and service delivery.

Improper integration of policy, people, processes and technology has an impact on the level of service quality. In the banking industry the level of service quality has been influenced by external and internal factors. Some of the internal factors include non-adherence to policy, procedure and limited skills of technology that have led to service failure, resulting in high staff turnover and subsequently lower service quality.

The banking sectors' competitiveness is linked to consumer perception and service quality. The external factors include disruptive technology such as digital technological solutions that have allowed new entrants into the market. In this regard the big banks have experienced

consumer switching as the new players in the market are offering more flexible solutions at lower costs. What is the perception of consumers on the quality of banking services? Is there a gap between consumers' perception of service quality and actual services? Banks have not been able to effectively measure services quality resulting in high rates of consumer switching as consumers seek better options for higher levels of satisfaction.

6.3 RECOMMENDATIONS

Based on the analysis and the findings in this study, the following recommendations are put forward to help improve service performance in a banking environment so that SERVQUAL dimensions measuring consumer perception will exceed the expectations of the consumers.

6.3.1 Regular Assessment of Service Delivery by Consumers

By enquiring from existing and prospective consumers the level of satisfaction on the SERVQUAL dimensions of the banking services, the bank will be informed about the relevant areas that require improvement to enhance the level of service performance. It will also inform the Bank about areas that have been given less attention, so that decision will be made to upgrade or to improve those areas.

6.3.2 Service Quality Dimension Improvement

It is recommended that since the service quality dimensions generally met the consumers' expectations; certain service quality dimensions needs a pragmatic effort in the bank to ensure its improvement from moderate/good to excellent. Service dimensions like responsiveness and empathy, a pragmatic effort is needed to ensure an improvement in these dimensions will help in the overall service quality and a better consumer service delivery in the bank.

6.3.3 Longitudinal Design Research

Participants were asked about which factors they value the most when choosing a bank. The factor that was most valued by participants was good service. With an increase in new entrants in the industry and newer technologies it is important for the bank to commission follow up research on a longitudinal basis.

6.3.4 Empathy and Responsiveness

The findings indicate that the two factors, empathy and responsiveness require investigation. Factors relating to responsiveness such as “Staff does not always show a willingness to assist consumers” must be addressed as this relates to a vital part in consumer service. This measure is of particular importance relating to frontline staff that interacts directly with consumers. Factors relating to empathy such as “The bank arranges its working hours accordingly to the consumer needs” must be addressed as this item indicates that it lags behind relative to the remaining items. Perhaps more flexibility such as extending trading hours is needed relating to these specific branches within the bank.

6.3.5 Improve overall service delivery

While the SERVQUAL dimensions indicate a moderate to good levels of services quality, there are areas that must be reviewed in line with excellent service levels. Additional studies must therefore be commissioned to include other branches in the region in order to conduct comparative analysis of services levels. The Bank is required by this revelation to consider repackaging and redesigning of its service operations to match up with consumer expectation. This can be done by finding out from consumers what they expect from the bank and provide accordingly. By this consumers will be compelled by virtue of superior service to stay than switching to a competitor.

6.3.6 Theoretical implications

- Understand consumers’ perception of service quality in the banking sector;
 - Determine the gap in consumer perception of service quality and actual service;
 - Develop a service quality management framework to support banking service provision;
- and
- To apply the SERVQUAL model in a banking environment.

6.3.6.1 Conclusion to research objective 1:

The understanding of consumers’ perception of service quality has become of increasing importance in the modern era. As more options are becoming available to banking consumers it is incumbent of banks to monitor changing consumer preferences through consumer perceptions. Findings from this study support contemporary studies in services marketing and indicate that consumer loyalty is associated with services quality and consumer satisfaction (see Muahmmad et al., 2015; Kitapci et al., 2013). Such studies have specific value in determining consumer perceptions in banking environments. This has been

particularly prevalent in studies focusing in retail businesses. These studies indicate that the ability of service providers to implement high levels of Intangibility, Responsiveness, Reliability, Assurance and Empathy in job functions strongly influence consumer satisfaction and consumer loyalty (see Bei & Chiao, 2006; Sivadas & Baker-Prewitt, 2000).

6.3.6.2 Conclusion to research objective 2:

The study established gaps regarding PA which represented Physical Appearance of the bank and represents a vital area for consideration. Physical Appearance refers to the environment in which the service is delivered and where the firm and the consumer interact and also any tangible commodities that facilitate performance or communication of the service. This finding demonstrates that the physical evidence in a banking environment can influence the service experience which is also demonstrated in other studies (see Schiuma, 2017). Physical Appearance can therefore be seen as a solid dimension to determine services quality – physical facilities, equipment, personnel etc. (Camarate & Brickmann, 2017).

The study also established gaps regarding Reliability. These gaps related to the bank's ability to address and to solve queries quickly, reducing queuing times and the ability of the bank to fulfil services spontaneously. With the advancement of new technologies the nature and complexities of consumer problems have varied. This would imply that banks have to be more responsive and be able to solve multiple problems of consumers. This finding support other studies suggesting that reliability is a key aspect in modern day banking in improving consumer perceptions of service quality (see Hwang, Jun, Chang & Kim, 2017; Schiuma, 2017; Fethi & Pasiouras, 2010).

The study also established gaps regarding Empathy which relates to the ability of the bank to show caring and individual attention to the consumers. More specifically, such gaps related to the ability of the bank to arrangeworking hours in relation to the consumer needs. The gap between these two factors is clear and demonstrates the varying levels of care practiced by the bank. As indicated in the literature due to new technologies new entrants in the banking industry are offering more flexible hours and greater levels of individual attention to consumers (see Schiuma, 2017; Fethi & Pasiouras, 2010). The importance of empathy is that it is typically linked to business performance with regards to a company's products and services as a result of a specific focus on the consumer.

The study also established gaps regarding Assurance which is directly linked with people. Some of these gaps related to the staffs' ability to be courteous. In turn people in the workplace tend to have a direct impact on both performance and turnover (see Capelli, 2004). Other studies have linked assurance to knowledge. As positioned in the literature knowledge workers of the 21st century display occupational rather than organisational commitment, possess skills that are in high demand and are characterised by high mobility (see Horwitz, Heng & Quazi, 2003).

The study also established gaps regarding Responsiveness which measured the level of excellent service. These gaps related to the ability of the bank to show willingness to assist consumers. Again the new entrants in the market are focusing on improving its ability to become more responsive. This factor presents an important factor that could determine whether or not the traditional banks will be able to cope with modern day consumer demands (see Camarate & Brinckmann, 2017).

The study also established gaps regarding Tangibility which related to the quality of materials, equipment and quality of information received. Some of these gaps relate to the quality of information received from banking staff. In an environment where the provision of services are provided the perception of service becomes intangible. This would be very similar to any other service provided such as in a restaurant, college, healthcare etc. Other studies have also linked tangibility to consumer loyalty, a concept that is commonly understood as a consumer exhibiting behaviour of repeat buying which in turn is perceived as an indication of the level of attitude toward the quality of the service (see Deng, Lu, Wei & Zhang, 2010; Gede & Sumaedi, 2013).

6.3.6.3 Conclusion to research objective 3:

In relation to developing a service quality management framework to support banking service provision, very few empirical studies exist that can be used as a typical model to support the quality of banking services in a South African environment. The introduction of the service quality management framework presents a start in the direction of introducing service quality in the South African banking environment. The literature suggests that technology has had a disruptive effect on banking and banking processes (McIntyre, Westland & Lillis, 2017). Technology has been introduced in this study as an independent variable where the effect was measured against service quality. It is evident from this study that technology influenced the level of service quality. Its effects should also be determined against other variables. For example, the big banks have responded to emerging

technologies by migrating from physical channels and effectively downsizing branch networks. This is not merely a phenomenon to South Africa but is an experience shared globally. Are these measures taken by the big banks sufficient considering the magnitude of technology development?

Other variables for consideration will involve innovation in conjunction with technology and R & D. Other factors that should be considered entail organisational culture which influences the firm's attitude toward innovation. Other findings have suggested that disruptive technologies in the banking industry driven largely by innovation have created upward mobility of SMEs (Nimish Radia, Hickey, Singh & Xu, 2015). Therefore, my study contributes to the work of Nimish Radia et al. (2015) and suggests that technology is an important variable for consideration in service quality literature. These findings also highlight new forms of lending through new technologies. A concept known as peer-to-peer lending represents a far more efficient way for lending and saving. This gap in the market has opened the door to SMEs operating in the banking industry. The new players are also competing directly with retail banks.

The model can also be expanded with further investigation of the inclusion of an environmental variable. Typically the environmental can be characterised as dynamic and turbulent. This would imply that the environment influences the level of service quality as consumers are faced with more options. Significant consumer switching has been experienced in the banking sector.

According to Nimish Radia et al. (2015) this means that more than 3 billion consumers globally, particularly in developing economies will look to mobile telecom operators, rather than chartered banks, to manage their money. In addition, the rise of crypto currencies like Bitcoin have also added to the existing complexities that exist in the banking industry (Sundaram, 2014). From the literature one can deduce that with several identified threats from several industries to banking, Bitcoin presents more of a future threat. In this regard the theoretical implications of this study highlight the importance of including service quality as a performance variable in the banking industry.

Technology also includes the introduction of online services other than the traditional banks. Other studies have included social media in relation to service quality and consumer satisfaction (see Quvet, Vinh & Chang, 2015). In this regard several emerging companies have started to specialise in certain areas within banking such as payments and lending. In Asia, some emerging companies have become market leaders in areas like mobile

payments (Quyet, Vinh, Chang, 2015). There is also the possibility of new players such as GAFAs (Google, Amazon, Facebook and Apple) that may look to enter the industry with an approach of creating additional value to the consumer. As one can see increasing emphasis has been put on the consumer. In this regard the findings of this study contribute to the literature focusing on consumer satisfaction and services quality.

6.3.6.4 Conclusion to research objective 4:

The primary purpose of this study was to establish a baseline measure using SERVQUAL in a South African banking environment. The application of SERVQUAL presented an attempt to identify gaps through consumer perceptions. The ability of the bank to obtain information about the level of service quality has become critical to support a sustainable business model amidst the arrival of new entrants into the market. The influence of evolving technology has had a big impact on banking processes and service delivery.

The application of SERVQUAL has also been applied in relation to independent variables - policy, people, processes and technology. In the banking industry the level of service quality has been influenced by external and internal factors. Some of the internal factors include non-adherence to policy, procedure and limited skills of technology that have led to service failure, resulting in high staff turnover and subsequently lower service quality. In this regard the future application of SERVQUAL could be utilised in a longitudinal research design.

The application of SERVQUAL was used to determine the banking sectors' competitiveness which is linked to consumer perception and service quality. The external factors include disruptive technology such as digital technological solutions that have allowed new entrants into the market. In this regard the big banks have experienced consumer switching as the new players in the market are offering more flexible solutions at lower costs. Banks have not been able to effectively measure services quality resulting in high rates of consumer switching as consumers seek better options for higher levels of satisfaction.

6.4 IMPLICATIONS FOR THE MARKETING MANAGER

The findings of this study have a direct influence on the marketing functional area and the manner in which the bank promotes products and services to the consumer. The Marketing Manager in the banking industry will play a key role in reflecting on the current marketing strategy in line with the gaps that are identified. It is pertinent that all the components in a service quality program be strictly followed and implemented effectively. Assurance, Responsiveness, Empathy, Physical and Reliability are key elements representing service quality. Assurance, Reliability, Empathy, Tangibles and Consumer Satisfaction are all

equally important. Other constructs examined in this study include People, Processes and Technology.

Marketing Managers should not only focus on the bank's objective of profits and gains, but must also look into the needs of the consumers as well. As a matter of fact, the Marketing Manager should recommend extensive consumer-relations training programs for all the frontline staff such as tellers, enquiry staff etc. In this way it would fortify the bank's core competency in consumer satisfaction.

The result of this study has proven that SERVQUAL model is an effective model to measure services quality in retail banking. Managers from various banks should continuously measure and improve the level of services quality using the SERVQUAL model in order to maintain high levels of competitiveness in the market place. Market perception and consumer expectation can change rapidly from time to time, for example, from long queues in the front desk till now the internet banking has prompted new trends for the future.

6.5 LIMITATIONS

This study attempts to illustrate the factors that might affect services quality in the retail banking sector in South Africa. The current study however has some limitations. The impact of the certain environmental variables and their influence in shaping service quality need to be further explored. This study also does not separate the population sample into separate geographical locations. For instance, a person who lives in a remote place (runs a more simple life) may have a different expectation and perception towards consumer services offered by banks, owing to the different culture, level of education and some other demographic factors.

The study was based on two branches that were selected for the study and the researcher was not able to provide input in the selection process. In some cases consumers have more time to spend in the waiting queue and their tolerance level is higher. Sometimes, people living in remote places may not familiarise themselves with the ATM and cash deposit machines albeit some other problems which had been around in the city for decades.

6.6 SUGGESTION FOR FUTURE RESEARCH

The study suggests that the future research in this area should attempt to extend the study on relationship between cities and remote places in term of culture issues, banking environment, education level and demographic factors which are missing in this study. Further research should be conducted to determine the factors that actually contribute to the differences in services quality between cities and remote places. Coverage on a wider geographical area or city could also be considered for future study in order to enhance the generalization of the findings and to further investigate potential differences in consumer satisfaction between these areas.

6.7 CONCLUSION

The findings of this study have a direct influence on marketing management and the manner in which the bank promotes products and services with a specific focus on people, process and policy. The marketing manager in the banking industry will play a key role in reflecting on the current marketing strategy in line with the gaps in service provision. It is pertinent that all the components in service quality be implemented effectively in line with changing consumer preferences.

Marketing managers should not only focus on financial data which tends to be historic, but must also look into changing consumer needs. The marketing manager should involve all levels of staff in meeting such changing consumer preferences more effectively.

The result of this study has proven that SERVQUAL is an effective model to measure services quality in retail banking. Managers from various banks should continuously measure and improve the level of services quality using SERVQUAL in order to maintain high levels of competitiveness in the market place. Consumer perception can change rapidly and it has become critical for management to review data on a longitudinal basis.

6.8 CHAPTER SUMMARY

By enquiring from existing and prospective consumers the level of satisfaction on the SERVQUAL dimensions of the banking services, The Bank will be informed about the relevant areas that require improvement to enhance the level of service performance. Service dimensions like responsiveness and empathy, a pragmatic effort is needed to ensure an improvement in these dimensions will help in the overall service quality and a better consumer service delivery in the bank. With an increase in new entrants in the industry and newer technologies it is important for the bank to commission follow up

research on a longitudinal basis. The findings indicate that the two factors, empathy and responsiveness require investigation. While the SERVQUAL dimensions indicate a moderate to good levels of services quality, there are areas that must be reviewed in line with excellent service levels. Additional studies must therefore be commissioned to include other branches in the region in order to conduct comparative analysis of services levels.

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APPENDIX A

CONSENT LETTER



Informed consent for participation in an academic Research Study

Graduate Centre for Management

Faculty of Business and Management Science

Consumer Perception of Service Quality at a Selected Bank in Cape Town:

Research Conducted by:

Mr David Mark Malila (205212336)

Cell Number: 0829649874

Dear Respondent:

You are invited to participate in an academic research study conducted by David Mark Malila, a Masters student from the Graduate Centre for Management at the Cape Peninsula University of Technology.

The purpose of the Study is to **Measure Consumer Perception of Service Quality** at a selected bank within Cape Town.

Please note the following:

- This study involves the use of **questionnaires and interviews**. Your name will not appear in the study and the answers you give will be treated as strictly **confidential**.
- You cannot be identified in person based on the answers you give.
- Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- Please do not hesitate to contact my supervisor if you have any questions or comments regarding the study.

Please, may you sign the form to indicate that:

- You have read and understand the information provided above.
- You give your consent to participate in the study on a voluntary basis.

.....

Respondent's signature

.....

Date

APPENDIX B

SERVICE QUALITY AND CONSUMER SATISFACTION SURVEY

INSTRUCTIONS:

Please answer the following questions by marking (x) in the relevant block or writing down your answer in the space provided.

The Purpose of the survey is to measure consumer perception of service quality at the selected bank within Cape Town.

The questionnaire consists of ten short sections:

1. Physical Appearance
2. Reliability
3. Empathy
4. Assurance
5. Responsiveness
6. Tangibility
7. People
8. Technology
9. Processes
10. Banking Policies

The questionnaire will take 5 to 10 minutes. All questions must be answered. The information gathered is confidential and the answers will only be processed as statistical observations.

For example if you are a male then in Question 1 insert an X as follows:

1. Gender

Male	1	X
Female	2	

Section A: Demographic information

1. Gender

Male	1
Female	2

2. Age in Years

Up to 25	1
26-30	2
31-40	3
41-50	4

51-60	5
61-65	6
Above 65	7

3. Current Employment status

Employed Full- time	1
Employed part-time	2
Student	3
Unemployed	4
Retired	5
Other (specify)	6

4. Reason for Banking

Personal Banking	1
Business Banking	2
Both	3

6. Occupation

Government	
Manufacturing	
Professional Services	
NGO	
Self Employed	
Finance	
Construction	
Transport & Communication	
Other (Please Specify)	

7. Reason for choosing this Bank

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8. Do you make use of internet banking services?

Yes	
No	

9. Number of years a client of the bank

0-5 Years	
6-10 Years	
11-15 Years	
+ more	

	Disagree completely	Mostly disagree	Slightly Disagree	Slightly agree	Mostly Agree	Completely agree
Physical Appearance						
The physical appearance of the bank is visually attractive (Banking Hall, Furniture, Brochures, Posters, Signage, Etc.)	1	2	3	4	5	6
The bank has technologically advanced and contemporary equipment	1	2	3	4	5	6
Banking staff has a tidy and presentable appearance	1	2	3	4	5	6
The basic and extra services of the bank are attractive	1	2	3	4	5	6
Extra Services of the bank are attractive	1	2	3	4	5	6
Reliability						
The bank fulfils the promised services on time	1	2	3	4	5	6
The staff is reassuring and friendly when there is a problem	1	2	3	4	5	6
The banking fee structure related to banking products and services is fair and reliable	1	2	3	4	5	6
This Branch provides its services within reasonably time frames	1	2	3	4	5	6
Queries in the branch are dealt with effectively and efficiently	1	2	3	4	5	6
Staff Members give consumers individual attention during their consultation time.	1	2	3	4	5	6
Services in the branch are performed at first time resolution	1	2	3	4	5	6
Administration staff keeps their promise and respond on time when promises are made to the consumer.	1	2	3	4	5	6
Empathy						
Banking staff in the branch deals with me in a caring fashion.	1	2	3	4	5	6
The staffs show interest to the consumers individually and personally.	1	2	3	4	5	6
The bank arranges its working hours according to the consumer's needs.	1	2	3	4	5	6
Staffs show special interest to the consumers	1	2	3	4	5	6
Staffs are interested in the consumer's benefits heartily	1	2	3	4	5	6
Staffs deduce the consumer's special needs	1	2	3	4	5	6

	Disagree completely	Mostly disagree	Slightly Disagree	Slightly agree	Mostly Agree	Completely agree
Assurance						
The staffs have the knowledge to answer my questions relating to products and services offered.	1	2	3	4	5	6
The staff members understand the needs of their consumers.	1	2	3	4	5	6
All staff members in the branch are consistently courteous to me	1	2	3	4	5	6
I feel secure in my transactions with this branch	1	2	3	4	5	6
Responsiveness						
Administrative staff are never too busy to respond to a request for assistance	1	2	3	4	5	6
The branch employs staff in whom I have confidence.	1	2	3	4	5	6
Staffs in the branch do not always show a willingness to help consumers	1	2	3	4	5	6
This branch provides its services at the time it promises to do so.	1	2	3	4	5	6
Tangibility						
The physical facilities are visually appealing (i.e. building and surroundings)	1	2	3	4	5	6
This branch has up-to-date equipment	1	2	3	4	5	6
Materials associated with banking products and services such as LCD screens, brochures, notices, notice boards, signs, overhead projectors) look good and attractive	1	2	3	4	5	6
Did you receive practical information that was usable in your decision-making	1	2	3	4	5	6
People						
How do you rate the level of efficiency in dealing with you?	1	2	3	4	5	6
How do you rate the level of satisfaction obtained as a result of our banking staff?	1	2	3	4	5	6
Our banking staff is very friendly and courteous	1	2	3	4	5	6
How do you rate the level of professionalism of the banking staff dealing with you?	1	2	3	4	5	6
My bank possess of the necessary skills to add value to my business?	1	2	3	4	5	6

	Disagree completely	Mostly disagree	Slightly Disagree	Slightly agree	Mostly Agree	Completely agree
Technology						
How do you rate our online banking service, for example, online payments, requesting statement of accounts, transfers etc.?	1	2	3	4	5	6
If you require any technical support (for example, reporting of lost card, card swallowed by ATM), how do you rate the competence of our banking staff and their response time?	1	2	3	4	5	6
The Bank offers user friendly technologies	1	2	3	4	5	6
The Banks website offers open access to financial records.	1	2	3	4	5	6
Banking accounts can easily be accessed through the internet and ATM'S	1	2	3	4	5	6
How do you rate the bank's technology regarding ATM'S, quick cash machines etc.?	1	2	3	4	5	6
How do you rate the level of technology in the branch regarding card ordering services and opening of bank accounts etc.?	1	2	3	4	5	6
Processes						
How do you rate our delivery on time performance and our commitment to meet your delivery expectations?	1	2	3	4	5	6
The staff can clearly explain the various options available to a particular query	1	2	3	4	5	6
Banking processes are easy to understand For example requirements needed when opening a banking account	1	2	3	4	5	6
Banking processes are easy to understand For example requirements needed when for a personal loan, vehicle finance or mortgage bonds?	1	2	3	4	5	6
Banking Policies						
The Bank has a policy of consumer first	1	2	3	4	5	6
The bank's policy regarding service quality is clearly promoted	1	2	3	4	5	6
The bank's policy regarding consumer complaints is very effective	1	2	3	4	5	6
The banking policies are clearly communicated to all staff and consumers	1	2	3	4	5	6
The bank has a policy of rewarding long standing consumers	1	2	3	4	5	6