

**MAKERERE**



**UNIVERSITY**

**MAKERERE UNIVERSITY BUSINESS SCHOOL**

**SERVICE QUALITY, CLIENTELE PERCEPTION AND CUSTOMER  
SATISFACTION AMONG FINANCIAL INSTITUTIONS IN KAMPALA**

**BY**

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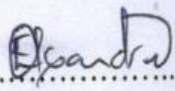
**A DISSERTATION SUBMITTED TO MAKERERE UNIVERSITY BUSINESS  
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**PLAN A**

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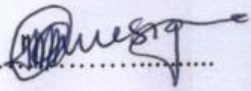
## DECLARATION

I hereby declare that this dissertation is entirely my own original work and it has never been submitted to any other University or Institute of higher learning for the award of an academic qualification.

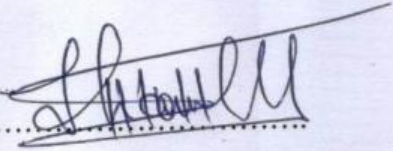
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## APPROVAL

This is to approve that this dissertation has been submitted for examination with our approval as University supervisors.

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MR. KABUYE FRANK

## **DEDICATION**

I dedicate this work to the Lord, God Almighty whom by His grace made everything possible, to my dear mother Ms. Nalumansi Irene, my sisters Racheal, Joan and Prisca, my supervisors and my friends Kwikiriza, Stella for the support and firm foundation they gave me.

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## **LIST OF ABBREVIATIONS**

BOU	Bank of Uganda
CVI	Content Validity Index
SPSS	Statistical Package for Social Scientists

## **ABSTRACT**

Over the past years, Customer satisfaction has been a major component for business growth and empowers financial Institutions to expand on their market share and reputation which enables them to contribute to economic growth through capital formation, smoothing trade and commerce.

The study examined the relationship between service quality, clientele perception and customer satisfaction among financial institutions in Kampala. The study was carried out on the following objectives; to examine the relationship between service quality and customer satisfaction among financial institutions in Kampala, examine the relationship between clientele perception and customer satisfaction among financial institutions in Kampala, and examine the combined relationship between service quality, clientele perception and customer satisfaction among financial institutions in Kampala.

The study employed a cross-sectional research design in addition to a questionnaire approach. The researcher distributed 200 questionnaires but received only 196 questionnaires showing a 98% response rate. The quantitative data analysis was done using a regression and correlation analysis.

Study findings indicated a positive relationship between service quality and customer satisfaction of financial institutions. It also revealed a strong positive relationship between clientele perception and customer satisfaction among financial institutions in Kampala.

The study added to the existing literature on service quality, clientele perception and customer satisfaction by documenting the relationship between service quality, clientele perception and customer satisfaction. The study complements the previous studies on customer satisfaction by demonstrating that reliability, responsiveness, assurance, perceived value, perceived price and trust improve customer satisfaction. Such evidence does not currently exist. The findings also indicate that financial institutions were found to have better customer satisfaction.

The study had limitations since it was cross sectional which measures the intention at a single time. This implies that the study does not provide findings over a long period of time.

It was recommended that financial institutions should give maximum efforts to improve their responsiveness, assurance and reliability like availing training to employees and creating awareness to customers about the services offered by them.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the study**

Over the past years, Customer satisfaction has been a major component for business growth (Gupta, et al., 2021). Customer satisfaction empowers Financial Institutions to expand on their market share and reputation which enables them to contribute to economic growth through capital formation, smoothing trade and commerce (Aatif, 2021; Manidayanand, 2021). Financial Institutions however have failed to deliver quality services within the promised deadline, solve customer problems and concerns with less customer care and closure of customers' accounts unfairly which has resulted into lower customer loyalty and retention with increasing levels of customer complaints (Kamran et al., 2021).

Furthermore, failure to satisfy customers can result into Financial Institutions failure for example, VBS Mutual bank in South Africa closed in 2018 due to failure of the bank to keep customers' transactions confidential and failure of the bank to deliver within the promised deadline (Thulare T, 2019). While Crane bank in Uganda closed in 2016 (B.O.U, 2017) due to failure to maintain error free records, provide services conveniently and handle customer complaints with utmost care which made customers to switch to mobile money services and negative publicity leading to lower customer base, reduced profitability and finally bank's financial distress. Generally, in Uganda, customer dissatisfaction is also evidenced in July 2018-June 2019 were 125 complaints were recorded, in July 2019-June 2020, 2061 complaints were recorded and in July, 2020-June 2021, 2087 complaints were recorded (BOU, 2021; Mugume et al., 2021). With this evidence, if action isn't taken, institutions are most likely to lose their customer base and this would lead to poor financial performance, low levels of self-sustainability

and thus leading to the closure of several financial institutions in Uganda since there is poor service quality and a negative clientele perception.

The concept of customer satisfaction originates from the Two Factor Theory by Herzberg (1959) which explains factors that affect individuals' satisfaction. The factors being; motivators and hygiene factors. Motivator factors like work itself and growth motivate employees to provide quality services through maintaining error free records, preventing long awaiting lines, delivering service with in promised deadline and offer good customer care which results into a positive clientele perception and so customer satisfaction. Hygiene factors like security, supervision also leads to customer satisfaction. The theory identifies how the study constructs of service quality and clientele perception are key predictors of customer satisfaction. Service quality through provision of reliable services, responsiveness to customer problems engenders trust which leads to customer satisfaction (Nannozi et al., 2022; Hennayake 2017). Chambers (2020) inserted that clientele perception about relative service price but with a great value brings about customer satisfaction as it makes customers believe that the services offered meet their expectations.

Although many studies have been carried out, there is sparse literature about the subject under study. Boamah (2020) in his study used qualitative data collection method while this study employed only quantitative method. In addition, the empirical studies examining the relationship between service quality and customer satisfaction were grounded in outside countries like USA, Australia, South Africa (Travis, 2021; Boamah, 2020 and Sokochan, 2018) while this study was carried out in Uganda, Kampala. Furthermore, others studied a relationship between clientele perception and customer satisfaction (Inabo, 2022; Chambers, 2020; Angelou, 2020). In

contrast, the current study was interested in examining the contribution of service quality, clientele perception on customer satisfaction among Financial Institutions in Kampala so as to avail the needed literature about the subject under study and also bridge the existing empirical gap.

## **1.2 Statement of the problem**

Customer satisfaction has been key in ensuring increased customer base and sustainability of Financial Institutions. In order to ensure customer satisfaction among Financial Institutions in Kampala, there should be provision of reliable quality services, responsiveness and assurance in addition to relatively low prices without compromising the quality (Nannozi, 2022 and Senoga, 2018). However, customer dissatisfaction continues to be enormous among Financial Institutions in Kampala. For example, a total of 367,194 complaints were registered in 2018 and 392,764 in 2019 (BOU, 2020; Mugume et al., 2020). According to Waswa (2022), Afriland bank closed in 2022 due to failure continuous customer dissatisfaction. This devastating situation could be attributed to poor service quality, poor clientele perception and customer dissatisfaction among Financial Institutions. This if not checked may result into reduction in customer base and eventually dwindle Financial Institutions' revenue and profitability levels. Although there are many studies, there is sparse literature about the subject understudy. This is because the empirical studies examining the relationship between service quality and customer satisfaction were grounded in outside countries like USA, Australia, South Africa (Travis, 2021; Boamah, 2020 and Sokochan et al., 2018) while this study was carried out in Uganda, Kampala. Furthermore, others studied a direct relationship between customer perception and customer satisfaction (Inabo, 2022; Chambers, 2020) and this study aimed at bridging this gap by

examining the relationship between service quality, clientele perception and customer satisfaction among Financial Institutions in Kampala.

### **1.3 Purpose of the Study**

To examine the relationship between service quality, clientele perception and customer satisfaction among Financial Institutions in Kampala

### **1.4 Specific objectives of the study**

(i) To examine the relationship between service quality and customer satisfaction among Financial Institutions in Kampala.

(ii) To examine the relationship between clientele perception and customer satisfaction among Financial Institutions in Kampala.

(iii) To examine the overall effect of service quality and clientele perception on customer satisfaction among Financial Institutions in Kampala.

### **1.5 Research questions**

(i) What is the relationship between service quality and customer satisfaction among Financial Institutions in Kampala?

(ii) What is the relationship between clientele perception and customer satisfaction among Financial Institutions in Kampala?

(iii) What is the overall effect of banking service quality and clientele perception on customer satisfaction among Financial Institutions in Kampala?

### **1.6 Hypothesis of the study**

(i) There is a positive relationship between service quality and customer satisfaction among Financial Institutions in Kampala?

(ii) There is a positive relationship between clientele perception and customer satisfaction among Financial Institutions in Kampala?

(iii) There is an overall effect of service quality and clientele perception on customer satisfaction among Financial Institutions in Kampala?

### **1.7 Significance of the study**

To the practitioners; the study provides more knowledge to Financial Institutions about the importance of service quality, clientele perception on customer satisfaction.

To the policy makers; this research reminds the government to make various policies which can guide Financial Institutions on how to improve service quality and clientele perception.

To the future researchers; the findings will be used as a benchmark for future researchers who are interested in exploring the subject under study. This is because, it is emphasized that research needs to be up to date for the coming years. Therefore, this research is conducted to provide an up to date information about the subject under study.

To the academic researchers; the study provides more literature on the already existing body of knowledge and also recommendations on service quality improvement measures.

### **1.8 Scope of the study (Subject and Geographical)**

#### **1.8.1 Subject Scope**

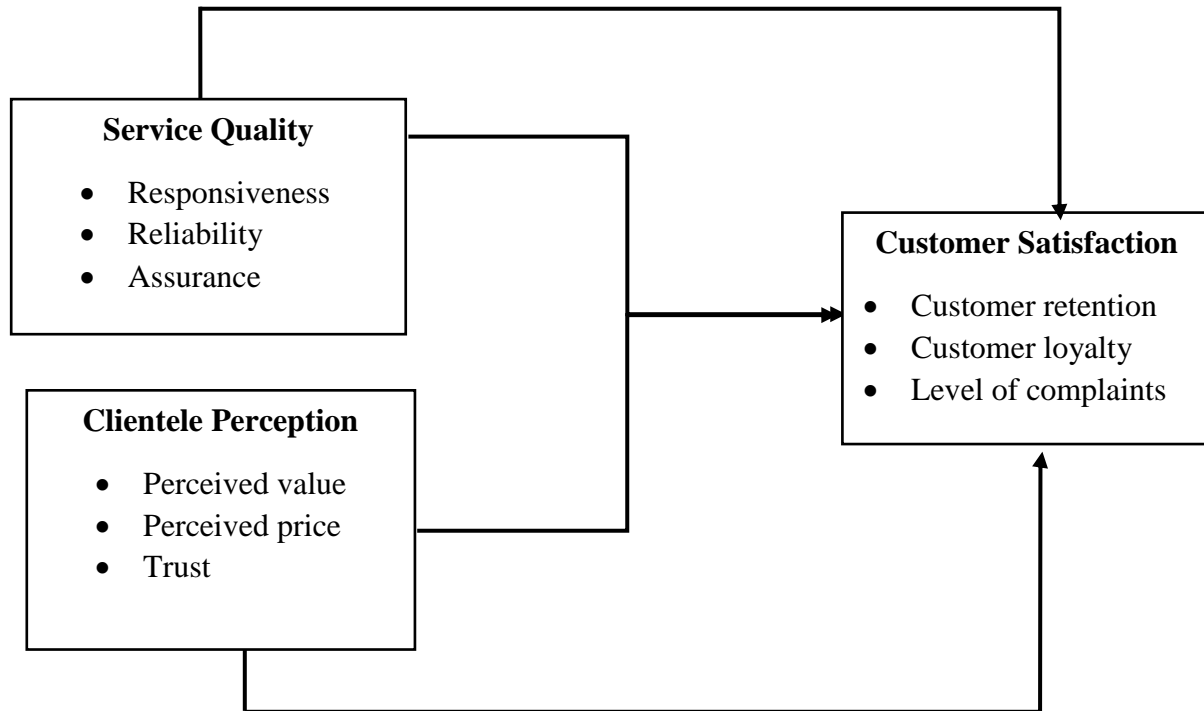
The study concentrated on understanding the relationship between service quality, clientele perception and customer satisfaction among Financial Institutions in Kampala.

#### **1.8.2 Geographical Scope**

The study was carried out in Kampala because Financial Institutions are concentrated here.

## 1.9 Conceptual Framework

Figure 1.1. The Conceptual framework



Source: Author's own conceptualization from reviewed literature and theories.

### Explanation of the conceptual framework

The conceptual framework indicated in Figure 1.1 provides the diagrammatic comprehension of the studied variables. This framework reveals that customer satisfaction is dependent on variables such as service quality and clientele perception. Specifically, the model indicates that service quality can directly determine customer satisfaction. This model also indicates that clientele perception has the ability to influence customer satisfaction. Lastly, the framework indicates that a com-bind effect of service quality and clientele perception can influence customer satisfaction, hence suggesting the relevance of both service quality and clientele perception in influencing customer satisfaction.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter details the theory related to the study and presents a review of the related literature clearly examining the relationship between Service quality, clientele perception and customer satisfaction as described by the conceptual framework.

#### **2.2 Theoretical Review**

##### **2.2.1 Two factor theory**

This research was underpinned by the Two Factor Theory that was developed by Herzberg (1957). The factors being the motivators and hygiene factors. Motivator factors like achievement, recognition, job status, work itself and growth motivate employees to work hard by maintain error free records, prevent long awaiting lines, deliver service with in promised deadline, keep customers' transactions confidential and offer good customer care which results into customer satisfaction. Hygiene factors like security, supervision also leads to customer satisfaction. In addition, the Two factor theory also identified customer perception as a key determinant of customer satisfaction and explains that if the perception of the service received has exceeded the expectations of the service, customer satisfaction becomes positive; on the other hand, if the perception of the of the service received is less than the level of expectation of the service it would lead to customer dissatisfaction.

#### **2.3 Conceptual review**

##### **2.3.1 Customer satisfaction**

A customer/ client or consumer is someone who buys products or services from a company (Riserbato, 2021). These three words can be used interchangeably (MasterClass, 2022).

Customer satisfaction is a measure of how well the products and services and overall customer experience meets or surpass overall customer expectation (Alaina, 2021; Binti, 2012; Amiri & Faghani, 2012), satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some need, goal or desire. In today's competitive environment, the satisfaction of a customer is considered as a success story and this requires financial institutions to ensure that their customers are satisfied by both their services and the entire process of providing these services (Asiimwe & Oroma 2022). This is because customer satisfaction is crucial for business growth and expansion as satisfied customers are likely to repurchase and inform others about their positive experience while dissatisfied customers will not repeat their buying experience even if the company spends much money on marketing (Basari & Shamsudin, 2020). Therefore, customer satisfaction is fundamental for an organization to be successful in all its operations since it influences the level of customer base, revenue and the profitability of the business organization (UKEssays, 2018). It is on this basis that Organizations approach customer satisfaction in various ways when managing and improving their relationships with customers (Palm, 2017). Besides, customer satisfaction is measured by customer loyalty, retention and the level of customer complaints (Agyapong, et al., 2011; Gupta, 2021).

### **2.3.2 Service Quality**

According to Ramya, Kowsalya and Dharanipriya (2019), the term Service Quality is an association of two different words; service and quality. Service means any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything while quality has come to be recognized as a strategic tool for attaining operational efficiency and better performance of business. Service quality means the ability of a service

provider to satisfy customer in an efficient manner through which he can better the performance of business. On the same note, Service quality (SQ), in its contemporary conceptualization, is a comparison of perceived expectations (E) of a service with perceived performance (P), giving rise to the equation  $SQ=P-E$ . This conceptualization of service quality has its origins in the expectancy-disconfirmation paradigm (Lewis & Booms, 1983). Parasuraman (1988) developed a widely used instrument for measuring service quality as SERVQUAL model with dimensions of reliability, responsiveness; assurance extra and according to Bhatt & Bhanawat (2016), this model evaluates the gap between customer expectations and perception of service. A business with high service quality will meet or exceed customer expectations whilst remaining economically competitive. Evidence from empirical studies suggests that improved service quality increases profitability and long term economic competitiveness. Improvements to service quality may be achieved by improving operational processes; identifying problems quickly and systematically; establishing valid and reliable service performance measures and measuring customer satisfaction and other performance outcomes (Shanka & Mesay, 2012).

Customers judge service quality relative to what they want by comparing their perceptions of service experiences with their expectations of what the service performance should be. Therefore, Service quality is an important tool for Financial Institutions for augmenting their income and market share (Muyeed, 2012). It should also be noted that the facets used to measure service quality include: reliability, responsiveness and assurance (Parasuraman, et al., 1993; Galeeva, 2016; Myers, et al., 2017; McDowell, et al., 2018; Su and Teng 2018; Ramya, Kowsalya & Dharanipriya, 2019). While according to UKessays (2018), the dimensions of service quality include: Reliability which is a crucial dimension that confirms the capacity to provide services exactly, on time, credibly and with error free conditions; Assurance which is

defined as employees' knowledge of courtesy and the ability of the firm and its employees to inspire trust and confidence; Responsiveness which is the willingness to help the customer with respect and provide prompt service. Janse (2019) in his study concluded with reliability, responsiveness and assurance as the essential dimensions of service quality.

### **2.3.3 Clientele Perception**

Clientele perception refers to the opinions, feelings, and beliefs customers have about your service (Inabo, 2021). In addition, Customer perception refers to the process by which customers select, organize and interprets information/stimuli inputs to create a meaningful picture of the brand or the product/ service through various stages (MBA Skool Team, 2021). It summarizes how customers feel about a business brand including every direct or indirect experience they have had with the company. By monitoring customer perception, the businesses can spot common user pain points and improve the customer journey (Inabo, 2022). A clientele perception refers to how customer view a certain product based on their own conclusion. These conclusions are derived from a number of factors, such as price and overall experience. It is a marketing concept that encompasses a customer impression, awareness or consciousness about a company or its offerings. Customer perception is typically affected by advertising, reviews, public relations, social media, personal experience and others (Channels, et al., 2016). Clientele perception is one of the objects studied by the science of customer behavior. Analyzing the work of scientists studying the customer behavior, it is possible to make a conclusion that clientele perception is presented as one of personal factors, determining customer behavior (Thiruvengatraj & Vetrivel, 2017). Ineffective sales and marketing can cause negative perception even before sale is made and thus managing clientele perception is one of the most critical tasks for a company looking to launch and maintain a big brand (Rezwan & Khan, 2014).

Clientele perception is measured using perceived value, perceived price and trust (Inabo, 2022; Channels, et al., 2016, 2021; Yingzu, et al., 2007).

## **2.4 Related Literature**

### **2.4.1 Relationship between Service Quality and Customer Satisfaction**

According to Boamah (2020), service quality in terms of reliability, responsiveness and assurance are significantly related to customer satisfaction. In agreement, Nannozi, Asimwe & Oroma (2022) revealed a positive significant associative between service quality and customer satisfaction through Automated teller machines, online banking and mobile banking. Customer satisfaction is derived from the provision of high quality services as they exceed customer expectations (Kaura, Datta, & Vyas, 2012). However, Sokchan, et al. (2018) posit that assert that there is a negative relationship between Service quality and customer satisfaction and added that satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of services. However, Krush (2015) on the contrary assert that, lack of empathy or an inability to understand the other's perspective as indicators of service quality damages any service encounter and results in customer dissatisfaction.

Kamlani (2016) concluded that, reliability of both private banks and Public banks have positive significance relationship implying customers, feel both public and private banks have better ability to perform the promised services dependably and accurately. However, Hennayake (2017) said reliability is the most influential factor than other factors to enhance the customer satisfaction. The literature reveals an increased degree of positive relationship between reliability and customer satisfaction where face to face dealing with customers and employees. In addition, Alkhalwaldeh and Eneizan, (2018) noted that, eagerness or status of representatives to give the

wanted customers benefit with no wasting time or bother whenever it will affect positively on the level of customer satisfaction and thus will also affect positively on the level of customer loyalty. Whenever the consumers are given the consideration and they are fulfilled by the organization being focused on the problem they have already experienced in order to maintain the security situation. While Farrag, Murphy, & Hassan (2022) asserts that although high service quality is associated with customer satisfaction, customer satisfaction seems unexpectedly dampened by category attitudes, perhaps, due to general malaise felt towards category following the disruptive events. Notably, Teng, Maghavvemi, & Peng (2018) revealed that knowledge and staff competences as well as convenience of the bank is more significant for local financial institutions' customer while the institute image and internet banking are important components for foreign institutes' customers. Therefore, the aim of this study was to find out the relationship that existed between service quality, clientele perception and customer satisfaction in Kampala.

#### **2.4.2 Clientele perception and customer satisfaction**

Clientele perception as the opinions, feelings and believes customers have about your service plays an important role in building customer loyalty and retention as well as brand reputation and awareness (Inabo, 2021). Customer satisfaction depends on the differences between the expected value of services and the actual value (Lui, Lee, & Hung, 2016). Similarly, according to Chambers (2020), there is a positive relationship between clientele perception and customer satisfaction. This is because the way customers perceive your business impacts every action they take and therefore, positive customer perception can increase brand loyalty and generate referrals as it leads to value alignment and trust signals perception is everything. Relatedly, Angelou (2020) assert that clientele perception and customer satisfaction are significantly related and therefore, customer satisfaction is determined by the customers' perceptions and expectations of

the quality of the products and services. In addition, customers will forget about you, what you did but will never forget how you made them feel. Customer perception determines how your customers feel about you, whether they continue to do business with you and whether they recommend to you their family and friends. In other words, customers' perception is a big deal as it leads to customer satisfaction. In many cases, clientele perception is subjective, but it provides some useful insights for organizations to develop their marketing strategies. Providing high level of quality service has become the selling point to attract customer's attention and is the most important driver that leads to satisfaction. Therefore, the purpose of this study was to establish the relationship that existed between clientele perception and customer satisfaction.

Khairani (2017) revealed that clientele perception and customer satisfaction are very closely linked together, because if the perceived service is close to customer's expectations it leads to satisfaction. Satisfied customers provide recommendations; maintain loyalty towards the company and customers in turn are more likely to pay price premiums. This is in harmony with Yingzu, Goedegebuure and Van (2016) who observed that customer perception of a rational benefit has a positive impact upon customer satisfaction with trust being the most important indicator. Thus, customer satisfaction is a result of what customers think will happen (expectations), interacting with what customer think did happen (perceptions). If the product's performance falls short of the customers' expectations, the buyer is dissatisfied whereas if performance matches expectations, the buyer is satisfied and if performance exceeds expectations, the buyer is delight. This is further confirmed by Senoga (2018) who confirmed that there is a significant positive relationship between clientele perception and customer satisfaction in the banking sector especially through e-banking. This means that a financial institution should ensure provision of quality services to enable that the clients' perceptions are

met. If clientele perception is positive, it will influence the customer to feel that your values are aligned with theirs and they can trust your services to meet their needs and expectations and this will positively improve on customer satisfaction. However, Carly Stec (2021) disagrees by stating that clientele perception doesn't affect the satisfaction of a customer as customer's opinions are not related to experience. In addition, Javed (2017) also established a negative correlation between clientele perception and customer satisfaction. Conclusively, the purpose of this study was to establish the relationship that existed between clientele perception and customer satisfaction among financial institutions.

#### **2.4.3 Service quality, clientele perception and customer satisfaction**

The satisfaction of customers hinges on customer perception. The way customers perceive your service quality affects everything from customers' acquisition to retention, sales, and your bottom line. It is important to understand customer perception of your service quality as it has a strong relationship with customer satisfaction (Denantes & Donoso, 2021). (Garrido, Gonzalez, & Martos, 2016) also posits that a financial institution should ensure provision of quality services to enable that the clients' perceptions are met. If clientele perception is positive, it will influence the customer to feel that your values are aligned with theirs and they can trust your services to meet their needs and expectations and this will positively improve on customer satisfaction. Relatedly, Bisimwa, Nuwagaba, & Musigire (2019) in their study concluded that if customers perceive a relatively high quality of service they enjoy, their level of trust is relatively high and they are usually satisfied. Likewise, Chen, Lui, Tsong, & Yang (2012) concluded that service quality has a significant impact on customer satisfaction as it's used in determining customers' trust and perceived value which in turn lead to customer satisfaction. Endara, Ali, & Yajid (2019) shows that perceived service quality is strongly predicted by collectivism,

masculinity and uncertainty avoidance. Perceived service quality also leads to customer satisfaction among financial institutions. Further more, public financial institutions are more concerned with customer satisfaction compared to private ones. While Hakkeem & Moydheen (2015) assert that customer satisfaction is majorly influenced by convenience, awareness, and responsiveness and therefore, bankers should improve their services, loyalty to customers and their retention by increasing awareness of their customers and concentrating on the factors contributing customer satisfaction. On the same note, Samsunisa (2015) concluded that different age group of customers have different perception toward the services and the usage level of these financial institutions" customer is different so the institutions should concentrate on all the age group of customers for betterment of quality services. It has also seen that different occupation group of customers have different perception toward the financial services is acute in satisfying customers. These results also concur with the findings of the study conducted by Tamale & Twinomugisha, (2018) who also observed that Service Quality, Customer Perception and Customer Satisfaction are related among financial institutions. The study report finally gives some conclusions and recommendations. For instance, business organizations in today's dynamic financial landscape should focus on good service quality, physical evidence and ambience to instill a higher reliability value among customers in order to enhance customer satisfaction. There is a need for the business institutions to make their services tangible through physical facilities in order to improve on quality services so as to satisfy their customer needs and finally, customers need to be closely monitored to limit gaps in service provision and resulting falls in well-being within the bank. Conclusively, the purpose of this study was to establish the relationship that existed between service quality, clientele perception and customer satisfaction among financial institutions.

## **2.5 Conclusion**

It can therefore be concluded that Service Quality, Clientele Perception and customer satisfaction are correlated. The literature on customer satisfaction identified traits customer retention, customer loyalty and the level of complaints to be influenced by Service Quality and Clientele Perception. The literature on Service Quality identifies Responsiveness, Reliability and Assurance as key pre-requisites for Customer Satisfaction while the literature on Clientele Perception identifies Perceived value, Perceived price and Trust as key predictors of Customer Satisfaction. Besides, the literature on the independent and dependent variables was reviewed separately because of insufficient literature on the three variables and the current study intended to investigate the relationship between between service quality, clientele perception and customer satisfaction among financial institutions in Kampala.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This section describes the research design, study population, sample size and techniques, unit of analysis and unit of inquiry. It further describes the data sources, data collection method, validity and reliability, measurement of research variables, data management and analysis techniques, limitations and ethical considerations.

#### **3.2 Study Design**

The study employed a Cross-Sectional study design to enable the researcher to gather data once from a large sample coverage which saves time (Creswell & Creswell, 2018; Creswell, 2014). Quantitative research design was used for its formal objective systematic process in which numerical data is utilized to obtain information (Eyisi, 2016; Burns & Grove, 2005).

#### **3.3 Population of the Study**

The study population comprised of 56 financial institutions in Kampala including 25 commercial banks, 22 insurance firms, 5 micro deposit taking institutions and 4 credit institutions (B.O.U, 2020) which engage in business dealing with financial and monetary transactions ranging from taking deposits, lending, investments and currency exchange (Heyes, 2023). This is because the researcher intended to examine the relationship between service quality, clientele perception and customer satisfaction among financial institutions in Kampala. Financial institutions made up the unit of analysis from where the researcher generated the data from which the research questions were answered and there after meaningful conclusions derived (Roller & Lavrakas, 2015). The

study excluded other regulated financial institutions, specifically forex bureaus and money remitters.

### 3.3.2 Sample Size and Sampling Technique

The study used a sample size of 50 financial institutions in Kampala as determined using Krejcie & Morgan (1970) table for selecting sample size from a given population. Stratified random sampling was used to select the financial institutions and purposive sampling to select respondents of financial institutions. Stratified random sampling was used because it ensures that each strata in the industry was included in the study (Walliman, 2017). The unit of inquiry comprised 4 customers of each selected financial institutions. Thus the study comprised a total number of 200 respondents as a unit of inquiry. Purposive sampling was used to select these customers since these are deemed knowledgeable about the subject matter and therefore gave all the required information relevant to the study (Lawrence, et al., 2015).

**Table 3.1: Population and sample size**

Category	Population of financial institutions	Sample of financial institutions	Expected Respondents of financial institutions	Actual respondents of financial institutions	Method of sampling
Commercial banks	25	24	$24*4 = 96$	96	Stratified random sampling
Credit institutions	4	3	$3*4 = 12$	12	Stratified random sampling
MDIs	5	4	$4*4 = 16$	16	Stratified random sampling
Insurance companies	22	19	$19*4 = 76$	72	Stratified random sampling
Total	<b>56</b>	<b>50</b>	<b>200</b>	<b>196</b>	Stratified random sampling

Source: Bank of Uganda (2022)

### **3.5 Data Source**

Primary data was obtained through the use of self-administered questionnaires following the systematic and established procedures as suggested by (Amin, 2005; Churchill, 1979; Anderson & Gerbing, 1988). Self-administered questionnaires were used because of its less chance of biasing error and it has greater anonymity (Amin, 2005). A 4-point Likert scale was used because respondents' opinions were considered very vital and therefore needed specific responses for this particular study.

### **3.6 Data Collection Method**

The questionnaire survey was used to collect the quantitative data of the study. The design of the questionnaire survey was derived from the information of the conceptual frame work that helped in getting answers on issues that seem controversial since some respondents prefer anonymity (Bhandari 2021; Abawi, 2017). Consent was got from the respondents before the administration of the tool. This tool was used to reach all targeted customers within a short period of time and was appropriate for collecting qualitative data ((Bhandari, 2021; Saunders, Lewis, & Thornhill, 2007).

### **3.7 Validity and reliability of collected data**

Validity shows to how accurately a method measures what it is intended to measure (Middleton, 2019). In this study, expert judgment and content validity index (CVI) were used. After drafting the questionnaire, it was shared with academic supervisors and other experts at the University to provide comments regarding the appropriateness and understandability of the items contained in the instrument. Based on their comments, the questionnaire was amended. CVI was also used where the researcher distributed the questionnaire to specific people were conversant about the subject, not necessarily those targeted by the study to express the content validity. Based on the

results obtained, the researcher computed CVI using the formula,  $K/N$  where; K is the number of items identified as valid and N the number of items under each construct. As a general rule, CVI should be 0.7 or better under to be considered valid (Creswell, 2014). The same threshold was applied to this particular study. The study had a content validity index for service quality (CVI = 0.88) clientele perception (CVI = 0.94) customer satisfaction (CVI = 0.89) as seen in the table showing validity and reliability results below.

Reliability was determined by pretesting and Cronbach Alpha coefficient. Before the actual data collection, the researcher distributed between 10 and 15 questionnaires to check for consistence in the responses. Depending on the results, the questions was rephrased. Cronbach Alpha coefficient was also computed based on the field results. Nunnally & Bernstein (1994) indicated that results are regarded as reliable when the Cronbach alpha coefficient obtained under each construct and variable is at least 0.7. The same scale was used to determine the reliability of the questionnaire

**Table 3.2 shows Validity results**

	<b>Items</b>	<b>CVI</b>	<b>Cronbach's Alpha</b>
Service quality	18	0.88	.793
Clientele perception	17	0.94	.846
Customer satisfaction	18	0.89	.852

Source: primary data

The table above shows that the questionnaire survey was reliable as reflected by the Cronbach's Alpha co-efficient which is acceptable. According to Chelsea (2015), if reliability is from 0.7-0.8, its acceptable and if it's from 0.8- 0.9, its good.

### **3.8 Measurement of Variables**

In this study, Service Quality was measured using reliability, responsiveness and assurance (Ramya, Kowsalya & Dharanipriya, 2019; Parasuraman, et al., 1993; Galeeva, 2016; Myers, et al., 2017; McDowell, et al., 2018; Su and Teng 2018), Clientele Perception was measured using perceived value, perceived price and trust (MBA Skool Team, 2021; Yingzu, et al., 2007) and customer satisfaction was measured by customer loyalty, retention and the level of customer complaints (Gupta, 2021; Agyapong, et al., 2011).

### **3.9 Data Analysis**

Data collected was analyzed using Statistical Package for Social Science (SPSS) computer program that produced required statistics in the study for easy understanding and interpretation (Pallant, 2010). Through the use of descriptive statistics showing the mean, frequencies and standard deviations. The relationship between the independent and dependent variables was determined using Pearson's correlation coefficient as recommended by (Cohen & Cohen, 1983). During analysis, the study assumed a confidence interval of 99% and 95% for some variables (margin of error 1% and 5% respectively) that determined the significance of the coefficients.

### **3.10 Ethical Considerations**

- (i) The respondents were informed of the purpose of the study which was purely for academic purposes at the initial stages of data collection.
- (ii) Informed consent was obtained from the participants before they take part in the study. A consent form was designed to this effect by the researcher.

(iii) Information obtained from the participants was kept with utmost confidentiality. This involved coding of questionnaires with numbers instead of respondents' names to ensure anonymity and confidentiality.

(iv) Volunteering in the study was encouraged to avoid bias and the respondents were also assured of their free will to withdraw from the study at any time. This also involved encouraging respondents to be co-researchers to enhance a collaborative form of research.

(v) The researcher acknowledged authorship through citing of information retrieved from other scholars and researchers.

(vi) After data had been collected and used by the researcher, it was kept in a private and secure place for a limited time and then later discarded to avoid it from being inappropriately used in case it falls into the hands of other researchers that may misappropriate it.

## **CHAPTER FOUR**

### **PRESENTAATION, ANALYSIS AND INTERPRETATION OF THE FINDINGS**

#### **4.1 Introduction.**

This chapter describes presentation, analysis and interpretation of findings of data collected for the study. The study was carried out on service quality, clientele perception and customer satisfaction among financial institutions in Kampala. The presentation was guided by the research objectives and the statistics are a reflection of the respondent's view on the research questions. It further describes the response rate, demographic characteristics and the findings representing study objectives. The data is presented using percentages, frequencies organized in tables. Pearson's correlation coefficient was presented later in order to determine the relationship between the independent and dependent variables. Regression analysis was also carried out to determine the overall effect of the independent variable on the dependent variable.

#### **4.2 Response Rate**

The survey covered a sample of 200 respondents (50 financial institutions) of which only 196 returned the questionnaires (49 financial institutions responded). This gave a response rate of 98%. According to Cleave (2020), the response rate of 50% and below is inadequate for analysis. While a rate of 60% means that data is good for analysis and a rate of 70% and above means data is very good for analysis. In accordance to this study with a response rate of 98%, the data was very good for analysis.

#### **4.3 Demographic Characteristics**

This section shows personal profile of the respondents (Gender, Education level, Age, Employment status, marital status, financial institution's name, Nature of Financial institution).

**Table 4.1 Demographics of respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	98	50
Female	98	50
<b>Total</b>	<b>196</b>	<b>100</b>
<b>Education level</b>		
Diploma	96	49
university degree	99	50.5
Others	1	0.5
<b>Total</b>	<b>196</b>	<b>100</b>
<b>Age</b>		
18-25	7	3.6
26-33	101	51.5
34-41	72	36.7
42-49	16	8.2
<b>Total</b>	<b>196</b>	<b>100</b>
<b>Marital status</b>		
single	62	31.6
married	132	67.3
divorced	1	0.5
separated	1	0.5
<b>Total</b>	<b>196</b>	<b>100</b>
<b>Respondent category</b>		
corporate	52	26.5
SME	2	1
micro	77	39.3
Retail personal	65	33.2
<b>Total</b>	<b>196</b>	<b>100</b>

Source: Study Findings

Table 4.1 above shows an equal response from both male and female at 50%. This means an equal distribution in respondent's gender. It also shows that majority of the respondents were University Degree holders meaning that they were knowledgeable enough for the study, followed by diplomas and lastly by others. In addition, it indicates that majority of the respondents were aged from 26 to 33, followed by 34 to 41, then followed by 42 to 49 and lastly by 18 to 25 years meaning that they were reasonable adults for the study. Furthermore, it

indicates that majority of the respondents were married, followed by the singles, then followed by separated and divorced. This means that they were so responsible and committed for the study

**Table 4.2 Demographic about Financial institutions**

Nature of financial institution	Frequency	Percentage
Public limited	4	0.081
Private limited	41	0.836
government	4	0.081
<b>Total</b>	<b>49</b>	<b>100</b>

It also shows that majority of the respondents were private limited companies perfect enough for the study. Finally, it shows that majority of the respondents are micro customers.

#### 4.4 Descriptive statistics

Means and standard deviations of global variables were generated to summarize the observed data. This is because according to Field (2005), means represent a summary of the data while standard deviation shows how well the means represent the data.

**Table 4.3 Means and standard deviation**

Variable	N	Minimum	Maximum	Mean	Standard deviation
Service quality	196	1.00	4.00	3.335	1.095
Clientele perception	196	1.00	4.00	3.487	1.085
Customer satisfaction	196	1.00	4.00	3.198	1.000

Source: Primary data

In relation to the means of the study variables, clientele perception has a higher mean (Mean = 3.487) than service quality (Mean = 3.335) and customer satisfaction (Mean = 3.198). This implies that perceived value, perceived price and trust are important as they influence customer satisfaction among financial institutions.

## 4.5 Correlation Analysis

Pearson's Correlation coefficient was used to examine the relationship between the study variables. Pearson's model is a statistical model that helps to determine the linear relationship (positive, negative or no) between the independent and dependent variables (Schober, 2018). The correlation coefficient was generated from SPSS using the data gathered from the field that was entered and later interpreted. Results of the correlation tests are presented in the table below;

**Table 4.4 Correlation results**

Correlation results

ITEM	1	2	3	4	5	6	7	8	9
Service quality (1)	1								
Reliability (2)	.740**	1							
Assurance (3)	.798**	.610**	1						
Responsiveness (4)	.824**	.442**	.521**	1					
Clientele perception (5)	.312**	.373**	.221**	.170*	1				
Perceived price (6)	.264**	.326**	.178**	.148*	.891**	1			
Perceived value (7)	.297**	.315*	.249**	.150*	.876**	.747**	1		
Trust (8)	.245**	.248**	.183**	.189**	.548**	.323**	.421**	1	
<b>Customer satisfaction(9)</b>	<b>.424**</b>	<b>.423**</b>	<b>.396**</b>	<b>.275**</b>	<b>.427**</b>	<b>.446**</b>	<b>.518**</b>	<b>.325**</b>	<b>1</b>

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

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

Source; primary data (2022)

### 4.5.1 Service Quality and Customer Satisfaction

The table above shown a positive relationship between Service quality and Customer satisfaction ( $r=.424^{**}$   $p\leq.01$ ). This means that any positive change in service quality is linked with a positive change in customer satisfaction among financial Institutions in Kampala. This also implies that

the dimensions of service quality of Reliability, Responsiveness and Assurance ( $r=423^{**}$   $p\leq.01$ ), ( $r=.396^{**}$   $p\leq.01$ ) and ( $r=.275^{**}$   $p\leq.01$ ) respectively have a strong positive relationship with customer satisfaction.

#### **4.5.2 Clientele Perception and Customer Satisfaction**

The above table also concluded a strong positive relationship between clientele perception and customer satisfaction ( $r=427^{**}$   $p\leq.01$ ). This implies that a positive change in clientele perception is related with a positive change in customer perception. In addition, all the dimensions of clientele perception of perceived price, perceived value and trust ( $r=.446^{**}$   $p\leq.01$ ), ( $r=.518^{**}$   $p\leq.01$ ) and ( $r=.325^{**}$   $p\leq.01$ ) respectively had a positive relationship with customer satisfaction.

#### **4.6 Regression Analysis**

The regression model was used and it determined the extent to which the predictor variables (service quality and clientele perception) affected the dependent variable (customer satisfaction). That is to say, a percentage change in independent variables brings a change to the dependent variable. Specifically, hierarchical regression model was used to determine the extent to which service quality and clientele perception affects customer satisfaction because this approach allows entering of variables rendering to order of importance (Field, 2009) thereby enabling one to systematically and sequentially evaluate the contribution of each independent variable to the dependent variable. Thus each variable was entered at a time hence creating three models as illustrated below.

**Table 4.5 Hierarchical Regression model**

Variables	Model			Sig	Collinearity statistics	
	Model 1	2	Model 3		Tolerance	VIF
control variables						
Age	-0.061	-0.038	-0.031	0.608		
Education level	0.003	-0.031	0.002	0.979		
Service quality		0.424	0.34	.000	0.991	3.098
Clientele perception			0.345	.000	0.935	3.825
Model F	0.36	14.249	19.834			
R	.061 <sup>a</sup>	.427 <sup>b</sup>	.542 <sup>c</sup>			
R2	0.004	0.182	0.293			
Adjusted R2	-0.007	0.169	0.279			
F Change	0.036	14.249	19.834			
Sig	.000	.000	.000			

a. Predictors: (Constant), education level, age

b. Predictors:(Constant),education level, age, service equality

c. Predictors:(Constant), education level, age, service quality, clientele perception

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.903	0.297		3.034	0.003
age	-0.009	0.017	-0.031	-0.513	0.608
Education level	0.001	0.024	0.002	0.027	0.979
Service quality	0.38	0.07	0.34	5.405	.000
Clientele perception	0.407	0.074	0.345	5.487	.000

A hierarchical regression analysis was carried out to determine the relationship between service quality, clientele perception and customer satisfaction. Interest was put on both control variables (age, education level) and study variables (service quality and clientele perception). From the three models carried out, control variables were first run into model 1 and the results show that age and education level are insignificant with -0.7% (Adjusted R square = -0.007) and with betas from model 1 to model 3 as follows; (b = -0.061, -0.038, -0.031) and (b = 0.003, -0.031, 0.002)

respectively. When Service quality was run into model 2, the predictive power increased to 16.9% (adjusted R square = 0.169) and the results also show that service quality was detected to be the least significant predictor of customer satisfaction (Beta = .34, sig = .000). This implies that a positive change in service quality leads to a positive change in customer satisfaction. When clientele perception was entered into model 3, the predictive power increased to 27.9% (adjusted R square = .279) of the observed variance in customer satisfaction. In addition, clientele perception was found to be the most significant predictor of customer satisfaction (Beta = 0.345, sig = .000). This implies that a positive change in clientele perception brings a change in customer satisfaction. However, it was noted that while addressing customer satisfaction, clientele perception (Beta = 0.345) should be given priority over service quality (Beta = .34) among financial institutions in Kampala.

## **CHAPTER FIVE**

### **DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This section describes the discussion of findings, conclusion, recommendations, and areas of further research and limitations of the study. Research findings are discussed based on the research objectives while drawing comparison between the findings and literature review.

#### **5.2 Discussion of findings**

##### **5.2.1 Service quality and customer satisfaction**

The findings revealed a positive relationship between service quality and customer satisfaction among financial institutions. The findings of regression also show that service quality is a significant predictor of customer satisfaction. This indicates that financial institutions delivers all the services within the promised deadline, their Customers feel safe in all transactions with this financial institution, maintains error free records, advertising and promotional messages of this financial institution reflect reality, are persistent in performing their services correctly, committed to fulfill all customer requirements at the right time, shows sincere attention in solving customer problems and concerns. In addition, financial institution's employees are continuously courteous with customers, are quick and efficient in service delivery, have knowledge to answer customer queries, offer various support services to customers, keeps customers' transactions confidential, and instills confidence in customers. Furthermore, Financial institution's employees prevent long waiting lines, operate a regular and effective complaint handling process, whenever a customer is faced with any financial problem, this financial institution's employees help to solve the problem, are willing to provide financial service assistance to customers when needed, provides prompt response/ feedback to customers.

The finding is in agreement with other studies that revealed a significant relationship between service quality and customer satisfaction (Nannozi, Asiimwe & Oroma 2022; Boamah 2020; Farrag, Murphy, & Hassan 2022; Hennayake 2017; Kaura, Datta, & Vyas, 2012). For example, Boamah (2020) concluded that service quality in terms of reliability, responsiveness and assurance are significantly related to customer satisfaction. In agreement, Nannozi, Asiimwe & Oroma (2022) revealed a positive significant associative between service quality and customer satisfaction through Automated teller machines, online banking and mobile banking. Customer satisfaction is derived from the provision of high quality services as they exceed customer expectations (Kaura, Datta, & Vyas, 2012). Furthermore, the results Senoga (2018) confirmed that there is a significant positive relationship between service quality and customer satisfaction in the financial sector especially through e-banking.

### **5.2.2 Clientele perception and customer satisfaction**

The findings discovered a positive significant relationship between clientele perception and customer satisfaction. The findings of the regression justified that clientele perception is the most significant predictor of customer satisfaction. This means that financial institutions' customers are satisfied with the pricing of their services, spend less while using their services, are concerned about low prices but equally concerned about service quality and that the price of service is in accordance to the quality. In addition, financial institutions provide valued services, meet customer needs, provide their services conveniently, and their services are positively assessed by customers and are worth the purpose. Furthermore, customers trust the quality of their services, to do what they promise to do, to have the best of customers' interest at heart and also to be very reliable, honest and dependable.

The results further agreed with the previous studies which established a strong and significant relationship between clientele perception and customer satisfaction (Chambers 2020; Angelou 2020; Senoga 2018; Khairani 2017; Yingzu, Goedegebuure and Van 2016). For example, Angelou (2020) assert that clientele perception and customer satisfaction are significantly related and therefore, customer satisfaction is determined by the customers' perceptions and expectations of the quality of the products and services. In addition, Khairani (2017) revealed that clientele perception and customer satisfaction are very closely linked together, because if the perceived service is close to customer's expectations it leads to satisfaction. In agreement, Yingzu, Goedegebuure and Van (2016) who observed that customer perception of a rational benefit has a positive impact upon customer satisfaction with trust being the most important indicator. However, Carly Stec (2021) disagrees by stating that clientele perception doesn't affect the satisfaction of a customer as customer's opinions isn't related to experience. In addition, Javed (2017) also established a negative correlation between clientele perception and customer satisfaction.

### **5.3 Conclusion**

The study was designed to answer three research questions and this section describes the strategic findings of the study in relation to the research objectives so as to formulate the recommendations of the study.

Based on the results of the study, it should be settled that there is a significant relationship between service quality and customer satisfaction. Therefore, financial institutions that have reliability, assurance and responsiveness in the services they provide achieve customer satisfaction. Service quality is operationalized by reliability, assurance and responsiveness which are crucial in improving customer satisfaction. To improve customer satisfaction, financial

institutions should deliver all the services within the promised deadline, make their Customers feel safe in all transactions, maintains error free records, be committed to fulfill all customer requirements at the right time, shows sincere attention in solving customer problems and concerns. In addition, financial institution's employees should be continuously courteous with customers, be quick and efficient in service delivery, have knowledge to answer customer queries, offer various support services to customers, keep customers' transactions confidential, and instill confidence in customers. Furthermore, financial institution's employees should prevent long waiting lines, operate a regular and effective complaint handling process, solve the customers' problem, provide financial service assistance to customers when needed and provide prompt response/ feedback to customers.

Furthermore, it can be concluded that financial institutions are majorly engaged in improving clients' perception. Results from regression analysis shown that clientele perception is the most significant predictor of customer satisfaction. Thus financial institutions that can improve the perceived price, perceived value and trust can achieve customer satisfaction.

#### **5.4 Recommendation.**

The study recommends that maximum efforts of financial institutions should be put on improving service quality. This can be through the use of advanced technology that quickens service delivery, creating a conducive workplace environment for their employees and providing after sales services to the customers. This is because service quality has a significant positive relationship with customer satisfaction of financial institutions in Kampala. The service quality of financial institutions should have reliability, assurance and responsiveness so as to improve customer satisfaction of financial institutions.

The researcher recommended that training programs should be availed for financial institutions employees as this training will enable employees to attain the required skills, knowledge and ability while dealing with customers.

There is need for financial institutions to educate their customers about the services available, their pricing and how to access them. This will keep customers up to date about the services of financial institutions.

### **5.5 Limitations of the study**

The study adopted a cross sectional research design which indicates that it was unable to capture changes that may have transpired after data collection. This could have affected reliability of the research results obtained in the report.

The study used a questionnaire with close ended questions that limited the views and opinions of the respondents. This could have affected the results in the report.

Inadequate literature. Since limited research on this study subject was carried out in Kampala, there was limited literature and less local secondary data which led to the use in lieu of foreign data.

Some respondents did not complete their questionnaires and this affected the overall response rate.

## **5.6 Area for further study**

From the dimensions of SERVQUAL, the research adopted reliability, assurance and responsiveness. Future researchers are advised to look at other dimensions of SERVQUAL like empathy and Tangibility in addition to reliability, assurance and responsiveness.

Since the study was cross sectional in nature, the research was limited to the study scope in form of time, geography and subject. The researcher notes that a longitudinal study would be more appropriate in the future.

This study focused on determining the relationship between variables only. Therefore, further research is needed to determine the mediating results.

In addition, a single research methodology approach (quantitative approach) was employed. Another research methodology like interviews could be used in future.

Furthermore, more research about other factors that contributes to customer satisfaction like community, language, appreciation among others.

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## APENDIX I: CUSTOMER QUESTIONNAIRE

**Dear respondents,**

I am a student of Makerere University Business School conducting a study entitled “Service quality, clientele perception and customer satisfaction among Financial institutions in Kampala”. It is a requirement for the award of degree of Master of Business administration of Makerere University. You have been identified as a respondent and I kindly request you to spare me a few minutes to fill this questionnaire. The responses will be used for only academic purposes. Your honest and sincere responses will be highly appreciated and shall be treated with utmost confidentiality.

### SECTION A: PERSONAL INFORMATION

Kindly answer all questions by ticking the correct one

**1. Gender**

Male	Female
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**2. Education level**

Primary	Secondary	Diploma	University degree	Others (specify)
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**3. Age**

18-25	26-33	34-41	42-49	50-57	Above 57
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**4. Employment status**

Unemployed	Self employed	Organizational worker
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**5. Marital status**

Single	Married	Divorced	Separated	Widow	Widower
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**6. Financial institution’s name; ..... (Optional)**

**7. Nature of Financial institution**

Public limited Financial institution	Private limited Financial institution
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**8. Respondents Category**

Corporate	SME	Micro	Retail personal
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## SECTION B: QUESTIONS RELATING TO THE STUDY VARIABLES

Please indicate the extent to which you agree or disagree with the statements below by ticking one of the corresponding numbers to the Liked scale.

**Key: 1=SD-strongly disagree, 2=D-disagree, 3=A-agree and 4=SA-strongly agree**

### SECTION B (I): SERVICE QUALITY

<b>Reliability</b>					
<b>Code</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>A</b>	<b>SA</b>
R1	This Financial institution delivers all the services within the promised deadline.	1	2	3	4
R2	This Financial institution's Customers feel safe in all transactions with this financial institution.	1	2	3	4
R3	This Financial institution maintains error free records.	1	2	3	4
R4	The advertising and promotional messages of this financial institution reflect reality.	1	2	3	4
R5	This Financial institution is persistent in performing its services correctly.	1	2	3	4
R6	This Financial institution is committed to fulfill all customer requirements at the right time.	1	2	3	4
R7	This Financial institution shows sincere attention in solving customer problems and concerns.	1	2	3	4
<b>Assurance</b>					
<b>Code</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>A</b>	<b>SA</b>
A1	This Financial institution's employees are continuously courteous with customers	1	2	3	4
A2	This Financial institution's employees are quick and efficient in service delivery	1	2	3	4
A3	This Financial institution's employees have knowledge to answer customer queries	1	2	3	4
A4	This Financial institution offers various support services to customers	1	2	3	4
A5	This Financial institution keeps customers' transactions confidential	1	2	3	4
A6	This Financial institution instills confidence in customers	1	2	3	4

<b>Responsiveness</b>					
<b>Code</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>A</b>	<b>SA</b>
RES1	This Financial institution's employees prevent long waiting lines	1	2	3	4
RES2	This Financial institution operates a regular and effective complaint handling process	1	2	3	4
RES3	Whenever a customer is faced with any financial problem, this financial institution's employees help to solve the problem	1	2	3	4
RES4	This Financial institution is willing to provide financial service assistance to customers when needed	1	2	3	4
RES5	This Financial institution provides prompt response/ feedback to customers	1	2	3	4

## **SECTION B (II): CLIENTELE PERCEPTION**

<b>Perceived price</b>					
<b>Code</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>A</b>	<b>SA</b>
PP1	A customer is satisfied with the pricing of this financial institution's services	1	2	3	4
PP2	The price of the service is in accordance to the quality	1	2	3	4
PP3	This financial institution's services are relatively low compared to similar services	1	2	3	4
PP4	A customer is concerned about low prices but equally concerned about service quality	1	2	3	4
PP5	A customer is willing to go to extra effort to find lower prices	1	2	3	4
PP6	A customer spends less while using this financial institution's services	1	2	3	4
<b>Perceived value</b>					
<b>Code</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>A</b>	<b>SA</b>
PV1	This financial institution provides valued services	1	2	3	4
PV2	This financial institution meets customers' needs	1	2	3	4
PV3	This Financial institution provides its services conveniently	1	2	3	4
PV4	The quality of service are worth the purpose	1	2	3	4
PV5	The services of this financial institution are positively assessed by the customers	1	2	3	4

<b>Trust</b>					
<b>Code</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>A</b>	<b>SA</b>
T1	A Customer trusts the quality of services offered by this financial institution	1	2	3	4
T2	A Customer trusts this financial institution to do what it promises to do	1	2	3	4
T3	A Customer trusts this financial institution to have the best of their interest at heart	1	2	3	4
T4	This financial institution is very reliable	1	2	3	4
T5	This financial institution is honest with its customers	1	2	3	4
T6	This financial institution is dependable	1	2	3	4

### **SECTION B (III): CUSTOMER SATISFACTION**

<b>Customer Retention</b>					
<b>Code</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>A</b>	<b>SA</b>
CR1	This financial institution's services are exactly what customers need	1	2	3	4
CR2	Customers have a good experience with the services provided by this financial institution.	1	2	3	4
CR3	A customer is committed to maintain using this financial institution's services?	1	2	3	4
CR4	A Customer prefers this financial institution's services to services provided by competitors	1	2	3	4
CR5	This Financial institution gives breadth and depth customer service	1	2	3	4
CR6	This Financial institution's Services meet expectations of customers	1	2	3	4
<b>Customer loyalty</b>					
<b>Code</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>A</b>	<b>SA</b>
CL1	A Customers says positive things about this financial institution to other people	1	2	3	4
CL2	A Customer recommends their friends and family to use financial institution's services	1	2	3	4
CL3	Customers do not switch to financial institution's competing service provider	1	2	3	4

CL4	A Customers feels a sense of belonging to this financial institution	1	2	3	4
CL5	A Customer continuously expand on the usage of this financial institution's services	1	2	3	4
CL6	A Customer gives feedback about the services provided by this financial institution	1	2	3	4
CL7	A Customers believes that the services provided by this financial institution is of a great value	1	2	3	4
<b>Level of complaints</b>					
<b>Code</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>A</b>	<b>SA</b>
LoC1	A Customer's complaints are responded to immediately	1	2	3	4
LoC2	This financial institution has a good relationship with customers	1	2	3	4
LoC3	Customer complaints are handled with utmost care	1	2	3	4
LoC4	This Financial institutions uses well trained, skilled and experienced employees	1	2	3	4
LoC5	A Customer complains about this financial institution's services offered on a daily basis	1	2	3	4

**...Thank you for your time...**

**APPENDIX IV: TABLE FOR DETERMINING SAMPLE SIZE FROM GIVEN POPULATION**

**TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size  
 "S" is sample size]

Krejcie, Robert V., Morgan, Daryle W., "Determining Sample Size for Research Activities", Educational and Psychological Measurement, 1970.

