



SERVICE QUALITY AND CUSTOMER SATISFACTION IN BANKING INDUSTRY DURING CASHLESS POLICY IN BIDA LOCAL GOVERNMENT

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Abstract

Today, a variety of market participants use service quality as a crucial tool to help them establish themselves in the market effectively. Additionally, a happy client is likely to remain a devoted one and return to the bank. However, this study examined the impact of customer satisfaction on service quality in the Nigerian banking sector. Data was sourced through the questionnaires distributed to 250 customers of the deposit money banks in Bida local government. Fifty (50) customers from each of the five locations of these money deposit banks were purposely chosen to constitute the sample size of the study. The techniques employed for data analysis include descriptive statistics, correlation, and multiple regression analysis. The study's finding shows that tangibility and assurance were significantly negative on customer satisfaction. However, reliability was insignificantly negative on customer satisfaction. Furthermore, responsiveness and empathy had positive effect but significantly and insignificantly on customer satisfaction respectively. The study concludes that service quality is an important factor and a driving force behind customer satisfaction. The study recommends that the management should continue to enhance quality services so as to satisfy their customers.

Keywords: service quality, customer satisfaction, banking industry, cashless policy, Bida local government

1. Introduction

To compete in the market-driven environment, customer care is a key element of the financial institution. Banking services are essentially intangible, estimating service quality is a difficult job. Today, a variety of market participants use service quality as a crucial tool to help them establish themselves in the market effectively. Additionally, a happy client is likely to remain a devoted one and return to the bank. Fundamentally, it is less expensive to retain existing customers by enhancing products and services than it is to acquire new ones. Because customer satisfaction and loyalty are profit-driven factors in the banking industry, service excellence is important. In order to achieve consumer satisfaction and loyalty, good service quality delivery is a must (Ajmal, Khan, & Fatima, 2018).

Fogli (2006) as cited in Gentiana (2020) see service quality as a general judgment or attitude relating to a particular service; and the customer's overall impression of the relative inferiority or superiority of the organization and its services. According to Gronroos (2020), service is a process consisting of a series of more or less intangible activities that normally take place in interactions between the customer and service employees, physical resources, goods, and/or systems of service provider, which are provided as solutions to customer problems. The provision of superior service in comparison to client expectations is what Zeithaml and Bitner (1996) define as service quality. When



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the service providers in the system increase their internet banking capabilities as proposed by Aremu et al. (2018), the service quality in the banking industry will be improved and meet customer expectations. Customer satisfaction and service quality are unquestionably favorably correlated concepts (Baker & Crompton, 2000; Travis, 2021). Contrarily, a number of studies—whether cumulative or transaction-oriented—confirmed that service quality is a factor in determining client satisfaction. (Cronin & Taylor, 1992; Paulo et al., 2019).

The nature of the relationship between the customer and the provider of the goods and services, namely banks, is a crucial component of customer satisfaction in the banking sector. As a result, it is frequently stated that high-quality products and services are essential to attracting and keeping loyal customers. Customer satisfaction is the customer's overall assessment of an offering's success up to that point (Chiguvi, 2016). Customer satisfaction, according to Sivadas and Baker (2000) as cited in Vithya (2017), is the level of pleasure offered by a company's product or service as indicated by the proportion of loyal customers. According to Hunt (1977) as cited in Rajesh (2013), it is the favorability of the person's subjective assessment of the different results and experiences connected to using or consuming a good or service. The complete fulfilment of one's standards is how one typically defines customer satisfaction. Consumer satisfaction is how a consumer feels or behaves toward a good or service after using it. It was described by Kotler et al. (2009) in Razafimanjary (2019) as a feeling that appears when the customer contrasts what they receive with what they anticipate from using that product or service.

Most of these banks make an effort to develop suitable banking activities for their clients in order to survive in the market, but though all of these suitable services are offered by all banks, the emphasis then shifts to the quality of the service offered. Service quality has developed into an essential component of an organization's marketing plan as a result of fierce rivalry and hostile environmental factors. Recent studies on service quality and customers satisfaction in Nigerian banking industry reveals conflicting findings, with some aspects of quality service having a positive effect on customer satisfaction and others have a negative one (Johanna & ASA, 2022; Yunusa & Babagana, 2023; Nigist, 2017). On the other hand, the results from other researchers indicated that all the elements of service quality have significant effect on customers satisfaction (Hindu et al., 2018; Gentiana, 2020; Obananya, 2020; Chidi, 2022; Mukaila et al., 2017; Aremu et al., 2018; Abiodun & Bashir, 2022). Also, all of these studies were carried out before the 2022 cashless policy in Nigeria when all the banks were struggling to offer their clients high-quality services in terms of withdrawals, unsuccessful fund transfers, dispensing errors; infrastructural problems associated with the Automated Teller Machine (ATM) network and ATM fraud except a study conducted by Yunusa & Babagana (2023) and it was after the cashless policy problems in Nigeria. Therefore, the purpose of this research study is to investigate how customer satisfaction levels in the banking business are impacted by service quality.

Due to shifting consumer demands, rising competition, and customers' growing awareness of their rights, banks must continuously improve their services to retain their customers (Kheng, et al., 2010 & Bashir et al., 2020). As a result of the heightened rivalry in the sector, Nigerian banks are under a great deal of pressure. The key to many strategies developed to keep customers is to raise the standard of service quality. Since high levels of customers satisfaction are provided by banking services, service quality is especially important because it becomes a key to competitive advantage. (Molae et al., 2013). Customer satisfaction and willingness to recommend the service to a friend decline as a result of subpar customer care. Each customer assigns a distinct level of importance to each of the numerous dimensions of service quality. Customers and service providers may have very different ideas of what



constitutes high-quality support.

Understanding the customer's view and expectation of quality service is crucial if banks are to compete in offering clients high-quality service. Additionally, they should identify with at least one aspect of service quality that they believe will influence how satisfied, loyal, and retained customers are viewed to be by that aspect of service quality (Siew-Peng & Sedigheh, 2015). A study of the service literature shows that the hospitality, banking, and telecommunications industries received a fair amount of attention in a significant number of earlier studies on service quality in Nigeria. Furthermore, none of these studies specifically addressed the crucial phase of the cashless policy, during which the majority of these banks are struggling to offer their clients high-quality services in terms of withdrawals, unsuccessful fund transfers, dispensing errors; infrastructural problems associated with the Automated Teller Machine (ATM) network and ATM fraud among others etc.

This study is motivated by some factors. Majority of the studies carried out on service quality and customers satisfaction in banking industry were before 2022 cashless policy in Nigeria when all the banks were struggling to offer their clients high-quality services in terms of withdrawals, unsuccessful fund transfers, dispensing errors; infrastructural problems associated with the Automated Teller Machine (ATM) network and ATM fraud among others etc (Aremu, et al., 2018; Nigist, 2017; Abiodun & Bashir, 2022; Mukaila, et al., 2017; Obananya, 2020; Gentiana, 2020; Hindu et al., 2018). Also, the method of data analysis used by some of these researchers are not robust (Johanna & ASA, 2022; Hindu et al., 2018; Gentiana, 2020; Chidi, 2022). Some of the studies did not test the reliability of their research instrument (Obananya, 2020) while some did not state the sampling technique used for their studies (Yunusa & Babagana, 2023). Therefore, this research intends to fill these gaps and provide adequate recommendations by investigating the effect of service quality on customers satisfaction in Nigerian banking industry during 2022 cashless policy.

The main objective of this research is to examine the effect of service quality on customer satisfaction in banking industry: evidence from 2022 cashless policy in Bida local government. In addition, other specific objectives are to:

- i. examine the effect of tangibility on customer satisfaction in banking industry during 2022 cashless policy in Bida;
- ii. evaluate the effect of reliability on customer satisfaction in banking industry during 2022 cashless policy in Bida local government;
- iii. examine the impact of responsiveness on customer satisfaction in banking industry in Bida local government;
- iv. evaluate the effect of assurance on customer satisfaction in banking industry in Bida local government; and
- v. examine the effect of empathy on customer satisfaction in banking industry in Bida local government.

The research question to be answered are:

- i. What is the effect of tangibility on customer satisfaction in banking industry during 2022 cashless policy in Bida local government?
- ii. Does reliability have any significant effect on customer satisfaction in banking industry during 2022 cashless policy in Bida local government?
- iii. To what extent does responsiveness impact on customer satisfaction in banking industry in Bida local government?



- Iv. What is the effect of assurance on customer satisfaction banking industry in Bida local government?
- v. Does empathy have any significant impact on customer satisfaction in banking industry in Bida local government?

The following hypothesis guided the study:

H₀₁: Tangibility has no significant effect on customer satisfaction in banking industry during 2022 cashless policy in Bida local government.

H₀₂: Reliability has no significant effect on customer satisfaction in banking industry during 2022 cashless policy in Bida local government.

H₀₃: Responsiveness has no significant effect on customer satisfaction in banking industry during 2022 cashless policy in Bida local government.

H₀₄: Assurance has no significant effect on customer satisfaction in banking industry during 2022 cashless policy in Bida local government.

H₀₅: Empathy has no significant effect on customer satisfaction in banking industry during 2022 cashless policy in Bida local government.

2. Literature Review and Theoretical Framework

Conceptualisation

Concept of Service Quality

According to Melaku (2015), service quality is determined by a process of assessment in which clients contrast their expectations with how the services were delivered and how they turned out. Customers are frequently engaged in the service production process, especially when it comes to people processing services, so a differentiation needs to be made between the service delivery process and the service's actual output. According to Kotler (2009) in Razafimanjary (2019), services are any acts or performances that one party can provide to another that are basically intangible and do not result in ownership or anything else, and their creation may not be connected to a tangible good. According to researchers, defining and measuring service quality must take into account the distinctive character of services. Service quality, according to Zeithaml and Bitner (1996) as cited in Aremu et al., (2018), is the provision of exceptional or superior service in comparison to customer expectations. Since there are many factors that can change quickly and drastically, service quality is a complicated concept that will allow for accurate measurement. (Karatepe, 2013).

Five components of service quality were found by Tjiptono (2012) as cited in Herman (2022) and are used by customers to assess service quality. The factors include physical evidence, reliability, responsiveness, assurance, and empathy. Tjiptono (2012) defines physical proof (tangible) as anything that can be seen or touched, such as buildings, machinery, people, and communication tools. This includes the look of physical facilities like front office buildings and rooms, the accessibility of parking spaces, the effectiveness, cleanliness, and comfort of the room, the completeness of communication technology, and the appearance of the staff. Reliability is the capacity to deliver the guaranteed service promptly, accurately, and satisfactorily. It indicates that the business offers its services from the very beginning (Tjiptono, 2012). Responsiveness refers to a staff member's wish to assist clients and offer responsive services. Responding quickly, taking initiative, and being alert are all examples of responsiveness. It also refers to how quickly workers handle transactions and how attentively and



patiently they manage the service consumption process (Tjiptono, 2012). Assurance or guarantee is the staff's skill, politeness, and dependability, free from risk or uncertainty. Members of a business must look more competent when the competition is fierce, which means they possess knowledge and expertise in their respective fields (Tjiptono, 2012). Empathy is the ability to form relationships, effective communication, giving individual attention, and comprehending customer requirements (Tjiptono, 2012).

Concept of Customer Satisfaction

According to Aremu et al. (2018), customer satisfaction refers to how closely a product or service meets a client's expectations. It addresses the topic of surprise factor. That is, the degree to which businesses provide a client with unexpected technical features or personalized service. Everyone agrees that satisfaction refers to a person's emotions of joy or regret as a result of evaluating how well a product performed in comparison to its expectations. According to Siew-Peng and Sedigheh (2015), providing goods and services that either satisfy or exceed the requirements of customer's leads to customer satisfaction. The word "satisfactoriness" refers to a measurement of the calibre of goods and services a business offers to satisfy its clients' needs. This may be viewed by some as the business's Key Performance Indicator. (KPI). Customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy in a competitive market where businesses compete for consumers.

Customer satisfaction, which can be measured through surveys and ratings to understand their needs and make changes where necessary, is essentially how pleased the customers are with the services offered (Machirori & Fatoki, 2014; Travis, 2021). Customer satisfaction is determined by comparing the anticipated performance of a customer's purchase with the actual performance, as well as perceived and payment costs (Taghizadeh, 2012; Shahram et al., 2013). Customer satisfaction can be determined in a number of circumstances involving products and services. Customer satisfaction is how a product or service makes the customer feel or behave after using it. Customer satisfaction is the outcome of marketing efforts that serve as a communication link between various phases of the customer purchasing process. The satisfaction of a company's customers and those of its rivals can be measured and tracked using a variety of methods. Four methods are identified by Kotler et al. (2011) as cited in Razafimanjary (2019) to include complaint and suggestion systems, ghost shopping, lost customer analysis, and customer happiness survey.

Review of Empirical Literature

Mukaila, Omodunmade, and Moriam (2017) examined the impact of service quality factors on client satisfaction of deposit money banks in Ilorin, Nigeria. Questionnaires for the study were distributed to 250 customers of Nigerian Banks in total. Multiple correlation, descriptive analysis, and multiple regression are techniques used for data analysis. The study's results demonstrate a connection between service quality and customer satisfaction in the banking industry and demonstrate the importance of each service quality characteristic in determining customer satisfaction. The study came to the conclusion that since customer satisfaction in the banking industry has been shown to be driven by service quality, it is an important component. According to the survey, management should enhance quality services in order to meet client demands. The study also suggested that in order for Nigerian banks to provide better customer service, they should approach service delivery from the perspective of



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the consumer rather than from the bank's perspective and dimensions. This study, however, was conducted prior to the cashless policy and is only applicable to commercial banks in the city of Ilorin. This study closes the gap by evaluating the impact of service quality on consumer satisfaction in the Bida metropolitan during Nigeria's 2022 cashless policy.

Using the SERVQUAL model, Nigist (2017) investigated the service quality of private banks. The study used convenience sampling to select a sample from an infinite population. 350 respondents with access to banking services made up the entire sample. It was advised that managers train their staff to enhance aesthetically pleasing facilities and coordinate all individuals, departments, and organizations engaged in the services. Finally, managers should assess customer happiness and service quality on a seasonal basis to ensure that services continue to reflect customers' needs. This study, however, was conducted prior to the cashless policy and is only applicable to commercial banks in Ethiopia. This study addresses the gap by looking at how customer satisfaction is affected by service quality in Nigeria under the cashless policy in 2022.

Hindu et al. (2018) investigated e-banking, customer satisfaction, and service excellence in a few Nigerian banks. The research looks at the connection between customer satisfaction and service quality in the age of electronic banking. Out of the 66,895 customers in the overall sample, 398 respondents were chosen. The data was gathered using interviews and structured surveys. The analysis of the interviewee data used descriptive statistics. The findings demonstrated a strong correlation between customer satisfaction and service excellence. The study finds that while customer satisfaction is unaffected, e-banking has a beneficial effect on the level of service in Nigerian banking. According to the research, the banking sector should improve staff training and development. However, the researcher also fails to use any robust method for data analysis and testing of hypothesis. This study therefore, intends to fill this gap by employing multiple linear regression for data analysis and testing of hypothesis.

Aremu et al. (2018) study looked at how improving service quality factors affect maintaining customer happiness. Questionnaires were distributed to 250 customers of Nigerian banks in total. Multiple correlation, descriptive analysis, and multiple regression are techniques used for data analysis. The results of the study demonstrate a connection between improving service quality and sustaining client happiness. The aspects of tangibles, reliability, and responsiveness have a big impact on consumer satisfaction. The study came to the conclusion that maintaining customer happiness is driven by improving service quality dimensions, which has been shown to be a critical element. According to the survey, managers should keep improving quality services to maintain their clientele. However, this study was carried out before the cashless policy and is limited to commercial banks in Ilorin metropolis. This study fills the gap by examining the effect of service quality on customers satisfaction in Bida metropolis during 2022 cashless policy in Nigeria.

The effect of customer satisfaction and service excellence on banking services was studied by Gentiana (2020). The research makes an effort to investigate how customer satisfaction and service quality are related. The value of customer satisfaction in getting banking services is assessed. The study's overall results demonstrate how customers' expectations of the value and quality of the services they receive have an impact on their happiness and loyalty. However, the study failed to use any robust method for data analysis testing of hypothesis. This study will fill this gap by using multiple regression for data analysis and testing of hypothesis.

Service Quality and Customer Loyalty in the Nigerian Commercial Banking Industry were



examined by Obananya (2020). In order to analyze the hypotheses, the research used both simple percentage analysis and Multiple Regression Analysis (MRA). According to the study, reliability, responsiveness, and assurance all have a significant impact on customer loyalty in the banking sector. Tangibility also has a significant impact on customer loyalty in the sector. Following discussions from the analysis made that customer loyalty is affected by the level of overall service quality, it can be concluded that there is a relationship between service quality and level of customer loyalty. The study suggests that traditional predictors of customer loyalty, such as service quality (tangibles, reliability, assurance, and empathy), still have a significant impact on customer satisfaction, so these factors must be at the center of any strategy aimed at boosting customer satisfaction and loyalty as well as giving him value. In order to provide value to the customer and maintain that customer's satisfaction and loyalty to the company, financial institutions must implement a win-win service quality strategy. However, the study fails to explain the method of testing the validity and reliability of research instrument. Therefore, this study intends to fill this gap by employing Cronbach Alpha reliability test for the study.

In the banking industry in the middle of the COVID-19 pandemic, Johanna and ASA (2022) conducted a study with the goal of examining and analyzing the effect of quality service on customer satisfaction. In order to identify the current research gaps, the study reviews the literature on the impact of service quality on consumer satisfaction in the banking industry amid the COVID-19 pandemic. Evidence from the study of the literature reveals conflicting findings, with some aspects of quality service having a positive effect on customer satisfaction while others have a negative one. However, the researcher fails to use any robust method for data analysis and hypothesis testing. Therefore, this study intends to fill this gap by employing multiple linear regression for data analysis and testing of hypothesis.

Chidi (2022) examined customer happiness and service quality in First Bank Plc Owerri, Imo State. A survey research design was used and data gathered via a questionnaire, and chi-square and basic percentages were used for analysis. It was revealed that customer satisfaction in the Nigerian banking sector is influenced by dependability, responsiveness, and empathy. According to the findings, it was recommended that the banking sector keep up its high level of dependability toward its clients. In order to increase customer satisfaction, Nigerian commercial banks must also be highly responsive. The bank should accomplish this through communicating with customers regarding when services should be performed, providing prompt service to clients, and demonstrating a strong desire to assist customers. The researcher, however, also omits to employ any reliable techniques for data analysis and hypothesis testing. Therefore, this work aims to close this gap by using multiple linear regression for data analysis and hypothesis testing.

Abiodun and Bashir (2022) investigated the impact of service quality on client satisfaction in Nigerian banks. Relationships between service quality characteristics (delivery of quality service, reliability, tangible of quality, and quality assurance) and customer satisfactions of banks were identified based on a theoretical paradigm. The study's findings demonstrate a significant and favorable impact of banks' tangibles of quality service delivery on customers' satisfaction. Data were collected from a sample size of 387 customers of Zenith Bank Plc, United Bank for Africa Plc, and Unity Bank Plc in the Jalingo metropolis. Data were analyzed using an inferential statistical tool called Pearson's Product Moment Correlation with assistance from the Statistical Package for Social Sciences (SPSS). Additionally, it shows that banks' ability to provide prompt service has a considerable and advantageous impact on their ability to satisfy clients. The findings also indicate a significant and



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favorable relationship between customer happiness and the banks' reliability in providing high-quality services as well as a similar relationship between customer contentment and the quality assurance of such services. As a result, the study suggests, among other things, that banks work to be trustworthy; there should be consistency in performance and reliability. Additionally, banks should fulfill their commitments, address client grievances, and provide prompt service. However, this study was carried out before the cashless policy and is limited to commercial banks in Jalingo metropolis. This study fills the gap by examining the effect of service quality on customers satisfaction in Bida metropolis during 2022 cashless policy in Nigeria.

In Yobe State, Nigeria, Yunusa and Babagana (2023) investigated how the quality of banks' services affected customers' satisfaction. It was decided to use a quantitative research approach. Where 249 despondent samples were collected in Damaturu, Yobe State, and a questionnaire was given to them. Software called SPSS 21 was used to examine the data that had been gathered. Results confirmed that certainty, reliability, tangibility, empathy, and customer satisfaction have a direct link. The results, sadly, indicate a poor correlation between responsiveness and customers satisfaction. These results suggest that the aforementioned elements of service quality have a considerable impact on customer satisfaction in general. The study made a recommendation for the banking industry to improve customer satisfaction while taking the elements from the conceptual model of the study into consideration. This will have a significant impact on financial inclusion that may lead to potential customer satisfaction, which will further enhance banks revenue. However, the researchers failed to state the sampling technique used for the study. This study fills the gap by employing purposive non probability sampling technique for the study.

Theoretical Framework

The study considered the assimilation theory as the underpinning theory that explain the customer satisfaction. This theory derives its source from Festinger's (1957) dissonance theory, which suggests that customers compare expectations for a product with how well they believe it performs. Assimilation theory, a viewpoint on buyer post-usage evaluation, was first presented in the literature on customer satisfaction. Anderson (1973) asserts that consumers try to avoid dissonance by changing their views of a particular product to make it more consistent with their expectations. Additionally, customers can lessen the tension brought on by a mismatch between expectations and actual product performance by either changing expectations to match actual product performance or by increasing satisfaction by downplaying the relative significance of the disconfirmation they experienced. Today, success has been viewed as being fundamentally dependent on customer happiness. Therefore, customers of these selected money deposit banks become dissatisfied when there is a mismatch between the services offered by these banks and the services expected by the customers.

Research Gap

This study measures and examines customer satisfaction with service quality. A number of studies on service quality and customer satisfaction in the banking sector has been conducted in Nigeria. None have been done in Bida Local Government Area of Niger State, however, and during this time of the 2022 cashless policy when banks across the nation are struggling to please their customers. As a result, the researcher felt it was essential to conduct research in this region because it was noted as a geographical gap.

Conceptual Model



The conceptual model underpinning this study is presented in Fig. 1 below:

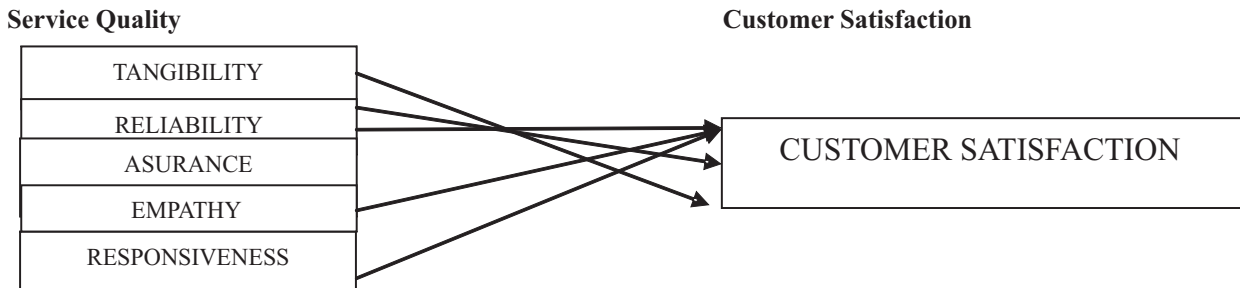


Fig. 1: Conceptual model

Source: Researchers Design, 2023.

3.0 Methodology

Research Design

A quantitative and survey research methodology was used for this study. The research was conducted in Bida Local Government Area of Niger State. The Money Deposit Bank customers in the Bida Metropolis were the study's sample taken from five (5) Nigeria Money Deposit Bank locations, namely First Bank, Ecobank, Keystone Bank, Access Bank, and Zenith Bank. Questionnaire was distributed to 250 customers of these institutions in total. This included five branches of these Nigerian Money Deposit Banks, with fifty (50) customers from each branch purposefully chosen to make up the study's end sample size. These locations were chosen because they were the busiest, closest to the researchers, and where the majority of customers visited the bank every day to conduct transactions. The study used a non-probability sampling method called the purposeful sampling technique. This approach was chosen so that the study could obtain crucial and accurate information from participants who had a reasonable understanding of the topics under examination and were in a position to offer the data the study required.

The primary research tool the researcher used was a structured questionnaire. Customers of these money deposit banks in the Bida metropolis were given a total of 250 copies of the questionnaire. The surveys were designed in a way that will show how the quality of the service affects the level of customer satisfaction. There are two parts to the questionnaire. While section "B" focuses on the research variables constructed on a 5-point Likert Scale, section "A" focuses on the bio-data of the respondents. Five factors were used to determine the independent variable's value: tangibility, reliability, responsiveness, assurance, and empathy. The four questions in each of the four determinants were adopted from the works of Vencataya et al. (2019). Four determinants were used to quantify the dependent variable: Customers feedback, Customers knowledge, Recurring services and Customer loyalty. Each of these determinants is made up of three questions each adopted from the work of Blandina (2015).

The data collected from the questionnaire will be presented in a table and analyzed using Statistical Package for Social Science (SPSS 23) in order to show clearly the respondents acceptance using descriptive statistics (frequency distribution, percentages) and inferential statistics (regression). Tests are at 5% confidence level of significance. Any P-value above 0.05 means the variable has no significant effect and will not be accepted. The regression formula is which was adopted from the work of Aremu et al. (2018) mathematically expressed below:

Model specification



$$CS = F(SQ)CS = \beta_0 + \beta_1TAN + \beta_2RES + \beta_3REL + \beta_4ASS + \beta_5EMP \dots\dots\dots \text{Equation 1}$$

Where: CS = Customer satisfaction

TAN= tangibility; RES= responsiveness; REL= reliability; EMP= empathy and ASS= assurance.

However, the researchers research model is expressed below:

$$Y = a + bx_1 + bx_2 + bx_3 + bx_4 + bx_5 + e$$

Y= Customer Satisfaction

a= Constant

bx1= Tangibility

bx2= Reliability

bx3= Responsiveness

bx4= Assurance

bx₅= Empathy

e= error term

4.0 Result and Discussion

Normality Test

This research examined the normality of the data to make sure it met its expectations for a normal distribution before moving on to further investigation. To do this, the research used Skewness and Kurtosis to assess the data's normality. According to Hair et al. (2010), the values for Skewness and Kurtosis must be between -2 and +2 and -7 and +7, respectively, for the data to be regarded as normally distributed. The results of the data's normalcy test are thus shown in table 2 below:

Table 2

Normality Test

Variables	Skewness	Kurtosis	Decision
Tangibility	-0.51	-0.58	Normal
Reliability	1.075	0.477	Normal
Responsiveness	-0.127	-1.372	Normal
Assurance	-0.356	-1.344	Normal
Empathy	-0.367	-0.841	Normal
Customer Satisfaction	0.331	-0.352	Normal

Source: Researchers Computation, 2023



Test of Hypotheses

The correlation table for the study is presented in table 3.

Table 3

Correlation

		TAN	REL	RESP	ASS	EMPT	CS
TAN	Pearson Correlation	1	.450**	-.015	.100	-.212**	-.355**
	Sig. (2-tailed)		.000	.814	.114	.001	.000
	N	250	250	250	250	250	250
REL	Pearson Correlation	.450**	1	-.183**	.374**	-.341**	-.422**
	Sig. (2-tailed)	.000		.004	.000	.000	.000
	N	250	250	250	250	250	250
RESP	Pearson Correlation	-.015	-.183**	1	-.013	.232**	.344**
	Sig. (2-tailed)	.814	.004		.839	.000	.000
	N	250	250	250	250	250	250
ASS	Pearson Correlation	.100	.374**	-.013	1	.313**	-.333**
	Sig. (2-tailed)	.114	.000	.839		.000	.000
	N	250	250	250	250	250	250
EMPT	Pearson Correlation	-.212**	-.341**	.232**	.313**	1	.179**
	Sig. (2-tailed)	.001	.000	.000	.000		.005
	N	250	250	250	250	250	250
CS	Pearson Correlation	-.355**	-.422**	.344**	-.333**	.179**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.005	
	N	250	250	250	250	250	250

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

The aforementioned matrix reveals a positive linear relationship between tangibleness, Bleness, reliability, and assurance (.450 and .100, respectively), but a negative relationship with responsiveness, empathy, and customer satisfaction, as indicated by correlation coefficient values of -.015, -.212, and -.355, respectively. Additionally, the matrix demonstrates a strong connection between dependability, tangibleness, and assurance (.450 and .374), but a weak correlation between responsiveness, empathy, and customer satisfaction (.183, .341, and .422, respectively). In terms of correlation coefficient values, responsiveness has a good relationship with empathy and customer satisfaction (.232 and .344) and a negative relationship with tangibility, reliability, and responsiveness (.015, .183, and .013).

On the other hand, assurance is positively correlated with tangibility, empathy, and reliability (.100, .313 and .374) while having a negative relationship with Responsiveness and Customers Satisfaction (-.013 and -.333). Customers Satisfaction has a positive relationship with Responsiveness and Empathy (.344 and .179) while having a negative relationship with Tangibility, Reliability and Assurance (-.355, -.422 and -.333).

Test of Hypotheses



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H₀: Service quality has no significant effect on customer satisfaction in banking industry during 2022 cashless policy in Bida local government.

Table 4
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.595 ^a	.354	.341	2.828	.104

a. Predictors: (Constant), EMPT, TAN, RESP, ASS, REL

b. Dependent Variable: CS

According to Table 4 regression analysis results, R is (.595), R squared is (.354), and the standard error of estimate is (2.828). The R square (R²) value reveals a significant correlation between customer satisfaction and aspects of service quality. In other terms, the R² value (.354) indicates that service quality accounted for 35.4% of customer satisfaction. Furthermore, the adjusted R² value (34.1%) demonstrated that the R square (R²) value accurately captured how well the data matched the regression line

Table 5
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
Regression		1068.641	5	213.728	26.716	.000 ^b
Residual		1952.003	244	8.000		
Total		3020.644	249			

b. Predictors: (Constant), EMPT, TAN, RESP, ASS, REL

Table 5 above shows that the model is useful in determining service quality by customer satisfaction, as the computed F-statistics is 26.716, with the p-value 0.000 less than the critical value of 0.05. This validates the rejection of the null hypothesis that service quality has no significant effects on customer satisfaction in banking industry during 2022 cashless policy.

Table 6
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	26.310	4.868		5.405	.000
TAN	-.412	.096	-.249	-4.285	.000
REL	-.249	.169	-.104	-1.469	.143
RESP	1.956	.361	.290	5.413	.000
ASS	-.700	.149	-.303	-4.704	.000
EMPT	.223	.122	.118	1.835	.068



favorable relationship between the tangibility of service quality and customer satisfaction ($p=0.000 < 0.05$). Customer satisfaction and service quality reliability did not have a significant association ($p=0.143 > 0.05$). Customer satisfaction and responsiveness to service quality had a significant association ($p=0.000 < 0.05$). According to this study, factors relating to service quality have a statistically significant impact on customer satisfaction.

Discussion of Findings

Result from the correlation table above indicate that tangibility, reliability and assurance have negative effect on customers satisfaction while responsiveness and empathy have positive effect on customers satisfaction in banking industry in Bida metropolis. Likewise, the result from the three hypotheses showed that reliability and empathy were insignificant while tangibility, responsiveness and assurance have significant effect on customers satisfaction ($P < 0.05$) in banking industry in Bida metropolis. This finding is in line with the findings of Johanna & ASA (2022); Yunusa & Babagana (2023) and Nigist (2017).

5.0 Conclusion and Recommendations

This study adopted a survey research method. The instrument used was structured questionnaire which was measured using 5-point Likert scale. The data generated through questionnaires were analyzed using Multiple Regression analysis. Result from the correlation table above indicate that tangibility, reliability and assurance have negative correlation (relationship) with customers satisfaction while assurance and empathy have positive correlation (relationship) with customers satisfaction in banking industry in Bida metropolis. Likewise, the result from the three hypotheses shows that tangibility, responsiveness and assurance have positive and significant effect on customers satisfaction ($P < 0.05$) while reliability and empathy have no significant effect on customers satisfaction ($P > 0.05$) in banking industry.

The outcome demonstrates that customers are not satisfied with the services given by their banks during this time of cashless policy and that the banks' services are not good. According to the statistics gathered, improving service quality can result in happier customers. This research shows how improving service quality can impact long-term customer satisfaction. The current competitive Nigerian banking environment offers customers of banks a broader selection of services and goods. Therefore, in order to win over customers, the study recommended that banks must provide superior services that go above and beyond their standards. To accomplish this goal, banks must comprehend how customers assess the value of the services they provide, how customers select one bank over another, and on what basis customers grant them their long-term business.

Banks should not only concentrate on increasing customer happiness, but also on improving the way in which customers view the quality of their overall experience with the banks. The following suggestions were made based on the results of a survey done on customers of banking sectors in Bida local government, even though it is crucial to constantly improve quality service in today's competitive market. To maintain and meet customer needs, management must constantly enhance quality services. The bank must give close attention to customer complaints in order to meet customer expectations, and keeping its word to them will increase its level of dependability. Additionally, improving service delivery from the viewpoint of the customer rather than the bank's perspective and dimensions is necessary for Nigerian banks to become more responsive.



By going above and beyond the typical way of dealing with customers and attending to them in a novel manner in order to increase their dependability to customers, the bank can establish itself as a market leader in the delivery of customer service. In order to maintain their customers' ongoing patronage, Nigerian bank managers must make sure they enhance the ways in which they provide customer care. The research also suggested that bank employees should always be courteous, knowledgeable, and able to convey trust and confidence. This will give all parties involved high degrees of assurance and, in particular, keep customers in the market.

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