Data Article

SERVICE QUALITY AND CUSTOMER SATISFACTION IN LOAN ACQUISITION: EVIDENCE FROM COMMERCIAL BANKS IN GHANA

ABSTRACT

The financial sector of Ghana is now characterized by increasing competition in the granting of loans to its customers. Most of the banks are employing cutting edge technology to improve the quality of their services and to roll out new products including loans for their clients. In order to evaluate service quality, loan acquisition and customer satisfaction in banking and provide answers to the research questions and achieve the research objectives, a descriptive design was used. The study was therefore designed to describe the relationship between service qualities, loan acquisition customer satisfaction in commercial banking operations. Purposive sampling technique which is non-probability sampling was used to select the ninety-six (96) customers to participate in the study. The study revealed that the service quality dimension (reliability, responsiveness, tangibility, assurance and empathy) have influence on customer satisfaction in loan acquisition. Banking institutions give customer attention when they are acquiring loan and they understand specific needs of the customers about loans and banking institutions have customers interest in giving loan. The suggested that future researchers investigate service quality, loan acquisition and customer switching tendencies and the importance of technical and functional quality in relation to loan acquisition at the commercial banks in Ghana.

Key Words: Service Quality; Customer Satisfaction; Loan Acquisition

INTRODUCTION

Satisfaction is a crucial concern for both customer and organizations including financial institutions such as commercial banks. Satisfaction is a subjective concept and therefore difficult to determine (European Institute of Public Administration, 2008). It depends on a myriad of factors and varies from person to person as well as product to products. Some of the main concept of satisfaction in the literature includes values quality and satisfaction.

Value according to Zeithaml (2000) is the importance attached to services based on their usage and the amount paid in exchange. Quality on the other hand, is the meeting of the needs and expectation of customers. Fecikova (2004) is of the view that satisfaction is the meeting of the

needs or wants of customers. It can be seen that all these concepts are the same and are used interchangeably. He explains that the competitive power and survival of banks lies in the degree of its customer satisfaction. Banks therefore pay particular attention to customer satisfaction.

Customers generally evaluate service quality before and after their use. According to Kattack and Rehman (2010) consumers evaluate services and products through three processes. These are pre-purchase or search qualities, experience look out for before buying and are those that they can see, feel or touch. On the other hand, experience qualities are post-purchase features that customers assess during the post-purchase period. Banks services are of the experience and credence types and are therefore difficult to assess by customers. Customers can not evaluate these types because they do not have the required skills, expertise and knowledge to carry out the evaluation. Customers' therefore place a high premium on the image and reputation of the bank before purchasing services. Owusu-Frimpong (1999) indicates that because services of banks are of the credence type, friends and other fellow customers constitute the main sources of information for customers.

The role that banks play in economic development of any country including Ghana cannot be over-emphasized. According to Hefferman, (2003) banks accept deposits of customers both individuals and organizations and lend them to other customers. It is believed that customers do not want to spend their money and have therefore chosen to lodge it with banks for safe keeping and gaining interest as well. In addition, banks offer investments advice to their customers, engage in foreign exchange trade and processing payments. It behooves banks therefore to provide a congenial atmosphere for customers by offering reliable services. In addition, it is also the duty of banks to ensure that customers feel safe and repose confidence in them as well.

It should be noted that extensive work has been done on service quality and customer satisfaction in banking industry. Only a few studies compared service quality, loan acquisition and customer satisfaction on differences in the perceptions of customers about the relationship between service quality loan acquisition and satisfaction levels in banks.

Customer satisfactions are influenced by many factors. Kotler et al (2001) posit that individual's consumption behavior is influenced by personal characteristics like level of education, age, economic situation, lifestyle, personality and self-concept.Zeithaml and Bitner (2001) advance that factors like service encounters, the evidence of service, image and price constitute customers perceptions of service quality, satisfaction and value. Similarly, Abdullah and Rozario (2009) maintain that the level of customer satisfaction may be influenced by various internal and external factors. The question therefore is: to what extent do commercial banks provide service quality in customer application of loans facilities and the influence on customer satisfaction. In other to achieve this objective the following specific objectives will be look at the nature of loan acquisition in the commercial banks, service quality in providing loan facility to customers,

customer satisfaction of loan acquisition in the commercial banks and customer perception of acquiring loans from the commercial banks.

LITERATURE REVIEW

Concept Of Loan Acquisition In The Banking Sector

Acquisition of bank loans spans for several decades. Empirical studies show that bank loans are more special for both firms and Individuals (Boot, 2000). Loan acquisition is a contractual promise between two parties where one party, the creditor, agrees to provide a sum of money to a debtor, who promises to return the money to the creditor either in one lump sum or in parts over a fixed period of time (Ergungor, 2001). This agreement may include providing additional payments of rental charges (interest) on the funds advanced to the debtor for the time the funds are in the hands of the debtor.

According to Peacocks (2010), loans could be secured, unsecured or demanded. Secured loans are collateralized whereas unsecured loans are collateral free. The demand loan is a short term loan which does not have fixed dates for repayment and carries a floating interest rate which varies according to the prime rate. This loan can be "called" for repayment by the lending institution at any time.

Loans are secured by the employers agreeing to pay the salaries and other benefits accruing to the employees to the bank until the loan is fully paid. Loan repayment is mostly deducted by the bank that granted the loan. However, the unsecured loans are given to trustworthy customers who have opened an account with the bank for several years and their earnings or salaries (in the case of salaried workers) are paid through the bank.

Financial Sector And Loan Acquisition

The financial sector of Ghana is now characterized by increasing competition in the granting of loans to its customers and innovations because most of the banks are employing cutting edge technology to improve the quality of their services and to roll out new products including loans for their clients (Ghana Banking Survey, 2009).

The dominant presence of bank loans in recent times has encouraged various empirical studies regarding the acquisition of loans. Bank lending traditionally involves the extension of credit that is held by the originating bank until maturity. Loan sales allow banks to deviate from this pattern by transferring loans in part or in their entirety from their own books to those of another institution or corporate bodies. The dramatic expansion of secondary loan markets has led to a growing literature on corporate and individual loan acquisition (Ghana Banking Survey, 2009), a goal of which is to understand which banks sell loans to its customers, the purposes for which these loans are applied.

Loan Acquisition And Its Benefits

Sourcing money from bank may be done for a variety of reasons. According to Brian (2008), taking a loan has remained phenomenal nowadays. Thousands of people are using bank loans to establish huge investments as well as very lucrative businesses including investments in estates and are earning immense gains from these investments. Brian (2008) emphasized that Bank loans are financial packages which help most individuals and corporate entity to seal a deficit in their budget or help them establish a business or buy stock. Loans, in fact, are monies lent to customers so that they can apply it to whatever they want to do, then repay the bank after some specified period of time.

The purposes of loan acquisition are diverse. It has been observed that different people acquire loan for different purposes. According to Ayeebo (2010), everybody has, at least once, been encountered with a loan transaction before whether formal or informal. He further emphasized that we take loans from friends, sisters, brothers, employers, and more especially the money-lending financial institutions, i.e. the banks and other non-banking financial institutions. Many formal loans are borrowed with the understanding of giving back the original loan taken together with some form of interest on it, so that the lender could benefit for the opportunity lost in not putting his/her money in another investment to earn them some return. Brian (2008) argues that the bank is a diversified institution which offers more services than just loans. Because of their diversified business, banks have the ability to offer lower interest rates than other financial institutions. A further argument made by Brian (2008) was that, Banks also offer higher security to their customers. People are more secured when taking loans from the banks instead of money lenders.

Loan Acquisition And Risks

In performing activities such as granting of loans to customers, banks face a large number of risks, including credit risk, market risk, liquidity risk, operational risk, etc. Employees face the risk of increases in monthly loan re-payment amount deducted when there is an unexpected increase in the Bank of Ghana prime rates. The industry's gross loans and advances grew by 47% from 2007 to 2008 with a significant chunk going into the commerce and finance sector (Ghana Banking Survey, 2009). The true core business of banking is the profitable management of risks (Hempel and Simonson, 2000). Risks are the uncertainties resulting from adverse variations of profitability or in losses. Among the various risks faced by banks, credit risk is the most important (Bessis, 2001).

Credit risk is the event in which customers default, meaning that they fail to comply with their obligations to service debt or loan acquired. It is critical since the default of a small number of important customers can generate large losses (Bessis, 2001). Banks' survival and ability to compete depends foremost on their ability to profitably manage this sort of risk (Hempel and

Simonson, 2000). Since the response of lenders to uncertainty is determined in part by the extent of their risk aversion, they may use credit rationing to reduce default risk.

Loan contracts specify the amount borrowed, the interest and non-price terms like collaterals, which constrain the borrower in order to reduce default. As the terms of contract change, the behaviour of the borrower is likely to change. For instance, raising the interest rate decreases the return on projects. This could be due to the fact that higher interest rates induce borrowers to undertake projects with lower probability of success but those with higher returns when successful, borrowers have the tendency of taking higher loans in spite of high interest rates.

CONCEPT OF SERVICE QUALITY

Service quality has become a popular area of academic research and has been acknowledged as an observant competitive advantage and supporting satisfying relationships with customers (Zeithmal, 2000).

Service quality concepts have aroused substantial interest and argue in research. There are difficulties defining and measuring it with no overall consensus emerging on either (Wisniewski, 2001). Service quality has been defined as the overall assessment of a service by the customers (Eshghiet al., 2008), while other studies defined it as the extent to which a service meets customer's needs or expectations. Service is assumed to be quality when it consistently conforms to customer expectations (Wisniewski and Donnelly, 2005). Parasuraman et al. (1999) argues that service quality is the measure of service delivered as against expected service performance.

Service quality is defined as customer perception of how does a service meets or exceeds their expectations (Zeithmal, 2000). Several practitioners define service quality as the difference between customer's expectations for the service encounter and the perceptions of the service received (Munusamyet et al., 2010). Customer expectation and perception are the two main ingredients in service quality. Customers judge quality as low‟ if performance (perception) does not meet up their expectation and quality as „high‟ when performance exceeds expectations according to Eshghiet et al. (2008).

Service quality consists of five dimensions: tangibles (appearance of physical facilities, equipment, personnel and written materials), reliability (ability to perform the promised service dependably and accurately), responsiveness (willingness to help customers and provide prompt service), assurance (knowledge and courtesy of employees and their ability to inspire trust and confidence), and empathy (caring and individual attention the firm provides its customers). Reliability is considered the vital core of service quality. Other dimensions will matter to customers only if a service is reliable, because those dimensions cannot compensate for unreliable service delivery (Berry et al., 1994).

Perceived quality has been defined as a form of attitude, related but not equal to satisfaction, and fallout from a consumption of expectations with perceptions of performance. Consequently, having an improved understanding of consumers‟ attitudes will facilitate knowing how they perceive service quality in banking operations (Parasuraman et al., 2000).

In the changing banking scenario of 21st century, the banks had to have a vital identity to provide excellent services. Banks nowadays have to be of world-class standard, committed to excellence in customers‟ satisfaction, and to play a major role in the growing and diversifying financial sector (Balachandran, 2005). There has been a remarkable change in the way of banking in the last few years. Customers have also accurately demanded globally quality services from banks. With various choices available, customers are not willing to put up with anything less than the best. Banks have recognized the need to meet customers' aspirations. Consequently service quality is a critical motivating force to drive the bank up in the high technology ladder.

The soundness of banking sector is of a dominant importance because it is a main component of the Egyptian financial sector, and as efficiency in the utilization of the savings of the depositors and the banking sector resources is essential to improve the growth rate of the existent sectors of the economy (Central Bank, 2003). The purpose of banking operations is supposed to be to progress the quality of life for the overall society not just the maximization of shareholders' wealth.

SERVICE QUALITY AND CUSTOMER SATISFACTION

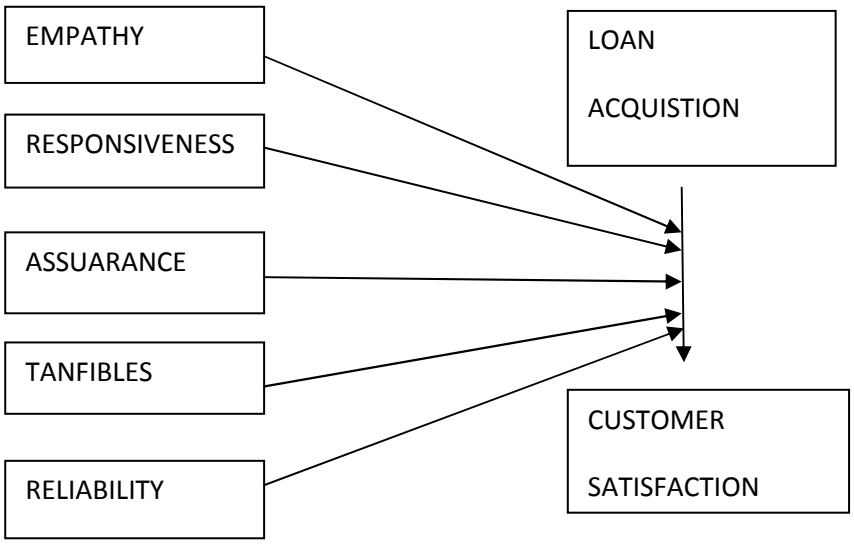
Kotler and Armstrong (2012) preach that satisfaction is the pos-purchase evaluation of products or services taking into consideration the expectations. Researchers are divided over the antecedents of service quality and satisfaction. Whilst some believe service quality leads to satisfaction, others think otherwise (Ting, 2004). The studies of Lee et al. (2000); Gilbert and Veloutsou (2006); Sulieman (2011) and Buttle (1996) suggest service quality leads to customer satisfaction. To achieve a high level of customer satisfaction, most researchers suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction. As service quality improves, the probability of customer satisfaction increases. Quality was only one of many dimensions on which satisfaction was based; satisfaction was also one potential influence on future quality perceptions (Clemes, 2008).

Service quality is an important tool to measure customer satisfaction (Hazlina et al., 2011). Empirical studies show that the quality of service offered is related to overall satisfaction of the customer. According to Jamal and Anastasiadou (2009), reliability, tangibility and empathy positively related with customer satisfaction.

Sulieman (2011) found that reliability, tangibility, responsiveness and assurance have significant and positive relationship with customer satisfaction. Meanwhile empathy was found to have a

significant and negative effect on customer satisfaction .Moreover, the result of Ravichandran et al (2010) indicates responsiveness is the only significant dimension of service quality that affects the satisfaction of customers positively.

CONCEPTUAL FRAMEWORK



Sources: (Researchers own construction, 2015)

The researchers assume that customer satisfaction is influenced by services quality dimension (TAN, RES, ASSU, EMP, REL) in loan acquisition at the commercial banks. The study assumes that the extent of customer satisfaction in acquisition of loans from the commercial banks in Ghana is influenced by the SERVQUAL model as proposed by (Parasuraman et al., 1988). The study provides a descriptive analysis the dependent variable (customer satisfaction) and independent variable (SERVQUAL factors) in relation to customer acquisition of loan from the commercial banks in Ghana.

METHODOLOGY

In order to evaluate service quality, loan acquisition and customer satisfaction in banking and provide answers to the research questions and achieve the research objectives, a descriptive design was used. Data for the study was gathered from both primary and secondary sources. The primary source dealt with information from the customers who have experienced loan acquisition with the commercial banks within the Kumasi metropolis through the use of questionnaire. And also, the secondary data dealt with other existing information that are relevant to the current research.The target population for the study consists of customers of commercial banks in the Kumasi Metropolis who has transacted business specifically on loan acquisition. A total number

of ninety-six (96) customers of commercial banks were selected using non-probability sampling technique (purposive sampling) for the study. The data gathered from the respondents were analyzed using SPSS. This was used to derive frequency tables, charts and graphs for effective analysis and presentation of the data.

RESULT/DISCUSSION

The researchers make assumptions based on the services quality dimensions of tangibility, responsiveness, reliability, assurance, empathy. The services quality and customer satisfaction framework is measured in terms of loan acquisition by the customers of commercial banks. Issues on loan delivery period, type of collateral and customer satisfaction in relation to collateral before loan were analyzed.

Loan delivery period

4 of the respondents said that, credit (loan) takes 1 week to 2 weeks to receive from the bank, 116 of the respondents which represent 96.7% said that credit (loan) takes 1-3month to be receive. This implies that bank does not delay in the processing of loan. Customers receive loan within 1-3month.

Type of collateral for acquiring loan from bank

According to the data collected, 4 of the respondents which represent 3.3% said that, they use building document for acquiring loan from bank, 12 of the respondents which represent 10.0% said that, they use car for acquiring loan, 86of the respondents which represent 71.7% said that, they use pay slip for acquiring loan, 15 of the respondents which represent 12.5% said that, they use employer endorsement for acquiring loan and 3 of the respondents which represent 2.5% said that they guarantor for acquiring loan. As found in the study, majority of the respondents used pay slip for acquiring loan from the bank.

Customers' satisfaction in relation to conditions and interest attached to loan facility

Customer's satisfaction was found to be correlated with condition attached to the loan. The ratio for terms and condition was (r,120)=.038). This indicates that customers are satisfied with conditions and terms attached to the loan. In other words customer feels satisfied with conditions and terms attached to loan from banking institution. However, customer's satisfaction was not correlated with interest on loan, the ratio was (r (120) =-.033). This means that, customers were not satisfied with interest rate on loan, it can be concluded that there is no statistically significant correlation between customer satisfaction and conditions and interest attached to loan. This means that there is no quantitative proof between customer satisfaction and conditions and interest attached to loan, hence it may be difficult to predict level of customer's satisfaction.

SERVICE QUALITY AND CUSTOMER SATISFACTION

The study investigates the influence of service quality variables on customer satisfaction in loan acquisition. Service quality variables (SERVQUAL) are expressed by TANGIBLES, ASSUARANCE, RESPONSIVENESS, EMPATHY AND RELIABILITY. The study sought to test the significance of the SERVQUAL and customer satisfaction on issues relating to loan acquisition.

ASSUMPTION 1: CUSTOMER SATISFACTION IN LOAN ACQUISITION RELATES TO TANGIBILITY

Participants of the study responded to tangibility items that are likely to influence their satisfaction levels when processing and acquiring loans with the commercials. The items include equipment and tools, physical facilities and employees' appearance.

With respect to the question regarding (tangibility) the items on the questionnaire included equipment and tools, physical facilities and employees' appearance in the bank. On a Likert scale of strongly agree to strongly disagree, the respondents indicated their satisfaction level. The study measures the extent to which these tangibles in the banks influence customer satisfaction in the process for loan acquisition. The results show a mean value of 2.13 for equipment and tool and customer satisfaction in loan acquisition. The standard deviation also recorded .621, while Error Mean standard showed .057. The customers' responses for physical facilities and their satisfaction levels in acquiring loans from commercial banks showed mean 2.27. The standard deviation provided .632 and Std. Error Mean recorded .058. Final item on the tangibles was employees' appearance and how it affects the loan processing by customers of the banks. The results revealed 2.13 for mean, .668 for Std. and finally Std. Error Mean recorded .061.

ASSUMPTION 2: EMPATHY HAS INFLUENCE ON CUSTOMER SATISFACTION IN LOAN ACQUISITION

The results it shows that respondents agree that banking institutions give customer attention when they are acquiring loan which shown a *mean score of 2.16*. However, it has significantly affects customers reflected a *standard deviation of 1.029.* Moreover, respondents agree that banking institutions have customers interest in giving loan as it shown a *mean score of 2.12*. Though, their degree of consideration significantly affects satisfaction level of customer (*Std. Dev= 1.050).* Lastly, respondents agree that banking institutions understand specific needs of the customers about loans which shown a *mean score of 2.03,* conversely, their degree of consideration does not significantly affect the level of customer satisfaction in the banking institution. (*Std. Dev= 0.466).* This implies that empathy play significant role in servicing of

customer in the banking institution in relation to credit facility. However, this confirms the dimension of service quality Parasraman et al (2000).

Banks give customer individuals attention

35 of respondents which represent 29.2% strongly agree that banking institutions give customer attention when they are acquiring loan,47 of respondents which represent 39.2% agree that banking institutions give customer attention when they are acquiring loan, 26 of respondents which represent 21.7 % were remain neutral that banking institutions give customer attention when acquiring loan, 8 of respondents which represent 6.7% disagree that banking institutions give customer attention when acquiring loan, and 4 of the respondents which represent 3.3% strongly disagree that banking institutions give customer attention when acquiring loan.

Banks have customer interest

The study shows that 35 of respondents which represent 29.2% strongly agree that banking institutions have customers interest in giving loan, 51 of respondents which represent 42.5% agree that banking institutions have customers interest in giving loan, 26 of respondents which represent 21.7 % were remain neutral that banking institutions have customers interest in giving loan, and 8 of the respondents which represent 6.7% strongly disagree that banking institutions have customers interest in giving loan.

Banks understand specific needs of customer

10 of respondents which represent 9.2% strongly agree that banking institutions understand specific needs of the customers about loans, 94 of respondents which represent 78.3% agree that banking institutions understand specific needs of the customers about loans, 15 of respondents which represent 12.5% were remain neutral that banking institutions understand specific needs of the customers about loans and none of respondents disagree that banking institutions understand specific needs of the customers about loans.

ASSUMPTION 3: CUSTOMER SATISFACTION IS INFLUENCED BY RESPONSIVENESS

Factors that account for responsiveness of service of banks

Respondents agree that banks staff tell the customers the exact time service will be delivered which shown a *mean score of 2.13*.Additionally, respondents agree that banks give prompt services on loan processas it shown a *mean score of 2.12*. However, it significantly affects satisfaction level of customer when loan is been processed (*Std. Dev= 0.823).* Lastly, majority of the respondents agree that banks always willing to assist customers which shown a *mean score of*

2.23, (*Std. Dev= 0.466).* This implies that banking institution give prompt service, delivered on exact time and always willing to help customers when customers applied loan.

Time service delivered at bank

24 of respondents which represent 20.0% strongly agree that banks staff tell the customers the exact time service will be delivered, 65 of respondents which represent 54.2% agree that banks staff tell the customers the exact time service will be delivered, 27 of respondents which represent 22.5% were remain neutral that banks staff tell the customers the exact time service will be delivered and 4 of respondents strongly disagree that banks staff tell the customers the exact time service will be delivered.

Prompt services on loan process

12 of respondents which represent 10% strongly agree that banks gives prompt services on loan process , 92 of respondents which represent 76.7% agree that banks gives prompt services on loan process, 4 of respondents which represent 3.3% were remain neutral that banks gives prompt services on loan process, 8 of the respondents which represent 6.7% disagree that banks gives prompt services on loan process and 4of the respondents which represent 3.3% strongly disagree that banks gives prompt services on loan process.

Banks always willing to assist customers

The table shows that 12 of respondents which represent 10% strongly agree that banks always willing to assist customers, 92 of respondents which represent 76.7% agree that banks always willing to assist customers, 4 of respondents which represent 3.3% were remain neutral that banks always willing to assist customers, and 12 of the respondents which represent 10.0% disagree that banks always willing to assist customers.

ASSUMPTION 4: CUSTOMER SATISFACTION IN LOAN ACQUISITION IS DETERMINED BY ASSURANCE

Factors account for assurance of service

Respondents agree that staff behavior instill confidence in customers request for loan which shown a *mean score of 2.01*. Customers feel safe in dealing with the bank as it shown a *mean score of 2.12*. However, it significantly affects satisfaction level of customers in the banking institutions (*Std. Dev= 0.966).* Also, majority of the respondents agree that banks staff are courteous with customers when processing loans which shown a *mean score of 2.17*, (*Std. Dev= 0.723).* This implies that assurance also play role in banking institution as majority agreed to the questions. Assurance is a factor that account for satisfaction of customers as stated by Parasarman et al 1999. The results confirm the assertion that customer satisfaction relate to assurance by service providers

Staff behaviour instil confidence in customers

31 of respondents which represent 25.8% strongly agree that staff behavior instill confidence in customers request for loan, 73 of respondents which represent 60.8% agree that staff behavior instill confidence in customers request for loan, 8 of respondents which represent 6.7% were remain neutral that staff behavior instill confidence in customers request for loan and8 of the respondents which represent 6.7% strongly disagree that staff behavior instill confidence in customers request for loan.

Customers feel safe in dealing with the bank

8 of respondents which represent 6.7% strongly agree that customers feel safe in dealing with the bank, 97 of respondents which represent 80.8% agree that customers feel safe in dealing with the bank, 7 of respondents which represent 5.8% remain neutral that customers feel safe in dealing with the bank and 8 of the respondents which represent 6.7% disagree that customers feel safe in dealing with the bank.

Bank staff are courteous with customers

7 of respondents which represent 5.8% strongly agree that, banks staff are courteous with customers when processing loans banks staff are courteous with customers when processing loans, 98 of respondents which represent 81.7% agree that, 4 of respondents which represent 3.3% remain neutral that banks staff are courteous with customers when processing loans, 2 of the respondents which represent 1.7% disagree that banks staff are courteous with customers when processing loans and 9 of the respondents which represent 7.5% strongly disagree that banks staff are courteous with customers when processing loans.

ASSUMPTION 5: RELIABILITY HAS INFLUENCE ON CUSTOMER SATISFACTION

Factors that account for reliability

Respondents remained neutral that promises on loan applications are fulfilled at stipulated which shown a *mean score of 2.76,* As well, respondents agree that banks show interest in solving problems on loans application which shown a *mean score of 2.10*. However, it significantly affects satisfaction level of customers in the banking institutions (*Std. Dev= 0.738).* Lastly, majority of the respondents agree that, banks performs service loan application exact on time which shown a *mean score of 2.23,* (*Std. Dev= 0.930).* This implies that reliability is major factor that contributes to satisfaction banking institution as indicates by respondents. However this confirms dimension of service quality by Parasurmanet.al, (2000).

Promises on loan application

14 of respondents which represent 11.7% strongly agree that, banks promises on loan applications are fulfilled at stipulated period, 38 of respondents which represent 81.7% agree that promises on loan applications are fulfilled at stipulated, 40 of respondents which represent 33.3% remain neutral that promises on loan applications are fulfilled at stipulated, 16 of the

respondents which represent 13.3% disagree that promises on loan applications are fulfilled at stipulated and 12 of the respondents which represent 10.0% strongly disagree that promises on loan applications are fulfilled at stipulated.

Banks show interest in solving customer problem

19 of respondents which represent 15.8% strongly agree that, banks show interest in solving problems on loans application, 78 of respondents which represent 65.0% agree that banks show interest in solving problems on loans application, 15 of respondents which represent 12.5% remain neutral that banks show interest in solving problems on loans application, 8 of the respondents which represent 6.7% disagree that banks show interest in solving problems on loans application and none of the respondents strongly disagree that banks show interest in solving problems on loans application.

Banks performs service loan application

From to table, it shows that 16 of respondents which represent 13.3% strongly agree that, banks performs service loan application exact on time, 78 of respondents which represent 65.0% agree that banks , banks performs service loan application exact on time, 17 of respondents which represent 14.2% remain neutral that, banks performs service loan application exact on time, 1 of the respondents which represent 0.8% disagree that , banks performs service loan application exact on time, and 8 of the respondents which respondents 6.7% strongly disagree that, banks performs service loan application exact on time.

CONCLUSION

The objective of this paper was to find out how tangibility, empathy, responsiveness, assurance the study and reliability contribute to satisfaction of customers when they acquire loan facility from banks. The study clearly showed the significance of the service quality dimension in customer satisfaction when acquiring loan facility. It can be projected that banks that show interest in the service quality dimension can penetrate the market and compete favourably on their loan portfolio. It is recommended that regular training must be organized for the workers concerning services quality as to how to have good personal contact with customers and also have some competence in the work. This will enable them to work effectively and efficiently to get customers all the time satisfied.

SUGGESTIONS FOR FUTURE STUDIES

Future researchers can continue investigating the service quality in the field of loan acquisition from commercial banks in other areas of consumer behavior in Ghana. This will help academicians build a strong foundation for the relationship that exist among service quality, loan acquisition and the field of consumer behaviour.

Another area that future researchers can look at is the nature of promotional activities on loan acquisition and customer satisfaction of the service they receive. In Ghana, many commercial banks run promotions on loan acquisition making it look so simple, but customers later express their frustrations of nature of treatment before, during and after acquiring loans from the commercial banks.

Future researchers can also investigate into the influence of technical and functional quality as proposed by Gronross et al and how they relate to customer satisfaction in loan acquisition from the commercial banks. This is because the current study used the service quality dimension by Parasuraman et al. (1999).

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