**Bank Service Quality and Customers’ Patronage in selected Banks in South Western Nigeria**

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| **ABSTRACT**This study therefore, examines the relationship between service quality and customers choice of banks patronage. The study was conceived primarily to identify and compare if there is a difference between elements of SERVQUAL and customers’ patronage among selected banks in Nigeria. The top five banks in Nigeria were purposively selected for assessment to ensure generalization and coverage in the study. Purposive and convenience sampling techniques were used to select the sample size of the account holders due to the homogenous characteristic of the target population. There were 385 customers sampled with a questionnaire designed on a 7-point Likert scale. The statistical tools used included multiple regression, ranking order matrix and t-test. The study revealed a high sensitivity of the customers to the SERVQUAL dimensions with adequate information about them before choice of bank patronage was established. The paper concluded that, with more awareness of these SERVQUAL dimensions by banks, there would be an increase in customer satisfaction. The study recommended that service delivery firms like Banks, should consider elements of SERVQUAL as important factors which shape and determine customers’ loyalty and patronage*.* **Keywords:** Service Quality, Customers. Bank’s Patronage, SERVQUAL, Empathy & Reliability |

**INTRODUCTION**

Customers are psychological beings who become very rational whenever it has to do with making choices that lead to patronising products or services that provide chain of alternatives. Banking sector is a system comprising firms rendering financial services to the populace. Service in the view of Parasuraman, Zeithaml and Berry (1994) referred to a set of characteristics and overall properties of the service which aims to satisfy the clients and meet their needs. Service is any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything (Kotler & Keller, 2006; Kotler, Armstrong, Saunders & Wong, 2002). The definition by Kotler and Keller (2006) clearly showed that service as a concept has certain features such as intangibility, inseparability, perishability, variability and lack of ownership which is peculiar to it. Quality can be a confusing concept, partly because people view quality in relation to differing criteria based on their individual roles in the production marketing chain (Agbor, 2011).

In addition, the meaning of quality has evolved as the quality profession has grown and matured. Tamini and Sebastianelli (1996) opined that neither consultants nor business professionals agree on a universal definition. A study that asked managers of 86 firms in the eastern United States to define quality produced several dozen responses such as: perfection, consistency, eliminating waste, speed of delivery, compliance with policies and procedures, providing a good usable product, doing it right the first time, delighting or pleasing customers, and total customer service and satisfaction were obtained (Tamini & Sebastianelli, 1996). Quality also may be perceived as a whole bundle of attributes where many lesser characteristics are superior to those of competitors (Murdic, Render & Russel, 1990).

Service quality is commonly noted as a critical prerequisite and determinant of competitiveness as well as for establishing and sustaining satisfying relationships with customers. Attention to service quality can differentiate an organization from others and lead to competitive advantage (Moore, 1987). Gan, Cohen, Clemes and Chong (2006) argued that, most banks in the financial service sector choose not to engage in price but rather make use of service as an effective competitive tool. In this light, Service Quality as perceived by the customer has an effect on the perceived value of the service rendered. The success or failure of generating value is jointly determined by the relationship between the service events; the customer’s prior and post perceptions, perceived and actual quality of delivered service. Service quality is fast becoming an important determinant of customers’ choice of patronage in the market place. Meeting customers’ demands through delivering quality oriented services is a vital part of operational activities of today banking industry. This is because consumers all over the world have become more quality conscious and customers’ requirements for higher quality service have been on the increase in the recent past (Lee, 2000). In fact, today’s customers are now demanding and knowledgeable about the ways they want to be served and they are even prepared to challenge any firm whose services fall below expectations.

**STATEMENT OF THE PROBLEM**

Generally, a user of a service has a few characteristics and attributes in mind that he or she uses as a basis for comparison among alternatives. Lack of one attribute may eliminate a specific service firm from consideration. Service quality is difficult to measure and evaluate. Therefore, customers’ perceptions of service quality are of major concern to both business managers and researchers. This was corroborated by Palmer (1995) who opined that practitioners and academics alike are keen on accurately measuring service quality in order to better understand its essential antecedents and consequences, and ultimately establish methods for improving quality to achieve competitive advantage and build customer satisfaction. Service sector such as the banks are therefore obliged to provide excellent services to their customers in order to have sustainable competitive advantage (El- Saghier & Nathan, 2013). Banks and other financial institutions operating in Nigeria are consequently put under intense pressure to develop quality services as a strategy to retain their present customers and to win over competitors’ customers in the market.

It is a known fact that customers are rational whenever alternatives are available in making their choice for patronage, the onus is upon the firm to ensure that it positions itself as the right choice among other competitors. The capability to do this is mostly absent with many of the banks, which usually make them lose even their existing customers to rival firms. Existence and survival of firms in any industry (including that of the banking industry) depend to a large extent on the choices that are made by existing and prospective customers to begin or continue to patronise the firms. This decision can be enhanced with product differentiation, queuing convenience, aesthetic beauty, courtesy of staff and customer relationship management. Insensitivity to this has made many banks go into extinction today in the Nigerian banking industry when their customers panicked and took the choice of absolute withdrawal rather than patronage (Sokefun , 2011). The review of the extant literature on the subject matter revealed that there is dearth of studies that have examined service quality and its relationship on choice of bank patronage in Nigeria. Therefore, the paucity of works in this new area of banking services stimulated the interest of the current study. It is on this basis, the study seeks to address the following questions:

**Research Questions**

1. Is there a relationship between service quality and customers’ choice of bank to patronage in Nigeria?
2. Do dimensions of SERVQUAL significantly influence customers’ choice of bank patronage in Nigeria?
3. Is there any significant difference in the use of SERVQUAL dimensions (by the selected banks) to determine choice of banks patronage in Nigeria?

**Research Objectives**

The main objective of this study is to evaluate the relationship between Service Quality and customers’ choice of banks patronage in Nigerian Banking industry. Specifically the study seeks to:

1. Examine whether there is a significant relationship between service quality and customers’ choice of bank patronage in Nigeria.
2. Evaluate whether the dimensions of SERVQUAL significantly determine customers’ choice of bank patronage in Nigeria.
3. Identify and compare if there is a significant difference in the use of SERVQUAL dimensions and Customers’ choice of bank patronage among the selected banks in Nigeria.

**Research Hypotheses**

**Ho1**: There is no significant relationship between service quality and customers’ choice of bank patronage in Nigeria.

**Ho2**: The elements of SERVQUAL do not significantly determine customers’ choice of bank patronage in Nigeria.

**H03:** There is no significant difference in the use of SERVQUAL dimensions and customers’ choice of bank patronage among selected banks in Nigeria.

 **LITERATURE REVIEW**

**Conceptual Overview of Service Quality**

Service quality can be defined as the impression of the customer about the relative inferiority/superiority of a service provider and its services. Service quality has been described as a form of attitude, related but not equivalent to satisfaction that results from the comparison of expectations with performance (Bolton & Drew, 1991; Cronin & Taylor, 1992; Parasuraman, Zeithaml and Berry 1988). Researchers have developed alternative concepts for service quality such as the European perspective (Grönroos, 1982 ; Lehtinen & Lehtinen, 1982) and the American perspective (Parasuraman, Zeithaml & Berry 1985 ; 1988). The European perspective states that service quality should include three dimensions like technical quality, functional quality and corporate image. The American perspective proposes that service quality may be evaluated on the functional quality dimension, described by five components: tangibility, reliability, responsibility, assurance and empathy. According to Parasuraman, Zeithaml and Berry (1985), service quality can be defined as the consumers’ comparison between service expectation and service performance. They proposed service quality SERVQUAL to be a function of pre-purchase customer expectations, perceived process quality and perceived output quality. Based on their statement Parasuraman Zeithaml and Berry (1985), suggested that service quality is determined by the differences between customers’ expectations of the service and their perceptions of the service experience. Similarly, Parasuraman, Zeithaml and Berry (1985) listed ten dimensions of service quality but in their subsequent research Parasuraman, Zeithaml and Berry (1988), compressed the ten dimensions to five namely tangibles, reliability, responsiveness, assurance and empathy. This they say constitute the base of a global measurement for service quality. According to their study, reliability was the most critical dimension, followed by responsiveness, assurance and empathy where are of least concern to customers.

Nowadays, with persistent keen competition, service quality has become a popular area of academic investigations and a key factor in keeping competitive advantage and sustaining satisfactory relationships with customers (Zeithaml, Parasuraman & Malhotra, 2000). Deming (1982) opined that, service quality aims to confirm the requirements of customers, to meet their expectations and to satisfy them.

Service quality has become an important research topic because of its apparent relationship to costs (Crosby, Evans & Cowles, 1990), profitability and customer satisfaction (Bolton & Drew, 1991; Boulding, Kalra & Staelin.1993), Customer retention (Reichheld & Sasser 1990), effects of Service Quality Gaps on Customer Satisfaction of Commercial Bank (Muthoni & Otienob, 2014)and positive word of mouth (Nam, Manchanda & Chintagunta, 2007; Holjevac, Marković & Raspor, 2009). The word – of – mouth communications and recommendations about products from trusted friends, associates and other consumers have been seen to be more credible than those coming from commercial sources, such as advertisements or sales people (Kolter & Gary, 2014).

 Service Quality is widely regarded as a driver of corporate marketing and financial performance (Buttle, 1996). Delivering quality service is considered an essential strategy for the success and survival of service organizations (Dawkins & Reichheld, 1990). Also, the study of service quality and customer satisfaction has implications for luxury hotels (Lu, Berchoux, Marek & Chen, 2015).

**Customers Choice of Bank Patronage**

The understanding of customers’ banks selection criteria has been argued to be helpful to banks in identifying the appropriate marketing strategies needed to attract new customers and retain existing ones (Kaynak & Kucukemiroglu, 1992). Indeed, the growing competitiveness in the banking industry and similarity of services offered by banks has made it increasingly important that banks identify the factors that determine the basis upon which customers choose between providers of financial services (Grady & Spencer 1990; Holstius & Kaynak, 1995). Generally, customers employ a number of processes for product/service evaluation which will eventually lead to the choice of patronage of a particular product or service. Thus, Zeithalm (1981) categorised the choice factors into three groups of quality characteristics. Search qualities which belong to the first group, are the features that customer can see, feel or touch and might be evaluated in advance of purchase. Secondly, experience qualities are those qualities that may be evaluated during or after consumption. And finally, credence attributes are the features that customer find difficult to evaluate after purchase or consumption such as medical services provided by a doctor. Financial services are characterised by high levels of credence and experiential features, therefore, making them difficult to be evaluated before consumption (Owusu-Frimpong, 1999). Therefore, to minimise the risk and uncertainty that is related to the purchase of service, customer rely, more or less on the tangible cues such as place, equipment, people, symbols among others as the evidence of service quality. Bove & Johnson (2000) noted that customer retention and true loyalty are defined by a high customer relative attitude in addition to high repeat purchase behaviour given the understanding that customer retention is economically more advantageous than constantly seeking new customers. Reichheld & Sasser (1990) observed that customer loyalty is a primary goal for most businesses today. In Public service, it is even shown that service quality is significantly and positively related with customer satisfaction (Kumasey, 2014).This trend has lead to an explosion in the use of different types of bonds (i.e. economic or structural) which bind the customer to the firm through high switching costs. Kotler and Keller (2006) observed that customers are becoming harder to please; they are smarter, more price conscious, more demanding, less forgiving, and they are approached by many more with equal or better offers. Hence, the challenge is beyond producing satisfied customers, as competitors can do it too; the challenge is to produce delighted and loyal customers. This challenge is perhaps brought about by the increasing financial sophistication of customers which is facilitated by efficient use of information technology, and the entry of new aggressive competitors in the market place (Owusu-Frimpong, 1999).

**Theoretical Framework**

Measuring service quality is difficult as compared to product quality due to some features unique to services such as intangibility, inseparability, heterogeneity and perish-ability (Chang & Yeh, 2002). In view of these limitations a number of measurement models have been developed for measuring perceptions of service quality (Van Dinh & Lee Pickler, 2012; Aldlaigan & Buttle, 2005; Bahia & Nantel, 2000; Stafford, 1996; Parasuraman et al., 1991) such as SERVQUAL developed by Parasuraman et al., the SERVPERF that was postulated by Cronin and Taylor (1992) and the CARTER developed by Othman & Owen (2001). However, this study adopts the SERVQUAL model to examine the relationship between service quality and customer preference in Nigerian banks.

**SERVQUAL**

Among several instruments that have been proposed for measuring service quality, the SERVQUAL instrument (Parasuraman, *et al*, 1985, 1988, 1991) has received the highest recognition. The SERVQUAL approach has been successfully applied to a variety of service settings; tourism, telecommunication, academia, banking, online services, among others (Md Ariff, Yun, Zakuan, Ismail,2013; Gunarathne,2014; Mahfooz, 2014; Kadirova, Li-Chen, Chan-Yin-Fah & Poh-Kiong, 2015).). They illustrate the concept of GAP model, in which the gap between customer perception and expectation were identified. Parasuraman, *et al* (1985) further divided this model into five dimensions as illustrated in Table 2.1.

**Table 2.1: SERVQUAL Dimensions**

|  |  |  |
| --- | --- | --- |
| **Dimensions** | **Definition** | **Items in Scale** |
| Tangibles | The appearance of physical facilities equipment, personnel and communication materials | 4 |
| Reliability | The ability to perform the promised service dependably and accurately  | 5 |
| Responsiveness  | The willingness to help customers and to provide prompt service | 4 |
| Assurance | The knowledge and courtesy of employees and their ability to convey trust and confidence  | 4 |
| Empathy | The provision of caring individualized attention to customer  | 5 |
| ***Source: Parasuraman, Zeithaml and Berry (1985)*** |

Out of these five dimensions, 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 (El-Saghier & Nathan, 2013). SERVQUAL therefore, can serve as an effective diagnostic tool to guide management in its service quality improvement efforts by focusing attention on the areas that are most needful. After reviewing numerous applications and critiques of SERVQUAL, Ladhari (2009) concluded in his study that, despite legitimate concerns about the validity of the scale, it remains a useful tool for measuring and managing service quality.

In this research, SERVQUAL has been adopted as a model to measure service quality as it relates to choice of bank patronage in the Nigerian Banking Industry. However, this is not to say that there are no other service quality measurement models in literature such as SERVPERF instrument and CARTER. SERVPERF as proposed byCronin and Taylor (1992). CARTER is equally an emerging service quality measurement tool as used by (Ghani & Said, 2011; Othman & Owen, 2001). It is an acronym denoting Compliance with Islamic Laws, Assurance, Reliability, Tangibles, Empathy and Responsiveness.

**Empirical Framework**

Khazeh & Decker (1993) surveyed the views of 209 university students in Maryland, USA to find out customers’ bank selection criteria. The most important determinant criteria of bank selection identified in their study were service charge policy, reputation, interest charged on loans, quick loan approval and friendly tellers. Almossawi (2001) studied bank selection criteria being employed by college students in Bahrain. A total of 1,000 students aged 19-24 of the University of Bahrain served as a sample for the study. Findings showed that the important factors determining college students' bank selection are: bank's reputation, friendliness of bank personnel, availability of parking space near the bank, and availability and location of Automated Teller Machines (ATM). Rao and Sharma (2010) studied bank selection criteria being employed by MBA students in India. Data were collected form 312 students who have a bank account thorough questionnaire. Findings reveal that reliability is the most important factor in choosing a bank among students. Kamakodi & Khan (2008) surveyed and obtained responses from 292 banks customers on the factors that influence the bank selection decisions in India. The top 10 parameters based on importance are found as Safety of Funds, secured ATMs, ATMs availability, reputation, personal attention, pleasing manners, confidentiality, timely service and friendly staff willing to work and proximity to work. The study by Rehman & Ahmed (2008), show the major determinants of a bank selection by a customer in the banking industry of Pakistan. It is based on a survey of 358 customers of privatized and nationalized banks located in the city of Lahore (Pakistan). The findings of the study reveal that the most important variables influencing customers’ choice are customers’ services, convenience, online banking facilities and overall bank environment. Laroche, Rosenblatt and Manaing (1986) similarly study 140 households in Montreal, Canada, to realize how people select their banks. In ranking the selection factors, findings show that friendliness of staff plays the important role in the bank selection process, followed by hours of operations, size of waiting lines, convenience of location, and efficiency of personnel. Shanka (2012) examined bank service quality, customer satisfaction and loyalty in Ethiopian Banking Sector and found through the correlation results that there is a positive correlation between the dimensions of service quality and customer satisfaction.

**METHODOLOGY**

In this study, exploratory and descriptive research design was employed. This is because it is useful when the research objectives include determining the degree to which one variable (dependent) affects the other variable (independent). The exploratory research design examines Service Quality and its relationship on bank customers’ choice of patronage. The population of the study was defined as the totality of all commercial banks who are players in the Nigerian banking sector as at November 2014. It was discovered that the Headquarters of all the banks in Nigeria are in Lagos; the South-Western part of the country. However, the study covered the top five banks which have been dominating the market share of the banking sub-sector. These banks automatically accounted for 60 percent of the banking sector assets in Nigeria (The Banker, 2013). All customers of the selected banks form the population of the study; since the population of the customers is large, Israel (2009) developed a model to determine the sample size if the population is large as:$ n\_{0 = \frac{z^{2}pq}{e^{2}}} $

Where: n0 = sample size, Z = value of the normal curve that cuts off an area α at the tails (1 – α equals the desired confidence level, e.g., 95%), e = the desired level of precision, p = the estimated proportion of an attribute that is present in the population, and q = 1-p. Therefore, the customer’s sample size for the study at 95% confidence level and 1% precision is denoted by; Z = 1.96, p = (0.5 maximum variability assumed) since actual variability in the proportion is not known), q = 0.5. e = 0.05. Therefore, the sample size for the customers become

$n\_{0 = }\frac{\left(1.96\right)^{2}\left(0.5\right)(0.5)}{(0.05)^{2}}$ = 380.25 = 380 customers of the selected banks must at least be sampled.

The data used for this research was collected mainly from the primary source with the use of self-administered questionnaire to gather information from the primary source. The questionnaire was designed to address the relationship between service quality and preference/patronage in line with Parasuraman, Zeithaml and Berry (1994) SERVQUAL survey design.

The questionnaire items employed had section A and B which was designed to capture the bio-data information of the respondents while section B was structured to capture information on the variables of Service Quality and bank customers’ choice of patronage. A 7-point Likert scale was used with responses ranging from 7 points extremely agreed to 1 point extremely disagreed to elicit response from the target respondents. In extracting these pieces of information, the questionnaire was carefully worded with simplicity before its administration to the respondents.

**Model Specifications**

 The relationship in this study is defined as: CCP= f (SERVQUAL), where SERVQUAL is determined by five other variables that are modified in accordance with the focus of the study. Hence in testing this hypothesis, multiple regression model was used i.e.

CCP = f (RBT, ASS, TAG, EMP, RSP)

Hence the model becomes:

CCP = βo+β1RBT + β2ASS + β3TAG + β4EMP + β5RSP + Ce *where: CCP= Customers Choice of bank patronage, RBT= Reliability, ASS= Assurance*, *TAG= Tangibles*, *EMP= Empathy, RSP= Responsiveness, Ce = Error*

**RESULTS AND DISCUSSIONS**

**Hypothesis One: Ho1**: There is no significant relationship between service quality and customers’ choice of bank patronage in Nigeria.

**The model:** CCP**=** *f* (SERVQUAL)**;** CP = βo+β1RBT + β2ASS + β3TAG + β4EMP + β5RSP + Ce.

**Table 4.1: Regression Results - Service Quality and Bank Patronage**

|  |
| --- |
| **Variables Standardized Coefficient Std. Error t – Statistic Sig.** |
| Constant .636 1.125 .261 |
| TAG .085 .091 1.286 .007 |
| ASS .044 .200 1.393 .025 |
| RBT .162 .196 1.482 .020 |
| EMP .027 .091 0.691 .044 |
| RSP .308 .087 6.779 .000 |
| Sig .000R – Squared 0.357 Adjusted R – Squared 0.127 F–Statistic 12.730 |
| *a. Predictors: (Constant), TAG, ASS, RBT, EMP, RSP.**b. Dependent Variable: Customers Choice of Bank Patronage.* |

Table 4.1 revealed a positive relationship between the variables measured that is, SERVQUAL and customers preference with (R2) value of 0.357 which indicated that about 36 percent of the variations in customers’ choice of bank patronage in Nigeria is explained by the contents of SERVQUAL dimensions captured in the study. The implication of this result is that 64% of variation of customer choice of bank patronage is not captured by the model. All the t-statistical elements of the distribution were significant as evident by (*0*.007, 0.025, 0.020, 0.044, and 0.000) where P < 0.05 for TAG, ASS, RBT, EMP, and RSP respectively. The overall results provided adequate support for the alternative hypothesis, to reject the null hypothesis (H0) and accept the alternative hypothesis (H1). Hence, the study concluded that the relationship between service quality and customers’ choice of bank patronage in Nigeria Banks is statistically significant.

**Hypothesis Two: Ho2**: The elements of SERVQUAL do not significantly determine customers’ choice of bank patronage in Nigeria.

**Table 4.2: The Elements of SERVQUAL as a Determinant of Customers’ Choice of Bank Patronage**

|  |  |  |
| --- | --- | --- |
| **Elements of SERVIQUAL**  | **Beta** | **Sig.** |
| (Constant) |  | -261 |
| Tangibles (TAG) | .085 | .007 |
| Assurance (ASS) | .044 | .025 |
| Reliability (RBT) | .162 | .020 |
| Empathy (EMP) | .027 | .044 |
| Responsiveness (RSP) | .308 | .000 |
| 1. *Dependent Variable (Customers’ Choice of patronage)*
2. *P < 0.05*
 |

From Table 4.2 above, it is evident that there is a positive relationship between SERVQUAL dimensions and customers’ choice of bank patronage in Nigeria with all the coefficients statistically significant. The Beta value of each of the elements contributes positively ranging from Tangibles, Assurance, Reliability, Empathy and Responsiveness with corresponding weight values of 0.085, 0.044, 0.162, 0.027 and 0.308 respectively with all the beta values significant at 0.05 levels. This implies that all the elements of SERVQUAL are strong determinants of customer choice of bank patronage in Nigeria.

Therefore, the overall analysis is seen to have provided adequate support for the alternative hypothesis to reject the null hypothesis (H0) and accept the alternative hypothesis (H1) which asserts that; the elements of SERVQUAL do determine customers’ choice of bank patronage in Nigeria.

**Hypothesis Three: H03:** There is no significant difference in the use of SERVQUAL dimensions and customers’ choice of bank patronage among selected banks in Nigeria.

Table 4.3 is a reflection of the group analysis of ANOVA conducted to explore the significant difference between the elements of SERVQUAL and Customers choice of bank patronage among the five selected banks in Nigeria examined in this study. The results reflect that the Reliability elements (RBT) among the banks (**μ12=2.376, F=1.315, N=329)** only showed positive relationships of which the difference among the banks was not statistically significant; i.e. 0.236 = *p*>0.05. This then implied that, among the five banks under study, Reliability element has similar result as a tool that determines customers’ choice of banks patronage. It can be said therefore that all the five banks equally pay attention to the Reliability elements and this has delivered similar result in determining patronage. Similar to this are Empathy (**μ12=0.206, F=0.142, N=382)** and Assurance (**μ12=0.762, F=0.473, N=382)** elements which only revealed positive relationships of which the difference among the banks in using them as tools to motivate patronage was not statistically significant (i.e. 0.966 = *p*>0.05 and 0.755=*p*>0.05). This implied that, both Empathy and Assurance tools resulted to similar result for the sampled banks in terms of patronage. However, Table 4.3 showed that for Tangibles and Responsiveness, the differences as to how they have been responsible for motivating choice of bank and patronage were statistically significant (i.e. **μ12=6.195, F=3.733, N=382; μ12=8.566, F=5.898, N=382),** hence, **0.005; 0.00 < *p* < 0.05** respectively.

These results then implied that some of the banks have used Tangibles and Responsiveness tools more than the other to achieve a better and stronger choice of bank and patronage from the customers.

Table 4.5 is a true reflection (based on the findings from this study) of the performance of each of the banks in using the SERVQUAL dimensions to motivate and secure the confidence of their various customers’ patronage. G.T. Bank; came first overall with outstanding performance in the use of SERVQUAL tools by coming first in the ranking in Reliability, Tangibles, Empathy, and Assurance while it was only second to Zenith Bank in Responsiveness. This performance is a show of perfect understanding of the SERVQUAL tools to drive customers’ interest and continuous patronage. Performances of Zenith and First Bank that came second and third respectively were fair but in clear distance compared to that of GTB while UBA and Access Bank virtually alternated the last two positions in the ranking as regarding all the five SERVQUAL elements.

**Table 4.3: ANOVA Results for SERVIQUAL Model and Bank Patronage**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Df** | **Mean Square** | **F** | **Sig.** |
| Reliability (RBT) | Between Groups | 4 | 2.376 | 1.315 | .264 |
| Within Groups | 329 | 1.807 |  |  |
| Total | 333 |  |  |  |
| Tangibles (TAG) | Between Groups | 4 | 6.195 | 3.733 | .005 |
| Within Groups | 329 | 1.660 |  |  |
| Total | 333 |  |  |  |
| Responsiveness (RSP) | Between Groups | 4 | 8.566 | 5.898 | .000 |
| Within Groups | 382 | 1.452 |  |  |
| Total | 386 |  |  |  |
| Empathy (EMP) | Between Groups | 4 | .206 | .142 | .966 |
| Within Groups | 382 | 1.448 |  |  |
| Total | 386 |  |  |  |
| Assurance (ASS) | Between Groups | 4 | .762 | .473 | .755 |
| Within Groups | 382 | 1.610 |  |  |
| Total | 386 |  |  |  |

**Table 4.4: Ranking of SERVQUAL Dimensions and Bank Patronage**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SERVQUAL** | **Banks** |  **Mean** |  **Std. Deviation** | **Ranking** |
| Reliability (RBT) | First Bank | 5.18 | 1.267 | 2nd |
| GTB | 5.19 | 1.276 | 1st  |
| Zenith | 5.14 | 1.266 | 3rd |
| UBA | 4.78 | 1.380 | 5th  |
| Access | 4.81 | 1.512 | 4th  |
| Total | 5.06 | 1.347 |  |
| Tangibles (TAG) | First Bank | 4.73 | 1.567 | 3rd  |
| GTB | 5.19 | 1.276 | 1st  |
| Zenith | 5.14 | 1.266 | 2nd  |
| UBA | 5.09 | 1.345 | 4th  |
| Access | 4.54 | 1.326 | 5th  |
| Total | 5.03 | 1.309 |  |
| Responsiveness (RSP) | First Bank | 4.97 | 1.085 | 3rd  |
| GTB | 5.01 | 1.078 | 2nd  |
| Zenith | 5.04 | .780 | 1st  |
| UBA | 4.42 | 1.551 | 4th  |
| Access | 4.38 | 1.389 | 5th  |
| Total | 4.77 | 1.235 |  |
| Empathy (EMP) | First Bank | 4.19 | 1.479 | 5th  |
| GTB | 5.19 | 1.276 | 1st  |
| Zenith | 5.14 | 1.266 | 3rd  |
| UBA | 5.07 | 1.159 | 4th  |
| Access | 5.18 | 1.016 | 2nd  |
| Total | 5.15 | 1.198 |  |
| Assurance (ASS) | First Bank | 4.20 | 1.493 | 4th  |
| GTB | 5.23 | 1.335 | 1st  |
| Zenith | 5.05 | 1.226 | 2nd  |
| UBA | 4.28 | 1.329 | 3rd  |
| Access | 4.08 | 1.356 | 5th  |
| Total | 5.17 | 1.265 |  |

**Table 4.5: SERVQUAL Performance Ranking of the Banks**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **SERVQUAL****Elements / Banks** | **Reliability** | **Tangibles** | **Responsiveness** | **Empathy** | **Assurance** | **Overall ranking** |
| GTB | 1st | 1st | 2nd | 1st | 1st | (1.2) 1st |
| Zenith | 3rd | 2nd | 1st | 3rd | 2nd | (2.2) 2nd |
| First Bank | 2nd | 3rd | 3rd | 5th | 4th | (3.4) 3rd |
| UBA | 5th | 4th | 4th | 4th | 3rd | (4) 4th |
| Access | 4th | 5th | 5th | 2nd | 5th | (4.2) 5th |

**CONCLUSION**

This study has used SERVQUAL dimensions to evaluate the motivating factors behind customers’ choice of Bank Patronage. This is done with the intention of discovering whether customers pay attention to the presence of the factors of each SERVQUAL elements before taking decision on patronage. The study has revealed a high sensitivity of the customers to these tools with adequate information about them before a choice of bank patronage are established therefore, making this study in agreement with the works of scholars like: Rao and Sharma (2010); Kamakodi and Khan (2008); Almossawi (2001); and Laroche, Rosenblatt and Manaing (1986). It will be very germane to point out that the 3 banks (GTB, Zenith and First Bank) that came 1st, 2nd, and 3rd respectively were the only banks right from inception of their existence that have not changed their names nor acquired or merged with any other banks in the waves of consolidation. Then, it could be inferred that the strong brand built over-time with the perfect understanding of SERVQUAL might have been responsible for their performances in motivating customers’ choice of patronages compared to the other two banks that have changed faces from their original conception as a result of the various consolidation exercises in the Nigerian banking sector. However, this may still need further empirical investigation.

**RECOMMENDATIONS**

The study recommended that service delivery firms especially Banks, should consider the elements of SERVQUAL model as important and relevant factors that determine customers choice of bank patronage in Nigeria today just as it is been applied in developed countries. Also, among the selected Banks, UBA needs serious overhauling in their day to day operations in order to ensure that Service quality becomes their watchword so as to achieve better customers’ choice of patronage which will lead to increase in their market share.

**Contributions to Knowledge**

The uniqueness of this study is the individual evaluation of the selected banks and the introduction of ranking evaluative technique to determine the performance of each bank on each of the SERVQUAL elements in motiving customers’ choice of bank patronage. This has brought out clearly the ability of each bank to understand these elements *vis-à-vis* their peers. The outcomes in this study will no doubt bring about more awareness to these SERVQUAL elements by banks, thereby, compelling another round of effective competition that will further engender more customer satisfaction and friendly banking system that values everything that will drive strong patronage of their brands.

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