



## Examining the outcomes of service quality delivery: A study of the Ghanaian banking sector

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### Abstract

In this study, I seek to examine the outcomes of service quality delivery in the Ghanaian Banking Sector. Data was collected from 110 customers of 4 standard chartered bank branches in Accra. The data was then analyzed using structural equation modeling utilizing the partial least squares (PLS). Findings of the study indicated that assurance, reliability, and responsiveness dimensions of service delivery quality have significant positive effect on customer satisfaction. Empathy and tangibility did not significantly influence customer satisfaction. Also, reliability and responsiveness were the dimensions of service delivery quality that significantly influenced customer loyalty positively. Assurance, empathy and tangibility did not significantly influence customer loyalty. Practical implication for managers and direction for future studies are discussed.

**Keywords:** Service quality delivery, trust, satisfaction, loyalty, bank, Ghana

### Introduction

The competitive nature of the business environment, in recent times has jostled firms to adopt effective marketing strategies to topple the competition. In the service sector, banks have placed premium on delivering quality service to enhance customer experience and increasing satisfaction and loyalty, hitherto unknown to customers (Ofosu-Boateng, 2020) [27]. This is due to the rapid changes that have characterized the banking industry. These changes are in the form of customer sophistication, improved technologies, enlightened customers, and heightened competition (Ofosu-Boateng & Acquaye, 2020) [28]. Service quality delivery which deals with the provision of prompt service in timely manner to customers, at the highest level of convenience, and yet ensuring service usefulness, ease of use and access, and at minimal cost is considered as a strategic tool to enhance banks; competitive advantage (Anyadighibe *et al.*, 2022) [7]. According to Anetoh *et al.* (2022) [5], service quality delivery is the foremost important to customers in the banking industry. This is because service quality delivery has wider conceptualization that is capable of addressing all the banking needs of customers. In a broader sense, service quality delivery is discussed to encompass five key areas; reliability, tangibility, assurance, empathy, and responsiveness (Anetoh *et al.*, 2022) [5]. Reliability of banking service constitutes banks' ability to deliver on their promise and to become dependable partner for customers (Shing, 2018) [33]. Assurance highlights the degree to which bank employees are knowledgeable about banking services so that they are able to discharge their functions with the needed courtesies and competence in order to convey trust and security (Andaleeb & Conway, 2016) [4]. Tangibility of service is the ability of banks to make banking services appear visible for the customers. In this context, banks endeavour to check the physical appearance of their staff, the functionality of equipment, and cleanliness of business premises (Zeithaml *et al.*, 2019) [42]. As noted by Hinson (2017) [19], some of the bank customers consider the tangibility of banking service as the primary consideration when selecting banks to transact business with. Empathy is an aspect of service quality delivery that requires banks to deliver personalized and customized

banking service to their customers regardless of their class. It has been found that premium banking customers favour empathy as an element of service quality delivery above other service quality measurement matrixes (Iddrisua *et al.*, 2020) [20]. Responsiveness on the other hand looks at service quality from the perspective of banks readiness to address customers' issues such as challenges and requests for information as efficiently as possible (Anetoh *et al.*, 2022) [5].

Evidence from literature suggests that service quality delivery influence enhances banks competitiveness (Anyadighibe *et al.*, 2022) [7], banks' image (Wu, 2021) [39], and profitability (Gitomer, 2018). All these outcomes emanating from service quality delivery are in respect of the banks' perspectives and not the customers' perspective. Arguably, positive outcomes such as competitive advantage, positive bank image, and profitability can come about only when service quality delivery causes positive attitudinal change in customers. To this extent, the relationship between service quality delivery and outcomes such as satisfaction, loyalty and trust needs to be investigated.

The banking sector of Ghana has gone through rapid changes prior to and after the crises occurred and during the banking sector clean-up in 2018 (Raed *et al.*, 2022) [30]. The crises which saw the demise of nine local banks and the job loses, coupled with the destruction of customers confidence via loss of savings have casted negative lasting impression on some bank customers (Poku *et al.*, 2020) [39]. Against this problem, the trust level of bank customers has reduced (Anyadighibe *et al.*, 2022) [7]. Arguably, low level of trust can result in lower level of satisfaction and loyalty as it has been evidenced by prior studies (Negi, 2019). [25]

In helping to explain the current problem of lower level of trust, the overarching important concept such in the banking industry, service quality delivery, needs to be investigated in the case of Ghana. So far, studies in Ghana after the banking sector clean-up have targeted the perception of service quality (Atsi *et al.*, 2022) [8]; the choice of first-time bankers (Angenu, Abdulai & Kodjie, 2022) [6]; and survival strategies for banks after the banking crises in Ghana (Amenu-Tekaa, 2022) [3]; Daud & Qureshi, 2020). These studies have shown that service quality is perceived to have

improved (Atsi *et al.*, 2022) <sup>[8]</sup> and in fact customers who are first timers consider service quality before choosing their preferred banks (Angenu *et al.*, 2022) <sup>[6]</sup>.

Based on what is already known in literature, search has shown the following gaps. The outcomes of service quality delivery in the banking sector of Ghana have not been found. Specifically, the influence of service quality delivery on the satisfaction – trust – loyalty relationship has not been investigated and this study provides empirical evidence to bridge the gap. It is important to fill this gap because service quality in the banking industry is the most important variable that customers require to build their confidence in the banking transactions (Zeithaml *et al.*, 2019).

### Objective of the Study

The study seeks to achieve the following objectives

1. To examine the relationship between service quality delivery and satisfaction of bank customers;
2. To analyse the relationship between service quality delivery and loyalty of bank customers and;
3. To evaluate the relationship between service quality delivery and trust of bank customers

### Theoretical Foundation

#### The Social Exchange Theory

The study adopts social exchange theory as the theoretical foundation linking service delivery quality to satisfaction, trust, and loyalty. According to the theory, an individual in a social relationship considers the effort or resources invested into the relationship and balance it with the benefit obtained under the relationship (Anetoh *et al.*, 2022) <sup>[5]</sup>. The relationship is sustained when the benefit derived is equal to or more than the amount of resources invested in the relationship.

In applying the social exchange theory to this study, an argument is made that bank customers evaluate the benefit they derive from their bankers and compares it with the cost they expend on banking transactions. Benefits and cost are evaluated in terms of the level of satisfaction of bank customers. Customers that are dissatisfied would evaluate cost of banking services to be more than the benefit derived. To such customers, there is high tendency not to trust the offering of the bank and distrust minimise any tendency for the customer to become loyal to the bank. On the other hand, customers that perceive benefits arising from banking services to exceed cost will most likely to be satisfied with the offering of the bank. Satisfaction has the potency to sustain the relationship as trust and loyalty creep in after repeated levels of satisfaction. Thus, based on the social exchange theory, this study draws the argument that service delivery quality positively influences the satisfaction, trust, and loyalty of bank customers.

### Conceptual Review

#### Concept of Service Quality Delivery

The term service quality has been defined in several ways. According to Cammett and Şaşmaz (2022) <sup>[11]</sup>, service quality refers to an evaluation process about a good or service where the anticipated perceived usefulness of the good or service is equal to or less than the actual benefit or usefulness obtained from the use of the good or service. In the study of Aithal and Maiya (2022) <sup>[1]</sup>, service quality has been defined as the ability of a product to deliver on its promise. That is, service quality occurs with a product doing

the right thing to the satisfaction of those that use them. The capability of a product to perform effectively and efficiently has been defined to form the core of service quality (Silbaugh & El-Fattal, 2022) <sup>[35]</sup>.

### Dimensions of Service Quality

Service quality delivery has been discussed in literature to have five major dimensions: reliability, tangibility, empathy, responsiveness, and assurance (Amenu-Tekaa, 2022) <sup>[3]</sup>. These dimension fusion together to give proper perspective to the concept of quality of service delivery. Each of the dimensions of service quality delivery is explained as follows.

**Reliability:** Service reliability has to do with the ability of a service to deliver on what it promises as accurately as possible (Dayal & Gundi, 2022) <sup>[14]</sup>. It also measures the dependability of a service and reflects whether customers can depend on the service over the long haul. With reliability, a service organisation is expected to deliver on its core service attributes including resolving customers' challenges in an effective manner. According to German *et al.* (2022) <sup>[16]</sup>, reliability dimension of service quality has impact on the ability of the service to deliver on its promise without considerable variation in prices.

**Tangibility:** The tangibility of a service lies in the physical demonstration of the quality of the service (Su *et al.*, 2022) <sup>[37]</sup>. It is about making service visible and being felt by customers. In the context of service tangibility, the physical location of the business premises, serene nature of the environment, noise under control, enough ventilation, spaces, and cleanliness of working staff and tools are among the common means by which service can appear tangible to customers (Shen *et al.*, 2022) <sup>[32]</sup>.

**Empathy:** Empathy deals with introducing human face in the delivery of a service. It is about making customers feel that they matter and that the company cares about their needs and is ever willing to make sure that their needs and expectations are met. According to Shen *et al.* (2022) <sup>[32]</sup>, a company can become empathetic to customers when they make customers feel that the company is sensitive to their plights and goes beyond the normal scope to make sure that customers actually get what they require.

**Responsiveness:** Responsiveness deals with the speed with which customers are served, their needs met, and their challenges addressed (German *et al.*, 2022) <sup>[16]</sup>. It is the company's dedication and ability to provide customers with instant services. Responsiveness means receiving, evaluating and promptly responding to customer requests, feedback, questions and problems (Dayal & Gundi, 2022) <sup>[14]</sup>. A company with high quality service always responds to instant customer communications which may reflect the value the company puts on customer satisfaction.

**Assurance:** Assurance is an aspect of service quality refers to the level of trust that a customer has in a company to deliver the promised benefits (Bishop *et al.*, 2022) <sup>[9]</sup>. Assurance develops over time mainly from past experience with the service provider or even experienced obtained with a competing firm. A customer that repeatedly has his or her expectations met is mostly certain that the next service to be received will meet expectation (Njeri *et al.*, 2022) <sup>[26]</sup>.

### Customer Satisfaction

The term customer satisfaction refers to the degree to which customers are happy with the use of a service or a good. This is measured by evaluating expected customer experience and the post purchase experience. According to Anyadighibe *et al.* (2022) <sup>[7]</sup>, customer satisfaction is a total number of customers, whose post-purchased experience with a firm and its offerings surpass particular satisfaction goal. In getting customers satisfied, business organisations should not simply assume that they understand customers and can predict their needs (Wulandari, 2022) <sup>[40]</sup>. Effort must be made to adhere to the voice of customers. To ascertain what customers actually want, firms need to invest in market research and adopts tools such as polls, surveys, and interviews to underscore what customers' requirements are and how they want to be treated in order to be satisfied.

**Trust:** Trust is one of the basic competitive tools used by firms to gain market advantage. According to Kethan and Basha (2022) <sup>[21]</sup>, trust deals with the confidence and believes which a customer has in the offering of an entity. Trust is related to several variables such as commitment and loyalty. Trust is also premised on the degree to which a customer is convinced that the relationship with the business organisation is beneficial and valuable. The study of Zhang *et al.* (2022) <sup>[43]</sup> has also established that trust has antecedents such as reliability of a service, quality delivery, and customer satisfaction. High level of trust implies that customers value the relationship with their firms and have belief in the service they receive from their firms and vice versa.

**Loyalty:** Customer loyalty refers to the behaviour or attitude which customers demonstrate regarding their intention to patronize the service of a firm. Customer loyalty also reflects the willingness of a customer to refer the firm's offering to other customers. According to Jenneboer *et al.* (2022), customer loyalty is the strong commitment of a customer to continually buy the offering or use the service of a provider. It also reflects an objection on the part of a customer to reject patronizing competing brands. The basis of customer loyalty is that the customer is happy with the service being rendered to him or her by the organisation.

### Empirical Review of Literature on Service Quality Delivery and Satisfaction

Studies have suggested a relationship between service quality and customer satisfaction. The study by Chuenyindee *et al.* (2022) <sup>[13]</sup> examined customer satisfaction and service quality relationship in the public utility industry in Philippines. The study adopted convenience sampling and surveyed 564 customers. The study showed from an analysis of the structural equation modeling (SEM) that service quality dimensions (tangibility and assurance) have significant positive relationship with customer satisfaction. In the banking industry, evidence has been obtained from the context of Indonesia by Saraswati (2022) <sup>[31]</sup>. The study assessed the interrelationship among service quality, market orientation, customer satisfaction, and loyalty. The study employed 170 samples and the SEM tool was used to analyse the objectives. Just like previous studies have indicated, service quality had significant positive influence on customer satisfaction and customer satisfaction also translated into customer loyalty. Based on

the empirical studies reviewed, this present study hypothesizes as follows:

**H1:** there is a significant positive relationship between service quality delivery and satisfaction of customers

### Empirical Review of Literature on Service Quality Delivery and Loyalty

The relationship between service quality and customer loyalty has also been investigated by a number of studies from different sectors and economic settings. The study by Margaretha *et al.* (2022) <sup>[22]</sup> focused on the hospitality sector in Bali, Indonesia and investigated whether service quality leads to creating loyal customers. The convenience sampling was adopted to survey 161 participants. The finding obtained from the regression result showed that service quality influences customer loyalty significantly. In the banking industry, Maune (2022) <sup>[23]</sup> obtained evidence from Zimbabwe and indicated a positive relationship between service quality and customer loyalty. Further evidence has been produced by Bui *et al.* (2022) <sup>[10]</sup> asserting that customer loyalty is influenced by service quality delivery in the banking sectors. Similar evidence has been shown by Etale and Jerry (2022) <sup>[15]</sup> in the context of Nigeria. Evidence from the studies reviewed point towards the fact that service quality and customer loyalty are related positively. Based on this, the study hypothesized as follows:

**H2:** there is a significant positive relationship between service quality delivery and loyalty of customers

### Empirical Review of Literature on Service Quality Delivery and Trust

In the study by Su *et al.* (2022) <sup>[37]</sup>, the relationship between service quality and trust was modeled with respect to the food industry. The evidence from the study showed that technology deployment in the food industry influences both service quality delivery and customer trust level. In addition, the service quality delivery significantly influenced customers' trust.

In the hospitality industry in Thailand, Sirimongkol (2022) <sup>[24]</sup> examined the service quality level during the pandemic and linked it with the level of trust in purchasing from restaurants. Result from the study showed that service quality delivery at restaurants influence the trust level of customers. It is generally agreed among scholars that trust in a service does not build over a short period of time. While concepts such as customer satisfaction and repurchase intentions can be developed in the short term after few purchases, trust however is developed only when a customer has tried and tested the efficacy of the service received from the provider (Su *et al.*, 2022) <sup>[37]</sup>. It suffices to say that companies that want to build trust require consistent investment in their offering to ensure that they deliver quality service to their customers. Based on the evidence produced by prior studies, this present study hypothesizes as follows:

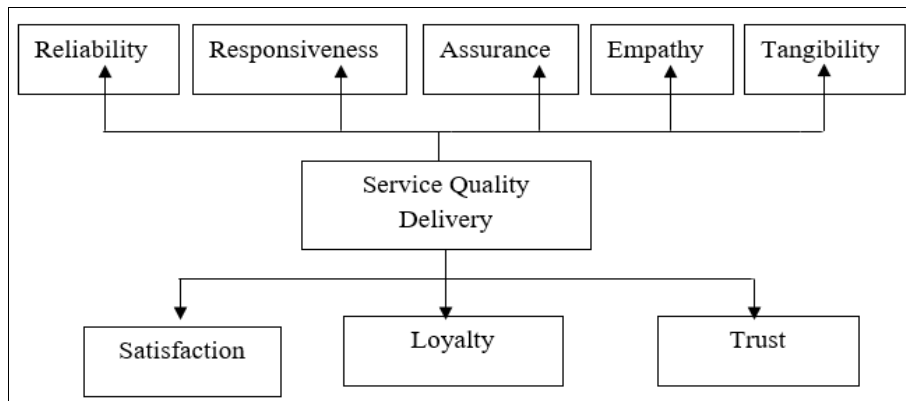
**H3:** There is a significant positive relationship between service quality delivery and trust of

### Conceptual Framework

Figure 1 depicts the framework that relates the concepts and the central themes of the study. The conceptual framework

establishes the operationalization of the service quality delivery

and links it to the expected outcomes such as satisfaction, trust, and loyalty.



Source: Authors' Construct (2025)

Fig 1: Conceptual Framework

**Methodology**

**Research Design**

The study employed the explanatory design to achieve the research objectives and to test the hypotheses. The explanatory research design is used to provide definite answers to management problems rather than seeking to clarify issues confronting management. The explanatory research is an objective way of measuring the effect or the influence of one variable on another. The explanatory design was adopted in this study because hypotheses were tested on the relationship between service quality delivery and satisfaction, loyalty and trust.

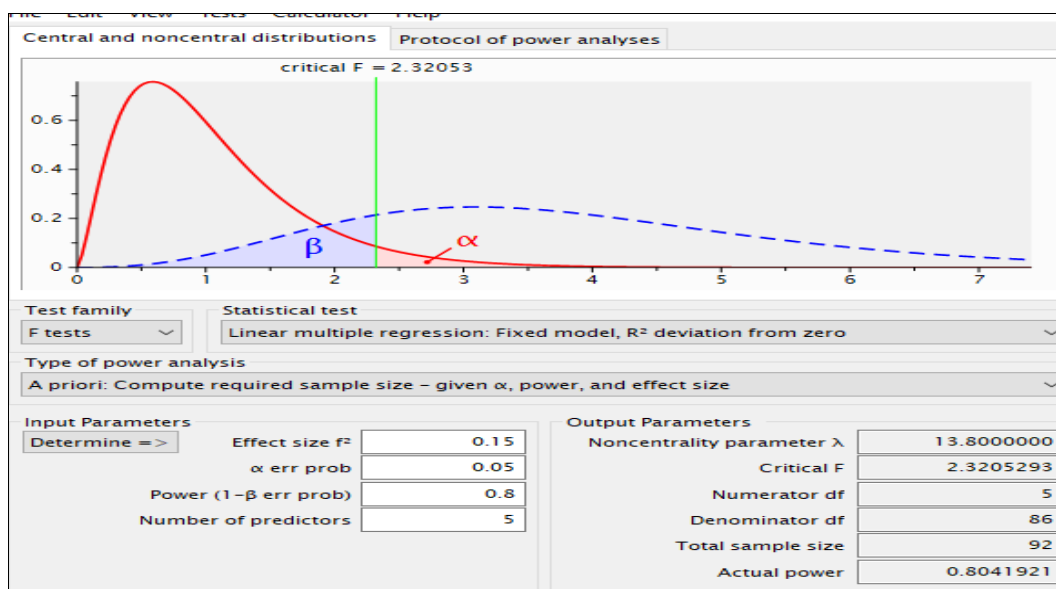
**Population**

The targeted population of the study included all the customers of four Standard Chartered Bank Ghana Limited branches (i.e. Legon, East Legon, Opeibea House and Achimota) in Accra. The total number of customers that

conduct banking activities at these branches of the bank is unknown.

**Sample Size**

The sample is comprised of the segment of the target population that participates in the study (Russell, 2005). G\*Power analysis is used to determine the sample size in a quantitative manner. The study uses effect size of 0.15 which is considered moderate. Alpha of 5% is used and is divided by the number of predictors which is the five components of service quality delivery; producing alpha of 0.01 against which each hypothesis will be tested. The study also uses beta of 0.80 and the sample size obtained is 92 respondents is obtained as the minimum sample size. To account for possible dropout of the participants, the study added 20% more respondents bringing the final sample size to 110 (n = 92 + 20% = 110). The G\*Power output is provided in Figure 2.



Source: G-Power Estimation (2025)

Fig 2: Sample Size Determination

**Sampling Procedure**

The sampling strategy used was convenience sampling. Convenience sampling is a non-random, non-probability

sampling method (Stratton, 2021) [36]. This strategy selects sample participants based on easy accessibility (Bhardwaj, 2019). This sampling strategy is used when the target

population is widely dispersed across different geographical areas; and they population is deemed highly homogenous. Since the customers of the four branches of Standard Chartered Bank are widely dispersed across different locations in the Greater Accra Region, the study adopted the convenience sampling approach

### Source of Data

Primary data is collected to aid the analysis of the study objectives. Primary data is the one that is obtained for the first time from the field. Data was collected from the respondents by administering hard copy of the survey instrument to them at the banking premises.

### Data Collection Instrument

The study used structured questionnaires to obtain data from the respondents. Structured questionnaire was used because it lowers the cognitive load of information on the respondents. That is, the structured questionnaire reduces the amount of thinking a respondent is required to undertake the task of completing the questionnaire. This increases the response rate. The use of the structured questionnaire also enables the researcher to easily code and analyse the items captured on the questionnaire.

### Analytical Technique

The hypotheses are tested using the partial least squares structural equation modeling (PLS SEM). Structural Equation Modeling (SEM) is a second-generation multivariate data analysis method that is used in research. The frequency of its usage is due to the fact that it can test theoretically supported linear and additive causal models (Chin, 1998) [12]. With SEM, researchers can visually examine the relationship that exists among variables of interest in order to prioritize resources. The fact that unobservable, hard to measure latent variables can be used in SEM makes it ideal for tackling business research problems.

Even though various approaches to SEM exist, the partial least squares (PLS) which focused on the analysis of variance and can be carried out using PLS graph and SmartPLS is used in this study. The advantage that makes the use of PLS SEM ideal for this study is that it makes no assumption about the normality of the data distribution (Vinzi *et al.*, 2010) [38]. The PLS SEM also requires robust validity and reliability measurement for both the inner and outer models. The significance of the exogenous variables is also assessed using a procedure called bootstrapping.

### Validity and Reliability Issues

The study tests for various reliability and validity tests. These tests included indicator reliability test using the outer loading; internal consistency test using the Cronbach alpha and composite reliability; convergent validity using the average variance extracted; and discriminant validity tests using the Fornell-Larcker criterion. According to Hair *et al.* (2011), indicator reliability with value of 0.70 is ideal even though 0.40 can be accepted under conditions where other indicators are valid.

For measuring internal consistency reliability, the composite reliability is used with acceptable value being 0.70 even

though 0.60 can be accepted for exploratory research (Bagozzi & Yi, 1988). Convergent validity is ascertained using the average variance extracted (AVE) and according to Bagozzi and Yi (1988), AVE of 0.50 or more is enough to conclude that variables have convergent validity. Also, Fornell and Larcker (1981) opined that discriminant validity is ascertained when the square root of the AVE of the variables is more than the correlation values among the latent variables.

Data collected were based on the principles of confidentiality and anonymity. Informed consent was also included in the preamble of the study.

## Results and Discussions

### Demographic Information

The study ascertained demographic information of respondents to help understand the context and characteristics of the respondents who were the customers of Standard Chartered Bank Ghana Limited. The demographic information obtained include the gender, educational level, age bracket, and the number of years which customers have been customers of the bank. The study administered 110 questionnaire instruments and there was a 100% response rate.

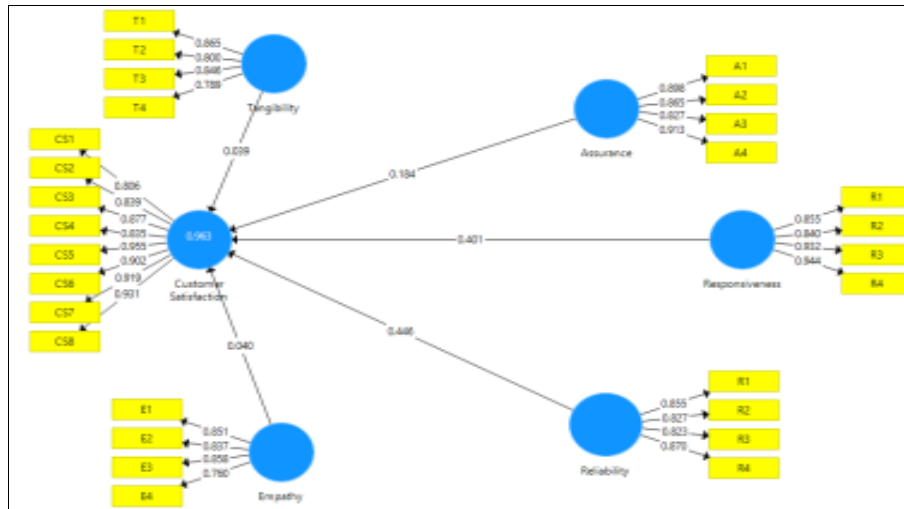
Based on the result obtained, 67 (60.91%) of the respondents were males and 43 (39.09%) were females. In terms of the highest educational level of the customers, 32 (29.09%) indicated that they have pre-tertiary educational qualification, 47 (42.73%) has tertiary educational qualification, and 31 (28.18%) of the respondents have post graduate degrees. This result showed that majority of the customers sampled have tertiary educational qualification.

In terms of age bracket of respondents, 29 (26.36%) of the respondents have at most 30 years of age, 22 (20.00%) had 31 to 40 years, 34 (30.91%) had 41 to 50 years of age, 21 (19.09%) had 51 to 60 years of age, and only 4 (3.64%) of the respondents had more than 60 years of age. Regarding the number of years which customers have been with the bank, the study found that 17 (15.45%) have been with the bank for at most two years, 28 (25.45%) have been with the bank for 3 to 4 years, 27 (24.55%) have been with the bank for 5 to 6 years, 20 (18.18%) of the customers have been with the bank for 7 to 8 years, 10 (9.09%) for 9 to 10 years, and 8 (7.27%) for more than 10 years.

Based on the information provided, majority of the bank customers surveyed was males (60.91%), most of the customers have tertiary education qualification (42.73%), the average age (modal age) was 41 to 50 years (30.91%), and the majority of the bank customers (84.55%) had being with the bank for more than three years. This implies that the customers have information about the level of service quality delivery of the Standard Chartered Bank Limited.

### Relationship between Service Delivery Quality and Customer Satisfaction

The first objective of the study assessed the relationship between service delivery quality and customer satisfaction. This objective was analysed using structural equation modeling. The structural equation model is shown in Figure 2.



Source: Field Survey (2025)

Fig 3: SEM Model for Service Delivery Quality and Customer Satisfaction

From the model in Figure 3, service delivery quality was measured using the five dimensions of service quality: tangibility, empathy, reliability, responsiveness, and assurance. Therefore, the study assessed the effect of each of the service quality dimensions on customer satisfaction. In

order to analyse the significance of the service delivery quality, the study diagnosed the SEM model in Figure 3 for their reliability and validity. The indicator reliability, composite reliability, convergent validity, and the goodness of fit of the model for the model in Figure 3 are shown in Table 2.

Table 2: Reliability and Validity Indices

Variables	Indicators	Loading (L)	L <sup>2</sup>	CA	CR	AVE	R <sup>2</sup>
Assurance	A1	0.898	0.806	0.899	0.930	0.768	
	A2	0.865	0.748				
	A3	0.827	0.684				
	A4	0.913	0.834				
Customer Satisfaction	CS1	0.806	0.650	0.960	0.966	0.782	0.963
	CS2	0.839	0.704				
	CS3	0.877	0.769				
	CS4	0.835	0.697				
	CS5	0.955	0.912				
	CS6	0.902	0.814				
	CS7	0.919	0.845				
	CS8	0.931	0.867				
Empathy	E1	0.851	0.724	0.853	0.897	0.685	
	E2	0.837	0.701				
	E3	0.858	0.736				
	E4	0.760	0.578				
Reliability	R1	0.855	0.731	0.870	0.908	0.712	
	R2	0.827	0.684				
	R3	0.823	0.677				
	R4	0.870	0.757				
Responsiveness	R1	0.855	0.731	0.927	0.941	0.782	
	R2	0.840	0.706				
	R3	0.932	0.869				
	R4	0.944	0.891				
Tangibility	T1	0.865	0.748	0.847	0.895	0.681	
	T2	0.800	0.640				
	T3	0.846	0.716				
	T4	0.789	0.623				

Source: Field Survey (2025)

According to Hair *et al.* (2011), indicator reliability with value of 0.70 is ideal even though 0.40 can be accepted under conditions where other indicators are valid. From Table 4, the indicator reliability represented by the square of the factor loading (L<sup>2</sup>) were more than 0.40 for all the indicators. This represents high reliability for the measuring

indicators. For measuring internal consistency reliability, the composite reliability and the Cronbach alpha are used with acceptable value being 0.70 even though 0.60 can be accepted for exploratory research (Bagozzi & Yi, 1988). From the result in Table 2, the composite reliability (CR) and the Cronbach alpha (CA) for all the constructs had

values more than 0.70. This indicated high level of construct reliability in the model shown in Figure 2. The R2 of 0.963 also implies that the components of service delivery quality put together explain up to 96.3% of the variation in customer satisfaction.

Convergent validity was ascertained using the average variance extracted (AVE) and according to Bagozzi and Yi (1988), AVE of 0.50 or more is enough to conclude that variables have convergent validity. From the result, the AVE for each of the construct was more than 0.50 and this indicate high level of convergent validity for the respective constructs presented in the model shown by Figure 2. Moreover, Fornell and Larcker (1981) opined that discriminant validity is ascertained when the square root of the AVE of the variables is more than the correlation values among the latent variables. Based on the result in Table 5, the square root of the AVE for each of the construct was found to be more than correlation values. Thus, discriminant

validity was also achieved for the model presented in Figure 2.

**Table 3:** Discriminant Validity

	Variables	(1)	(2)	(3)	(4)	(5)	(6)
(1)	Assurance	0.876					
(2)	Customer Satisfaction	0.807	0.882				
(3)	Empathy	0.748	0.788	0.827			
(4)	Reliability	0.869	0.843	0.706	0.844		
(5)	Responsiveness	0.829	0.826	0.807	0.830	0.894	
(6)	Tangibility	0.692	0.703	0.734	0.614	0.776	0.825

Source: Field Survey (2025)

Having satisfied the requirements for validity and reliability, the study adopted the bootstrapping approach to determine the level of significance of the relationship between each component of service delivery quality on customer satisfaction. The result is presented in Table 4.

**Table 4:** Service Delivery Quality and Customer Satisfaction

Relationship	Original Sample (β)	SD	T-Statistic	P-Value
Assurance → Customer Satisfaction	0.184	0.026	7.077	0.000
Empathy → Customer Satisfaction	0.040	0.044	0.896	0.371
Reliability → Customer Satisfaction	0.446	0.104	4.311	0.000
Responsiveness → Customer Satisfaction	0.401	0.071	5.620	0.000
Tangibility → Customer Satisfaction	0.039	0.042	0.922	0.357

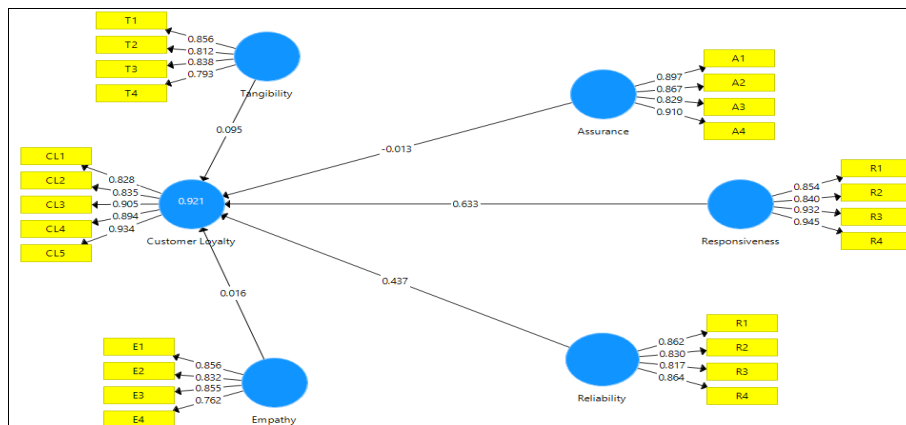
Source: Field Survey (2025)

Based on the result in Table 6, the study showed that assurance has significant positive effect on customer satisfaction ( $\beta = 0.184$ ,  $SD = 0.026$ ,  $t = 7.077$ ,  $p < 0.05$ ). The result implies that a unit increase in assurance element of service delivery quality increases satisfaction of bank customers by 0.184 units. Reliability dimension also influence customer satisfaction positively and significantly ( $\beta = 0.446$ ,  $SD = 0.104$ ,  $t = 4.311$ ,  $p < 0.05$ ). That is, a unit increase in the reliability of service delivery quality will increase customer satisfaction by 0.446 units. Responsiveness of service delivery quality also has significant positive influence on the satisfaction of bank customers ( $\beta = 0.401$ ,  $SD = 0.071$ ,  $t = 5.620$ ,  $p < 0.05$ ). Thus,

a unit increases in the responsiveness of service delivery quality increases customer satisfaction by 0.401 units. Empathy and tangibility of service quality do not have significant relationship with customer satisfaction. Based on the evidence produced, assurance, reliability, responsiveness of service delivery quality has significant positive effect on customer satisfaction.

**Relationship between Service Quality Delivery and Customer Loyalty**

The second objective of the study assessed the relationship between service delivery quality and customer loyalty. This objective was analysed using structural equation modeling. The structural equation model is shown in Figure 4.



Source: Field Survey (2025)

**Fig 4:** SEM Model for Service Quality Delivery and Customer Loyalty

According to Hair *et al.* (2011), indicator reliability with value of 0.70 is ideal even though 0.40 can be accepted under conditions where other indicators are valid. From Table 7, the indicator reliability represented by the square of

the factor loading (L2) were more than 0.40 for all the indicators. This represents high reliability for the measuring indicators. For measuring internal consistency reliability, the composite reliability and the Cronbach alpha are used

with acceptable value being 0.70 even though 0.60 can be accepted for exploratory research (Bagozzi & Yi, 1988). From the result in Table 5, the composite reliability (CR) and the Cronbach alpha (CA) for all the constructs had values more than 0.70. This indicated high level of construct reliability in the model shown in Figure 3. The R2 of 0.921 also implies that the components of service delivery quality put together explain up to 92.1% of the variation in customer loyalty. Convergent validity was ascertained using the average

variance extracted (AVE) and according to Bagozzi and Yi (1988), AVE of 0.50 or more is enough to conclude that variables have convergent validity. From the result, the AVE for each of the construct was more than 0.50 and this indicate high level of convergent validity for the respective constructs presented in the model shown by Figure 3. Moreover, Fornell and Larcker (1981) opined that discriminant validity is ascertained when the square root of the AVE of the variables is more than the correlation values among the latent variables.

**Table 5:** Reliability and Validity Indices

Variables	Indicators	Loading (L)	L <sup>2</sup>	CA	CR	AVE	R <sup>2</sup>
Assurance	A1	0.897	0.805	0.899	0.895	0.768	
	A2	0.867	0.752				
	A3	0.829	0.687				
	A4	0.910	0.828				
Customer Loyalty	CL1	0.828	0.686	0.827	0.941	0.775	0.921
	CL2	0.835	0.697				
	CL3	0.905	0.819				
	CL4	0.894	0.799				
	CL5	0.934	0.872				
Empathy	E1	0.856	0.733	0.846	0.896	0.684	
	E2	0.832	0.692				
	E3	0.855	0.731				
	E4	0.762	0.581				
Reliability	R1	0.862	0.743	0.866	0.908	0.711	
	R2	0.830	0.689				
	R3	0.817	0.667				
	R4	0.864	0.746				
Responsiveness	R1	0.854	0.729	0.916	0.941	0.799	
	R2	0.840	0.706				
	R3	0.932	0.869				
	R4	0.945	0.893				
Tangibility	T1	0.856	0.733	0.844	0.895	0.681	
	T2	0.812	0.659				
	T3	0.838	0.702				
	T4	0.793	0.629				

Source: Field Survey (2025)

Based on the result in Table 8, the square root of the AVE for each of the construct was found to be more than

correlation values. Thus, discriminant validity was also achieved for the model presented in Figure 4.

**Table 6:** Discriminant Validity

	Variables	(1)	(2)	(3)	(4)	(5)	(6)
(1)	Assurance	0.876					
(2)	Customer Loyalty	0.817	0.880				
(3)	Empathy	0.748	0.758	0.827			
(4)	Reliability	0.869	0.807	0.708	0.843		
(5)	Responsiveness	0.830	0.826	0.809	0.835	0.894	
(6)	Tangibility	0.689	0.669	0.737	0.615	0.778	0.825

Source: Field Survey (2025)

Having satisfied the requirements for validity and reliability, the study adopted the bootstrapping approach to determine the level of

significance of the relationship between each component of service delivery quality on customer loyalty. The result is presented in Table 7

**Table 7:** Service Delivery Quality and Customer Loyalty

Relationship	Original Sample	SD	T-Statistic	P-Value
Assurance →Customer Loyalty	-0.013	0.157	0.084	0.933
Empathy →Customer Loyalty	0.016	0.078	0.207	0.836
Reliability →Customer Loyalty	0.437	0.145	3.008	0.003
Responsiveness →Customer Loyalty	0.633	0.092	6.898	0.000
Tangibility →Customer Loyalty	0.095	0.067	1.407	0.160

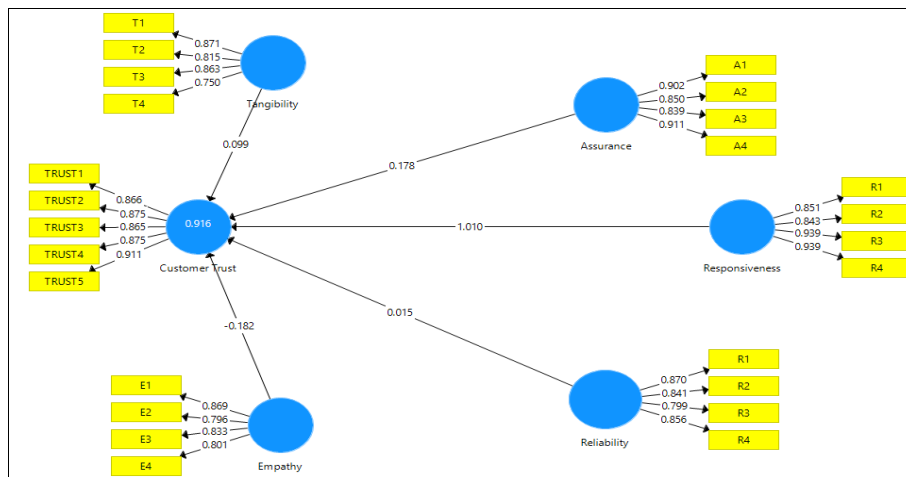
Source: Field Survey (2025)

Based on the result in Table 9, the study showed that assurance has no significant effect on customer loyalty ( $\beta = -0.013$ ,  $SD = 0.157$ ,  $t = 0.084$ ,  $p > 0.05$ ). Reliability dimension influence customer loyalty positively and significantly ( $\beta = 0.437$ ,  $SD = 0.145$ ,  $t = 3.008$ ,  $p < 0.05$ ). That is, a unit increase in the reliability of service delivery quality will increase customer loyalty by 0.437 units. Responsiveness of service delivery quality also has significant positive influence on the loyalty of bank customers ( $\beta = 0.633$ ,  $SD = 0.092$ ,  $t = 6.898$ ,  $p < 0.05$ ). Thus, a unit increases in the responsiveness of service delivery quality increases customer loyalty by 0.633 units.

Empathy and tangibility of service quality do not have significant relationship with customer loyalty. Based on the evidence produced, reliability and responsiveness are the dimensions of service delivery quality that have significant positive effect on customer loyalty.

**Relationship between Service Quality Delivery and Trust of Bank Customers**

The third objective of the study assessed the relationship between service delivery quality and customer trust. This objective was analysed using structural equation modeling. The structural equation model is shown in Figure 5.



Source: Field Survey (2025)

Fig 5: SEM Model for Service Delivery Quality and Customer Trust

According to Hair *et al* (2011), indicator reliability with value of 0.70 is ideal even though 0.40 can be accepted under conditions where other indicators are valid. From Table 10, the indicator reliability represented by the square of the factor loading (L2) were more than 0.40 for all the

indicators. This represents high reliability for the measuring indicators. For measuring internal consistency reliability, the composite reliability and the Cronbach alpha are used with acceptable value being 0.70 even though 0.60 can be accepted for exploratory research (Bagozzi & Yi, 1988).

Table 8: Reliability and Validity Indices

Variables	Indicators	Loading (L)	L <sup>2</sup>	CA	CR	AVE	R <sup>2</sup>
Assurance	A1	0.902	0.814	0.899	0.929	0.767	
	A2	0.850	0.723				
	A3	0.839	0.704				
	A4	0.911	0.830				
Customer Trust	Trust1	0.866	0.750	0.926	0.944	0.772	0.916
	Trust2	0.875	0.766				
	Trust3	0.865	0.748				
	Trust4	0.875	0.766				
	Trust5	0.911	0.830				
Empathy	E1	0.869	0.755	0.846	0.895	0.681	
	E2	0.796	0.634				
	E3	0.833	0.694				
	E4	0.801	0.642				
Reliability	R1	0.870	0.757	0.866	0.907	0.709	
	R2	0.841	0.707				
	R3	0.799	0.638				
	R4	0.856	0.733				
Responsiveness	R1	0.851	0.724	0.916	0.941	0.799	
	R2	0.843	0.711				
	R3	0.939	0.882				
	R4	0.939	0.882				
Tangibility	T1	0.871	0.759	0.844	0.896	0.683	
	T2	0.815	0.664				
	T3	0.863	0.745				
	T4	0.750	0.563				

Source: Field survey (2025)

From the result in Table 8, the composite reliability (CR) and the Cronbach alpha (CA) for all the constructs had values more than 0.70. This indicated high level of construct reliability in the model shown in Figure 4. The R2 of 0.916 also implies that the components of service delivery quality put together explain up to 91.6% of the variation in customer trust.

Convergent validity was ascertained using the average variance extracted (AVE) and according to Bagozzi and Yi (1988), AVE of 0.50 or more is enough to conclude that variables have convergent validity. From the result, the AVE for each of the construct was more than 0.50 and this indicate high level of convergent validity for the respective constructs presented in the model shown by Figure 5. Moreover, Fornell and Larcker (1981) opined that discriminant validity is ascertained when the square root of the AVE of the variables is more than the correlation values among the latent variables.

**Table 9:** Discriminant Validity

Variables	(1)	(2)	(3)	(4)	(5)	(6)
Assurance	0.876					
Customer Trust	0.817	0.879				
Empathy	0.748	0.758	0.825			
Reliability	0.869	0.807	0.708	0.842		
Responsiveness	0.830	0.826	0.809	0.835	0.894	
Tangibility	0.689	0.669	0.737	0.615	0.778	0.826

Source: Field Survey (2025)

Based on the result in Table 9, the square root of the AVE for each of the construct was found to be more than correlation values. Thus, discriminant validity was also achieved for the model presented in Figure 4. Having satisfied the requirements for validity and reliability, the study adopted the bootstrapping approach to determine the level of significance of the relationship between each component of service delivery quality on customer trust. The result is presented in Table 10

**Table 10:** Service Delivery Quality and Customer Trust

Relationship	Original sample	SD	T-Statistics	P-Value
Assurance □ Customer Trust	0.178	0.010	17.80	0.000
Empathy □ Customer Trust	-0.182	0.079	23.09	0.021
Reliability □ Customer Trust	0.015	0.097	0.149	0.881
Responsiveness □ Customer Trust	1.010	0.105	9.615	0.000
Tangibility □ Customer Trust	0.099	0.081	1.236	0.217

Source: Field Survey (2025)

Based on the result in Table 10, the study showed that assurance has significant positive relationship with trust of bank customers ( $\beta = 0.178$ ,  $SD = 0.010$ ,  $t = 17.80$ ,  $p < 0.05$ ). Reliability dimension did not influence customer trust significantly ( $\beta = 0.025$ ,  $SD = 0.097$ ,  $t = 0.149$ ,  $p > 0.05$ ). Responsiveness of service delivery quality also has significant positive influence on the trust of bank customers ( $\beta = 1.010$ ,  $SD = 0.105$ ,  $t = 9.615$ ,  $p < 0.05$ ). Thus, a unit increases in the responsiveness of service delivery quality increases customer trust by 1.010 units. Empathy also significantly influence the trust of bank customers ( $\beta = -0.182$ ,  $SD = 0.079$ ,  $t = 0.149$ ,  $p < 0.05$ ). Tangibility of service quality does not have significant relationship with customer trust. Based on the evidence produced, assurance and responsiveness are the dimensions of service delivery quality that have significant positive effect on the trust of bank customers.

**Key Findings**

Regarding the first hypothesis which indicated that there is a significant positive relationship between service quality delivery and satisfaction of customers, the hypothesis was partially supported. This is because based on the evidence produced, assurance, reliability, and responsiveness dimensions of service delivery quality have significant positive effect on customer satisfaction. Empathy and tangibility did not significantly influence customer satisfaction.

Based on the second hypothesis which stated that there is a significant positive relationship between service quality delivery and loyalty of customers, the hypothesis was partially supported. This is because based on the evidence produced; reliability and responsiveness were the dimensions of service delivery quality that significantly influenced customer loyalty positively.

In terms of the third hypothesis which stated that there is a significant positive relationship between service quality delivery and trust of customers, the hypothesis was partially supported. This is because based on the evidence produced; assurance and responsiveness were the dimensions of service delivery quality that had significant positive effect on the trust level of bank customers.

**Conclusions**

Based on the key findings, the study drew the conclusion that higher level of service delivery quality is a useful tool in influencing customers' satisfaction, loyalty, and trust levels. This means that in order to improve the loyalty, trust level of bank customers, and in order to get bank customers satisfied, banks will have to service customers with quality service delivery. By this, the five dimensions of service delivery quality must be at the focal point of marketers. That is, banks need to give considerable attention to improving the tangibility of their offerings, the assurances they provide, how they empathize with bank customers, ensuring that their service is reliably delivered to customers, and encouraging bank employees to become responsive to the needs of bank customers. The taking of these actions can help banks to enhance the satisfaction, loyalty, and trust level of customers, and banks will benefit from this outcome in the long run.

**Practical Implication for Managers**

In the first place, marketing managers of banks are required to observe the five dimensions of service delivery quality and seek to improve them to meet the needs of customers. This is because bank customers are attracted by the tangibility, assurances, reliability, responsiveness, and empathy relating to the delivery of banking service. From the perspective of bank customers, quality of service

delivery is judged on the basis of these variables. Hence, bank managers should improve these elements in order to deliver higher level quality in their service delivery.

Again, Bank managers are encouraged to pay special attention to reliability, assurance, and responsiveness dimensions of service delivery quality if they seek to improve the satisfaction and loyalty level of their customers. This is important because the aforementioned variables positively influence the satisfaction and loyalty level of banks customers.

Furthermore, bank managers must further explore ways to delivery service on the assurances provided to bank customers. These assurances usually manifest in promises given to bank customers. From the evidence produced, assurance increases trust level of bank customers. Banks therefore have the responsibility to fulfill their promises to bank customers and this can help them to win the trust of their customers.

### Limitations and Directions for Future Studies

In the first place, the study focused solely on the banking industry, and therefore, the findings may not be applicable to other service industries. Future research could expand the study to include other service industries such as hospitality, retail, or healthcare to test the applicability of the findings in other contexts.

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