

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Comparing the Degree of Service Quality, Customer Satisfaction and Loyalty between Big and Small Banks in Ghana

Daniel Kasser Tee

Ph.D. Candidate, Accra Institute of Technology (AIT), Open University Malaysia (OUM), Ghana

Evans Tee

Lecturer, Department of Business Administration, Regentropfen College of Applied Science, Ghana

Abstract:

The phenomenal effects of services quality on customer satisfaction and loyalty, coupled with the growing importance of the services sector to national economies, has increased the need for organisations to improve service quality. The main objective of this study was to determine the degree of service quality, customer satisfaction and loyalty among retail banking customers and to compare the individual levels of these constructs between big and small banks in Ghana. The data was sourced through a set of survey questionnaire from bank customers in Ghana. GAP analysis was then used to identify the strengths or deficiencies in service quality, customer satisfaction and customer loyalty. The results revealed that there are different Gaps score levels for the three study constructs. The service quality and customer satisfaction Gap scores of 1.57 and 1.50 respectively are appreciably high, compared to the customer loyalty Gap score of 2.37. In terms of bank size, the big banks in Ghana performed better than the small banks in all the three areas. It is recommended for the small banks to work at improving their performance levels on all fronts

Keywords: Service Quality, customer satisfaction, customer loyalty, retail banking

1. Introduction

There is a growing importance of the services sector in the world economy (Araslı et al., 2005), as the sector contributes significantly to economic development of nations. Angelova and Zekiri (2011) posit that service industries are playing an increasingly important role in the overall economies of both developed and developing countries. In their study of the Ghana banking industry, Tee et al. (March 2018) emphasized that service remains a significant component of gross domestic product (GDP) of most nations today, with the two others being agriculture and industry. The Central Intelligence Agency (2014) world factbook estimates that services contributed 63.5% of world gross domestic product (GDP) in 2014. The same study also estimated the composition of Ghana's GDP as; agriculture 21.4%, industry 29.2% and services 49.4%. Tee et al. (March 2018) suggest that researchers have, over the years, tried to define service in slightly different ways. They cite a relatively modern definition by Wei (2013) as an activity or a series of activities in intangible form which usually takes place between customers and service providers.

This intangible nature of services makes it difficult for an organisation to understand how its customers perceive and evaluate the quality of its services (Parasuraman et al., 1985). Customers, however, make inferences about service quality based on other tangible issues such as the state of buildings, physical layout and décor in and around the service environment, and these have significant impact on customers' affective responses and their behavioural intentions (Dabholkar et al., 1996, Wakefield and Blodgett, 1999). The complex nature, backed by the growing prominence of the services sector, has increased the need for organisations to explore ways to improve service quality at all times. Service quality is therefore increasingly recognized as one of the key strategic values of organisations in both the manufacturing and service sectors (Lewis, 1991). Researchers generally agree that service quality often results in customer satisfaction and possible retention of both customers and employees, which eventually leads to a reduction in customer attrition and employee turnover as well as encourage repeat purchase behaviour and attract new customers through positive recommendations, (Caruana, 2002, Lewis, 1991, Newman, 2001, Wang et al., 2003). In the view of Angelova and Zekiri (2011), service today has become very crucial in all business industries due to globalisation and IT developments.

The banking industry of Ghana today is characterized by heightened internal rivalry between over 30 players, customer sophistication, technological advancement, general high cost of doing business, easy availability of substitute products from other players within the financial services industry, as well as stiffer regulatory and legal regimes (Amoako, 2012, Anabila and Dadson, 2013, Cudjoe et al., 2015, Okoe et al., 2013, Sureschandar et al., 2003). The combined effects of these are dwindling incomes and rising costs, and hence affecting profits adversely. In view of the above, long-term business success is no longer achieved through optimized product-price combinations or the traditional marketing practice of

manipulating the service mix elements of products, pricing, place, promotion, physical evidence, process and people, put forward by (Bitner and Booms, 1981, McCarthy, 1964). Banks therefore require stellar service quality to beat out the competition, as high levels of service quality is correlated with improved customer satisfaction, loyalty, market share growth and higher financial performance (Tee et al., March 2018).

Researchers generally share the view that service quality is an important tool for measuring customer satisfaction (Kadir et al., 2011). Service quality has a clear positive and significant impact on customer satisfaction (Ming, 2003) and also influences the financial performance of companies (Ashiqullah, 2006). Many researchers (Firdaus et al., 2011, Mukesh et al., 2010, Parasuraman et al., 1985) believe that service quality is an elusive concept, and there are considerable arguments among researchers on how to conceptualise this phenomenon. Ab.Aziz et al. (2014) posit that service quality is a dynamic, multidimensional concept, incorporating a number of aspects of both past and present service experiences.

Based on the above, this study set out to measure the degree of service quality, customer satisfaction and loyalty among retail banking customers and to compare the individual levels of these constructs between big and small retail banks in Ghana. Four specific questions arising therefore are;

- What is the degree of service quality, customer satisfaction and loyalty prevalent in the retail banking market of Ghana?
- How do the levels of service quality, customer satisfaction and customer loyalty compare between big and small banks?

2. Literature Review

2.1. Service Quality

Service quality is acknowledged as a 'critical prerequisite for establishing and sustaining satisfying relationships with valued customers' (Lassar et al., 2000, p.244). On their part, Ab.Aziz et al. (2014) see service quality as a dynamic, multidimensional concept, incorporating a number of aspects of both past and present service experiences. Schneider and White (2004), on the other hand, theorise that service quality is a subjective phenomenon that hinges on the individual perceptions of customers and this explains why there is a high number of definitions (Radomir et al., 2011). Finally, Siddique et al. (2011) define service quality as the consumer's overall impression of the relative inferiority or superiority of a company and its services.

High service quality leads to competitive advantage as customers feel satisfied and thus are more probable to further buy the company's services, to recommend them to others and to ignore competitors' offers (Radomir et al., 2011). It is therefore necessary for banks to continuously measure service quality in order to establish those areas that need improvement and also use this as a gauge for determining customer satisfaction and loyalty.

2.2. Customer Satisfaction

Customer satisfaction has been gaining increasing attention from researchers and practitioners as a recognized field of scholarly study as well as a fundamental tool used by financial institutions for enhancing customer loyalty and, ultimately, organisational performance and profitability (Mohsan et al., 2011). Hsien-Ta et al. (2010) defined customer satisfaction as the gap between customer expectations and perceptions regarding service quality, whilst Farris et al. (2010) defined satisfaction as the number of customers or percentage of total customers, whose reported experience with a firm, its products or services exceeds specified satisfaction goals. From a slightly different viewpoint, Dominici and Guzzo (2010) saw customer satisfaction as a business philosophy which tends to the creation of value for customers, anticipating and managing their expectations, and demonstrating ability and responsibility to satisfy their needs. It is the overall customer attitude or behaviour towards a service provider, or an emotional reaction towards the difference between what customers expect and what they receive, regarding the fulfilment of some desire, need or goal (Hansemark and Albinson, 2004). Customer satisfaction remains an important factor in the performance and competitiveness of banks (Belás et al., 2015, Chavan and Ahmad, 2013, Keisidou et al., 2013). The need to continuously measure customer satisfaction, therefore, cannot be overemphasised, as it has the added benefit of enabling organisations to compare their own performance levels with those of their peers, and by extension across industry (Tee et al., 2018).

2.3. Customer Loyalty

The concept of customer loyalty has enjoyed wide currency and usage within the field of consumer behaviour for many years (Saeed et al., 2011). Customer loyalty has accordingly attracted the interests of both academics and practitioners in the recent past (Khan, 2012). This concept of customer loyalty has been researched for the past decades in business industries (Zahir et al., 2015). Loyalty is a commitment of current customers in respect of a particular store, brand and service provider, when there are other alternatives that the current customer can choose from (Schepaers et al., 2005). According to Young-Ei and Jung-Wan (2012), customer loyalty is being either attitudinal or behavioural. Hair et al. (2006) defined customer loyalty as a mind-set of the customers who hold favourable attitudes towards a company, commit to repurchase the company's product or service, and recommend the product or service to others. On his part, Oliver (1997) defined customer loyalty as a deeply held commitment to re-buy or re-patronize a preferred product offering consistently in the future, despite situational

influences and marketing efforts having the potential to cause switching behaviour. The important role customer loyalty plays in the profitability of an organization cannot be over emphasized (Tweneboah-Koduah and Farley, 2016). Loyal customers are less likely to switch to a competitor brand just because of price and other special promotions, bring in new customers through positive word-of-mouth and they are less expensive to maintain (Yoo and Bai, 2013). Customer loyalty has also been identified as a major source of competitive advantage which has a significant influence on performance. A little increase in loyal customers can lead to a significant improvement in the profitability of a business (Reichheld and Sasser, 1990). For instance, Reichheld and Sasser (1990) found in their study of the service industry that a 5% increase in customer retention resulted in a 125% increase in profitability. Hence, it is important that organizations take steps to identify factors most valued by customers and allocate resources accordingly to encourage loyalty among their customers (Sayani, 2015). Researchers point to many benefits an organisation can derive as a result of improving loyalty levels (Zairi, 2009). This has consequently led companies to initiate various measures to increase the loyalty of their customers (Khan, 2012).

2.4 Financial Market Liberalisation in Ghana

Ghana's financial system has been progressively liberalized with the aim of enhancing the efficiency of resource allocation and strengthening of competition. This is in line with the need for emerging market economies to liberalize their financial systems in order to speed up economic growth (De Haas and Peters, 2004, Kinda and Loening, 2010, Mishkin, 2006a, Mishkin, 2006b). The liberalisation involved, among others, easing entry restrictions into banking, which has undoubtedly had significant effects on the banking market today with 34 universal banks. The liberalisation policy, which took place from 1987, comprised the removal of interest rate control, sectoral composition of bank lending and introduction of market-based instruments of money control (Aboagye-Debrah, 2007). Through this, several banks with private sector participation were licensed and some of the government-owned banks were partially privatized (Leith and Söderling, 2000).

2.5 Entry of Private Banks

The banking industry of Ghana has witnessed several new entrants, at various times, since the reforms. There were seven players by the close of 1975, which included; standard chartered bank (SCB), Barclays bank Ghana (BBG), Ghana commercial bank (now GCB bank), national investment bank (NIB), agricultural development bank (now ADB bank), merchant bank Ghana (now UMB) and social security bank (now SG). As indicated on Table 1, the period between 1975 and 1990 saw no new entrants into the industry. The 1990's however, witnessed a rapid growth in the number of banks, as 10 additional banks were set up within that period of ten years, with one of them acquired in 2012. Two merchant banks - CAL bank and Ecobank - began operations in 1990 as joint ventures, involving local public-sector shareholders and foreign shareholders. HFC was also established in 1990, first as a home finance company. Four more banks, prudential bank (PBL), first Atlantic bank (FABL), Metropolitan & Allied Bank (later UT Bank and now defunct) and ICB (now FBN bank) were established in 1993, 1994, 1995 and 1996 respectively. Amalgamated Bank (now Bank of Africa) and Unibank were both established in 1997, while Stanbic bank (a member of the standard bank group) joined the competition in 1999 from South Africa.

No new banks were established again until 2004, when guarantee trust (GT) and united bank for Africa (UBA) joined the competition from Nigeria. Other entrants from then were Zenith Bank (2005 from Nigeria), Fidelity Bank (2006), Bank of Baroda (2007 from India), Access Bank and BSIC (2008 from Nigeria and Libya respectively), Energy Bank (2011 from Nigeria) and The Royal Bank (2012). Capital Bank (defunct), GN Bank and FNB bank (South Africa) were respectively established in 2013, 2014 and 2015. Premium, Sovereign and Omni banks were set up in 2016, while GHL, Heritage, Construction and Beige banks were all set up 2017, bringing the total number to 34 universal banks today. Seventeen out of the thirty-four banks have majority foreign ownership while the remaining seventeen are locally owned. Four of the foreign banks (Ecobank, SCB, HFC and SG) and three local banks (GCB, CAL and ADB) are listed on the Ghana Stock Exchange. Nine banks, out of the seventeen banks used for this study are classified as big banks, while the remaining eight are small banks. There were twenty-seven banks by the close of 2015, all of which had audited financials for the full year of 2016. The financial for GN bank could however not be immediately verified for inclusion in the computation of bank size. In view of this, only twenty-six banks were used to arrive at the industry average assets of GHS2,244.19million, the threshold used for the classification. None of the seven banks that were set up between 2016 and 2017 was included in the computation.

NO	Bank Name		Year Est	Classification	Listing On Gse	NO	CUMM
	Full Name	Abbreviation					
1	Standard Chartered Bank	SCB	1896	Big	Yes	1	1
2	Barclays Bank Ghana	BBG	1917	Big	No	1	2
3	GCB Bank	GCB	1953	Big	Yes	1	3
4	National Investment Bank	NIB	1963	Big	No	1	4
5	ADB Bank	ADB	1965	Small	Yes	1	5
6	Universal Merchant Bank	UMB	1971	Big	No	1	6
7	Societe General Bank	SG	1975	Small	Yes	1	7
8	CAL Bank	CAL	1990	Big	Yes	3	10
9	Ecobank	ECOBANK	1990	Big	Yes		
10	HFC Bank	HFC	1990	Small	Yes		
11	Prudential Bank	PBL	1993	Small	No	1	11
12	First Atlantic Bank	FABL	1994	Small	No	1	12
13	FBN Bank	FBN	1996	Small	No	1	13
14	Bank of Africa	BOA	1997	Small	No	2	15
15	Unibank	UNI	1997	Big	No		
16	Stanbic Bank	STANBIC	1999	Big	No	1	16
17	Guarantee Trust	GT	2004	Small	No	2	18
18	United Bank for Africa	UBA	2004	Small	No		
19	Zenith	ZENITH	2005	Big	No	1	19
20	Fidelity Bank	FIDELITY	2006	Big	No	1	20
21	Bank of Baroda	BARODA	2007	Small	No	1	21
22	Access Bank	ACCESS	2008	Small	No	2	23
23	Sahel Sahara Bank	BSIC	2008	Small	No		
24	Energy Bank	ENERGY	2011	Small	No	1	24
25	The Royal Bank	TRB	2012	Small	No	1	25
26	GN Bank	GN	2014	Small	No	1	26
27	First National Bank	FNB	2015	Small	No	1	27
28	Premium Bank	PREMIUM	2016	N/A	No	3	30
29	Sovereign Bank	SOVEREIGN	2016	N/A	No		
30	Omni Bank	OMNI	2016	N/A	No		
31	GHL Bank	GHL	2017	N/A	No	4	34
32	Heritage Bank	HERITAGE	2017	N/A	No		
33	Construction	CONSTRUCTION	2017	N/A	No		
34	Beige Bank	BEIGE	2017	N/A	No		
TOTAL						34	

Table 1: Bank Classification Using 2015 Financials Ghs'000
Source: Authors' Compilation (2018)

3. Methodology

As indicated in the introduction, the aim of this study is to measure and compare the degree of service quality, customer satisfaction and customer loyalty among big and small banks in Ghana. This is a variation of Tee et al. (2018), who compared foreign and local banks in Ghana. This paper, therefore, fully adopted their data and methodology. The data was sourced through a set of survey questionnaire consisting of 22 questions on service quality, as developed by Cronin and Taylor (1992), as a modification from the original SERVQUAL scale proposed by Parasuraman et al. (1988). According to Tee et al. (2018), "Customer satisfaction was measured by soliciting responses to a single question: "Overall, I am satisfied with this bank".

They quoted Yi (1990) to make the argument that problems usually associated with the use of a single response variable was mitigated by the simplicity of the question, backed by the fact that a single overall satisfaction measure score is "reasonably valid" (p. 71). The questions on customer loyalty related to both behavioural loyalty (13 questions) and emotional loyalty (14 questions), drawn from several researchers (Colwell et al., 2009, Foster and Cadogan, 2000, Kassim and Abdullah, 2010, Thuy and Hau, 2010) as cited in Dehghan and Shahin (2011)".

According to Tee et al. (2018), a seven-point likert scale was used to design the questions, where a rating of (1) represented strongly disagree and (7) represented strongly agree. The data was sourced from a total of 850 usable questionnaires out of the 1,020 questionnaires given out to bank customers in Ghana in a quantitative study. This represented a response rate of 83%. The reliability of the various constructs were determined by the Cronbach's Alpha, with a score range

between negative infinity and one (Tee et al., 2018). As a rule of thumb, a Cronbach's alpha measure of above 0.70 is a sign that reliability is secured and regarded as satisfactory (Drost, 2011, Hair et al., 1998, Nunnally and Bernstein, 1994, Segars, 1997). On the other hand, a measured level lower than 0.70 is generally considered unacceptable but in practice, a Cronbach's alpha of 0.5 is sometimes regarded accepted (Morse, 2002). The results were that all study constructs recorded Cronbach's alpha of above 0.7 which was deemed very satisfactory.

GAP analysis was used to measure the levels of service quality, customer satisfaction and customer loyalty, as done in the previous study of Tee et al. (2018). Comparisons were then made between big banks and small banks. In using the Gap analysis method, the larger the difference (Gap Score), the lower the level of perceived service quality, satisfaction or loyalty, and hence, the variables recording higher Gap Scores would require more urgent or critical management attention for improvement (Tee et al., 2018).

4. Data Analysis/Findings

For the purpose of this current study, the banks were grouped, based on the size of their Total Assets, extracted from their individual audited annual financial reports, for the 2015 financial year. Total Assets and Shareholders Funds are two alternate measures of determining balance sheet size of banks. Table 2 depicts bank name, year established, value of total assets, percentage share of assets and rankings.

	Bank	Established	Assets	Share (%)	Rankings
1	Ecobank	1990	6,691,810.00	14.49%	1ST
2	GCB	1953	4,670,759.00	10.12%	2ND
3	Stanbic	1999	4,276,153.00	9.26%	3RD
4	Fidelity	2006	4,089,082.00	8.86%	4th
5	UniBank	1997	3,830,931.90	8.30%	5th
6	SCB	1896	3,369,448.00	7.30%	6th
7	CAL	1990	3,364,500.00	7.29%	7th
8	NIB	1963	2,904,451.00	6.29%	8th
9	Zenith	2005	2,549,129.70	5.52%	9th
Big Banks Average			3,971,807.18		
10	ADB	1965	2,134,147.00	4.62%	10th
11	SG	1975	1,992,231.18	4.32%	11th
12	HFC	1990	1,600,329.00	3.47%	12th
13	PBL	1993	1,453,435.00	3.15%	13th
14	GT	2004	1,379,959.00	2.99%	14th
15	BOA	1997	1,146,997.70	2.48%	15th
16	FBN	1996	445,848.90	0.97%	16th
17	BARODA	2007	267,212.74	0.58%	17th
Small Banks Average			1,302,520.07		
Sample Total			46,166,425.12	100.00%	
Sample Average			2,715,672.07		
Industry Total (26 Banks)			58,348,957.63		
Industry Ave			2,244,190.68		

Table 2: Bank Classification Using 2015 Financials Ghs'000

Source: Authors' Construct 2018

The average total assets of the sampled banks were GHc 2,715,672,070 with a minimum and maximum of GHS 267,212,740 and GHS 6,691,810,000 respectively. The industry average of GHS 2,244,190,680 was used as the threshold to separate the banks into small and big. All banks above the threshold were considered big, while those below were considered small banks. According to this criterion, 9 banks were big while the remaining 8 banks were classified as small. The average big bank in Ghana has a total asset of GHS 3,971,807,180 while the small banks have average total asset of GHS 1,302,520,070.

4.1. Degree of Service Quality among Banks

Tables 3 presents the individual banks' Gap scores for overall service quality with averages for the two identified classifications of big and small. According to Tee et al. (2018), the overall service quality Gap Score of 1.58 was appreciable for the entire banking industry where nine (9) banks recorded lower gaps scores relative to the industry average score. SCB, Ecobank and Zenith banks (all big banks) were the top performing banks in terms of overall service quality with the bottom, HFC, Baroda and ADB (all small banks) recording high gap scores. The study also revealed that, the average Gap scores in terms of overall service quality for big banks was 1.35 while small banks recorded an average of 1.80. This means that the big banks were the better performers compared to the small banks in Ghana for overall service quality.

Service Quality	NO	Bank	Mean	Std. Deviation	Gap	Category
	1	SCB	6.16	1.03	0.84	Big
	2	ECOBANK	6.08	1.05	0.92	Big
	3	Zenith	6.02	1.12	0.98	Big
	4	Cal Bank	5.76	1.06	1.24	Big
	5	Fidelity	5.74	1.14	1.26	Big
	6	Stanbic	5.68	1.27	1.32	Big
	7	Unibank	5.28	1.34	1.72	Big
	8	GCB	5.10	1.37	1.90	Big
	9	NIB	5.02	1.24	1.98	Big
		Sub Total	5.65	1.18	1.35	Big
	1	SG	5.62	1.60	1.38	Small
	2	BOA	5.52	1.13	1.48	Small
	3	ICB/FBN	5.44	1.26	1.56	Small
	4	Prudential	5.32	1.17	1.68	Small
	5	GTBANK	5.22	1.35	1.78	Small
	6	ADB	5.02	1.52	1.98	Small
	7	Baroda	4.76	1.38	2.24	Small
	8	HFC	4.72	1.31	2.28	Small
	Sub Total	5.20	1.34	1.80	Small	
	Overall Service Quality	5.43	1.26	1.57		

Table 3: Bank Gap Scores for Overall Service Quality

Source: Authors' Construct 2018

4.2. Degree of Customer Satisfaction among Banks

From Table 4, BOA, GT, ADB and NIB received the highest ratings for satisfaction while FBN, Zenith, Cal Bank and Baroda received the lowest ratings. On the whole, however, the industry Gap Score of 1.50 was evident that the customer satisfaction was rated higher than service quality with average Gap score of 1.57. Also, eight (8) out of the seventeen banks for this study performed better than the industry average score.

Customer Satisfaction	No	Bank	Mean	Std. Deviation	Gap	Category
	1	SCB	5.71	2.86	1.29	Big
	2	ECOBANK	5.66	2.54	1.34	Big
	3	GCB	5.43	3.07	1.57	Big
	4	Cal Bank	5.32	2.66	1.68	Big
	5	Stanbic	5.42	2.71	1.58	Big
	6	NIB	5.86	3.43	1.14	Big
	7	Fidelity	5.76	2.88	1.24	Big
	8	Unibank	5.64	3.07	1.36	Big
		Sub Total	5.60	2.90	1.40	Big
	1	Prudential	5.45	2.73	1.55	Small
	2	ADB	5.86	2.93	1.14	Small
	3	BOA	5.87	3.00	1.13	Small
	4	GTBANK	5.86	2.93	1.14	Small
	5	HFC	5.43	2.71	1.57	Small
	6	SG	5.43	3.21	1.57	Small
	7	Baroda	5.33	2.67	1.67	Small
		Zenith	4.93	1.05	2.07	Small
		ICB/FBN	4.43	2.21	2.57	Small
	Sub Total	5.40	2.60	1.60	Small	
	Overall Satisfaction	5.50	2.75	1.50		

Table 4: Bank Gap Scores for Customer Satisfaction

Source: Authors' Construct 2018

The top three (3) performing banks in terms of customer satisfaction were all small banks, however, the big banks on the average had a Gap Score of 1.47, which was less than the industry average Gap Score (Tee et al., 2018). On the other hand,

the small banks recorded an average Gap score of 1.54 in terms of customer satisfaction which represented a score above the industry average Gap score of 1.51. The results further revealed that the big banks together performed slightly better than the small banks relative to the customer satisfaction levels among Ghanaian banks.

4.3. Degree of Overall Customer Loyalty among Banks

The results presented in Table 5 shows that overall customer loyalty recorded an average Gap Score of 2.37, which was the highest among the three variables considered in this study. The results also revealed that the overall best performing bank in terms of customer loyalty was Ecobank, which is classified as a big bank. Unexpectedly, SG, which was classified as a small bank followed Ecobank as the second best performing bank. However, Zenith, Stanbic and SCB (all big banks) made up the top five (5) performing banks in terms of overall customer loyalty. On the other hand, the bottom five (5) performing banks in terms of overall customer loyalty had three (3) big banks (GCB, NIB and Unibank) and two (2) small banks (Baroda and BOA).

	No	Bank	Mean	Std. Deviation	Gap	Categories
Customer Loyalty	1	ECOBANK	5.20	0.65	1.80	Big
	2	Zenith	4.93	0.66	2.07	Big
	3	Stanbic	4.92	0.80	2.08	Big
	4	SCB	4.91	0.97	2.09	Big
	5	Cal Bank	4.70	0.82	2.30	Big
	6	Fidelity	4.64	0.97	2.36	Big
	7	Unibank	4.40	0.87	2.60	Big
	8	NIB	4.26	0.82	2.74	Big
	9	GCB	4.06	0.64	2.94	Big
	Sub Total		4.67	0.80	2.33	Big
	1	Prudential	4.86	0.70	2.14	Small
	2	ADB	4.83	1.23	2.17	Small
	3	GT	4.26	0.85	2.74	Small
	4	HFC	4.18	0.62	2.82	Small
	5	SG	5.08	1.20	1.92	Small
	6	ICB/FBN	4.72	0.92	2.28	Small
	7	BOA	4.53	0.95	2.47	Small
	8	Baroda	4.34	0.99	2.66	Small
	Sub Total		4.60	0.93	2.40	Small
Overall Customer loyalty		4.63	0.87	2.37		

Table 5: Bank Gap Scores for Overall Customer Loyalty
Source: Authors' Construct 2018

Though the average Gap Scores for both classes of banks were higher due to the poor industry scores, the big banks' Gap score of 2.33 was marginally better than that of the small banks' Gap score of 2.40. This also meant that big banks performed somehow better than the small banks in terms of the overall customer loyalty among Ghanaian retail banks.

5. Conclusion

The focus of the study was to measure the degree of service quality, customer satisfaction and loyalty among retail banking customers and to compare the individual levels of these constructs between big and small retail banks in Ghana. The results revealed that there are different Gaps score levels for the three study constructs. The service quality and customer satisfaction Gap scores of 1.57 and 1.50 respectively are appreciably high, compared to the customer loyalty Gap score of 2.37. The disparity between service quality Gap Scores and customer satisfaction Gap Score is an indication that satisfaction is not wholly depended on service quality alone, as indicated by Tee et al. (2018). In terms of bank size, the big banks in Ghana performed better than the small banks in all the three areas. The big banks scored 1.35 for service quality against 1.80 for small banks. In the same way, big banks and small banks respectively had Gap scores of 1.4 and 1.6 for customer satisfaction. The results for customer loyalty is similar, as the big and small banks scored 2.33 and 2.40 respectively. These notwithstanding, it is factual that some small banks, on their own recorded enviable results against some big banks. On the whole, however, it is recommended for the small banks to work at improving their performance levels on all fronts

6. References

- i. AB.AZIZ, M. R., SHUKOR, S. A. & ABDULLAH, W. W. M. Z. 2014. A Specific Analysis of Service Quality Dimensions on Customer Satisfaction and Customer Loyalty: A Study of Al-Ijarah Thumma Al-Bai' (AITAB) and Vehicle Financing-i

- (Bai' Bithaman Ajil-BBA). *Journal of Emerging Issues in Economics, Finance and Banking (JEIEFB)*; An Online International Monthly Journal, 3.
- ii. Aboagye-Debrah, K. 2007. Competition, growth and performance in the Banking industry in Ghana. PhD Thesis, St Clement University.
 - iii. AMOAKO, G. K. 2012. Improving Customer Service in the Banking Industry-Case of Ghana *International Business Research*, Vol. 5, 134, 5.
 - iv. ANABILA, P. & DADSON, A. V. 2013. Customer Relationship Management: A Key to Organisational Survival and Customer Loyalty in Ghana's Banking Industry. *International Journal of Marketing Studies*, 5.
 - v. ANGELOVA, B. & ZEKIRI, J. 2011. Measuring Customer Satisfaction with Service Quality Using American Customer Satisfaction Model (ACSI Model). *International Journal of Academic Research in Business and Social Sciences*, 1.
 - vi. ARASLI, H., KATIRCIÖĞLU, S. T. & MEHTAP-SMADI, S. 2005. A Comparison of Service Quality in the Banking Industry: Some Evidence from Turkish- and Greek-speaking Areas in Cyprus. *International Journal of Bank Marketing*, 23, 508-526.
 - vii. ASHIQULLAH, S. 2006. A relational study on automated service quality, customer satisfaction and financial performance in the context of Bank Asia Ltd available at: www.sb.iub.edu.bd/internship/summer2006/0320454.pdf (accessed January 28, 2016). Summer internship report submitted to IUB University, Bashundhara.
 - viii. BELÁS, J., CHOCHOLÁKOVÁ, A. & GABČOVÁ, L. 2015. Satisfaction and Loyalty of Banking Customers: A Gender Approach. *Economics and Sociology*, 8, 176-188.
 - ix. BITNER, M. J. & BOOMS, H. 1981. Marketing Strategies and Organization: Structure for Service Firms. In Donnelly, J. H. and George, W. R. (Eds). *Marketing of Services*, Conference Proceedings. , Chicago, IL. , American Marketing Association.
 - x. CARUANA, A. 2002. Service loyalty: the effects of service quality and the mediating role of customer satisfaction. *European Journal of Marketing*, Vol. 36 No. 7/8, pp. 811-28., 36, 811-28.
 - xi. CENTRAL INTELLIGENCE AGENCY. 2014. The World Factbook (online). South Africa. [Online]. Available: <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/sf.html> [Accessed June 2015].
 - xii. CHAVAN, J. & AHMAD, F. 2013. Factors Affecting on Customer Satisfaction in Retail Banking: An Empirical Study. *International Journal of Business and Management Invention*, 2, 55-62.
 - xiii. COLWELL, S., HOGARTH-SCOTT, A., JIANG, D. & JOSHI, A. 2009. Effects of organizational and serviceperson orientation on customer loyalty. *Management Decision*, 47, 1489-1513.
 - xiv. CRONIN, J. & TAYLOR, S. A. 1992. Measuring Service Quality: A Reexamination and Extension. *Journal of Marketing*, 56, 55-67.
 - xv. CUDJOE, A. G., ANIM, P. A. & NYANYOFIO, J. G. N. T. 2015. Service Quality and Customer Satisfaction in the Ghanaian Banking Industry (A Case of Ghana Commercial Bank). *European Journal of Business and Management* www.iiste.org, 7.
 - xvi. DABHOLKAR, P. A., THORPE, D. I. & RENTZ, J. O. 1996. A measure of service quality for retail stores: scale development and validation. *Journal of the Academy of Marketing Science*, 24, 3-16.
 - xvii. DE HAAS, R. & PETERS, M. 2004. The dynamic adjustment towards target capital structures of firms in transition economies. Working Paper; European Bank for Reconstruction and Development, London, UK: , EBRD NO. 87.
 - xviii. DEGHAN, A. & SHAHIN, A. 2011. Customer Loyalty Assessment, A Case Study in MADDIRAN, the Distributor of LG Electronics in Iran *Business Management and Strategy*, 2.
 - xix. DOMINICI, G. & GUZZO, R. 2010. Customer Satisfaction in the Hotel Industry: A Case Study from Sicily. *International Journal of Marketing Studies*; available at <http://dx.doi.org/10.5539/ijms.v2n2p3>, 2, 3-12.
 - xx. DROST, E. A. 2011. Validity and Reliability in Social Science Research. *Education Research and Perspectives*, 38, 105-123.
 - xxi. FARRIS, P. W., BENDLE, N. T., PFEIFER, P. E. & REIBSTEIN, D. J. 2010. *Marketing Metrics: The Definitive Guide to Measuring Marketing Performance*, New Jersey, Upper Saddle River, Pearson Education, Inc.
 - xxii. FIRDAUS, A., ROSITA, S., GLUMA, S. & JAMIL, H. 2011. Bank service quality (BSQ) index. An indicator of service performance. *International Journal of Quality & Reliability Management*, 28, 542-555.
 - xxiii. FOSTER, B. D. & CADOGAN, J. W. 2000. Relationship selling and customer loyalty: an empirical investigation. *Marketing Intelligence & Planning*, 18, 185-199.
 - xxiv. HAIR, J. F., ANDERSON, R. E., TATHAM, R. L. & BLACK, W. C. 1998. *Multivariate Data Analysis*, fifth edition, New Jersey, Prentice-Hall International, Inc.
 - xxv. HAIR, J. F., BLACK, W. C., BABIN, B. J., ANDERSON, R. E. & TATHAM, R. L. 2006. *Multivariate Data Analysis*, (6th ed.) , 2006., Upper Saddle River, Pearson.
 - xxvi. HANSEMARK, O. C. & ALBINSON, M. 2004. Customer Satisfaction and Retention: The Experiences of Individual Employees. *Managing Service Quality*, 14, 40-57.
 - xxvii. HSIEN-TA, L., JHIH-CHUN, J., CHIU, C. & MENG-LONG, S. 2010. Dynamic Analysis of Internet Word-of-Mouth on Resort Hotels.

- xxviii. KADIR, H. A., RAHMANI, N. & MASINAEI, R. 2011. Impacts of service quality on customer satisfaction: Study of Online banking and ATM services in Malaysia. *International Journal of Trade, Economics and Finance*, 2, 1-9.
- xxix. KASSIM, N. & ABDULLAH, N. A. 2010. The effect of perceived service quality dimensions on customer satisfaction, trust, and loyalty in e-commerce settings - A cross cultural analysis. *Asia Pacific Journal of Marketing & Logistics*, 22, 351-371.
- xxx. KEISIDOU, E., SARIGIANNIDIS, L., MADITINOS, D. I. & THALASSINOS, E. I. 2013. Customer satisfaction, loyalty and financial performance. *International Journal of Bank Marketing*, 31, 259-288.
- xxxi. KHAN, O. 2012. Towards Understanding Customer Loyalty: An Empirical Study on Emotional Attachment. *International Journal of Innovations in Business*, 1.
- xxxii. KINDA, T. & LOENING, J. L. 2010. Small enterprise growth and the rural investment climate: Evidence from Tanzania. *African Development Review*, 22, 173-207.
- xxxiii. LASSAR, W. M., MANOLIS, C. & WINSOR, R. D. 2000. Service Quality Perspectives and Satisfaction in Private Banking. *Journal of Services Marketing*, 14, 244-271.
- xxxiv. LEITH, J. C. & SÖDERLING, L. 2000. Ghana: Long-term growth, atrophy, and recovery emerging in Africa. A report for the OECD development center project.
- xxxv. LEWIS, B. R. 1991. Service Quality: An International Comparison of Bank Customers' Expectations and Perceptions. *Journal of Marketing Management*, 7, 7-18.
- xxxvi. MCCARTHY, E. J. 1964. *Basic Marketing*, Homewood, IL., Richard D. Irwin.
- xxxvii. MING, W. 2003. Assessment of E-service quality via E-satisfaction in E-commerce. *The Electronic Journal of Information System in Developing Countries*, 11, 1-4.
- xxxviii. MISHKIN, F. S. 2006a. *The Economics of Money, Banking, and Financial Markets*, 7th Edition,, Boston, Pearson Education.
- xxxix. MISHKIN, F. S. 2006b. *The next great globalization: How disadvantaged nations can harness their financial systems to get rich*, Princeton, NJ, Princeton University Press.
- xl. MOHSAN, F., NAWAZ, M. M., KHAN, M. S., SHAUKAT, Z. & ASLAM, N. 2011. Impact of Customer Satisfaction on Customer Loyalty and Intentions to Switch: Evidence from Banking Sector of Pakistan. *International Journal of Business and Social Science*, 2.
- xli. MORSE, J. M. 2002. Verification strategies for establishing reliability and validity in research. *Journal of Educational Research*, 6, 56-63.
- xlii. MUKESH, K., FONG, T. K. & VINCENT, C. 2010. Comparative evaluation of critical factors in delivering service quality of banks. *International Journal of Quality & Reliability Management*, 27, 351-377.
- xliii. NEWMAN, K. 2001. Interrogating SERVQUAL: a critical assessment of service quality measurement in a high street retail bank. *International Journal of Bank Marketing*, 19, 126-39.
- xliv. NUNNALLY, J. C. & BERNSTEIN, I. H. 1994. *Psychometric Theory*, New York, McGraw-Hill.
- xlv. OKOE, A. F., ADJEI, J. S. & OSARENKHOE, A. 2013. Service Quality in the Banking Sector in Ghana. *International Journal of Marketing Studies*, www.ccsenet.org/ijms, 5.
- xlvi. OLIVER, R. L. 1997. *Satisfaction: A Behavioral Perspective on the Consumer*, Boston, MA, Irwin/McGraw-Hill.
- xlvii. PARASURAMAN, A., ZEITHAML, V. A. & BERRY, L. L. 1985. A Conceptual Model of Service Quality: Its Implications for the Future Research. *Journal of Marketing*, 49, 41-50.
- xlviii. PARASURAMAN, A., ZEITHAML, V. A. & BERRY, L. L. 1988. SERVQUAL: A Multiple Item Scale for Measuring Consumer Perceptions of Service Quality. *Journal of Retailing*, 64, 12-40.
- xliv. RADOMIR, L., WILSON, A. & MIRCEA, S. A. 2011. Improving Bank Quality Dimensions to Increase Customer Satisfaction. *Management and Marketing Journal*, 9, 126-148.
- i. REICHHELD, F. F. & SASSER, W. E. J. 1990. Zero Defections: Quality comes to Services. *Harvard Business Review*, 105-111.
- ii. SAEED, I., NIAZI, M. A., ARIF, M. & JEHAN, N. 2011. Antecedents of Customer satisfaction and its outcomes ; A study of Pakistani service sector. *Interdisciplinary Journal of Contemporary Research in Business*; ijcrb.webs.com, 3.
- lii. SAYANI, H. 2015. Customer satisfaction and loyalty in the United Arab Emirates banking industry. *International Journal of Bank Marketing* 33, 351-375.
- liii. SCHEPAERS, J., WETZELS, M. & RUYTER, K. D. 2005. Leadership style in technology acceptance: Do followers practice what leader preach? *Managing Service Quality*. 15, 6, 496-508.
- liv. SCHNEIDER, B. & WHITE, S. 2004. *Service Quality Research Perspectives*, Thousand Oaks: CA, Sage.
- lv. SEGARS, A. H. 1997. Assessing the Unidimensionality of Measurement: A Paradigm and Illustration within the Context of Information Systems Research. *Omega*, 25, 107-121.
- lvi. SIDDIQUE, A. B., KARIM, K. S. & RAHMAN, M. L. 2011. Customers' Perception about the Determinants of Service Quality of Foreign and Domestic Banks: An Empirical Study on Bangladesh. *Journal of Business And Technology*, 1-14.
- lvii. SURESHCHANDAR, G. S., RAJENDRAN, C. & ANANTHARAMAN, R. N. 2003. Customer perceptions of service quality in the banking Sector of a developing economy: a critical analysis *International journal of bank marketing*, 21, 233-245.

- lviii. TEE, K. D., PREKO, A. & TEE, E. 2018. Degree of Service Quality, Customer Satisfaction and Loyalty: A Comparison of Foreign vs Local Banks in Ghana. *European Journal of Business and Management*, In Press (due April 30)
- lix. TEE, K. D., PREKO, A. & TEE, E. March 2018. Determining the Degree of Service Quality, Customer Satisfaction and Loyalty: An Empirical Study of Retail Banking in Ghana. *International Journal of Managerial Studies and Research (IJMSR)*; www.arcjournals.org, 6, 44-53.
- lx. THUY, P. N. & HAU, L. N. 2010. Service personal values and customer loyalty: a study of banking services in a transitional economy. *International Journal of Bank Marketing*, 28, 465-478.
- lxi. TWENEBOAH-KODUAH, E. Y. & FARLEY, A. Y. D. 2016. Relationship between Customer Satisfaction and Customer Loyalty in the Retail Banking Sector of Ghana. *International Journal of Business and Management*; Published by Canadian Center of Science and Education, 11.
- lxii. WAKEFIELD, K. L. & BLODGETT, J. G. 1999. Customer response to intangible and tangible service factors. *Psychology and Marketing*, 16, 51-68.
- lxiii. WANG, Y., LO, H. & HUI, Y. V. 2003. The antecedents of service quality and product quality and their influences on bank reputation: evidence from banking industry in China. *Managing Service Quality*, 13, 72-83.
- lxiv. WEI, L. C. 2013. Determinants of Customer Satisfaction in Domestic Retail Banking Sector. Master of Business Administration, Universiti Tunku Abdul Rahman.
- lxv. YI, Y. 1990. A critical review of consumer satisfaction, Chicago, IL.
- lxvi. YOO, M. & BAI, B. 2013. Customer loyalty marketing research: A comparative approach between hospitality and business journals. *International Journal of Hospitality Management*, 33, 166-177.
- lxvii. YOUNG-EI, K. & JUNG-WAN, L. 2012. Relationship between corporate image and customer loyalty in mobile communications service markets Africa *Journal of Business Management*, 4, 4035-4041.
- lxviii. ZAHIR, O., LIANA, M. & RATNA, K. M. 2015. An Empirical Study of Direct Relationship of Service Quality, Customer Satisfaction and Bank Image on Customer Loyalty in Malaysian Commercial Banking Industry *American Journal of Economics*, 5, 168-176
- lix. ZAIRI, M. 2009. *Excellence Tetralogy: The Inspired Customer*. Bradford, European Centre for Best Practice Management, University of Bradford.