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RESEARCH ARTICLE

The Influence of Customer Service Management on Customers Satisfaction in Some Selected Banks

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ARTICLE INFO	ABSTRACT
	Customer service management is a field of study that calls for continuous research in developing countries, particularly in Nigeria as a result of its significance to service delivery and customer satisfaction in the service-oriented businesses. This study therefore examined the influence of effective customer service management in some selected banks in Ondo State, Nigeria. Two objectives were adopted in which two alternate hypotheses were formulated to guide the study. Survey research design was adopted to collect data from a sample of 100 customers of commercial banks in Ondo state Nigeria. Results of the study indicate that customer service has significant influence on customer's satisfaction; quality service delivery has no significant influence on customer satisfaction. The study therefore concluded that Nigerian commercial banks should continue to strategically develop and digitalize their services; introduce new and innovative products and services; maintain customer friendly relationship, and ensures quality service delivery towards enhancing customer satisfaction. It was recommended that banks should uniquely deliver their products and services to meet and surpass their customers' expectation at all delivery channels.

INTRODUCTION

Customer service is a major concern among banks, being a veritable tool for healthy competition in the industry; banks deem it fit to avail services that attract customers, keep them to expand their customer base, and completely woo them from other banks. Equally, customers want the best value for their patronage, so they move from one bank to another in search of the best services (Adanlawo et al., 2023; Cakici et al., 2019). Service organisations such as the banking industry are in constant struggle to maintain competitive advantage with continuous investment in customer service. Therefore, customer loyalty arising from service quality has become a key tool in acquiring market power.

Service creates a meeting point between customers and service organisations where needs and expectations of customers intersect with available services (Raza et al., 2020). Competitive power and survival of a bank lies in the degree of its customer service and this has made banks to pay detailed attention to customer service with a great deal of their resources (Reddy and Adanlawo, 2018; Kunle et al., 2017), Banks sell undifferentiated products and services packaged uniquely but the only effective tool they can use to survive in the market is the quality of service. The level of success of any business is the function of quality of customer service. By implication, when quality

service is given to a customer, the customer is satisfied; and this will translate to loyalty and retention (Owolabi et al., 2024; Aliekperov, 2020; Syahrial et al., 2019).

Staff attitude towards customers is an important factor as it serves as a yardstick to evaluate the quality of services provided. A receptive gesture is essential for customers to have a positive image about the bank and the services provided. The architectural designs, and the general atmosphere are equally taken into consideration by customers when assessing the quality of services by banks. Also, the Turn-Around-Time (TAT) and interface with service employees give good impressions to customers; a good impression of this may rate the bank that its services are of high quality. Banks with services of high credence enjoy referrals from customers, which is the main source of information for potential customers (Chaka and Adanlawo, 2024; Mukerjee et al., 2018).

Customer service is critical, and it is an effective tool to gain strategic advantage of loyalty in highly competitive industry like that of banking industry (Xaba et al., 2024; Al Karim et al., 2024), where customers have unprecedented access to competing banks and other financial services providers. Customer service has proven to be a pivotal factor in retaining customers and enjoying value chain banking. Banking service is characterised by discreet operations and customisation where service providers are aware of their customers's needs and tend to build continuing, formal relationships to ensure repeated patronage (Mncwango et al., 2024). Banks invest in customer service management to improve customer satisfaction and customer retention to up-sell and cross-sell their products and services (Muntari, 2015).

Nigerian banks have changed the way financial services are being designed and delivered with the consciousness of customer service. Adoption of electronic banking, creation of customer care department and segmentation of market have given ample opportunities for service quality to satisfy prospective and potential customers (Lee and Lee, 2020; Dauda and Lee, 2015). Customers are aware that they can escalate any service failure while service staffs are conscious of quality service deliveries. This has smoothened the relationship between banks and customers and making customers to be satisfied. In Nigerian banking industry, Customer satisfaction has moved from transactional to relationship oriented. This enables banks to derive information which is used to evaluate customers, assess their behavior while developing customised products and tailored services that will contribute to bottom-line and profit of the bank (Hadebe and Adanlawo, 2024; Raza et al., 2020; Solangi et al., 2019).

Objectives of the study

The broad objective of this study is to examine customer service management on customer's satisfaction in some selected banks in Ondo State, Nigeria. The specific objectives are to:

- Investigate the influence of customer service management on customer's satisfaction in some selected banks in Ondo State, Nigeria.
- Examine the impact of quality service delivery on customer satisfaction in some selected banks in Ondo State, Nigeria.

Research hypotheses

Customer service has no significant influence on customer's satisfaction in some selected banks in Ondo State, Nigeria.

Quality service delivery has no significant influence on customers' satisfaction in some selected banks in Ondo State, Nigeria.

LITERATURE REVIEW

Customer service

Customer service is a means of providing a quality product or service that satisfies the needs and wants of a customer and keeps them coming back. Good customer service connotes satisfied customers, retained customers, improved service, increased profits, market expansion, and growth

on a continuum. Adanlawo et al. (2023) postulated that the service a customer received or purchased is accompanied by an experience. Such an experience can be satisfying, repelling, or indifferent. They further stressed that service always comes with experience, and all service encounters provide an opportunity for emotional engagement (Adanlawo et al., 2023).

According to Li and Tan (2019), services are becoming more commoditised, and leading-edge companies are competing on experiences. Service is defined as a process designed to create a customer experience (Aliekperov, 2020). The experience and its derivatives are saddled with customer service. As opined by Dwivedi (2019), customer experience will overtake price and product as the key differentiators, as 86% of buyers are willing to pay more for a great customer experience. Opinion differs among service experts and professionals in various service organisations of all spheres, but this has been seen as an age-long issue on which there does not seem to be any consensus in sight. The issue of how to improve customer services to stimulate growth and profitability has always been a concern in the service industry (Wilson et al., 2020).

Customer service is designed to encourage an active customer experience for more patronage and participation (Chaka and Adanlawo, 2022; Mohd-Ramly and Omar, 2017). Customer care services in banking activities can be linked with three theoretical components of good design: functionality, structure, and aesthetics, which are the framework to improve performance. Effective customer service enables a service provider to enhance its reputation among the customers. It gives room for customers to address problems of disservice with the help of willing staff who appease the customer and retain them.

Customer service does primarily three assignments: attracting new customers, redressing aggrieved customers, and retaining existing customers. Customer service enables organisations to orientate and motivate service personnel to give excellent customer service in line with their corporate objectives. In a competitive business environment, customer satisfaction must first be considered in every strategic plan (Al Karim et al., 2024).

Nigerian banks placed priority on customer service in line with best global practices for favorable impact on their bottom line, customer base, customer loyalty, and brand. Introduction of customer care desks, customer service staff, virtual sales, customer analytics, and IT infrastructures has helped with commendable results and contributions (Cakici et al., 2019; Adanlawo, 2017). Banks have learned how to deal with large numbers of customers with tailored services for satisfaction and loyalty.

Customer Service in Nigerian Banking Industry

The banking industry experiences dynamic and remarkable transformation in the scope of operation and product diversification mainly among the actors in the industry (Alt et al., 2018; Gomber et al., 2018). Bank's restructuring to finance only core competences that are relevant to profitability and going-concerns. Customer service in Nigerian banks is seen as a sound strategy to identify with the bank's customers and prospects, devote energy of time and skills to expand the customer base, meet customers' needs through individualised marketing, tailored service, and discretionary decision-making that will bring services to all customers in the bank's channels (Lee and Lee, 2020).

A study by Smyth (2022) revealed that personal and retail banking in the United Kingdom is a comic story of substandard service despite huge investment in technology. Over a quarter of these banks could not handle customer complaints effectively, and more than sixty (60) percent of the respondents felt that customer service fell below standard. As a measure to have customer service of best global practice standards, Nigerian banks have deplored resources of people, expertise, and technology to this nerve of banking operations to compete and continue in their business. Information and communication technology (ICT) has enabled banking services to reach a large number of customers outside brick and mortar banking halls; it enhances the use of channels of service, tangibles of automated teller machines (ATMs) and point of sale (POS), and e-banking activities of internet banking and mobile applications of banking transactions. These service facilities

reduce transaction costs, improve the quality and timeliness of response, stimulate self-eservice and service customisation, and enhance customer relationships and interactions (Dauda and Lee, 2015).

In traditional banking, customers still go to the banking hall to transact. The experiences with customer-facing employees have improved with courteous interface with tellers in their cubicles, which used to be cages of partitioned glass. This allows customers to relate to and interact with people that give them service; humane dispositions are exuded to give customers a sense of belonging to where their money is kept. To harness the potentials in retail banking, a customer service system is deployed to retain their customers. Customer service employees are saddled with the responsibilities of handling complaints, service recovery, service complement, and escalating service lapses to appropriate quarters for prompt redress. The business of banking basically is about efficient service delivery, which is being harmonised by the customer service system (Arcand et al., 2017).

The Practice of Customer Service as a Business Strategy.

Strategy is a course of action created and pursued to move an organisation from its current position to a desired future state (Adanlawo and Chaka, 2023). A strategy is needed to defeat the competition in the race, but it must be "breakthrough customer service." A service organisation must take customer service as a strategic endeavour to build and maintain a profitable customer base by delivering superior customer value and satisfaction. This will be intelligently linked with employees, customers, channels, tangibles, ambience, and technical know-how. When customer service explores the use of human analytic (HA) and business architecture (BA), the result will retain the customers and promote the organisation (Saha et al., 2021; Solangi et al., 2019).

Strategic and effective customer service focuses on understanding the needs, complaints, and desires of the customers and is attained by putting the needs at the heart of the business by incorporating them with the organisation's strategy of people, technology, and business processes (Wilson et al., 2020; Mohd-Ramly and Omar, 2017). Devising this strategy is a task of a team of professionals and experts in the field of customer service, with the focal point being to put the customer first. It has been realised that service failures are inevitable. However, what is important is how to redeem service recoveries through mechanisms put in place by any organisation. Consequently, customer service understands the critical task of complaint handling by service managers in financial institutions because it costs as much as it does to retain and satisfy an existing customer (Chaka and Adanlawo, 2023; Li and Tan, 2019).

Service Quality in Banking Services

This concept has generated a lot of debate in the research literature due to difficulty in definition and measurement, with no overall consensus emerging regarding the aspect. The debate of service quality may be because of its dimensions of reliability, assurance, tangibility, responsiveness, and empathy (Cakici et al., 2019). Service quality is defined as a perceived judgment coming out of an evaluation process where customers compare their expectations with the services they received. In a simpler word, it is a comparison between the expected service and perceived service (Raza et al., 2020). Service quality as perceived by customers may be different from the quality of service actually delivered. Mohd-Ramly and Omar (2017) opine that elements of service quality like responsiveness, empathy, and reliability significantly influence loyalty and retention. Service quality is a critical dimension of competitiveness (Sander).

Service is a subjective experience where production and consumption take place simultaneously. Interactions of buyer-seller, which cause moments of truth or service encounters, have tremendous impact on the perceived service (Mayombo, 2014). Service is user-based, and high quality of service is achieved by consistently exceeding customer expectations. The measurement of service quality had a major advancement when Parasuraman *et* al. (2005) introduced SERVQUAL as an instrument that was developed to measure service quality in terms of customer expectation and organisational performance and was based on five generic service qualities of tangibles: empathy, assurance, reliability, and responsiveness (promptness). Despite wide acceptance of SERVQUAL by many

researchers, there were also criticisms, largely because duplications did not give the same results, which informed the development of alternative models to SERVQUAL such as SERVPERF.

MATERIALS AND METHOD

This study adopts a cross-sectional design. The purpose of using this research design is to establish the effect of the independent variables on the dependent variables and to establish the level of effect of the independent variables on the dependent variables (Nkomo and Adanlawo, 2024). The primary source of data is questionnaires, which were used to obtain information from samples selected from the defined population. Therefore, the major research instrument used in conducting this research work is questionnaires. The questionnaires were structural, and the respondents found it easy to write their responses. The questionnaires were designed to elicit information from commercial bank customers. The population for the study was 100 customers from 10 commercial banks in Nigeria. The data collected from the participants were analysed using inferential statistics. Regression analysis was used to analyse the hypotheses at the 0.05 level of significance.

RESULTS AND DISCUSSION

Hypothesis 1: Customers' service has no significant influence on customer's satisfaction in some selected banks in Ondo State, Nigeria.

Table 1a: Summary of Regression model Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.566[a]	.321	.314	1.94077
a. Predictors: (Constant), customers service				

Table 1a indicated that R= 0.566 which implies that there was a significant influence between the independent and the dependent variables. The R square value of .321 indicated 3.21% of the observed variance of customers' service.

Table 1b: Summary of Regression showing that customer service has no significant influence on customers' satisfaction in some selected banks in Ondo State, Nigeria

Model		Sum of Squares	Df	Mean Square	F	Sig.	p
1	Regression	174.316	1	174.316	46.280	.000[a]	<0.05
	Residual	369.124	298	3.767			
	Total	543.440	299				
	a. Predictors: (Constant), customers service						
	b. Dependent Variable: customers satisfaction						

From table 1b, customer service has a significant influence on customers' satisfaction in some selected banks in Ondo State, Nigeria [F (1, 298) = 46.280; p<0.05]. Therefore, alternate hypothesis 1 is accepted. This implies that the relationship of employees in the customer's service determines the customer's satisfaction in some selected banks.

Hypothesis 2: Quality service delivery has no significant influence on customer satisfaction in some selected banks in Ondo State, Nigeria.

Table 2a: Summary of regression model analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.627a	.394	.387	2.06305
a. Predictors: (Constant), quality service delivery				

Table 2a indicated that R = 0.627, which implies that there was a significant influence between the independent and the dependent variables. The R square value of. 394 indicated 3.94% of the observed variance of quality service delivery.

Table 2b: Summary of Regression showing that quality service delivery has no significant influence on customer satisfaction in some selected banks in Ondo State, Nigeria

Model		Sum of Squares	Df	Mean Square	F	Sig.	p
1	Regression	270.686	1	270.686	63.596	.000a	<0.05
	Residual	417.104	298	4.256			
	Total	687.790	299				
	a. Predictors: (Constant), quality service delivery						
	b. Dependent Variable: customers satisfaction						

From table 2b, quality service delivery has no significant influence on customer satisfaction in some selected banks in Ondo State, Nigeria [F (1, 98) = 63.596; p<0.05]. Therefore, alternate hypothesis 2 is accepted. This implies that customers who receive quality service would be satisfied by the services rendered by the customer service employees.

CONCLUSION

Critical roles of customer service employees, technological innovations, quality service delivery, and the customer service structure of a bank are veritable tools to satisfy customers in the banking industry. Fundamentally, banks must take conscious effort of the significant role customer satisfaction plays in their competitive and undifferentiated business and make strategic policies of service management to deliver quality service to woo customers, retain them, and attract referrals in line with their bottom-line growth and corporate image. It is, therefore, concluded that customer satisfaction is a predictor of retention and referral.

Based on the findings of the study, the following recommendations were made:

- Service employees should continue to play the roles of service enthusiasts.
- Service employees should see quality service delivery as a means to satisfy esteemed customers.
- Banks should uniquely deliver their products and services to meet and surpass their customers' expectations at all delivery channels.

Conflict of Interest: We the authors declare no conflict of interest

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