

**INFLUENCE OF CUSTOMER SERVICE MANAGEMENT IN  
PERFORMANCE OF BANKING INDUSTRY  
THE CASE OF NATIONAL MICROFINANCE BANK,  
MOROGORO TANZANIA**

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THE CASE OF NATIONAL MICROFINANCE BANK,  
MOROGORO TANZANIA**

**By  
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**A Dissertation Submitted in Partial Fulfillment of the Requirements for the  
Degree of Master of Business Administration in Corporate Management  
(MBA-CM) of Mzumbe University**

**2014**

## **CERTIFICATION**

We the undersigned, certify that, we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled “*Assessment of the influence of customer Service management in the performance of banking industry, The case of National Microfinance Bank, Morogoro – Tanzania*” in partial fulfillment of the requirement for the award of Master of Business Management (MBA) of Mzumbe University.

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I, **Emmanuel D. Lyatuu** , declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University for the similar or any other award.

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In all, without the protection and direction from the most high, all other supports given would not have passed through. Thank you, Jehovah God, for being my refuge in my life. To you God, I give all the Glory.

## **DEDICATION**

I dedicate this work to the late my lovely Family who gave me a lot of advice towards my career path and to my father and Mother Dickson Lyatuu and Elihaika Lyatuu, who actively encouraged, motivated and supported me throughout the research period.

## **LIST OF ABRIVIATIONS AND ACRONIMS**

ATM	Automated Teller machine
NBC	National Bank of Commerce
NMB	National Microfinance Bank
NMB-PLC	National Microfinance Bank Public Limited Company
QSB -	Quick Service Branch
SWL -	Salary Worker Loan
TIN -	Tax Identification Number
URT	United Republic of Tanzania

## **ABSTRACT**

This study assessed the influence of customer service management in the performance of banking industry; at the National Microfinance Bank, Morogoro - Tanzania. The study was guided by the following specific objectives: to identify the strategies used in provision of customer service management in the banking industry; to assess the effectiveness of customer service management in influencing banking performance industry and to identify the challenges facing the provision of customer care in the banking industry.

The study adopted survey design whereby NMB Branches were selected. Primary and secondary data were collected through the use of t interviews, questionnaires and documentary review.

Analysis of the collected data was done. The findings of the study indicated that NMB Bank adopted different strategies to ensure effective customer care such as introduction of proper channels of communication like call centres, conducting customer care training on performance, designing services to fit the needs of customers; ensuring that services were always of high quality without compromise and on time delivery of services. The findings showed that improvements undertaken by the bank to manage customer visits and to “decongest” its branches included:- investment in information technology infrastructure, opening up of new branches, establishment of branchless banking model that allows its customers to use any of its branches depending on convenience. Also introduction of an expansive ATM network, introduction of E-banking and adoption of mobile phone banking were done.

It is recommended that the management of NMB Bank should consider frequent training of employees on customer services especially through creating strong customer relationship and employ effective employee etiquette as manifested by mutual respect among all stakeholders, courtesy and proper dressing code. Bank businesses should also consider employing mechanisms of improving on efficiency through reduction of time spent to serve the customers

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## **CHAPTER ONE**

### **PROBLEM SETTING**

#### **1.0 Introduction**

This chapter covers the background information, background of the problem, statement of the problem, research objectives and research questions, significance of the study, limitations and delimitation of the study.

#### **1.1 Background Information**

National Microfinance Bank Public Limited Company (NMB (PLC)) is one of the largest commercial banks in Tanzania, providing banking services to individuals, small to medium sized corporate clients, as well as large businesses. The bank was established under the National Microfinance Bank Limited Incorporation Act of 1997, following the break-up of the old National Bank of Commerce by an Act of parliament No. 22. From the break of National Bank of Commerce three new entities were created namely: NBC Holding Limited, National Bank of Commerce (1997) Limited and National Microfinance Bank Limited. ([www.nmbtz.com](http://www.nmbtz.com) 25<sup>th</sup> February 2014).

National Microfinance Bank (1997) initially could only provide payment services as well as offer savings account, with limited lending capabilities, before becoming a fully-fledged universal retail bank. In 2005, the Government of the United Republic of Tanzania privatized the bank when it sold part of its shareholding (49%) to a consortium led by the Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ('Rabobank Group of Netherlands').(<http://www.nmbtz.com> 25<sup>th</sup> February 2014).

Subsequently, there was further divestiture in 2008 when the United Republic of Tanzania (URT) Government off loaded another 21% of its shareholding to the people in public at Tanzanian (URT) through an Initial Public Offering (IPO). The listing of the bank's stock on the Dar es Salaam Stock Exchange has led to a diversified ownership structure (<http://www.nmbtz.com> 1st December 2013).

People are the most influencing element of any service marketing mix tends to measure. Service organizations are particularly dependent on levels of customer care because service tends to be produced and consumed at the same moment. Many personal services are offered by an individual; the person who delivers the service like restaurant or hospital doctors and nurse has to be trained well. People buy from people where they like so the attitude, skills and experience of staff have to be first class. Again people have important role in service delivering (www.marketingteacher.com 16th December 2013).

Many customers have been complaining about the services offered by NMB at offices in urban branches such as Wami and its Quick Service Branch (QSB). NMB customers at Mt. Uluguru branch complain about long queues in the bank and at the Automatic teller machines (ATMs). Other customers have been complaining about services offered at rural area branches such as Kilosa, Mahenge and Ifakara. These customers complain that it takes long time to get services in the bank; also some servicers are sometimes not available because of some materials being missing. For example at Mahenge branch some customers who wanted to process loan found loan application forms are not available and had to come the next day or go to town branches to get the service.

## **1.2 Back ground of the study**

During the period of product philosophy, products were the determinants of business success. The most successful firms were those able to produce high quality products. Indeed, today quality products are still crucial in business success. However, the quality issues of the past are quite different from the quality issues of today. In the past, quality was defined and determined by the producers' or service providers' perspective with little or no consideration of the customer expectations and perceptions.

Customers were perceived not to know what they want and therefore accept what is available. This was the era of mass marketing. The mass marketing technique was effective that time because competition was less and consumers were not as sophisticated and informed as they are today (Hamdallah and Evelyn, 2010). Customer-centric marketing philosophy has received high level of attention from marketing practitioners and academicians. Business organizations have embraced this philosophy and they are practicing it today (Kotler, 2006).

Kotler (2006) observed that business organizations are now run by people that understand their customers so that they can build long-term profitable relationship with them. In academics, numerous studies have been conducted on customer satisfaction, customer retention and customer perceived service quality in different settings. Most of the researchers suggest the incorporation of customers view of what they need, want and dislike (complaints) in the entire process of production (Gronroos, 2000; Kotler and Keller, 2006).

This suggestion is laudable because it is better to hear from the customers rather than trying to think for them. The ultimate aim of all marketing activities in today's corporate world is to acquire and retain profitable customers. In practice, it is believed that it is six times cheaper to retain existing customers than to acquire new customers in today's intensive competitive business environment (Reichheld, 1996). It is empirically indicated that customer retention is influenced by three interdependent factors: service quality and value influence customer satisfaction or dissatisfaction (Thompson 2004), customer satisfaction or dissatisfaction influence customer loyalty and according to Reichheld (1996), customer retention is influenced or determined by the level of customer loyalty. Since retaining existing customers is much cheaper than acquiring new ones, perceived services quality, customer satisfaction and customer loyalty are crucial success factors for every business organization.

In the literature of customer-centric marketing, customer perceived quality is the most influential determinant of customer satisfaction (Thompson 2004). There is no doubt that this view has influenced the practices of customer management and have made customer perceived service quality management the pre-occupation of every business.

The banking industry in Tanzania is not different from what is in the literature. The banking industry has become one of the very competitive industries in recent time. The recent level of competition in the industry has increased the need for customer retention since it is quite difficult to acquire new customers. Therefore, the importance of quality service, customer satisfaction, customer loyalty and customer retention to firms in the industry for survival, profitability and growth is necessary. There is no doubt that the increasing level of competition has improved the quality of service to customers of the banking industry. Based on above discussion what do customers think about the quality of customer services management of banks? (<http://www.reportlinker.com/> 25<sup>th</sup> February 2014). This is the question that needs to be addressed.

There are a number studies done on the quality of service of firms in the banking industry. Most of these studies are comparative studies of the quality of service of two or three firms in the banking industry like the one done by Hinson, Mohammed and Mensah (2006). In their study, they compared the service quality of banks and found that customers' expectation on all the dimensions of service quality were not met in any of the banks they studied. The limitation of some of these studies is sample size and areas of study.

Customer service is responding to customer needs and expectations in a way that will make them have a memorable experience and motivate them to come back and to tell others. In this, competitive world, business organizations must understand the importance of customers as their future or growth is concerned. The organisation must understand that its existence lies in the hands of the customer and therefore it should make many efforts at all costs to attract, maintain and capture customer's loyalty. It should seek first the needs and wants of the target market and deliver them in an efficient and effective way that satisfies the target market (Maxhand & Plowman 1992). This study was done to examine if the service offered by NMB Plc to its customers was equal compared to the payment made by the customers.

### **1.3 Statement of the problem**

Since the start of the banking industry in Tanzania, customer service management or customer care as it is alternatively known has been an aspect of consideration as it relates to the provision of quality service in the banking industry. Customer care has been considered the tool for ensuring customer satisfaction, hence, customer retention (Kotler, 2010). Customers gauge quality of service differently as they have different perceptions about the levels of service they receive from banks (Jobber, 2007).

In view of different perceptions, services provided by banks have also been viewed differently in the extremes of measures of quality between high and poor quality. This situation has posed difficulties in the planning and implementation of the service among banks. Therefore, instead of being the tool for customer satisfaction, retention and competitive edge for service providers, customer service has become the great challenge to service providers in the entire process of service provision.

The challenge is true in that given severe competition among the players in the industry; it has been very difficult to design customer service that is very unique and not imitable one.

On the other hand the major focus of instituting customer care is reduction of cost of operations through paid form of marketing communication mix mainly advertising and promotion which is deemed essential methods for customer capture and retention as it obvious that it very difficult to capture new customers than retaining the current ones. For many years banks have been practicing customer service management as an instrument of company performance but players in the industry have continuously been complaining of shrinking of their performances.

The effect of the same is high commitment of big amount of resources in provision of customer services with expectation of high results in customer satisfaction and retention. The banks politicize customers care as competitive tool into high competitive edge in the industry, only to realize shrinking returns. On the other hand the shrink of banks performance has impact on the growth of the national economy. This is true in that poor bank performances demonstrate poor revenue collections by the government. The same results in poor social service provisions which ultimately lead to poor living standards of the people.

In view of the above, a number of studies have been carried out to examine the problem under study. The studies did not cover exactly the influence of customer management in the performance of banking industry, a gap that this study sought to fill. This study assessed the effectiveness of customer service management in the performance of banking industry.

#### **1.4 Objectives of the Study**

##### **1.4.1 Main objective of the study**

The main objective of the study was to assess the influence of customer service on banking performance.

#### **1.4.2 Specific Objectives**

- i) To identify the strategies used in provision of customer care in at NMB
- ii) To assess the effectiveness of customer care in influencing the performance of NMB.
- iii) To identify the challenges facing the provision of customer care at NMB

#### **1.5 Research Questions**

- i) What are the strategies used in provision of customer care in NMB?
- ii) How effective is customer care in influencing banking performance at NMB?
- iii) What are the challenges facing provision of customer care at NMB?

#### **1.6 Significance of the study**

The study provides empirical information to stakeholders of marketing professionals, and policy makers of the bank.

The study also provides relevant information to the Bank management on what customers expect in terms of customer service management as well as customers assessment of the quality of service provided. Management can learn from the study how to guide in their strategic decisions on customer acquisition, customer satisfaction management, and customer retention. Shareholders and directors of banks may also use such information as justification for their service quality decisions and policies.

#### **Marketing professionals and scholars**

The study contributes to the existing literature, and the debates on service quality in banking. And also extend the understanding and clarity of customers' expectations and perceptions of service quality in the banking industry. Marketing practitioners in other related service industries could therefore take information from the findings, and make better meanings of the situation in their industries or firms. The finding of the study is important to policy makers of the banking which is the government.

### **1.7 Scope of the study**

The study confined itself on the assessment of how customer service management influence organisation performance, a case study of NMB Morogoro. The target population included customers present at the bank hall at NMB Morogoro; the study also included NMB bank staff.

### **1.8 Organization of the study**

The study is organized in five chapters. Chapter one presents the background of the study, the problem statement, research objectives and questions. The chapter also covers the scope and significance of the study. Chapter two provides a survey of literature on how customer service/satisfaction leads to organisation performance. The third chapter details the methodology adopted for the study: the population, sample, research design, and instrument for data collection and data collection procedures. Chapter four provides the main findings and discussion of findings of the study. The concluding chapter five presents the summary of the major findings, conclusions and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter covers the review of literature related to this study. The Chapter has been organised into three parts; theoretical literature review, empirical literature review and the conceptual framework.

#### **2.1 Theoretical literature review**

##### **2.1.1 Definition of Terms and Concepts**

###### **2.1.1.1 Marketing**

Marketing is defined as the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, services, organizations and events to create exchange that will satisfy individual and organization objectives (Mlambiti, 1999).

Marketing concept is the philosophy that the firm should understand what its customer want and produce according to those needs, better than the competitor. (<http://www.netmba.com/marketing/concept/> 1st December 2013)

###### **2.1.1.2 Service**

Service is an intangible production involving a deed, performance or effort that cannot be physically possessed (Philemon, 2005). The heart of a service is the encounter between the service provider and the customer. It is here where emotions meet economics in real time and where most people judge the quality of service (Richard & Siriram, 2008). As currently conceived, service science treats customer satisfaction with an encounter predominantly to have four key characteristics which are intangibility, inseparability, heterogeneity and perishability. Awareness of staff on these characteristics placed them in a position to serve its customer better (Philemon, 2005).

### **2.1.1.3 Customers**

A customer (also known as a client, buyer, or purchaser) is the recipient of a good, service, product, or idea, obtained from a seller, vendor, or supplier for a monetary or other valuable consideration (Reizenstein, Richard C., 2004). Furthermore a customer is any person needing any enquiries from Bank office whether loan or deposit and drawing service. A customer could be a person, company, institution, or group of people who buy service from the bank. The bank management insists caring of customers, who can come from within or outside the bank because it believes that through caring of customers, can maximize the number of customer and also revenue.

### **2.1.1.4 Bank Account**

Is an account held by an investor at a financial institution? The financial institution holds the money for the investor, leading to a positive or credit balance, or loans money to the investor, leading to a negative or debit balance.

### **2.1.1.5 Bank Loan**

Bank loan is a debt financing obligation issued by a bank or similar financial institution to a company or individual that holds legal claim to the borrower's assets above all other debt obligations. The loan is considered senior to all other claims against the borrower, which means that in the event of a bankruptcy the bank loan is to be repaid or can take control of the collateral.

(<http://www.investopedia.com/terms/s/senior-bank-loan.asp> 1st December 2013)

### **2.1.1.6 Customer Satisfaction**

Customer satisfaction refers to the degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers.(www.businessdictionary.com 2<sup>nd</sup>December 2013)

There are two principles of customer satisfaction

- i. Customer wants meeting between their values and (wants and needs) an object of their evaluation but more recently attention has been valued on nature of satisfaction and fulfilment (Parker & Mathew, 2001).

- ii. Satisfaction should be measured on judgement made on cumulative experience made with certain product or service rather than transaction of specific phenomenon (Wilton & Nicosia, 1986).

### **2.1.2 The Services Marketing Mix**

Traditionally, the marketing mix is composed of four P's which are product, Price, Place and Promotion. These elements appear as a core decision variables in any marketing plan. The notion of a mix implies that all variables are interrelated and depend on each other to some extent. Further, the marketing mix philosophy implies that there is optimal mix of the four factors for a given market segment at a given point in time. However, the strategies for the four P's do require some modifications when applied to a service. It is important to know service theory because customers 'satisfaction usually is associated with good service offered by the staff. (<http://www.infoday.com/> 27 December 2013).

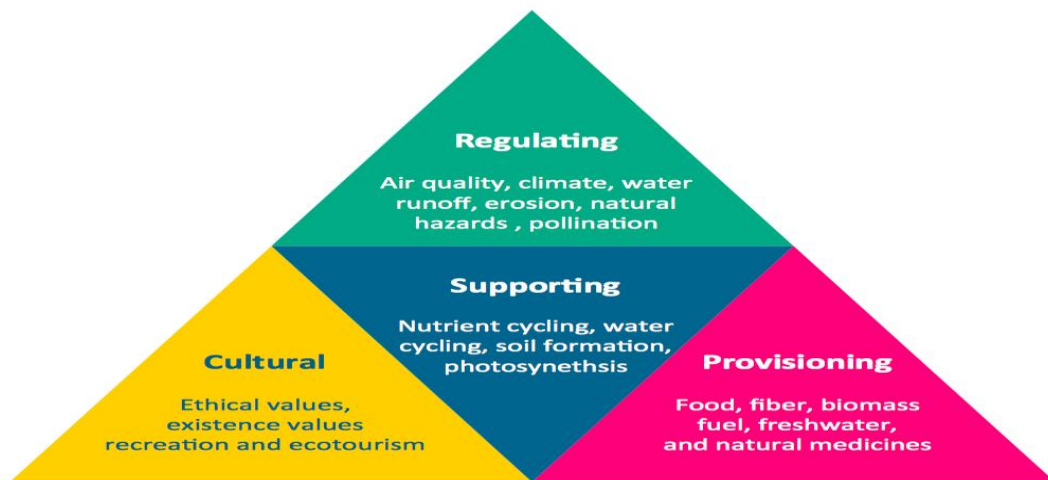
### **2.1.3 Extended Mix for Services**

Since service are usually produced and consumed simultaneously, customers are often present in the firms' factory, interact directly with firms' personnel and are actually part of the service production process (Valarie A. Zeithaml, 2010), also, because services are intangible, customers will often be looking for any tangible cue to help them understand the nature of the service experience. These elements led service marketers to conclude that they can use traditional variables to communicate with and satisfy their customers. The extended marketing mix elements for services are; people including employees, customers, communicating culture and value, employees and research,. Also include are physical evidence including facility design, equipment, employee dress and process including flow of activities, number of steps and the level of customer involvement. In this study people, physical evidence and the process of the service were examined by using SERVQUAL model (Rahim Mosahab 2010).

### 2.1.4 Service Marketing Triangle

The service marketing triangle shows the three interlinked groups that together develop, promote and deliver services (Philemon, 2005). These key players are labelled on the points of the triangle: the company (or SBU or department or management, the customers and the providers. Between these three points on triangle, they are three types of marketing that must be successfully carried out for service to succeed: these are external, internal and interactive marketing.

**Figure 2.1: Service Marketing Triangle**



Source ([www. http://smallbusiness.chron.com/](http://smallbusiness.chron.com/) 22 July 2014)

### 2.1.5 Customer Pyramid and 80/20 Rule

The basic strategy of any business is to move its customers up the marketing pyramid or the so called customer pyramid until they reach most valued customer status. The marketing pyramid is a real way of depicting customer value to classify business customer into the top of the pyramid. The key concept of the pyramid is that the most valuable customers are at the top. In order to practice this rule, business has classified customers into large, medium and small customers (Philemon, 2005; and Kilevya, 2007). Large customers include Governments and others; despite being small in number, these contribute significantly to the total collection by. (<http://hbr.org/> 27th December 2013)

### **2.1.6 Gaps Model of Service Quality Theory**

According to this theory there is no single set of factors which can classify to produce recognizable standards. Leisure, financial, education and medical services will all be judged on vastly different grounds. Services cover such a broad spectrum of activities ranging from the highly tangible to highly intangible. However, the common element is service quality, whatever the service has quality based on customers' perception (Rust & Oliver, 1994).

This gap model is used to show:

- i) Differences between consumers' expectation and management perception of consumer satisfaction.
- ii) Difference between management perception of consumers' expectation and service quality specification.
- iii) Difference between services quality specification and service delivery.
- iv) Discrepancies between actual service delivery and communicated service delivery.
- v) Discrepancies between consumers' expectation of service and consumer perceived service. This source of gap is a function of the other four sources of gaps.

The gap model holds that the degree and direction of a gap determines the level of service quality. Describing service quality as gap between expectation of performance and perceived performance is quite convincing but it is not without criticisms. It is argued that in theory it is unlikely that customers will be able to consciously determine ideal performance and above ideal performance and hence assign the appropriate values (Teas, 1993). In other words it may not be possible for customer to evaluate above ideal performance with high values than the values they will assign to ideal performance.

According to this school of thought, consumers are unlike to be able to distinguish above ideal performance from ideal performance in the service quality evaluation process. Thus the difference between customers' expectations and perceived performance may not be a strong measure of service quality.

It may be observed that the gap model will be an appropriate measure where performance is below expectations but it will not be a good measure of service quality where performance is above customers' expectation. Cronin and Taylor (1992) noted that even if service quality is the gap between expectation and performance; service quality should be conceived as customers' attitude towards the service. They argued that conceptualizing service quality as an attitude makes it practicable for service quality to be measured by evaluating the importance of the specific aspects of a service that are relevant to customers' perception of service quality or by evaluating customers perceived performance about specific facet of a service.

Cronin and Taylor (1992) concluded from their study on measuring service quality that the measuring service quality as an evaluation of customers' perceived performance is a better indicator of service quality than measuring service quality as the gap between expected performance and perceived performance.

After having some experience with a service, the customers can compare any expectation with actual performance on service, the customers quality can be described by SERVQUAL scale which is an instrument for assessing quality along the five dimensions which are reliability, assurance, tangibility, empathy and responsiveness (Philemon, 2005). SERVQUAL is the empirical instrument of the conceptual model used to measure gaps of the service quality. According to Parasuraman, Zeithaml and Berry (1985), the service quality gap concept in this research was used to assess the customer satisfaction t by finding if they are well satisfied with service they are being given compared to the amount they pay for the service, and also it was used to determine where a problem is. It was also used to suggest the best way to overcome such problems.

### **2.1.7 Dimensions of Service Quality**

In the literature of service marketing different people viewed service quality differently in terms of its dimensionality. However, it is generally accepted that service quality is a multidimensional construct. Service quality undoubtedly consists of explicit and implicit attributes (Parasuraman et al 1984).

Thus it is reasonable to view service quality as a function of several components. One of the earliest authors, Gronroos (1984), conceptualized service quality as a two dimensional construct. According to Gronroos (1984), “customers’ perceptions of service process are divided into two dimensions” (Suuroja, 2003 p.12). Gronroos designated these dimension as:

- Technical Quality
- Functional Quality

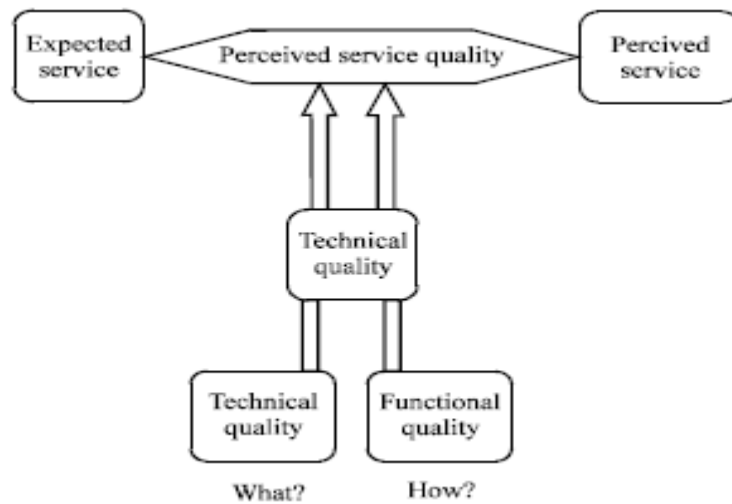
The Technical quality dimension refers to the outcome of the service process. For example, in the bank, the outcome of withdrawal service is getting access to your money when you need it. The functional quality on the other hand refers to the quality of the service process. For example in a withdrawal service process the quality of the procedures and experiences involve in accessing the money (completing of forms, waiting time, queuing, etc.) constitute function quality. Consequently the technical dimension is often called the outcome dimension and the functional dimension is often called the process dimension.

Suuroja (2003) noted that Gronroos’s construct of service quality is basically based on “what” customers get and “how” they get it. Gronroos (1984) however indicated that apart from the “what” and “how” dimensions identified; the image of the firm involved may affect and influence customers’ perception of service quality. Lawis (1993) also viewed service quality dimensions from the same point of view as Gronroos (1984) did. However, Lawis considered corporate image as the third dimension of service quality. He explained the technical dimension to include the systems and technology that provides the outcome.

For example, in the banking sector, technical dimension encompasses the quality of ATM machines, credit cards, internal banking, etc. He describes that functional quality consists of interpersonal relations and interactions between employees and customers, appearance, personality and approachability of service personal, and all that affects the way a service is delivered.

Lawis noted that the corporate dimension is expected to be built by the technical quality dimension, and the functional quality dimension (Lawis, 1993).

**Figure 2.2: Gronroos's service quality model (Gronroos, 1984)**



**Source (<http://scialert.net/fulltext/?doi> 22 July 2014)**

Another known three-dimensional construct of service quality is that of Lehtinen and Lehtinen (1991). According to them service quality is a three-dimensional concept and the dimensions include physical quality, interactive quality, and corporate quality. In the opinion of Lehtinen and Lehtinen (1991) the physical quality consists of how customers perceive the physical environment within which service is obtained and mentioned tableware in a restaurant as an example. In banking industry, example of the constituent of physical quality dimension could be the design of banking hall and all instruments that are used in the service process. They explained interactive quality as the extent to which interactive style of service providers meets the participation style of customers. They also describe corporate quality as customers' evaluation of corporate image of service providers.

Parasuraman et al (1985) conceptualized service quality as a ten dimensional construct. These ten dimensions were identified as “credibility, security, accessibility, communication, understanding the consumer, tangibles, reliability, responsiveness, competence, and courtesy” (Parasuraman et al 1985, P.

46). Therefore customers' perception of service quality is a function of the evaluation of all the ten components. Parasuraman, Zeithaml, and Berry (1988) consolidated the ten dimensions into five dimensions.

These dimensions are shown in table below.

**Table 2.1 Five Broad Dimensions of Service Quality**

<b>Dimension</b>	<b>Description</b>
Tangibles	Appearance of physical facilities, equipment, personnel, and written materials
Reliability	Ability to perform the promised service dependably and accurately.
Responsive	Willingness to help customers and provide prompt service
Assurance	Employees' knowledge and courtesy and their ability to inspire trust and Confidence.
Empathy Caring	Caring, easy access, good communication, customer understanding and Individualized attention given to customers.

**Source: Zeithaml et al. 1990**

According to Parasuraman et al (1988), service quality is the simple or weighted average of the gap between the expectations of customers and customers' perceived performance along these five dimensions. The five dimensions were the foundation for the SERVQUAL, widely used instruments for measuring service quality.

### **2.1.8 Efforts made by NMB Bank to Ensure Good Customer Care Environment**

NMB management ensures good customer care by providing suggestion boxes in the banking hall, so that the management can get the customers 'complaints and suggestions. All posters, fliers, brochures, and website used both Swahili and English languages so that customers can understand with their language of preference.

NMB's long term plan is to create a structural bonding with other banks financial companies and institutions like Visa, Master Card, Umoja Switch etc so that their customer can withdraw their money in other ATMs other than NMB ATMs. The strategies for NMB are: the introduction of mobile banking whereby a customer can make transaction without going to NMB banks premises.

Also NMB introduced Internet banking whereby, authorized and registered customers could make an online transaction without going to NMB offices or branches physically. Lastly the newly introduced Pesa fasta services where by a customer of NMB with NMB mobile facility can send money to non holders of NMB accounts.

## **2.2 Empirical Literature Review**

Ismail, Abdullah and Sebastian (2009) explored the relationships among features of service quality which were responsiveness, assurance, and empathy, perceived value and customer satisfaction in context of Malaysia. The empirical data was drawn from 102 members of an academic staff of a Malaysian public institution of higher learning using a survey questionnaire. The results indicated that the interaction between perceived value and responsiveness was not significantly correlated with customer satisfaction; the interaction between perceived value and assurance also did not correlate significantly with customer satisfaction while the interaction between perceived value and empathy correlated significantly with customer satisfaction. Thus the results demonstrated that perceived value increased the effect of empathy on customer satisfaction, but it did not increase the effect of responsiveness and assurance on customer satisfaction.

Mekkaoui et al, (2009) identified which of two customer service or online attributes predicted overall satisfaction. They tried to determine whether satisfied customers used more online banking features than less satisfied customers.. The sample of 185 customers was drawn from one of the main banks in Kuwait. Multiple regression and discriminant analysis were used to analyze the data. The findings indicated that satisfaction could be generated through improving courtesy, content, timeliness and product and services offered. The majority of the customers in the sample were satisfied or very satisfied with the service and online systems attributes. The study explored that companies that offer a wide product portfolio and relevant website content accompanied by prompt and courteous response created satisfaction online

Munusamy and Fong (2008) examined the level of customer satisfaction with regard to training services.

Their study investigated the dimensions of service quality that had significant effect on customer satisfaction in training services. The study findings showed that the dimensions of service quality and customer knowledge were positively correlated with customer satisfaction among clients. However, only four factors, namely, competence, credibility, accessibility, and tangibles had significant effect on customer satisfaction. Therefore, the management have to focus efforts on upgrading areas of competence, credibility, accessibility and tangibles in order to continually increase customer satisfaction for continued profitability and success in training business.

(Murali et al. 2008) evaluated consumer perceptions on quality of e-services and internet banking adoption in Malaysia. The data was collected from 150 retail banking customers of the Klang Valley area. Results showed that internet banking users and non-users had different expectations towards e-service quality preferences. Not all of the dimensions were preferred by the respondents. Uppal (2008) analysed the quality of e-banking services in the changing environment. The sample size of bank customers was 25. The data was collected through pre-tested and well-structured questionnaire in Ludhiana, Punjab in May 2006. The study concluded that the customers of ebanks were satisfied with the different e-channels and their services helped in the spread of e-banking services. However, their study was mainly concerned with the Indian banking industry in general and particular those banks that are producing service through e-channels i.e. e-banks.

(Eboli et al. 2007) proposed a tool for measuring customer satisfaction in public transport. Specifically, they formulated a structural equation model to explore the impact of the relationship between global customer satisfaction and service quality attributes. The public transport service analysed was the bus service habitually used by University of Calabria students to reach the campus from the urban area of Cosenza (southern Italy). To calibrate the model, some data collected in a survey addressed was used. The proposed model can be useful to both transport agencies and planners to analyze the correlation between service quality attributes and identify the more convenient attributes for improving the supplied service.

Basing on the previous studies what this study examined the gap between expectations and perceptions of customers at NMB Wami branch. The study was based in four dimensions which were: reliability, empathy, tangibility and assurance.

### **2.3 Conceptual Framework**

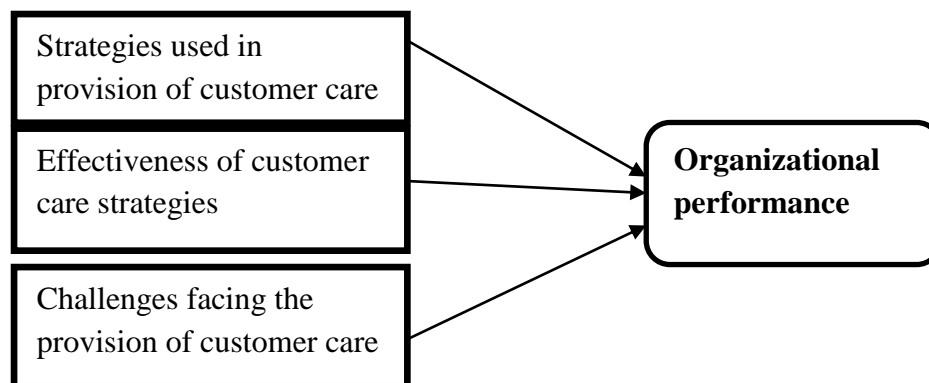
Conceptual or analytical frameworks link concepts in way which enhances effective and efficient data collection. Since it is not possible to focus on all issues related to the study, conceptual framework ensures collection of data are relevant to the research objectives.. Scarborough and Kydd (1992) asserted that conceptual framework helps to guide the researcher in formulation of the study and data collection.

In order for the service to meet quality it should be reliable, assured, tangible, and provided with empathy state. It should also be responsive. When the service meets these criteria it leads to customer satisfaction. Customer satisfaction results into customers' compliance. When customers have high level of compliance they will come back and also advice their fellow customers to join and hence increase the revenue and reputation earned by company. But good customer service has many things which will all lead to customer satisfaction. These are such as good communication, training and time taken for customers to be served. There are also external factors that lead to service reliability. Reliable service is the one which is provided as promised, dependable in handling customers' problems. Performing service right the first time, providing service at promised time, maintaining error-free records are the key aspects of reliability.

Responsive service will be performed, prompt to customers, willingly to help customers, readiness to respond to customers' requests. Assured service ensures that employees are confident with customers, make customers to feel safe in their transactions, employees are consistently and courteous. Empathy is practiced when employees give customers attention, deal with customers in caring fashion, have the customers best interested at their heart. Employees understand the needs of their customers and staffs serve customers at convenient business hours.

This ensures provision of tangible service by using modern equipment, using visual appealing facilities, have employees who have a neat professional appearance and have visual appearance materials associated with the service (McGraw-Hill, 2000). It is noted that the dependent variable, in this study, organizational performance is affected by a number of factors such as strategies used in provision of customer care, effectiveness of customer care strategies and challenges facing the provision of customer care.

**Figure 2.3: Conceptual Framework**



**Independent variables**

**Dependent variable**

**McGraw-Hill, 2000**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Overview**

This chapter presents the methodology of the study. It covers the research design, population, sample and sampling techniques, data collection instruments, data collection procedures and methods of data analysis of the study.

#### **3.1 Research Design**

Research design is an outline of the systematic and scientific procedures adopted in conducting a study (Saunders et al., 2007). In the research there were 100 recipients where 80 were customers and 20 were NMB staffs, mixed research design was adopted because it explained the relationship between customer service management and its impact in performance of the Banking industry.

#### **3.2 Research Population**

The study was done involving bank customers who were randomly selected and provided with the questionnaires. The total number of the population of the study was 100 recipients where 80 were customers and 20 were NMB staff

#### **3.3 Research Paradigm**

According to Cresswell (2003), a paradigm is a perspective based on a set of assumptions, concepts and values that are held by a community or researchers. This research adopted mixed research design so as it can be easy to describe and report and also to increase validity and reliability of the report. A mixed approach uses both deductive and inductive scientific methods, has multiple forms of data collection and produces eclectic and pragmatic reports (Anderson, 2004). The adopted a mixed research design approach (Leedy, 1997), blends both qualitative and quantitative data measurement to allow the data to be explored from two perspectives, thus increasing its construct validity.

### **3.4 Study Area**

The study was conducted in the city of Morogoro. Morogoro is the region which comprises of seven districts namely Gairo, Morogoro rural, Morogoro Urban, Kilombero, Kilosa Mvomero Ulanga. According to the 2012 national census, the region had a population of 2,218,492. The major economic undertakings include business, sisal plantation, retail trading and tourist Hotels at Mikumi and mount Uluguru. Others include services such as banking, Insurance, Tour operators and medical services. (<http://en.wikipedia.org> 13 January 2014). The specific area for the study was NMB Wami branch at Morogoro town centre.

### **3.5 Sampling procedures**

Saunders (2009) asserts that sampling provide a range of methods that enable someone to reduce the amount of data he needs to collect by considering only data from a sub group rather than all possible cases from which your sample selected. Babbie (2008), defined purposive sampling as a type of non-probability sampling in which the units to be observed are selected on the basis of the researchers' judgment about which ones was most useful or representative In this study respondent were randomly. The study used Simple random sampling because it minimizes bias and simplifies analysis of results. In particular, the variance between individual results within the sample was a good indicator of variance in the overall population, which makes it relatively easy to estimate the accuracy of results. Moreover, simple random sampling provides the most valid or credible results because it reflects the characteristics of the population from which they are selected. (Adam & Kamuzora 2008). This technique was used to select respondents who were given some questionnaires to be administered in the study area.

Four of the respondents were selected from the Zone office of NMB, while another sixteen respondents from all the departments who were not in management positions. All of the above respondents were selected using a systematic random approach.

Personal interviews were used to pre-test the structured questionnaire that was developed to be administered in the survey. Secondary data was collected from the administrative and personnel reports and any other relevant materials for the study. To determine the reliability of the instruments, the split-half method was used which established the coefficient of internal consistency.

### **3.6 Sample Size**

The sample size was drawn from NMB customers and also NMB staff of Morogoro urban. These were selected because they were easily accessible by the researcher given time and financial constraints.

### **3.7 Data Collection and Sources**

One of the most interesting characteristics of banking halls in is long queues of customers waiting for services especially in town branches “grade one branches” like Wami branch. This enables adequate collection of information from the customers of this situation in collecting primary data from the customers.

Both primary and secondary data was used. Personal interviews were used to pre-test the structured questionnaires that were developed to be administered in the survey. The main instrument to gather data from the customer of NMB was through face-to-face interviews. The interview guide was designed to help the researcher to focus on topics that were important to explore, maintain consistency across interviews with different respondents, and stay on track during the interview process.

The instrument was advantageous as the researcher was able to observe surroundings, use nonverbal communication and use extensive probing to get answers for the more complex interview questions

For the secondary data documents, sources were employed whereby use of previous document or materials to support the data received from questionnaires and information from interviews that includes book and magazines available in the libraries which were visited as well as information from relevant websites.

### **3.7.1 Primary Data**

Data were collected by visiting the banks during business hours and pleading the customers who were waiting for service to complete the questionnaires. Questionnaires were selected and used as the data collection instruments for several reasons. One, being anonymity which usually is assured when using a questionnaire and it is critical in a situation where a researcher is also the assessor of the respondents. The questionnaire allows quick and efficient data collection providing a stable, consistent and uniform measure without variation. . Structured questionnaire with closed-ended questions was used to provide answers to specific objectives of the study. The information included what customers expected from the bank and what exactly they got from the bank.

### **3.7.2 Secondary Data**

Secondary data were collected from bank office in Morogoro and also from internet. More secondary data were obtained from relevant institutions and organization like bank office and on the internet.

## **3.8 Tool of Data Analysis**

The data obtained were summarized and analysed by using Microsoft Excel Spread sheet. The spread sheet was used to produce tables for the ease of interpretation given the smallness of the sample. According to Aberdeen (2009), Microsoft excel spread sheets remain the predominant technology in use today for reporting, analysis, budgeting and forecasting purposes and are used uniformly at high levels by all companies, regardless of competitive status.

### **3.8.1 Descriptive Statistics**

Statistics such as means, frequency distribution, percentage, and average was used. Cross tabulation analysis was used to segregate respondents and compare satisfaction of different category of customers.

### **3.8.2 Ethical Consideration**

For ethical purpose, an official introductory letter was obtained from the Mzumbe University to request for a permit to conduct research. To assign meaningful numbers to responses variables were measured at interval scales.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

#### 4.0 Introduction

This chapter provides data analysis, findings, presentation and interpretation of findings. The purpose of the study was to establish the influence of customer service to the performance of NMB bank Morogoro Tanzania. The chapter is organised according to the specific research objectives which identify the strategies used in provision of customer care in the banking industry, to assess the effectiveness of customer care in influencing banking performance industry and to identify the challenges facing the provision of customer care in the banking industry for the case of NMB

#### 4.1 Questionnaire return rate

Target respondents were the staff and customers of NMB Morogoro. A hundred and ten (110) questionnaires were distributed to management and customers. The customers' questionnaires were 80 and they all answered and returned. Also out of 30 management questionnaires distributed to staff t only 20 questionnaires were returned. This implies that return rate was good for since it was more than 80 percent. According to Edwards et al (2002), a questionnaire return rate of 80 percent and above is absolutely satisfactory.

**Table 4.1: Questionnaires distribution and return rate**

Respondents	Questionnaires Distributed	%	Questionnaires Returned	%	Not returned	%
Management	30	27.2	20	66.7	10	33.3
Customers	80	72.7	80	100	0	0
TOTAL	110	100	100		10	

**Source: Field Data. (2014)**

#### 4.2 Respondents' Characteristics

##### 4.2.1 Gender of respondents

The result shows that both males and females were involved in banking activities. Male respondent were equal to that of female. It was found out that in management the number of male respondents was equal compared to female respondents.

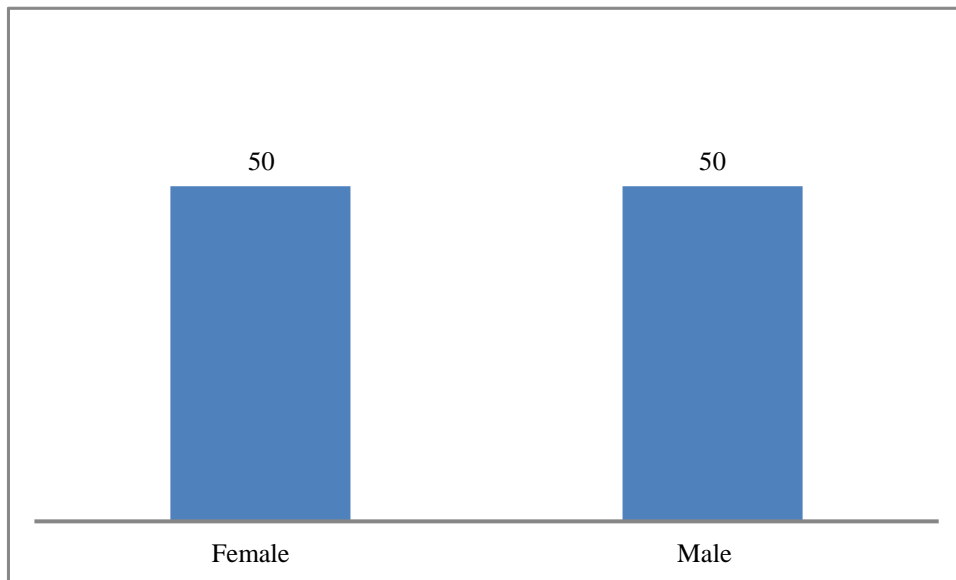
**Table 4.2: Customers' Gender distribution**

Responses	Number of Customers	Frequency	Percent	Cumulative Percent
Valid	Male	40	50.0	50.0
	Female	40	50.0	100.0
	Total	80	80	100.0

**Source: Field Data (2014)**

Out of 80 customer respondents 50% were males where as 50% were females.

**Figure 4.1: A chart showing Gender of customers respondents**



**Source: Field Data (2014)**

From the data provided in Figure 4.1 above fifty percent (50%) out of 80 respondents were male while fifty percent (50%) were female. The number of respondents who participated in the study was almost equal between males and females. This implies that both males and females were involved in banking activities

The findings indicated that there was an unevenly distribution of male and female staff respondents involved in the study.

**Table 4.3 Gender Distributions of NMB staff**

Gender	No of Respondents	Frequency	Percentages (%)
Male	12	12	60.0
Female	8	8	40.0
Total	20	20	100.0

**Source: Field Data (2014)**

The table above shows gender distribution of NMB customers who took part in this study whereby 60% out of 100 were male while 40 percent were female.

#### 4.2.2 Age of Respondents

**Table 4.4: Age Distribution of Bank Management Staff**

Age range	Frequency	Percent
20 – 29	5	25.0
30 – 39	12	60.0
40 – 49	3	15.0
Total	20	100.0

**Source: Field Data (2014)**

From table 4.4 it is clear that the majority of staff respondents (60%) were between the age of 30 and 39 years, and 25% aged between 18 and 29, while 15% of the respondents were aged between 40 and 49 years.

**Table 4.5 Gender of Customer Respondents**

Gender	Frequency	Percentages (%)
Below 20	7	8.8
20 – 29	27	33.8
30 – 39	22	27.5
40 – 49	17	21.3
50 And above	7	8.8
Total	80	100.0

**Source: Field Data, (2014)**

Table 4.5 shows that 8% of the respondents were below 20 years, 33.8% were between the ages of 20 – 29 and constituted the majority. Again 27.5% of out of 80 respondents aged between 30 to 39 years, 21% were between 40 to 49 years and also 8.8% aged 50% and above.

### 4.2.3 Occupation customer respondents

The majorities (30 %) of all respondent were business persons followed by employees 23%, farmers (18.8%), 11 %were students and others were only 13.8%.

**Table 4.6: Views Occupation customer respondents**

	Number of customers	Frequency	Percent	Cumulative Percent
Employed	19	19	23.8	23.8
Students	11	11	13.8	37.5
Business persons	24	24	30.0	67.5
Farmers	15	15	18.8	86.3
Others	11	11	13.8	100.0
Total	80	80	100.0	

**Source: Field Data (2014)**

### 4.2.4 Education of respondents

**Table 4.7: Education of respondents both staff and customers of NMB**

Education Level	Number of respondents	Frequency	Percentage (%)
Diploma and below	29	29	29
Degree	40	40	40
Masters and above	31	31	31
Total	100	100	100

**Source: Field Data (2014)**

Table 4.7 above shows that respondents who took part in this study were learned. Those with diploma and below were 29% and those with degree were (40% , 31% held masters and above. . This implies that respondents with different educational background took part in this study.

### 4.2.5 Working Experience in the bank

Findings on the working experience of the respondents indicated that 10 %t of them had 0 -12 months working experience while 30% had 1 - 3 years' experience. Other 30 % of the respondents were working with the restaurant for 3 – 5 years and the other 30% were working for more than five years. This is an indication that the majority of employees at NMB had working experience with the restaurant for at most 3 years.

The level of experience with an organization is important since it indicates the level of organizational socialization of an employee, a factor that in turn reflects the customer service offered.

**Table 4.8 Working Experience in the bank**

	Number of staff	Frequency	Percentage	Cumulative Percent
0 - 12 Months	2	2	10.0	10.0
1 - 3 Years	6	6	30.0	40.0
3 - 5 Years	6	6	30.0	70.0
More than 5 Years	6	6	30.0	100.0
Total	20	20	100.0	

**Source: Field Data (2014)**

### **4.3 Strategies used in provision of customer care at NMB Bank Morogoro**

The First objective of this study was to examine the strategies used by NMB Bank on morogoro in the provision of customer care. The findings were obtained by asking the respondents to explain how provision of customer care took place at the respective bank.

This aimed at understanding the situation of customer care, from the questionnaires and interview the researcher based on the voluntary and involuntary pattern (the key informants were interviewed at different times and gave different views in relation to the whole situation.

#### **4.3.1 Quick response time to customer requests**

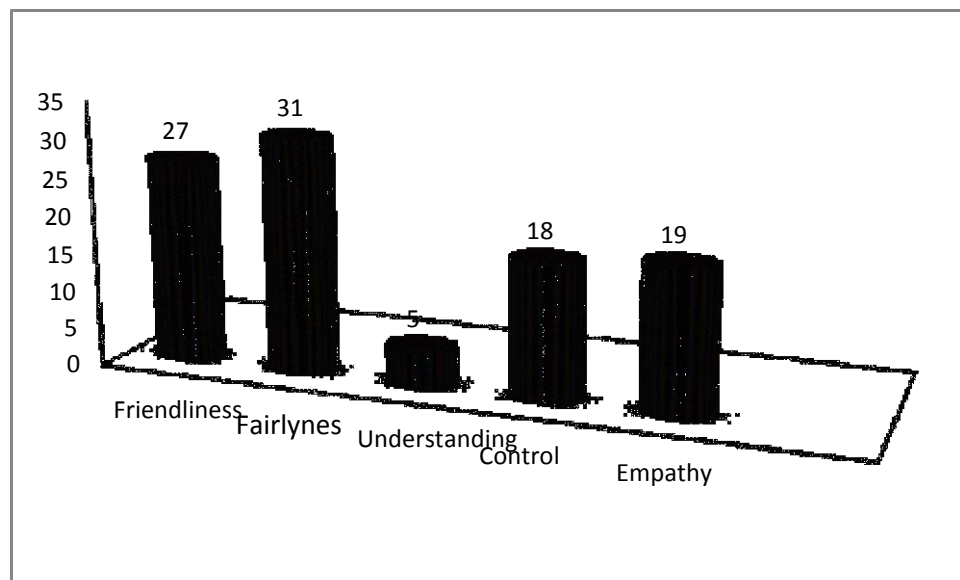
This part examined the influence of quick response to customer as a factor of inducing customer satisfaction at the NMB Bank in Morogoro. Figure below shows the results.

**Table 4.9: Views on Quick response time to customer requests**

Responses	Targeted respondent	Number of respondent	Percentage	Not respond	Percentage
Friendliness	100	27	27.0	73	73
Fairness	100	31	31	69	69
Understanding	100	5	5.0	95	95
Control	100	18	18.0	82	82
Empathy/Sensitive	100	19	19	81	81
Total	100	100	100.0		

**Source: Field Data (2014)**

**Figure 4.2 Quick response time to customer request**



**Source: Field Data (2014)**

Based on the findings, 27% of respondents want friendliness and that quick response was among the major ways used by NMB Bank in Morogoro in ensuring good service delivery to customers, 31% respondents mention fairness, 5% mention understanding as an element of quick response in the bank in serving customer. About 18% of the respondents want proper control and 19% mention empathy. However, the study revealed that NMB employees had the notion that frontline office staff were the ones to deal with customer and were also responsible for customer care.

Responsiveness and willingness for helping customers is always the most important aspects on customer services delivery. This result confirms the importance of human relationship in the banking sector or industry context where people strongly interact. In fact, as consumers “do not clearly differentiate the interaction aspects of reliability, responsiveness and assurance.

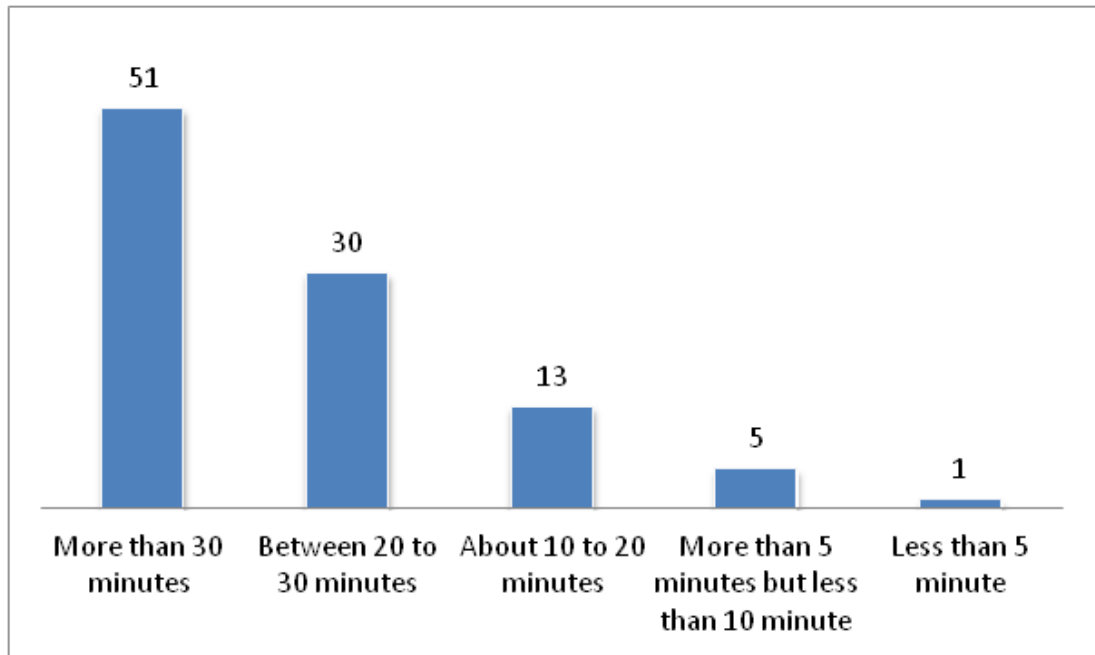
Time spent in queue waiting for service is very crucial. The findings further indicated that customers spent much of their time in bank queues waiting for services. 51% respondents said that they stayed in the queue for more than 30 minutes waiting for the services. This is a sign of poor service quality and customer dissatisfaction. Further more, 30% of the respondents stayed queuing between 20 to 30 minutes, 13% stayed in queue for about 10 to 20 minutes, while 5 % stayed for more than 5 minutes but less than 10 minutes, and only 1% waited for less than 5 minute. Currently there is no measure to suggest the reasonable waiting time but this study suggest the reasonable waiting time to be not more than 20 minutes. For customers waiting for more than 30 minutes reflects customer dissatisfaction.

**Table 4.10: Time spent in queue waiting for service**

<b>Attributes</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
More than 30 minutes	51	51	51	51.0
Between 20 to 30 minutes	30	30	30	81.0
About 10 to 20 minutes	13	13	13	94.0
More than 5 minutes but less than 10 minute	5	5	5	99.0
Less than 5 minute	1	1	1	100.0
	100	100	100	

**Source: Field Data (2014)**

**Figure 4.3: Respondents assessment in service time**



**Source: Field Data (2014)**

The essence of time taken for customers to be served is to indicate how well team working, specialization of tasks and division of labour can lead to better business performance.

As regards to the information shown in Figure 4.3, most of the customers spent more than 20 minutes waiting for services.

Long procedures and long queues were among of the major complaints raised out by respondents during the administration of this study at NMB Bank. It was also believed to be a major cause of customer dissatisfaction. According to the respondents time taken for a particular customer to be served at times is unnecessarily too long leading to service breakdown and subsequently customer dissatisfaction. Customers always need fast services that do not take a lot of their time.

The essence of time taken for customers to be served is to indicate how well team working, specialization of tasks and division of labour can lead to better business performance. In addition, the efficiency in serving the customer was reported to be highly depending on how well the supervision was done particularly at the bank, allocating duties to different employees basing on their capability. It was observed that employees understanding their role very well and were able to prioritize on tasks based on urgency. However, one interviewee argued that some employees did not fully understand their job and some were not fully committed to their tasks thus ending up wasting a lot customers' time. It was also observed that too much specialization of tasks at NMB sometimes lead to customer dissatisfaction. This was noted to occur when other staff performed what they were not used to in an inefficient way especially when the designated staff was absent during a particular day.

Many research findings have depicted sophisticated customers whose needs and preferences are constantly changing and thus the service providers have to be flexible and be quick to adapt to their customers' demands and ever changing needs.

#### **4.3.2 Banks' physical environment and facilities**

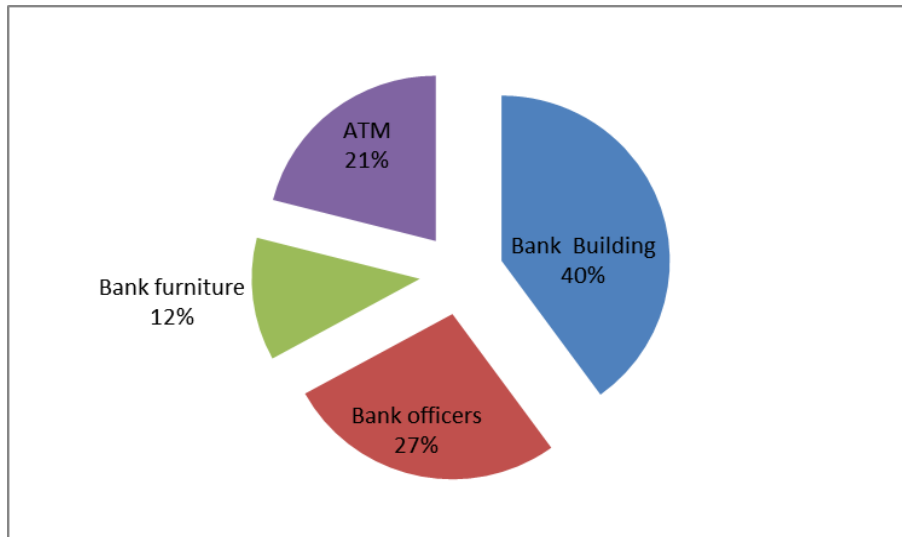
The study aimed at examining how NMB Bank developed and improved environment and facilities as means of giving best services to its customers. Physical appearance of the bank like NMB have a very big role to play for customers but also in enhancing the security and confidence of customers. This includes buildings, security, and the surroundings like parking.

**Table 4.11: Views on Banks' physical environment and facilities**

<b>Responses</b>	<b>Targeted respondent</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Non respondent</b>	<b>Percentage</b>
Bank Building	100	40	40	60	60
Bank officers	100	27	27	73	73
Bank furniture	100	12	12	88	88
ATM	100	21	21	79	79
<b>Total</b>	100	100	100		

**Source: Field Data (2014)**

**Figure 4.4: Banks’ physical environment and facilities**



**Source: Field Data (2014)**

The findings revealed that 27% of the respondents involved in the study agreed that banks’ bank officer as physical environment and facilities were very attractive, 40% agreed that bank buildig they were attractive, 12% said that bank furniture they were attractive while 21% said that banks’ ATM as physical environment and facilities were attractive. However, despite this positive view of the banks’ physical environment and facilities as indicated by the majority who agreed it was those who said it was attractive mentioned overcrowding in the banking hall as a reason. Furthermore, other facilities were not conducive to all groups particularly the disadvantageous group as no special window for disabled customers or reserved parking for people with special needs. This was noted by the researcher throught observation during the course of the study.

#### **4.3.3 Customer Care Strategies adopted by NMB Bank to de-congest its branches**

This objective aimed at determining customer care and satisfaction strategies used by NMB. . The researcher found that improvements were undertaken by the NMB to manage customer visits and to “decongest” its branches are as shown in table below.

**Table 4.12: Customer Care Strategies adopted by NMB Bank**

No	Attributes	Targeted respondent	Number of respondents	Percentage	Not respond	Percentage
1	Investment in information technology infrastructure	100	19	19%	81	81
2	Opening of new branches	100	9	9%	91	91
3	Establishment of branchless banking model	100	4	4%	96	96
4	Introduction of an expansive ATM network	100	25	25%	75	75%
5	Introduction of E-banking	100	3	3%	97	97%
6	Introduction of mobile banking	100	40	40%	60	60%
	Total		100	100		

**Source: Field Data (2014)**

Based on the findings provided in the table above it was revealed that 19% agreed that NMB Bank invested a lot in information technology infrastructure to enable easy access to banking services in order to ensure effective customer care.

Opening of new branches ranked 9% which implies that NMB Bank also introduced new branches as a way of improving customer services by reducing congestions especially in the highly populated places. The study found out that NMB plc was among the largest bank in Tanzania, both when ranked by customer base and branch network. With over 150 branches NMB is located in more than 90% of Tanzania's districts. This broad branch network distinguishes NMB from other financial institutions in Tanzania. NMB is trying to sustain and enhance the branch network in order to provide access to financial services to its customers in all areas of Tanzania, with special focus on rural areas.

Establishment of branchless banking model that allows its customers to use any of its branches depending on convenience ranked 4% which implies that some customers known as “JIHUDUMIE” in which the customer can get access of many banking service by using mobile phone and service points in some areas. NMB was found to have an expansive ATM network to facilitate smooth access to services as they were 359 ATMs out of 485 ATMs are in rural areas (more than 80%) during the study time.

The findings showed that NMB ATMs provided a new method of dispensing customer services which were expected to increase efficiency, sales performance, and enhance customer satisfaction. The study established that ATM services enhanced operations and customer satisfaction in terms of flexibility of time. ATMs were noted to add value in terms of speedy handling of voluminous transactions which traditional services were unable to handle efficiently and expediently. The level of satisfaction is reduced by technological and processing failures also by the perception that the service delivery mode is expensive and insecure regarding stand-alone ATMs, which creates customer dissatisfaction. Researcher's observation noted that there was no consideration being given to people with disabilities such as blindness and people in wheel chair, as they could not access ATMs. The potential usage rate of ATM services will continue to increase the banking sector's competitive edge and numbers will rise in ten years to come in Tanzania. This provides opportunities to overseas manufacturers and maintenance service providers, including skill-training opportunities for academic institutions.

Introduction of E-banking ranked 3% implying that NMB Bank developed electronic banking infrastructures as a means of improving customer care. It was found that the most important factors in starting to use e-banking were first and foremost better access to the services. Respondents who participated in this study argued that making transactions and payments right from home or anywhere without even having to step out a was a good thing. Many of the respondents indicated that NMB Mobile was the most convenient way compared to other methods adopted by NMB Bank in morogoro. It was further revealed that NMB Bank customers were able to keep track of accounts through the e-banking which was much faster and convenient compared to going to the bank... E-banking was also noted to have higher privacy, better prices, and better service that made customers prefer self service over office service. Customers are more likely to accept the e-banking services if there is ease of use in operation/process which can be instrumental to the utilization of technology and contribute to the individual by reducing transfer costs and improving work performance.

The findings further revealed the introduction of mobile banking was among the land mark strategy used by NBM; it was ranked 40% by the respondents. NMB Mobile payment services integration with Mobile Network Operators (MNOs) like Vodacom and Tigo offer on which customers of the respective bank access to some 50,000 cash-in/cash-out points nationwide, even in the most remote areas. With that reach of services, NMB proved to be the answer to bank customers in rural areas. Close to 1,500,000 of NMB individual customers are in rural areas, enjoying customer care within reach services.

#### **4.3.4 Excellent communication channels strategy**

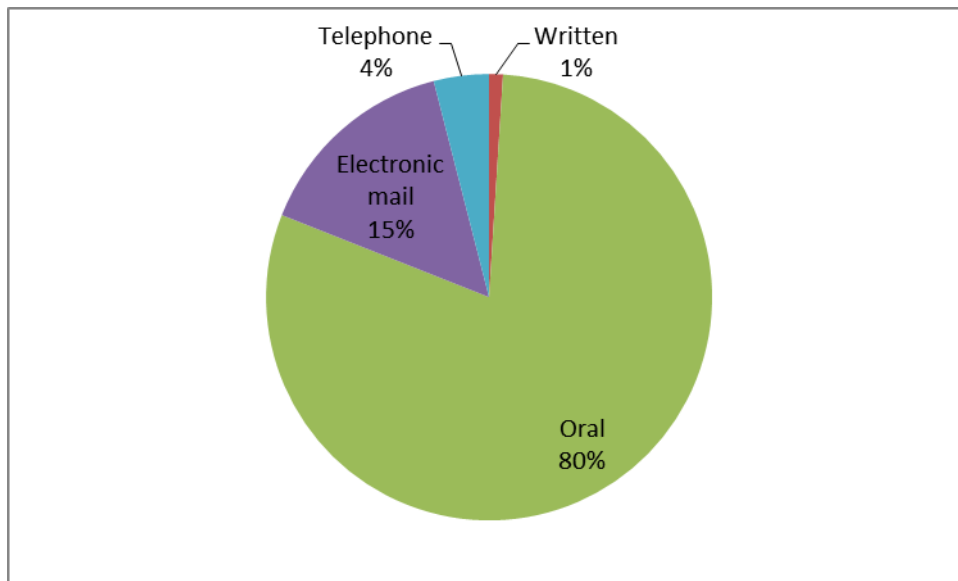
Customers' responses about NMB employees care and listening to customers rated as follows: About 80% of the respondents rated NMB as good in oral communication with customers, also 15% rated good in email communication with communicator, 4 % rated as good in telephone communication while 1% rated as excellent in written communication such as letter. This is shown in table 4.13.

**Table 4.13: Views on Excellent communication channels strategy**

<b>Attributes</b>	<b>Targeted respondents</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Non respondent</b>	<b>Percentage (%)</b>
Written	100	1	1	99	99
Oral	100	80	80	20	20
Electronic mail	100	15	15	85	85
Telephone	100	4	4	96	96
Total	100	100	100		

**Source: Field Data (2014)**

**Figure 4.5: Views on Excellent communication channels strategy**



**Source: Field Data (2014)**

#### **4.3.5 Collecting information to get feedback from customer**

The other strategy used by the bank according to research findings from management is the collection of information from customers in order to be aware of customers' problems. Their main method which NMB used in obtaining customers complaints was through internal complain registry which were available in every NMB branch. About 55% of respondents mentioned it as the main way to get information/complain. The other method was through discussion between bank officers and the customers. NMB also used social network like Facebook and Jamii-forum to gather complaints. Direct contact through phone calls and email were also used.

**Table 4.14: Methods used by the bank to get customer information/complaints**

Method	No of Customers	Frequency	Percent	Cumulative Percent
The use of Telephone and Email	2	2	10.0	10.0
Customer complain registration	11	11	55.0	65.0
Discussion with customers	4	4	20.0	85.0
Social network	3	3	15.0	100.0
Total	20	20	100.0	

**Source: Field Data (2014)**

#### 4.3.6 Training of staff in order to deliver better service to customers

The other strategy used by the bank was giving training to the bank staff to deliver better services to the customers. On whether the management offers staff trainings on presentation, all respondents (100 %) agreed and none disagreed. This is an indication that management at NMB use staff trainings as one of the strategies to help better customer service. Training on presentation for employees would be important to update them on the requirements on customer service; this helped the staff to deal with dis-satisfied customer in the better way.

**Table 4.15: Employees training enhancement at NMB Bank**

	Targeted respondent	Number responded	Percent	Non respondent	Percent
Customer service	20	9	45	11	55
Leadership	20	3	15	17	85
Policy and procedure	20	3	15	17	85
Ethics	20	4	20	16	80
Safety and emergence	20	1	5	19	20
Total	100	20	100		

**Source: Field Data (2014)**

Table 4.15 shows that 45% of the respondents mentioned that they had undergone customer service training enhancement at NMB, 15% respond bank staff went to leadership training, 15% mention policy and procedure training, 20% ethicks training and 5% mention safety and emergence training.

This reveals that training existed in at NMB evidenced by the response of the majority of the respondents. This meant that NMB trained its staff.

#### **4.3.7 Ways used by management to ensure that staff handles customer properly**

Findings on how the management ensured their staff handle clients show that the management used different strategies such as constant training (20%), good management (40 %) and introduction of suggestion boxes (20 %) as the main steps used by NMB to handle clients with presentation.

Findings from this study clearly indicate that one of the ways NMB invested in superior customer service was by ensuring that staff received training and good management on the latest customer service etiquette trends.

**Table 4.16: Views on how management ensure staff handles customer properly**

	<b>Targeted Respondents</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Good management	20	8	40%
Constant training	20	4	200%
Introducing suggestion box	20	4	200%
Proper supervision	20	4	20%
Total		20	100%

**Source: Field Data (2014)**

Most interviewees registered their average satisfaction on employees' mannerism at NMB particularly on the way the staff handled the volume of their conversations by not using their cell phones while with other customers, code of dress as well as presenting service to customer. The bank was also applauded for being clean and its employees being neat at all times. Also for being courtesy, having respect and promptly attending to customers' call. Yet some customers reported to be dissatisfied and complained against the attitude of some employees.

A customer care training program designed for NMB helped to maintain and enhance customer service standards where employees were trained on the best mannerism and presentation, efficiency and good customer care.

From the interviews, the customers were found to be aware that there were occasional trainings for the employees that aimed at improving performance of employees for better service delivery. The trainings were observed to be inspiring and motivating. It was nonetheless observed that there was little post-training follow up as disclosed by some of the customers who had some insider information.

#### **4.4 Effectiveness of customer care in influencing bank performance**

The second objective of this study was to find the effectiveness of customer care in influencing bank performance. Data were obtained by asking the respondents to explain the perceived impact of customer care.

##### **4.4.1 Financial Performance**

**Table 4.17: Effectiveness of customer care in financial performance**

Response	Targeted respondent	Respondent	Percent	Non respondent	percentage
Win market	100	20	20	80	80
Customer satisfaction	100	27	27	73	73
Customer loyalty	100	17	17	83	83
Competative advatage	100	20	20	80	80
Good will	100	16	16	84	84
Total	100	100	100		

**Source: Field Data (2014)**

Table 4.17 shows that 20% of the total respondents mention the advantage of winning the market, training methods on customer care were effective in delivering services at NMB Bank, 27% mention increase customer satisfaction, 17 mention that it will lead to customer loyalty, 20% mention the gain of competitive advantage and 16% mentioned the creation of goodwill of the company. The analysis reveals that training methods on customer care were effective but there was a need for some little enhancement in them to equip employees with skills to increase profitability and reduce costs.

#### 4.4.2. Findings on the measures of financial performance used by NMB Bank

**Table 4.18: Profitability is a financial performance measure in NMB Bank**

Response	Expected respondent	Frequency	Percent	Not respond	Cumulative Percent
Cost	100	53	53	47	47
Expense	100	30	30	70	70
Profit	100	17	17	83	83
Total		100	100		

**Source: Field Data (2014)**

From table 4.18, It is noted that 53% of the respondents agreed that cost profitability was a financial performance measure of customer care services offered by NMB Bank, 30% mention expense if the expense is low then the organization is performing well compared to when expense is high, 17% mention profit itself if the profit is high then the organization is performing good and if the company of the same have small profit then performance is poor. This indicates that profitability was a financial performance measure given a higher percentage of respondents who agreed.

**Table 4.19: Net worth determines how financially strong the Bank is.**

Response	Expected respondents	Frequency	Percent	Not respond	Percent
Valid Asset	100	40	40	60	60
Liability	100	47	47	53	53
Net worth	100	13	13	87	87
Total		100	100		

**Source: Field Data (2014)**

Table 4.19 portrays that 40% respondents Asset that network determines how financially strong the respective bank is if the asset is great also the network of the organization is big and if is asset is small then the network is small, 47% mention liability if the liability is low compared to asset then the net worth is big and if liability is bigger compared to asset then the net worth is small, 13% mentioned the network itself “difference between asset and liability” as the determinant of financial

strongerness of the organization. This indicates that the firm employed net worth to measure its financial performance and more net worth imply more financial strength.

**Table 4.20: Real cash flows enable management to report on the financial position of the Bank**

Response		Targeted respondent	Frequency	Percent	Non respondent	percentage
	Income	100	43	43	67	67
	Expense	100	36	36	64	64
	Net income	100	16	16	84	84
	Debt service	100	5.0	5	95	95
	Total	100	100	100		

**Source: Field Data (2014)**

As reflected in Table 4.20 about 43% Mentioned income as the indicator which used to indicate financial position in bank cash flow 36% mention income, 16% net income, 5.0% of the respondents mention debt services. This means that real cash flows constitute a financial performance measure.

**Table 4.21: The Bank reviews its balance sheet strength to declare its performance**

Response	Targeted respondent	Frequency	Valid Percent	Cumulative Percent
Asset	100	44	44	44
Liability	100	39	39	83
Capital	100	17	17	100
Total	100	100	100	

**Source: Field Data (2014)**

From Table 4.21 about 44% of the total respondents mention asset as the element of balance sheet which show performance of organization 39% mention liability when the liability is low in balance sheet it imply the more stronger the organization and 17% mentioned capital that the increase of capital compared to liability it indicate the more financial strong organization.

This indicates that NMB reviewed its balance sheet in order to measure its financial performance given the greater percentage of agreement than disagreement.

**Table 4.22: Views on customer care and Risk/Exposure**

Response	Frequency	Percent	Cumulative Percent
Marketing risk	70	70	70
Business and operational risk	14	14	84
Legal risk	16	16	100
Total	100	100	

**Source: Field Data (2014)**

Table 4.22 portrays that 70% of the total respondents respond that the firm assessed its financial performance in terms of risk/exposure in aspect of marketing risk, 14% respond Business and operational risk as an element exposure in which the bank access in order to increase financial performance and 16% respond legal risk as an area also that the bank access. This means that all elements of customer care such as Marketing, business, operational and legal risk reduce risk which constitute a financial performance measure were employed by NMB bank in big percentage in relation to customer services provided to the customers.

**Table 4.23: Fair Market Value (FMV) is an indicator of good performance**

Response	Targeted respondent	Actual respondent	Percent	Cummulative percentage
Market of the property	100	15	15	15
Cost	100	44	44	59
Available product	100	19	19	78
Free will	100	13	13	91
Reasonable knowledge	100	9	9	100
Total		100	100	

**Source: Field Data (2014)**

From Table 4.23, 15% s agreed that market of the product as the element of fair market value was an indicator of good performance, 44% agreed cost as another element, 19% mentio the availability of the product for trade as ana andicator of

good performance, 13% mention freewill as an element which indicates good performance the bank doesn't force customer engagement all they do is convince, 9% mention reasonable knowledge in both sides of customer and the bank about what they are about to engage in. This indicates that NMB Bank employed fair market value to measure its financial performance given a higher percentage of respondents who agreed.

Based on the available findings this implies that good customer service leads to a high level of customer satisfaction and it implies that the business will gain more profit by attracting new potential customers.

#### 4.4.3 The relationship between customer care and Financial performance

The Pearson correlation coefficient ( $r$ ) was employed to establish the relationship between customer care and financial performance of NMB Bank. Findings are indicated in the table below.

**Table 4.24: Relationship between the study variables**

		CUSTOMER CARE	FINANCIAL PERFORMANCE.
CUSTOMER CARE.	Pearson Correlation	1	.554**
	Sig. (2-tailed)	.	.000
	N	60	60
FINANCIAL PERFORMANCE	Pearson Correlation	.554**	1
	Sig. (2-tailed)	.000	.
	N	60	60

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: Statistical package for social scientists (SPSS) output.

Table 4.24 portrays shows a strong positive relationship between customer care and financial performance. This was evident by Pearson's correlation coefficient  $r = .554^{**}$  which was found to be significant at the 0.01 level. This implies that the more effort NMB Bank committed towards customer care, the higher was the financial performance level.

#### 4.5 Challenges facing the provision of customer care in the banking industry

**Table 4.25 Challenges facing the provision of customer care in the banking industry**

Attributes	Number of Respondents	Frequency	Percentage (%)
Lack of clear communication	16	20	20
Long procedures	43	53.75	53.75
Documentation process	10	12.5	12.5
Conditions for accessing NMB Bank's financial services	11	13.75	13.75
	80	100	100

**Source: Field Data (2014)**

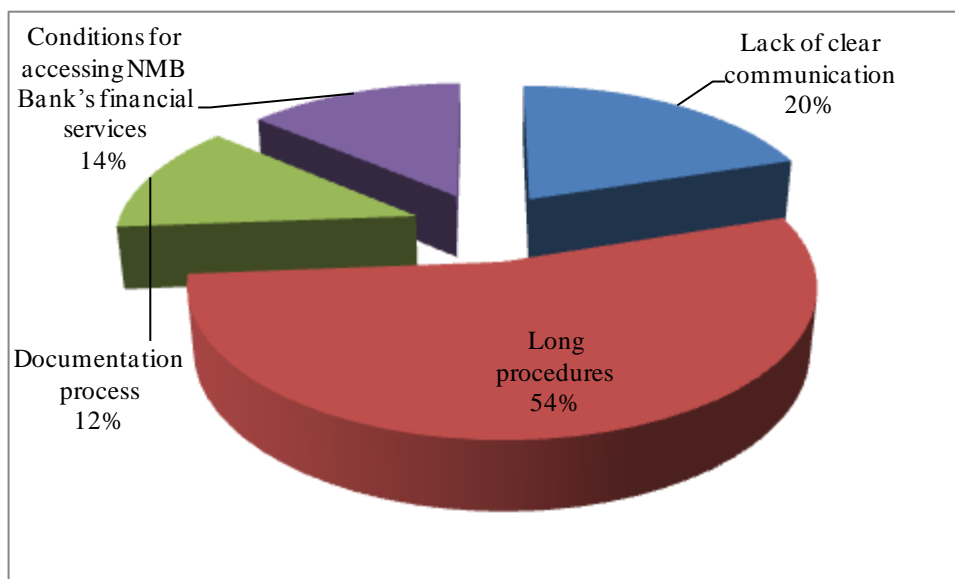
Another factor identified by respondents was lack of clear communication (20%) Communication was indicated as one of the very important aspect in customer services at NMB. Most interviewees reported that communication was effective at the bank. One interviewee argued that some employees did not express themselves precisely and concisely. It is recognized that as these skills become part of employees everyday communication process, they will be amazed at how those around them seem to have developed better skills in understanding.

From the findings it was revealed that without effective communication at workplace, nothing would be accomplished. Instructions could not be given; equipment and supplies could not be ordered; progress could not be measured; and services could not be delivered to customers. The five functions of management planning, organizing, staffing, leading and controlling are all dependent on communication. In fact, the ability to communicate effectively was identified as the most important skill a manager needs for success.

Documentation process ranked (53%) according to the respondents everything including related documentation needed to be communicated to clearly depending on their needs. Different needs ought to be addressed differently. Respondents believed that customers will feel neglected if they fail to get the correct message from those serving them. Too much emphasizing on documentation appears to be difficult to customers. These documentations in most cases caused customer dissatisfaction and subsequent customer withdrawal from seeking services as they thought they were being forced to reveal information touching on their privacy.

Conditions for accessing NMB Bank's financial services ranked 13%; this highlights the importance that customers attach to the loan term, loan amount and the grace period. These results indicate that NMB Bank customers will be more satisfied with a credit with a long term maturity, with grace period and with loan amount increasing for each loan cycle. Hence, the strategic dynamic incentives will enable clients to undertake projects with great impact while allowing NMB Bank to increase its revenues and efficiency).

**Figure 4.6: Challenges facing the provision of customer care in the banking industry**



**Source: Field Data (2014)**

During administration of this study customer respondents disliked long queue at NMB. The customers complained a lot about bank queue especially in town branches and others complained about waiting for long time before being served, for example the waiting time opening account to receiving ATM card. Others complained on loan processing time yet others complained on the limitation amount on NMB mobile while others especially loan customer complained about cost. But according to the results the major NMB challenge was the length of time before the customer received service.

It was revealed that all these challenges which NMB face in its provision of services to its customers lead to less customer satisfaction.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMENDATION**

#### **5.1 Introduction**

This chapter presents the summary of the study, conclusions and recommendations; the chapter also gives suggestions for further studies.

#### **5.2 Summary of the study**

The purpose of the study was to establish the influence of customer service to the performance of banking industry for the case of NMB within Morogoro Tanzania. Equally, the study evaluated the extent to which quality customer care in regards to how customers impacts on an organizations' performance.

The study utilized a survey design and targeted the staff of NMB in Morogoro so as to get accurate information. A list of the staff that was interviewed was retracted from the Branch Manager office containing the names of staff. Data were collected using structured questionnaires, interviews, and documentary review. The questionnaires were distributed to respondents who were NMB Bank staff and customers of the respective bank.. Data analysis was done through the use of SPSS version 20as well as Microsoft Excel 2007. Numbers were assigned for responses which were closed ended. The open ended questions the researcher categorized responses given and assigns numbers to them. Measures of central tendency and variability were analysed using descriptive statistics.

#### **5.3 Findings of the study**

This section presents the findings from the study. The section is organized into subsections based on demographic information, influence of communication on performance, influence Comment.

##### **5.3.1 Demographic findings**

From the study, Bank, Front Office including loan officers had 60% and back office at NMB had 30% of all employers while 10% were those who offered service to staffs such as drivers, cleaners and messengers.

From the findings, majority of employees at NMB had working experience with the Bank for at most 3 years. And for customers concerning the level of education, the respondents who had not attended school were few of the total population while those who had primary education were 18% and majority (45 %) had secondary level of education while 30% had university level education

### **5.3.2 Influence of communication on performance**

According to the findings, in management majority of respondents said that excellent customer service was a strategy that was adopted while flexible service for the customer that changed according to what customer wants “customer-centric was adopted by the bank example by offering “NMB CHAPCHAP ACCOUNT” which suit the requirement of customer who want to have account but are afraid to come to the bank and maybe don’t have time to come all this is done for the purpose of trying delivering the best customer service to the customer Most of the respondents reported that customer service strategy to a very great extent had impact on the bank success.

### **5.3.3 Influence of time taken by customers before being served on performance**

Regarding the duration it takes to serve a customer once they arrive at the bank, 51% respondents said that they stayed in the queue for more than 30 minutes waiting for the services. This is a sign of poor service quality and customer dissatisfaction, furthermore, 30% of the respondents stayed queuing between 20 to 30 minutes, 13% stayed in queue for about 10 to 20 minutes, while 5 % stayed for more than 5 minutes but less than 10 minutes, and only 1% waited for less than 5 minute. Currently there is no measure to suggest the reasonable waiting time but this study suggest the reasonable waiting time to be not more than 20 minutes. For customers waiting for more than 30 minutes reflects customer dissatisfaction. This implies that it averagely takes more than 30 minutes to serve a customer at NMB. This is not reasonable time though the duration largely depends on the nature of service required.

All the Bank respondents said the time had an influence to the satisfaction of its customers. Regarding the factors determining the time taken before serving the customer, 45% said the time depended on the service being offered to the customer, 35% responded that the time depended on number of customers and other 20% mentioned other reasons such as person on the department and time taken by network to respond and machinery used to offer service and number of personnel who serve the customer.

On the issue of what ways were used by the management of NMB to improve the time taken in service /serving its customers. Employing enough staffs, improving the system, Team work and staff training were mentioned as the most effective ways the management should take to improve the time taken in service /serving its customers. Other ways were good supervision. From the findings it can be deduced that employing more staff would reduce the workload since each employee would have less number of customers to serve. At the same time improving the system of operations would be a measure to eliminate inefficiency within the organization's operation by collapsing steps that may not add value to the both the internal controls and the customer service.

#### **5.3.4 Influence of staff etiquette/staff professional on performance**

The ways to which dress code affect customers' satisfaction were also analyzed. From the findings, neatness (30%), image of the Bank (50%) and unique and attractive to customers (20 %) were the most prevalent ways in which dress code would affect customer's satisfaction as mentioned by staff at NMB. The question of whether management ensured staff handle clients with presentation indicated that constant training (20 %), good management (40 %) and introduction of suggestion boxes (20%) were the main steps taken by NMB to handle clients with presentation. Findings from this study also indicated that one of the ways NMB invested in superior customer service was by ensuring that staff received training and good management on the latest customer service etiquette trends.

### **5.3.5 Influence of customer care training on performance**

The findings further showed that shows that 45% of the respondents mentioned that they had undergone customer service training enhancement at NMB, 15% respond bank staff went to leadership training, 15% mention policy and procedure training, 20% ethics training and 5% mention safety and emergence training. This show that there were occasional trainings for the employees that aimed in improving performance of employees for better service delivery. The trainings were observed to be inspiring and motivating. However there should also be training designed on measuring skills, reinforcing positive behaviors, sharing best practices, all of these elements are necessary to elevate your customer's experience every time and improve organization effectiveness and also workers safety.

### **5.4 Conclusion**

From the study it can be concluded that all strategies identified in the study need a dedicated workforce that works towards ensuring customers are satisfied at all times. Markets are also segmented based on the size of the market and the size of the loan applied while positioning is done according to the needs they satisfy, the benefits they deliver, specific service features and when and how they are needed.

Since the study indicated that customers always want to have clear and well defined messages to help them make informed decisions always. Then procedures should also be made flexible enough to be of help to them and not hinder them from getting the services. According to the respondents customers tend to shy away when they think that the information being asked to provide is intrusive hence the need to eliminate this intrusiveness of if it has to be done then they should be made aware that this documentation is not for other purposes other than to serve them. However strategies to enhance customer perception were given by respondents as ensuring that communication is done elaborately and using advertisements to position products in the minds of customers.

#### **5.4.1 Influence of customer care communication responses on performance**

The main method in which NMB get the customer opinion so as to provide better service is through internal complain registry which are available in every NMB branch, 55% of respondents mentioned it as the main way to get information/complain if any from the customer the other method was through discussion between bank officer., customer care officer and the customers. There were also some methods which helped the bank to get that information by using social network like Facebook and jamii forum and also direct contact using phone number and email.

#### **5.4.2 Influence of time taken by customers before being served on performance**

The type of service and number of customer are the main determinants to the time taken before serving the customer. The reason for this is because some services require more time for processing to be offered to the customers while number of service center to serve customer would increase the efficiency and thus reduce the duration taken before serving the customers. Employing more staff would reduce the workload since each employee will have less number of customers to serve. At the same time improving the system of operations would be a measure to eliminate inefficiency within the organization's operation by collapsing steps that may not add value to the both the internal controls and the customer service.

#### **5.4.3 Influence of staff etiquette on performance**

Organizations endeavor to enhance customer service through maintaining the appropriate dressing code within their business environment. One of the ways NMB invested in superior customer service was by ensuring that staff receives training on the latest customer etiquette service trends through presentations. This acts as an incentive for the employees because they receive certificates of attendance and it is a way of motivating them to excel in service provision. When customers are satisfied and more of them attracted to an organization, performance of that organization goes up.

#### **5.4.4 Influence of customer care training on performance**

The study established that there were occasional training programmers at NMB at regular intervals that were on customer care service. Both in-house and external trainings were beneficial for staff upholding the Bank standards at NMB. Other trainings were on Bank management implying that the performance of banking industry is largely pegged on good customer care.

#### **5.5 Recommendations**

Basing on the findings the following recommendations were made:

- i) Communication as a major driver to performance of any organization should be enhanced in the bank. Customers should be kept informed on any changes made or proposed through an effective communication channel which in turn calls for effective communication policies.
- ii) The management of different firms in banking industry should consider frequent training of employees on customer services especially through creating strong customer relationship and improvements on presentations. Also, bank Management should improve employee's incentives and training programme, particularly on customer service training from time to time and not only at the time when the employees join the organization.
- iii) Bank Management should conduct regular research on customers' needs and wants and how to effectively satisfy them. NMB management has to create a page in their website to answer some frequently asked questions (FAQ), this will minimize the number of repeated questions.
- iv) NMB staff should encourage and welcome suggestions on improving customer satisfaction.
- v) Bank companies should also employ effective employee etiquette as manifested by mutual respect among all stakeholders, courtesy and proper dressing codes
- vi) Bank businesses should also consider employing mechanisms of improving on efficiency through reduction of time spent to serve the customers.
- vii) NMB should improve their telling services by increasing the number of tellers as they are inadequate.

viii) NMB needs to minimize the problem of ATM going offline and notify its customer in case of maintenance/servicing the machine by providing a polite notice to customers through website, newspaper, Bank's notice board etc.

### **5.6 Areas for further research**

Given the scope and limitations of this study, the researcher suggests the following areas for further studies.

- i) The study should be undertaken under a cross-sectional descriptive design which would ensure elimination of any bias experienced in this study.
- ii) A replica of the study should also be carried out within the context of a sector other than the bank industry for comparative purpose.
- iii) Other factors pertinent to customer service and influencing performance should also be carried out for further recommendations.

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## APPENDICES

### Appendix i

#### Section A. RESPONDENT'S PROFILE

There is no right or wrong answer please name the letter of the appropriate answers.

Name (Optional)

.....

1. Please what is your gender?  
A. male B. female
2. Please select your age group.  
A below 20 years B. 20 – 29 C. 30-39 D. 40 – 49 E. 50 and above
3. What is your occupation?  
A. Employed B. student C. businessman/woman D. Other .....
4. Select your highest academic qualification? (Please tick only one box)  
A. Primary B. Secondary C. Diploma D Bachelor's degree E. Post-graduate F  
PhD
5. How long does it take for the customer to to stand in the queue before being  
server  
A. Less than 5 minutes B. 5 – 10 Minutes D. 11 – 20 Minutes D. 21 – 30  
Minutes E. More than 30 minutes
6. The following represent the portfolio of services I receive from the bank.  
A. General banking/savings B. Loan productsC. Others  
(specify).....

#### Section B Customer Perception of The Superiority Of Service Quality Of The Bank

In the following questions use the following responses from the scale of 1 to 3 to  
answer where

- 1 – Poor
- 2 – Average
- 3 – Good

7.	To what extent do you think NMB is doing enough work to serve you as the customers	
8.	To what extent do you think NMB train staff in order to deliver better service to customers	
9.	How do you rate the level of satisfaction to the service delivered to customer at NMB	

10. Which Banks' physical environment and facilities attracts most  
.....
11. Which communication channels strategy is most efficient in the bank  
.....

**Section C. In the next questions name the answer in your opinion**

12. Why did you choose to do business with NMB?
- i. ....
  - ii. ....
  - iii. ....
  - iv. ....
  - v. ....
12. Mention what you disliked about services offered by NMB
- i. ....
  - ii. ....
  - iii. ....
  - iv. ....
  - v. ....

14. What would you advice NMB to do so that to increase your satisfaction in future?

i. ....

ii. ....

iii. ....

iv. ....

v. ....

**Appendix ii**

**Questionnaire to Management**

Name (Optional) .....

1. Gender a) Male b) Female

2. Please select your age group.

A below 20 years B. 20 – 29 C. 30-39 D. 40 – 49 E. 50 and above

3. Please identify the position you are working in the organization

4. For how long have you being working with the bank

A. 0 – 12 Months B. 1 – 3 Years C. 3 – 5 Years D. More than 5 years

**Following questions answer in the rate in the scare of 1 – 5 where**

**1 = strongly agree, 2 = Agree, 3 = Not sure, 4 = Disagree, 5 = strongly disagree**

5. What areas are bank employees sufficiently trained to perform assigned roles

6. How effective is customer care in influencing banking performance at NMB

7. Is profitability is a financial performance measure in NMB Bank

8. Which elements of net worth determines how financially strong the Bank is

9. Which elements of real cash flows enable management to report on the financial position of the Bank

10. Which elements of the Bank reviews its balance sheet strength to declare its performance

11. What elements of fair Market Value (FMV) is an indicator of good performance

12. How long does it take for the customer to to stand in the queue before being server

A. Less than 5 minutes B. 5 – 10 Minutes D. 11 – 20 Minutes D. 21 – 30 Minutes E. More than 30 minutes

13. What is the impact of good customer service to NMB

i. ....

ii. ....

iii. ....

14. Which way does NMB use to get awareness of their customer complain

- i. ....
- ii. ....
- iii. ....
- iv. ....
- v. ....

15. What ways used by management to ensure that staff handles customer properly

- i. ....
- ii. ....
- iii. ....
- iv. ....

16. What are the strategies used in provision of customer care in NMB

- i. ....
- ii. ....
- iii. ....
- iv. ....

17. What are the challenges that face NMB service offering departments

- i. ....
- ii. ....
- iii. ....
- iv. ....
- v. ....