ANALYZING THE NEED FOR QUALITY CUSTOMER SERVICES IN THE MICRO FINANCE INDUSTRY: A CASE STUDY OF SINAPI ABA SAVINGS AND LOANS LIMITED, SUNYANI BRANCH

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Abstract - Delivering excellent customer service is a winning strategy which results in more new customers, more business with existing customers, high customer retention and lower customer attrition. There is general perception that micro finance companies in Ghana do not deliver quality customer service and this is a worrying situation that needs investigation, hence the need for a research work into this. The aim of the work was to investigate the quality of customer service delivery by micro finance companies to their customers taking into consideration factors that may cause customer dissatisfaction, and the new trends in customers' expectation. The findings showed that generally overall satisfaction of customers with the quality of service delivered by micro finance companies was low. The SERVQUAL model developed by Parasuraman et al (1988) was revealed to be the best model for assessing service quality. Customers also indicated that they were expecting their micro finance companies to add ATM services, mobile money, SMS alert and others to their services in order to make them more loyal. The recommendation made was that micro finance companies must understand the customers' needs and wants and try to increase satisfaction level of customers by providing tailor made services.

Keywords - Customer Service, SERVQUAL Model, ATM Services, SMS Alert

I. INTRODUCTION

Micro finance is made up of the provision of financial services as well as the management of small amounts of money through a range of products and a system of intermediary functions that are targeted at low income clients (Asiama and Osei, 2013). The products include savings, loans, insurance and other related financial products and services.

According to Adjei and Arun (2012), "the vision of the founders of microfinance was to supply formal financial services to poor people, who were shunned by banks because their savings were tiny, their loan demand was small, and they lacked loan collateral". This constrained their ability to initiate their businesses, finance emergency needs, acquire assets as well as insure themselves against illness and disasters that befall them (Zeller and Meyer, 2012).

The three main goals that Microfinance Institutions (MFl) seek to achieve are, outreach to the poor, sustainability of the institution and impact among clients, generated as a result of providing these services (Egigu, 2012; Wollni, 2011). With regards to outreach, both breadth and depth of outreach is looked at. Breadth looks at the total number of poor persons who make up active clients whilst depth considers the poverty levels of clients (Wollni, 2011; Schreiner, 2009). Sustainability of institutions can be said to be the institutions viability in future and considered very important for successful MFI as well as serve as an indication of these institutions ability to serve the poor for longer period of' time (Wollni, 2011). Finally, impact considers both the negative and positive aspects that occur in the lives of clients and family members, their businesses and communities as a result of services provided by these MFl (Wollni, 2011). It is important to note that the concept of microfinance is not new in Ghana. People have always had the idea of saving or taking small amounts of loan from individuals or group of persons with the intention of starting their own business (Asiama and Osei, 2013). It is however worth noting that microfinance has developed gradually over the years into three main categories formal suppliers such as savings and loans companies; semi-formal suppliers such as credit unions; and informal suppliers such as Susu collectors (Asiama and Osei, 2013). Microfinance has evolved due to competition and it is therefore paramount for any Microfinance Institution (MFD to evolve products and improve upon quality of customer services if the company would like to retain its customers (Urquizo,2016). Customer service is basically anything we do for a customer which improves upon a customer's experience while satisfaction of a customer is their overall feeling of contentment after a customer interaction (Harris, 2017). It is therefore important to identify customer's perception of the kind of products and customer service offered them by an MFI and also elicit information on how from their point of' view, be satisfied as customer

II. OBJECTIVES OF THE STUDY

1. To investigate the quality of service delivery by micro finance companies to customer.
2. To assess whether clients are satisfied with available products and infrastructure of SASL
3. To identify factors that may cause customer dissatisfaction.

4. To determine areas to improve upon in order to satisfy customers of the company.
5. To identify the new trends in customer expectations

III. RESULTS AND DISCUSSIONS

Table. I: Analysis on bio data on gender. The analysis shows that 45.8% of the respondents are males and 54.2% are females. 1.The gender distribution gives brief information about the bank patronage behaviour of Ghanaian males as against females. It can be seen that the female dominates their male counterparts. This shows that females visit micro finance companies to transact business or save their monies more than males.

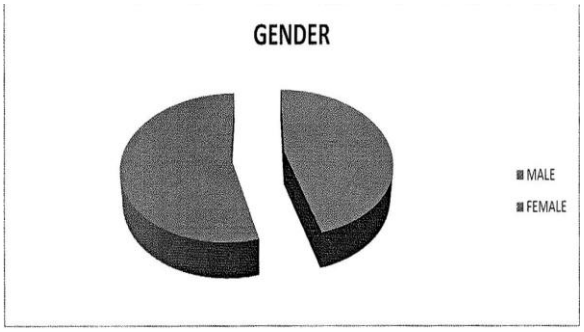

Figure 1.A pie chart showing the gender distribution of respondents

From the table above, it indicates the distribution of respondents' ages and percentages. Forty (40%) of the respondents ranges from the ages of 18 to 29, thirty-eight (38%) of the respondents ranges from the ages of 30 to 44years whilst 19.2% of the respondents ranges from the ages of 45 to 59 and ten (10%) of the respondents ranges from 60years and above. The result shows that majority of the respondent are in their prime age who are now searching for salaried jobs and hence do their own businesses are the most frequent users of the micro finance companies.
Respondents' occupation is also of importance to the study. From the data gathered it was realized that the majority of respondents were in private institutions or self-employed. About 50% of our respondents indicated that they were in private employment. About 18.3% being in the public sector and 24.2% being students.

There is a percentage of 7.5% who indicated that they were not employed. The employment status also gives an idea of the caliber of people in terms of net-worth that were used for this study.

IV. ACCOUNT HOLDING INFORMATION

The account holding information was gathered to help the researcher know how well the respondents patronized the banking facility. The discussions that follow capture information collected in this regard.

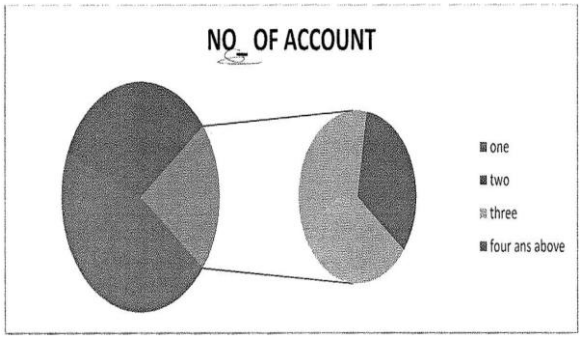

Figure 4.A pie chart showing the number of micro finance companies respondents operate account with.

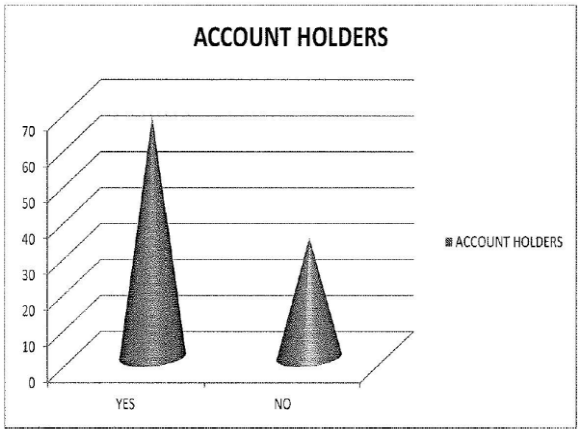

Figure 5 A bar chart showing number of respondents who have account with SASL

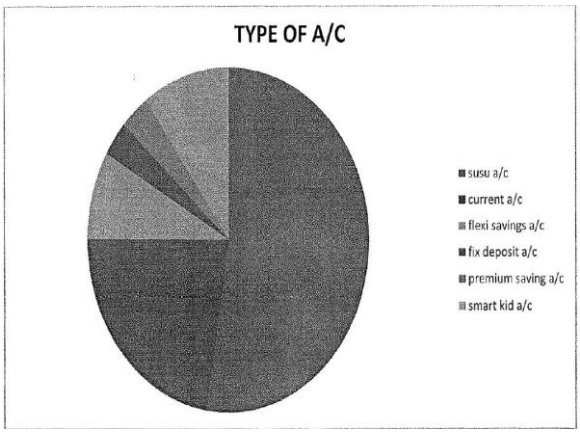

Figure 6A pie chart showing the type of account respondents operate with SASL

V. CUSTOMERS LIKES ABOUT STAFF OF SASL

A majority of about 57% of the respondents indicated that they were satisfied with the quick service delivery by SASL staff. This is followed by a percentage of' about 25% who also indicated that they liked the friendliness of staff towards them and then 12%% of the respondents who are also pleased with the staff ability to handle all enquiries. The least frequency score went to listening skills of staff which received about 6% of responses from customers who liked the listening skills of SASL staff.

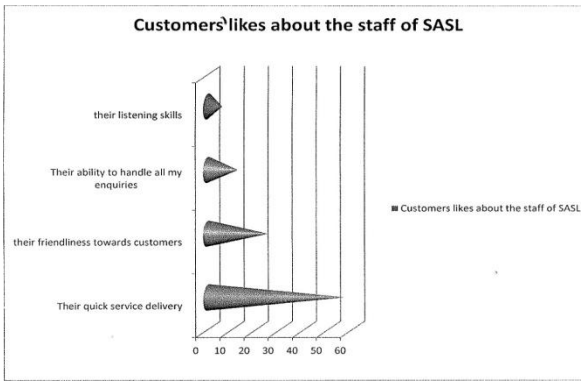

Figure.7A bar chart showing Customers likes about staff of SASL

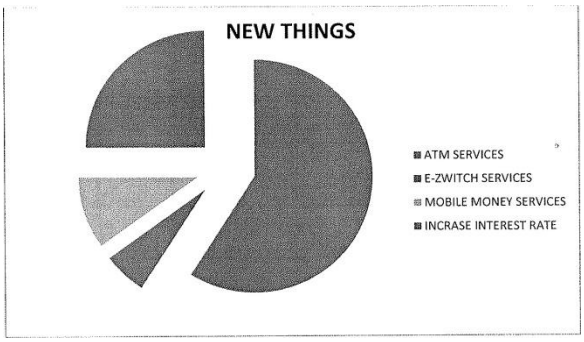

Figure 8.A pie chart showing new things customers expect from their bankers

VI. CONCLUSIONS

The study has shown that generally overall satisfaction of customers was moderately low. This means that micro finance companies in Ghana are performing poorly in their customer service delivery. As was indicated in the study, customers are getting dissatisfied with the continuous breakdown of network connectivity as well as long turn-around time for service delivery, waiting for long hours in the banking hall before getting served and unwillingness of staff to assist customers

To achieve excellence, there is the need to develop and implement an industry wide service improvement programme. This must meet a number of objectives including: defining the banking businesses in a customer focused way; defining the management behaviour needed to support customer focus; considering how to motivate staff to take part in the programme and maintain their commitment; and identifying how the success of the programme will be measured. The only real aim of any business is to win, satisfy, and hence retain, its customer base.

RECOMMENDATIONS

The researcher's recommendations from this study are that micro finance companies must take a critical look at those factors that causes customers dissatisfaction and design strategies towards customer' satisfaction.

The study also suggests that the SERVQUAL model is a suitable instrument for measuring the micro finance service quality in Ghana and therefore recommends that bank managers can use this instrument to assess the bank service quality in their banks.

The study recommends that future research must analyze to find out if any gap exists between customer perception and expectation regarding the quality of service.

The study again recommend that micro finance companies must understand the customers' needs and wants and try to increase satisfaction level of customers by providing tailor made services.

Human needs are insatiable and they continue to change over time hence micro companies mustcollect information about customer needs in other to take competitive advantage. What may be satisfactory to the customer today may not be considered satisfactory service at all in the near future.

In as much as measuring service quality is important, service managers should endeavour not only to measure service quality but to take steps to manage and improve service quality. Additionally, managers must also find and manage factors which may be related to service quality and which ultimately affect customer satisfaction. This may lead to service managers spending relatively more on increasing customer satisfaction so, in turn increasing customer's intention to purchase the service. This is particularly important because of the widely acknowledged belief that it is more cost effective to retain an existing customer than to attract a new one.

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