

2014

Effectiveness of service delivery and technology utilization in banking sector: a case study of CRDB Mbinga

Bashiri, Farida

The University of Dodoma

Bashiri, F. (2014). Effectiveness of service delivery and technology utilization in banking sector: a case study of CRDB Mbinga. Dodoma: The University of Dodoma.

<http://hdl.handle.net/20.500.12661/1793>

Downloaded from UDOM Institutional Repository at The University of Dodoma, an open access institutional repository.

**EFFECTIVENESS OF SERVICE DELIVERY AND TECHNOLOGY
UTILIZATION IN BANKING SECTOR:-**

A CASE STUDY OF CRDB MBINGA

By

Farida Bashiri

**Dissertation Submitted in Partial Fulfillment of the Requirements of the Award of
the Degree of Master of Business Administration of the University of Dodoma**

The University of Dodoma

October, 2014

CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the University of Dodoma the dissertation entitled ***“Effectiveness of Service Delivery and Technology Utilization in Banking Sector: The Case of CRDB Bank Mbinga Branch”*** in fulfillment of the requirements for the degree of Master of Business Administration of the University of Dodoma.

.....

Dr Viswanadhan

Supervisor

Date.....

DECLARATION

AND

COPYRIGHT

I, **Farida Bashiri**, 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 a similar or any other degree award.

Signature.....

No part of this dissertation may be reproduced, stored in any retrieval system, or transmitted in any form or by any means without prior written permission of the author or the University of Dodoma.

ACKNOWLEDGEMENT

I would like to express my sincere and heartfelt acknowledgement to all those who, in one way or another assisted me in preparing and accomplishing this research work which sets a lifetime mark in my academic achievements.

First, I return all glory and praise to God for giving me healthy both physical and mentally throughout my study and more particularly during this research undertaking.

I take this opportunity to thank my supervisor, Dr N. Viswanadham, who assumed the supervisory and guidance role right from the conceptual development up to the completion stage. Special thanks should go to all members of my family, especially to my parents Mr. & Mrs. Bashiri and Shabani Kihara family for praying to God and assist me during my studies.

My classmates of MBA evening program also deserve due thanks for their support and mutual encouragement. In addition, my lecturers while I was doing my MBA deserve too special thanks for their academic.

I wish to express my gratitude to my beloved husband Mr Faraja B. Kaluwa and my two sons Valentino Faraja and Ronald faraja for inspiration, patience and encouragement throughout my study and preparation of this report to its successful completion.

Though the list can be endless it is my responsibility to extend my gratitude to all members of staff, School of Business and Economic studies, the University of Dodoma for their support.

Lastly I am very thankful to everybody and every institution especially CRDB Mbinga that enabled me to collect data in unbiased way and all those who helped in proof reading and editing my initial drafts of this work. I declare that errors found in this report are

solely my own responsibility and therefore should not be attributed to any of
acknowledged person(s) or institution(s).

DEDICATION

This work is significantly dedicated to my lovely mum **Rose Mitiaki** who has always been in the forefront for the fraternity endurance to support me in my academic furtherance at all stages.

This work is also dedicated to my husband **Faraja Kaluwa** and my lovely sons **Valentino and Ronald Kaluwa** with great love and affection, for the sacrifice of their invaluable personal time they are entitled to, providing all encouragement and all support and bearing with me at all times.

ABSTRACT

This study assesses the effectiveness of service delivery and technology utilization in banking sector. It was conducted in CRDB Mbinga branch. Specifically, the study examined the implementation technology in services provision by banks and challenges facing the Mbinga CRDB Bank branch. The study look at the self-service technology such as ATM, internet banking and telephone banking together with other bank services like loan, account and how it impacts on the customers' support of banking products. The main objective of this research was to investigate the effectiveness of services offered by CRDB bank and how technological utilization has improved customer agreement with the bank. In order to ensure validity of the findings, a multi-method data collection strategy which included questionnaires, interviews, observation and documentary review were employed. This study used random sample of 152 respondents who were the customers and bank staff. In addition, a checklist was used to collect secondary data related to service delivery and technology utilization through documentary review.

The study reveals that, most of the customers of CRDB were agree with the quality of services provided by the bank, this were evidenced through looking the time customer stayed with the bank. The study show that customers were not happy with ATM services though it used by majority due to network problem. They claimed that ATM is not only one and far located but also it not operating all the time due to network problem. It go offline for long time without prior notification to customers hence reduced the services delivery to the tastes and preference of the customers. The Bank needs to consider place more ATMs to cattle customer need and more education should be provided to the customer on the use of other function of ATM and not only dispensing as it used by majority.

TABLE OF CONTENTS

CERTIFICATION.....	i
DECLARATION AND COPYRIGHT.....	ii
ACKNOWLEDGEMENT.....	iii
DEDICATION.....	v
ABSTRACT.....	vi
TABLE OF CONTENTS.....	vii
LIST OF TABLES.....	xi
LIST OF FIGURES.....	xii
LIST OF ABBREVIATIONS OR ACRONYMS.....	xiii
CHAPTER ONE.....	1
1.0 Introduction.....	1
1.1 Background of the study.....	1
1.1.1 The History of Banking.....	1
1.1.2 Banking sector in Tanzania.....	3
1.1.3 Technology based services in banking Sector.....	3
1.1.4 Importance of Technology on Effective Utilization in Banking.....	4
1.2 Statement of the Problem.....	4
1.3 Objective of Research.....	7
1.3.1 General objective.....	7
1.3.2 Specific objectives.....	7
1.4 Research questions.....	8
1.5 Significance of the study.....	8
1.5.1 To the National Economy.....	8
1.5.2 To the CRDB banks.....	8
1.5.3 To the policy maker.....	8
1.5.4 To the researchers.....	9
1.6 Scope of the Study.....	9
1.7 Limitation of the Study.....	9
1.8 Conclusion.....	9

CHAPTER TWO.....	10
LITERATURE REVIEW	10
2.1 Introduction	10
2.2 Theoretical Literature Review	10
2.2.1 Definition of key concepts.....	10
2.2.1.1 Service Quality	10
2.2.1.2 Commercial bank.....	10
2.2.1.3 Consumer Satisfaction Theory	11
2.2.1.5 The Profit –Chain Model.....	12
2.2.1.6 Service Expectation Model.....	13
2.2 Review of literature	14
2.2.1 E- Banking in banking sector	14
2. 2.2 ATM Service and efficient	15
2.2.3Telephone Banking.....	16
2.2.4 Internet Banking	17
2.3 Empirical Review	18
2.4 Research gap.....	22
2.5 Conceptual Framework.....	23
2.6 Chapter summary.....	24
CHAPTER THREE.....	25
RESEARCH METHODOLOGY	25
3.1 Introduction	25
3.2 Area of the Study.....	25
3.3 Research Design	25
3.4 Research Approach.....	26
3.5 Study population.....	26
3.6Sample and Sampling Techniques.....	26
3.7 Sampling Procedures	27
3.8 Methods of Data Collection.....	28
3.9 Data Collection Procedure.....	28
3.9.1 Documentary study.....	29
3.9.2 Questionnaires	29
3.9.3 Interview	30

3.10 Data Analysis.....	30
3.11 Reliability and Validity of Data	30
3.11.1 Reliability	31
3.11.2 Validity	31
3.12 Research Ethics.....	32
3.13 Researcher as an instrument.	32
3.14Chapter summary.....	32
CHAPTER FOUR	33
DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS	33
4.0 Introduction	33
4.1 Profile of Respondents	33
4.1.1 Gender	33
4.1.2 Age groups of Respondents	34
4.1.3 Education Level of Respondents	34
4.1.4 Respondents' time of banking with CRDB	35
4.2 Services Delivered by the Bank and their relevance to effective service delivery.....	36
4.2.1 Major bank services provided by the Mbinga CRDB Bank branch	36
4.2.2 Customers awareness on bank accounts.	37
4.3 Descriptive distribution of survey questions	38
4.4 Degree of customer agreement on effectively services delivery by the CRDB bank. .41	
4.4.1 Customers Empathy.....	41
4.4.2 Agreement in assurance of security of the service	42
4.4.3 Customer agreed on staff Reliability	43
4.4.4 Customer agreed on staff Responsiveness.....	44
4.4.5 Customer agreement in term of Tangibility	45
4.5 Effective utilization of modern technology and its user friendship to customers	46
4.5.1 Telephone Banking.....	46
4.5.2 ATM Uses	47
4.5.3 Internet Banking	48
4.6 Measures of Association.....	49
4.7 Challenges arising from open ended question	51
4.7.1 Challenges in usage of ATM	51
4.7.2 Challenges in usage of Internet banking.....	52

4.7.3 Challenges in usage of Telephone banking	53
4.7.4 Challenges caused by customer	54
4.7.3 Bank service charges	54
4.8 The extent to which services encourage customers to stay	55
4.6.1 The probability a respondent leaving CRDB Bank	56
4.9 Conclusion	56
CHAPTER FIVE	57
SUMAMARY OF THE FINDINGS, CONCLUSION AND RECOMENDATIONS.....	57
5.0 Introduction	57
5.1 General findings of the study.....	57
5.1.1 Customer perception on bank services	57
5.1.2 Problem arises on the IT services user	59
5.2 Conclusion	60
5.3 Recommendations	61
5.5 Areas for future research	62
REFERENCES	63
APPENDICES	67

LIST OF TABLES

Table 3.1 Sampling Schedule	27
Table 4.1: Distribution of the respondents	34
Table 4.2: Age Distribution of Respondents	34
Table 4.3: Level of education of Respondents	35
Table 4.4: Respondents' time of banking with CRDB	36
Table 4.5 customer awareness of services provided by the branch.....	37
Table 4.6customer's account	38
Table 4.7 Descriptive distribution of survey questions	40
Table 4.8: Association between different services offered by bank.....	50
Table 4.9: Customer experience problem when using ATM.....	52
Table 4.10: Customer experience problem when using Internet banking	52
Table 4.11: Customer experience problem when using Telephone banking.....	53
Table 4.12: challenges raised by bank staff.....	54
Table 4.13: Bank service charges	55
Table 4.14: whether the services provided encouraged the respondent to stay with CRDB Bank	55
Table 4.15: Probability a respondent of leaving CRDB Bank.....	56

LIST OF FIGURES

Figure 1: Conceptual Framework	24
Figure 4.1: Customer Empathy in Effectiveness Service Delivered by the Bank	41
Figure 4.2: Customer agreement in assurance and security of the service	42
Figure 4.3: Customer Agree on Staff Reliability	43
Figure 4.4: Customer agreement in responsiveness in service delivery	44
Figure 4.5: Customer agreement in tangibility of the service	45
Figure 4.6: Customer Perception on the Use of Telephone Banking	46
Figure 4.7: Customer Perception on the Use of ATM	47
Figure 4.8: Customer perception on the use of Internet Banking	48

LIST OF ABBREVIATIONS OR ACRONYMS

ATM	-	Automated Teller Machine
BC	-	Before Christ
BOT	-	Bank of Tanzania
CBN	-	Central Bank of Nigeria
CRDB	-	Cooperative Rural Development Bank
CS	-	Customer satisfaction
DD	-	Desire Disconfirmation
EACB	-	East African currency Board
ED	-	Expectation Disconfirmation
ICT	-	Information and communication Technology
ID	-	Identification
IT	-	Information Technology
SPSS	-	Statistical Package for Social Sciences
SST	-	Self Service Technology
UK	-	United Kingdom

CHAPTER ONE

1.0 Introduction

This chapter presents the structure and focus on the areas of the study. It includes the introduction, and the background information. In addition the chapter provides the statement of the problem, objective of the study, research questions as well as the significance of the study.

1.1 Background of the study

1.1.1 The History of Banking

The banking sector in the world started 2000 years BC, which can be described as a financial institution whose current operations consist of accepting deposits from the public and issuing loans. Banks differentiate itself from other financial institutions by provision of loans and receiving of deposits (Saleemi, 2005). The history of banking begins with the first prototype banks of merchants of the ancient world, which made grain loans to farmers and traders who carried goods such as agricultural implements, gold which are easy to carry between cities. This began around 2000 BC in Assyria and Babylonia. Later, in ancient Greece and during the Roman Empire, lenders based in temples made loans and added two important innovations, they accepted deposits and changed money.

The development of banking spread from northern Italy throughout the Holy Roman Empire, and in the 16th century the position of the Medicis was eventually taken over by the Fuggers and the Welsers, followed by a number of important innovations that took place in Amsterdam during the Dutch Republic in the 17th century and in London in the 18th century. During the 20th century, developments in telecommunications and computing caused major changes to banks' operations and let banks dramatically increase in size and geographic spread. The financial crisis of 2007-2008 caused many bank

failures, including some of the world's largest banks and provoked much debate about bank regulations.

In Tanzania the banking sector goes through two phases namely the period before the establishment in December 1919 of the East African Currency Board (EACB) and the period until the opening of the Bank of Tanzania in June 1966. Monetary arrangements in Tanzania prior to 1919 were different on the Mainland from those for Zanzibar, since the former was under German rule, while the latter had its own Government. The currency on the Mainland was the German Rupee, made of silver, while the subsidiary coin was the Heller, which was 1/100 of the Rupee. In Zanzibar, the Indian Silver Rupee and its subsidiary coins were in circulation. Commercial banking was introduced in the country in 1905, when the Deutsch-Ostafrikanische Bank opened its office in Dar es Salaam. A temporary mint was set up in Tabora. In 1911, another German bank, namely the Handelsbank fuer Ostafrika, opened a branch in Tanga. There also was an official savings bank.

Thus, following the decision to dissolve the EACB and to establish separate Central Banks in Tanzania, Kenya, and Uganda, the Bank of Tanzania Act, 1965, was passed by the National Assembly in December 1965, and the Bank was opened by the first President of Tanzania Mwalimu Julius K. Nyerere on June 14, 1966. The Act empowered the Bank of Tanzania to perform all the traditional central banking functions. However, within eight months of the inauguration of the Bank, in February 1967, the Arusha Declaration was proclaimed, and, with it, the Bank had to reorient its policies. In an effort to liberalize the banking sector, the Banking and Financial institution Act, 1991 was introduced to provide the legal framework for banking operations in Tanzania that will grant authorization of financial institutions to receive money on current account subject to withdraw by cheque.

It is therefore apparent that the evolution of banking industry has to go hand in hand with how such banks have been in position to provide customer focused and appreciated services while capturing the technological evolution. As result of the Act, the entry of new banks has enhanced financial competition resulting into some improvement of the quality and quantity of the financial services. Strong linkages have been apparent between service quality dimensions (for example speedy responses to enquiries) and overall customer satisfaction (Anderson and Sullivan, 1993). But much debate arises from whether customer satisfaction is an antecedent of service quality judgments (Bitner, 1990; Parasuraman, et al, 1985)

1.1.2 Banking sector in Tanzania

In an effort to liberalize the banking sector, the Banking and Financial Institution Act, 1991 was introduced to provide the legal framework for banking operations in Tanzania that will grant authorization of financial institutions to receive money on current account subject to withdrawal by cheque. As a result of the Act, the entry of new banks has enhanced financial competition resulting into some improvement of the quality and quantity of the financial services offered. One of the commercial banks in Tanzania is CRDB. . Records from the Bank of Tanzania (BOT) to date, indicates that, total number of Commercial banks in Tanzania stands at 34.

1.1.3 Technology based services in banking Sector

In banking in the past, the technology strategy was considered as a subordinate to business strategy. But now with so much advancement in technology it has become as important as business strategy. Technology provides an altogether new method of working and interacting with customers rather than replicating human actions (Vasant Godse, 2005)

Over the last decade, most of the banks completed the transformation to technology-driven organizations. Moving from a manual, scale-constrained environment to global presence with automated systems and processes, it is difficult to predict the adverse scenario the sector was in the era before the reforms, when a simple deposit or withdrawal of cash would require a day. ATMs, mobile banking and online bill payments facilities to vendors and utility service providers have almost prevented the need for customers to visit a branch. Branches are also transforming from operating as transaction processing points into relationship management hubs. The change has been very productive for banks bringing in an increase in productivity and operational efficiency to be more competitive. Better risk management due to centralization of information and real time availability of critical data for decision making (BOT, 2010).

1.1.4 Importance of Technology on Effective Utilization in Banking

The development and the increasing progress that is being experienced in the Information and Communication Technology have brought about a lot of changes in almost all sides of life. In the Banking Industry, it has been in the form of E-banking, which is now replacing the traditional banking practice. E-Banking has a lot of benefits which add value to customers' satisfaction in terms of better quality of service offerings and at the same time enable the banks gain more competitive advantage over other competitors.

After discussing background of the study and many other concepts, the following concept is statement of the problem; this is the reason why the study has been carried out.

1.2 Statement of the Problem

Tracing effectiveness of quality of services delivered by the commercial banks is a complex assignment and few studies have documented on the effectiveness services offered by bank. However, service delivery and utilization require integration of

telecommunication and technology (IT) capability and creation of services beyond technology and network boundaries. In the same vein, Customer satisfaction by bank is quite a complex issue and there is a lot of debate and confusion about what exactly is required and how to go about it.

All banks want to satisfy their customers by providing quality customer care, technology and services. Different banks operating in Tanzania offered different IT services such as ATM, mobile banking, Telephone banking as well as internet banking. Uses of those technologies by banks facilitate smooth running of the banks activities to both customers as well as banks management. Although, sometime technology brings disturbance to the users as they may fail to provide services on right time. For example, ATM may be temporarily out of service, also when buying credit or electricity through mobile banking or any services you may find that the network is busy and you may get the service even in the next day. For the case of internet banking many customers feel insecure to use it due to increase rate of the internet hacker.

Actually it has been observed that customers of the banks in Tanzania are harder to please, technologically untaught, more price conscious, more demanding, less forgiving, and they are approached by many more with equal or better offers (Kotler and Keller 2006). This situation has been there due to remoteness of the area and poor infrastructures lasted for quiet long period of time which necessitated the delay of introduction of financial services parallel to technological advancement, to date the technology is middling in most sectors. Hence, the challenge now is not only producing satisfied group of bank customers but also to produce delighted and loyal customers through well advanced and user friendly technology. This challenge is perhaps brought about by the increasing financial sophistication of customers which is facilitated by efficient use of

information technology, and the entry of new aggressive competitors in the marketplace such as Local Telephone Companies which have also embarked into financial services with cumulative turnover of customers in recent years.

The banking industry is nowadays facing high competition, with banks not only competing among each other; but also with non-banks and other financial institutions (Hull, 2002). It has been noted that most banks product development are easy to duplicate and when banks provide nearly identical services, they can only distinguish themselves on the basis of price and quality. In the same vein, firms are competing to increase the quality of services delivered, to ensure customer retention and satisfaction is potentially an effective tool that banks can use to gain a strategic advantage and survive in today's ever-increasing banking competitive environment.

The investigation whether there is customer satisfaction on the effectiveness of service delivery and technology utilization in banking sectors is the key issue addressed in this study. How customer interacts with technology and what benefit gain by using modern technology and how bank positioning itself from their competitors technologically and its efficient utilization is the key issue discussed in this study. However there some problem arising in utilization of technology which can be summaries as follows; inadequate ICT infrastructure for example, number of ATM are not corresponding to customers, inadequate funding, high cost of bandwidth/telephone lines/internet access, unexpected system failure absence of appropriate legal and regulatory framework. Despite the problem associated with the usage of technologies in banks but technology is still be the heart of bank. As it stand as a key factors influencing customers selection of a bank, although there some other factors which influence customer in selection of a bank like range of services, service charges, fee and prices charged (Abratt and Russell, 1999).

Many studies have been done on service delivery in both service and production organizations as well as customer satisfaction. Perhaps some studies conducted covers the behavior of customers with the rate through which bank expands and invests in using technology in service delivery. Again, even the way the customers perceive the services offered by bank has not been studied on the basis of type of customers, their age and sex. These are the gaps which totally necessitated the study to be conducted in this area.

From above statement of problem the main objective of this study is to investigate the effectiveness of services and technological utilization has improved customer satisfaction on banking sector and specific objective are mentioned below.

1.3 Objective of Research

The research was guided by general and specific objectives as follows:

1.3.1 General objective

The main objective of this research was to investigate the effectiveness of services offered by CRDB bank and how technological utilization has improved customer agreement with the bank.

1.3.2 Specific objectives

- i. To identify types of services which are delivered by CRDB and their relevance to effective service delivery.
- ii. To determine customers degree of agreement in terms of empathy, reliability, responsiveness, assurance and tangibility of services effectiveness delivered by CRDB bank.
- iii. To determine the effectiveness utilization of modern technology and its user friendship to customers.

1.4 Research questions

- i. What are the types of services which are delivered by the CRDB and their relevant to effective services delivery?
- ii. To what extent the customers agreement is captured in terms of empathy, reliability, responsiveness, assurance and tangibility of effectiveness services delivered?
- iii. Does effectiveness utilization of modern technology user friend to customer?

1.5 Significance of the study

This study is of significance to the National Economy, the CRDB bank, policy makers and Researchers.

1.5.1 To the National Economy

Good services will serve time and money as it calls for well-organized strategy that will match with organization needs. Many organizations feel that employing large number of people will serve large number of customers which is a wrong notion. Meanwhile effective services delivery means that the organization can have a proportion number of employees that will serve effectively.

1.5.2 To the CRDB banks

The findings of this study will be useful to find out the best approach to improve customer satisfaction. This should go hand in hand with ensuring that empathy, reliability, responsiveness, assurance and tangibility of services delivery are observed.

1.5.3 To the policy maker

Findings of this study are also expected to be helpfully to policy makers to revise the financial policies and amend regulations to improve the effectiveness of financial institutions in Tanzania.

1.5.4 To the researchers

Findings of this study will be used by other scholars as reference materials and areas for identified gaps that could deserve further research.

1.6 Scope of the Study

This study focused on the effectiveness of service delivery and technology utilization in banking sector; taking CRDB Mbinga as a case study. The study also attempted to determine customers' degree of satisfaction and utilization of modern technology, and suggests ways forward to enhance effective service delivery and technology utilization in banking sector. The research involved respondents from CRDB members of staff, and customers of the bank from Mbinga district.

1.7 Limitation of the Study

This study was based on case study methodology. Only information rich cases as suggested by Gall et al. (2005) were involved in the study. The study also confined itself to CRDB Mbinga. However, it is acknowledged that if the study could widen up its scope to include other branches all over the country, richer and more interesting findings could have been obtained.

1.8 Conclusion

Besides, the analysis will enable to understand the ways forward to be taken against challenges facing effectiveness of service delivery and technology utilization in banking sector. Literature review on the study will be discussed in the next chapter, chapter two.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter aims to review present literatures relevant to this research. It starts by defining service quality, commercial bank as well as showing different studies concerning ATMs mobile banking, internet banking and their competitive advantage. And also this chapter will explain the effectiveness of service delivery and technological use in empirical literature review and show the research gap.

2.2 Theoretical Literature Review

Is a part of literature review, discuss much on definition of a key concept of the research topic like what is service quality, commercial bank ATMs, internet baking, mobile banking as well as telephone banking. Also will explain how effective technology is utilized in service delivery.

2.2.1 Definition of key concepts

2.2.1.1 Service Quality

The subject of service quality is a concept that has aroused considerable debate and interest in research literature because of difficulties in both defining and measuring it with no overall consensus among writers (Wisniewski, 2001). Many scholars define service quality as the extent to which a service meets customers need or expectations (Lewis and Mitchell, 1990).

2.2.1.2 Commercial bank

A Commercial bank is a financial institution that provides service, such as accepting deposits, giving business loans and auto loans, mortgage lending, and basic investment

product like serving accounts and certificates of deposit. Commercial banks differ from investment banks because it earns its revenue by issuing primary loans from its pool of deposits while an investment bank brings debt and equity offering to market for fee.

According to Beards haw et al (2001), commercial banks are those profit network banks involved in high street banking activities. In the U.K., this means the London clearing banks and Scottish and Northern Irish Banks. Some of these banks operate extensively overseas e.g. Barclays Group, Standard Chartered, etc.

2.2.1.3 Consumer Satisfaction Theory

Consumer satisfaction has been conceptualized in the insurance loss compensation provision; it has been regarded as a perceived product performance and some expectation or desire of consumers. Customer satisfaction it is the results of confirmation or disconfirmation of customer expectation and desire. The experience can be drawn from Disconfirmation theory which posits that customer satisfaction/dissatisfaction is the disparity that exists between the performance of product/loss compensation and some cognitive or emotional standards of the consumer, such as desire and expectation of customers. If perceived performance exceeds or falls short of expectation or desire, there is positive disconfirmation or negative disconfirmation and the customer is satisfied or dissatisfied respectively.

There is increasing evidence on the Desire Disconfirmations (DD) and Expectation Disconfirmation (ED) which is significantly on the customer satisfaction. According to Khalifa and Liu (2002) there are three broad categories of measurement scales used in customer satisfaction measurement. They are performance scales, disconfirmation scales and satisfaction scales. Performance scales are those that use scales such as poor, fair, good and excellent; disconfirmation scales are those that use scales such as worse than

expected to better than expected; and satisfaction scales are those that use scales such as very dissatisfied to very satisfied. Disconfirmation scales are based on the disconfirmation theory.

2.2.1.5 The Profit –Chain Model

There are a good number of researchers who have shown that, organizational subunits where employee perceptions are favorable enjoy superior business performance. The service profit chain model of business performance (Harter et al., 2002) has identified customer satisfaction as a critical intervening variable in this relationship. A number of researchers have found that revenue-based measures of business unit performance, for example, sales and profitability, are significantly correlated with employees' work-related perceptions. The evidence suggests that business units in which employees' collective perceptions are relatively favorable perform better.

To simplify this, the service profit chain asserts that satisfied and motivated employees produce satisfied customers and satisfied customers tend to purchase more, increasing the revenue and profits of the organization. Heskett et al. (1997), for example, define the service profit chain as 'involving direct and strong relationships between profit; growth; customer loyalty; customer satisfaction; the value of goods and services delivered to customers; and employee capability, satisfaction, loyalty and productivity.' These authors recommend the service profit chain as a framework for constructing a strategic organizational vision, and suggest that, provided service profit chain concepts are carefully interpreted and adapted to an organization's specific situation, they are capable of delivering 'remarkable results'.

The second crucial element of the service profit chain is the link between customer satisfaction and financial performance. Management theorists and chief executives have

often argued that superior business performance depends critically on satisfying the customer (Heskett et al., 1997).

Consumer researchers have established that customers who are satisfied with a supplier report stronger intentions to purchase from that supplier than do dissatisfied customers (Koys, 2001). However, it is noted that, customers satisfaction has not been much investigated in terms of type services rendered.

2.2.1.6 Service Expectation Model

Customer satisfaction with a service/product (p/s) can be measured through a survey of the actual perception of the users or otherwise comparing their actual perception with their expectations. More appropriately in the first case "quality" is considered, in the second "customer satisfaction" (Hennig-Thurau, and Klee, 1997). Therefore to measure the CS we have to compare the evaluations of the user with his expectations connected to an ideal service or product. For some kinds of product and service such expectations are typically "subjective", they have to be gathered ad hoc; for others they can be suggested by the provider the product or service referring to an optimum product or service.

In today's business, competition and globalization have compelled banks to offer services 24 hours around the global which bring significant and profound impact on banks performance and customer service delivery. The relationships that exist between effectiveness of service delivery and technology, banks performance delivery depend upon network effect. If network are low means there is no effective service delivery to customers. This means that technology acquisition must base on actual needs and the proven ability to customer friendly solution.

2.2 Review of literature

2.2.1 E- Banking in banking sector

Technological innovation has been identified to contribute to the distribution channels of banks. The electronic delivery channel is collectively referred to as electronic banking (E-banking). E – banking is really not one technology but an attempt to merge several different technologies each of these involved in different ways, but in recently years different group and industries have recognize the importance of working together. Bankers now seek a kind of evolution in their business partially because the world has taken a quantum leap the use of self-services technologies in the last several years.

Dabholkar (1994) puts it concisely that Self Service Technology (SST) is a person-to-technology service delivery. In a more elaborate definition, Meuter, et al. 2000 define SST as technological interfaces that enable customer to produce a service independent of direct service employee involvement. SSTs are viable for banks and other financial intermediaries because information processing is essential to their services. The technology holds great promise of future simplification and automation. For instance, the next generation of international payment systems (e.g. electronic funds transfer networks) based on smart card technology with embedded digital IDs can be expected to simplify use of self service and cross border transactions by global standardization. (Auwal,2011). Use of IT and self-service has the potential for order of magnitude reduction to the cost of processing and transmitting information. SST empowers authorized human users (as well as computer applications) to obtain or update information and perform qualified transactions from enterprise databases, on their own using natural language, via communications channels such as email, web, network and voice anytime without depending upon human actions. SST helps banks to reduce operating cost like training,

equipment, communications and scaling up (Hall, 2004).The various electronics delivery channels are discussed below.

2. 2.2 ATM Service and efficient

Rose (1999) describes ATMs as follows; “an ATM combine a computer terminal, record keeping system and cash vault in one unit permitting customers to enter the bank’s book keeping system with a plastic card containing a personal identification number(PIN) or by punching a special code number into the computerized records 24 hours a day”. One access is gain it offers several retail banking service to customers. ATMs were introduced first to function as cash dispensing machines. However due to advancement in technology, ATM are able to provide a wide range of services such as fund transfer between two or more accounts and bill payments. Banks tend to utilize this electronic banking device as all others for competitive advantages.

The contribution service of both the Automated and Human tellers imply more productivity for bank during banking hours. Also it serve customer tie in service delivery as alternative to queue in the banking halls. ATM are cost efficient way of yielding higher productivity per period of the time than human tellers (an average of about 6,400 transaction per month for ATMs compare to 4,300 for human tellers, Rose, 1999). Furthermore, as ATMs continue when human tellers stop, there is continual productivity for the banks even after banking hours.

Lovelock (2000) identified secure and convenient location, adequate number of ATM, user friendly system, and functionality of ATM. Davies et al., (1996) examined the factors that influence customers’ satisfaction about ATM service quality. These factors include costs involved in the use of ATM, and efficient functioning of ATM. Joseph and Stone (2003) examined the United States Customers’ perception of ATM quality and found that

user-friendly, convenient locations, secure positions, and the numbers of ATM provided by the banks are essential dimensions of ATM service quality. In a case study of Botswana, Mobarek (2007) established speed of operation, and waiting time as the important predictors of ATM service quality. Al-Hawari et al. (2006) compiled a list of five major items about ATM service quality that include convenient and secure locations, functions of ATM, adequate number of machines and user friendliness of the systems and procedures.

2.2.3 Telephone Banking

Telephone banking is a service provided by banks which allow customers to perform same financial transaction through their telephone without visiting bank branch or ATM. According to Humphrey (2006) telebanking has numerous benefits for both customers and bank. As far as the customers are concerned, it provides increased convenience, expanded access and significant time saving. To the bank view, customer can perform several transaction like obtaining account balance and list of latest transactions, electronic bill payments and fund transfers between customer's or another's accounts. Therefore, as a delivery conduit that provides retail banking services even after banking hours (24 hours a day) it accrues continual productivity for the bank.

The types of financial transactions that a customer may transact through telephone (sim banking) include obtaining account balances and list of latest transactions, electronic bill payments, funds transfers between a customer's or another's accounts (Mobarek 2007). To use a financial telephone banking service customer should first register with a bank for service and set up password for customer identification. Security is ensured on telephone banking. All Transactions on telephone banking requires your PIN. A pin is needed each time to what access to the service. Thus, in even, if unauthorized person has Possession of

your phone, he cannot make any transaction on without your PIN. After that, customer can perform all services offered through telephone without any problem. To ensure security, the customer must first confirm through a numeric or verbal password or through security question asked by bank officer.

2.2.4 Internet Banking

Internet banking is defined as the use of the Internet to deliver banking activities such as funds transfer, paying bills, viewing current and savings account balance, paying mortgages and purchasing financial instruments and certificates of deposits (Singhal and Padhmanbhan, 2008). The idea of internet banking according to Essinger (1999) is to give customer access to their bank accounts via website and to enable them to enact certain transaction to their account, give compliance with stringent security checks. Internet banking by its nature offers more convinced and flexible to customers coupled with a virtually absolute control over their banking. Online banking informs customers on bank's products and transaction. Internet banking, however, is now used as the term for new age banking system.

In the recent time, the development in technology has affected business organizations in several ways, most especially in terms of management and control; marketing and research; operations and decision making. It is therefore, the trend that every organization wants to tap the benefits grow from technology development. In other word for instance, most organizations finds means of enjoying the advantages captured from the new technologies (Masocha et al, 2011). There was reduction of cost through substantial improvement in efficiency by business organizations. This resulted in banks diverting their focus towards extensive computerization and electronic operations. The electronic delivery of banking service has become ideal for banks in meeting customers'

expectations and building close customer relationship (Lamb et al, 2002). It is therefore, no doubt that e-banking will definitely overwhelm traditional banking in the near future; since more developing nations seem to direct their focus on building up their infrastructure with specific attention on e-banking, e-commerce and e-learning.

The use of e-banking has brought many benefits to the bank such as: - convenience; services are offered at minimal cost; it has transformed traditional practices in banking; the only way to stay connected to the customers at any place and any time is through internet applications; it results in high performance in the banking industry through faster delivery of information from the customer and service provider. On the other side, customers prefer the use of e-banking because it saves time; it makes possible the use of innovative product or service at a low transaction fees and it encourages queue management which is one of the important dimensions of e-banking service quality (Brodie et al, 2007)

Basically, there are certain issues raised in current literature on e-banking that are considered as major problems of Internet banking such as the case of Internet criminals and fraudsters attempt to steal customer information through various methods. In other word, there is increased concern about privacy and security of customers' information as a result of the fragility of information collected and held electronically and transferred via computer – mediated communications (Singhal and Padhmanbhan, 2008).

2.3 Empirical Review

Studies on effectiveness of service delivery and technology utilization in banking sector become interesting area for many scholars to address about. Many scholars from different part of world explain in detail on this topic as follows;

The study done by Shitu (2010) on the impact of electronic banking in Nigeria started that, adoption of electronic banking has enhanced Unity Bank efficiency by making it more productive and effective. Electronic Banking also has a strong impact on the overall banking performance by making workers performance more effective and which enhanced the fortune of the bank. This is achieved through bank charges cheque withdrawal slip and withdrawal charges. The researcher also found out that, electronic banking has improved the bank customer relationship by rendering effective services throughout the week. Customers can now have access to their account outside working hours to make withdrawal to attend to their needs. The electronic banking guideline introduced by CBN strongly helps in effectively electronic banking system. Withdrawal can be made anywhere at any time and using any bank ATM machine, customer cannot withdrawal more than some certain amount to allowed other customers have access to cash. Money can be transfer from one place to another through electronic means. The study brought out the conclusion that, electronic banking has made banking transaction to be easier by bringing services closer to its customers.

Siam (2006) evaluated the effects of electronic banking on the profitability of Jordanism banks. The study investigated the reasons behind providing electronic banking service through internet, their impact on banking services in general, and bank profitability in particular. The results of the study revealed that electronic banking services had a negative impact on the profitability of banks in the short run because of increased capital costs involved in technical and electronic infrastructure, cost of training to employee and also the cost involved in creation of environment where the bank can operate smoothly. In long run these services have got positive impact to the banks. The researcher recommended that banks need to carry out awareness and promotion campaigns to

educate clients and aware them of feasibility through reduce time, cost, effort and also to hold training courses for employee to understand the e-banking business strategies.

Gbonda et al (2011), discuss the customer's preference for E-banking services. The study has shown the various benefits accruing to internet banking and that many people are increasing using the services. These services ranges from bill payment, online deposit and account opening, ticket booking to fund transfer. This study was done in Sierra Leone banks.

Mattila et al (2003) explain about electronic banking adopted in Finland. The study shows that the proportion of people in Finland, who have adopted online banking, was higher than anywhere else in the world. The researcher shows that people in Finland have different attitudes towards electronic banking. Most of them love the new technology and their become innovator and prefer using the new technology, however some people especially matured have negative attitude towards new technology and they become late in adopting it. The study brought out that, the startup expenses, security and lack of personal service were main hindrances in the use of electronic banking.

Gbadeyan et al (2011) discuss the customer's preference for E –banking in Sierra Leone. The study indicate that, economy of most developing countries is cash driven; meaning that monetary transactions are basically made through the exchange of bank notes and coins for goods and services. However, this trend is now giving way to a modern and sophisticated payment system where the currency and notes are converted to data, which are in turn transmitted through the telephone lines and satellite transponders. This is as a result of rapid technological progress and development in the financial market. There is faster delivery of information from the customer and service provider, thus differentiating Internet enabled electronic banking system from the traditional banking operation the

transfer process makes money to be carried in information storage medium such as cheques, credit cards, and electronic means than its pure cash form. E-banking has thus become important channel to sell Products and Services; leading to an example shift in marketing practices, resulting in high performance in the banking industry The study was conducted as a survey that examined customers' preference of e-banking in Sierra Leone. Four (4) years ago, the study shows that, there were only four (4) commercial banks in Sierra Leone; the recent influx has led to the number increasing to about thirteen (13) commercial banks. This financial revolution has brought about the introduction of various new electronic banking services and products such as electronic money transfer, increase use of ATM, internet banking etc.

In other hand Auwal (2011) who did the research on Ethical consideration in self-service technology and customer's patronage of banking product in Nigeria argued that, the development in Information and Communications Technology (ICT) has significantly contributed to the exponential growth and profitability of financial institutions. Over the last two decades, financial institutions have witnessed a rapid shift under the pressure of technology world-wide This development has transformed the way banks deliver their services, using technologies such as Automated Teller Machines (ATMs), phones, the internet, credit cards, electronic funds transfer at point of sales, and electronic cash. The new technology offers institutions including banks some efficient delivery channels through which customer banking requirements can be delivered more conveniently and more economically. In general terms, increasing convenience in a way of raising consumers' surplus provided new technology that substitutes trip to the branch is adopted by the banks. The technology based services imply different combinations of accessibility attributes (time, distance and search cost), ease of use and price. The bundle of services provided electronically is usually not the same as the one available at a branch. For this

reason, new technology based banking services with high customer value may offer better service conditions to harmonize the flow of information and services across the globe.

A study of The effects of Electronic payment on customer satisfaction in Tanzania commercial bank (2009) by Sarota determine that, there is strong evidence indicating negative relationship between time spent in service delivery and customer satisfaction. It has also been found out that there is a significant different in level of satisfaction between services, processed manually and the one processed electronically in term of reliability, relevance, accuracy, timeline and efficient.

What is the level of customer satisfaction in retail banking in the Tanzania? What are the determinants of customer satisfaction in retail banking in the Tanzania? And what is the level of influence of the determinants of customer satisfaction on overall customer satisfaction in retail banking in the Tanzania? This entire question can be answered by looking how much bank has been invested on quick and efficient technology to meet the demand of their customers and to couple with existing world of technology.

2.4 Research gap

Many researchers have been done on customer satisfaction on IT and how is enabling service in the banking sectors in different places in the world but many of them specialized only on one product of IT like the effect of electronic technology and impact of ATMs services on customer satisfaction, mobile banking etc.

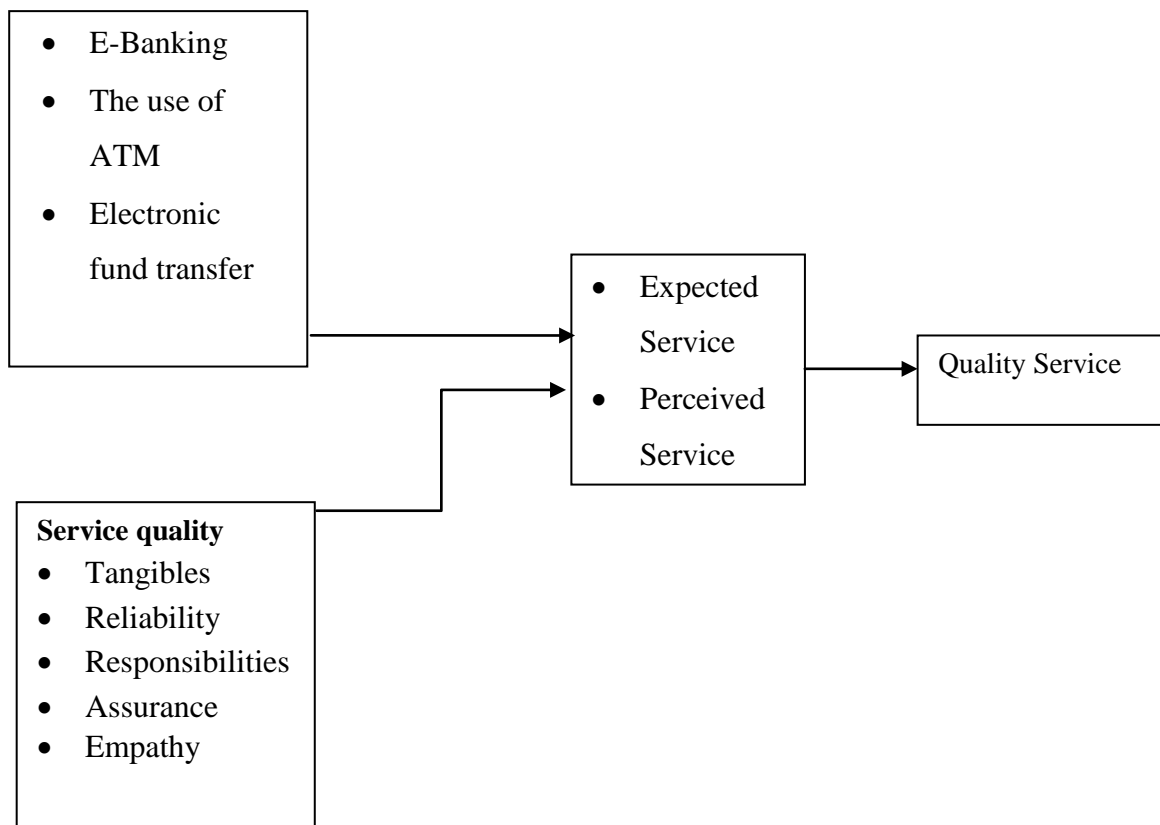
From above empirical literature review many have been discussed on IT but none has done on combination of ATMs, internet banking Mobile baking on how effectively used on service delivery and utilization of such technology in banking sectors in term of age, sex and type of customers.

2.5 Conceptual Framework

Customer satisfaction and service quality are inter-related. The higher the service quality, the higher is the customer satisfaction. Many scholars agree that in the banking sector, there are no recognized standard scales to measure the perceived quality of a bank service. Thus, competitive advantage through high quality service is an increasingly important weapon to survive.

Conceptual framework gives a summarized understanding of variables under the study (Smyth, 2004). At this point the original ten dimensions of service quality collapsed in to five dimensions: reliability, responsiveness, tangibles, assurance (communication, competence, credibility, courtesy, and security) and empathy which capture access and understanding/knowing the customer (Parasuramal et al., 1988). Service quality is the difference between customer expectations of service and perceived service. If expectation is greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs. The service quality is a function of differences between expectation and performance along with the quality dimensions.

Figure 1: Conceptual Framework



Source: Researcher New idea (2014)

2.6 Chapter summary

Chapter two revealed the study done by different authors concerning customer's satisfaction and utilization of technology effectively as well as other concept concerning the study of study. The next chapter will examine more on where and how research is going to be conducted.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section covers the area in which this study was conducted. It justifies the approach used to study the problem, research design, research technique, sampling and data collection methods as well as the issues of validity and reliability. Finally the chapter describes the way the data were analyzed and presented for interpretation.

3.2 Area of the Study

A researcher needs to select a specific area for the study, since only specific locations, and not areas, are ideal and suitable to test a particular theory (Develeux and Hoddlinot 1992). The research was conducted at CRDB bank Mbinga branch in Ruvuma Region. The research was conducted from January 2014 to April 2014. This branch was selected basing on the fact that, it is a growing branch and has a good number of customers. Its expansion calls for more investigation on the quality of services rendered to potential customers. Easy accessibility of information from the bank is among reasons made a researcher choose the branch as her case study. Thence accurate and reliable information were acquired from the branch.

3.3 Research Design

Research designing is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2005). In this study, a case study design was adopted. The design enabled the researcher to have an in depth understanding of effectiveness of service delivery and technology utilization, cross sectional design was employed where data was

collected only once from the customers of the bank. The researcher used a case study for the reason that, data from case studies are greatly comprehensive and reliable because of their ability to explore instances in depth and enables the researcher to get information, which is purposeful and comprehensive. (Tuckman 1978). The researcher was satisfied by the good number of customers to assume it as a good representative of the entire population of CRDB bank and other financial institutions in Tanzania. Also, the choice of CRDB based on the fact that it is a fast growing bank with good number of customer and this ought to be a good representative of other financial firms.

3.4 Research Approach

This study employs a qualitative approach. The most common qualitative data gathering instruments used included questionnaires, interview, observation and documentary review. Interview enabled the researcher to be in a face to face contact with respondents; and observation enabled the researcher to acquire first hand and live sensory accounts of phenomena as they occur in the real world. With documentary review, the researcher attempted to read various extracts found at CRDB branches and other places where financial information were available.

3.5 Study population

The study populations in this research were the CRDB bank officers and customers of CRDB bank residing at Mbinga district.

3.6 Sample and Sampling Techniques

Sampling is the process of obtaining information about an entire population by examining only part of it (Kothari, 2005). Also sampling techniques is the process of selecting a suitable sample or a representative part of a population for the purpose determining parameters or characteristic of the whole population (Kombo and Tromp 2009). The

researcher used the sampling technique where the researcher selected a small sample on the basis of the knowledge of the targeted population, judgment and the purpose of the study.

By considering size of the population in the selected study location as a case study, 152 out of the sample of 165 respondents participated in this study. The informants in this research were selected on the basis of their occupations. Random and purposive sampling techniques were applied in selecting the respondents. Random sampling is intended to provide knowledge from different participants with different understanding banking services. This was applied to different bank customers and some employees contacted for this study. Purposive sampling conveyed knowledge from participants with basic knowledge of banking services. In this study, CRDB employees were contacted basing on purposive sampling. Being a qualitative study, a sample size of 165 was considered adequate.

3.7 Sampling Procedures

In this study, the sampling method adopted was judgmental sampling, which refers to the selection of the sample according to the researcher's judgment of what was desirable, it implies that a researcher exercised her judgment in the choice and included those items or elements in the sample which she thought were most typical of the population.

Table 3.1 Sampling Schedule

S/N	RESPONDENTS	No.
1	CRDB Mbinga branch-Bank Officers	15
2	CRDB-Mbinga branch-Customers	150
	TOTAL	165

3.8 Methods of Data Collection

The task of data collection begins after a research problem has been defined and research design chalked out (Kothari, 2005). Hence different methods of data collection employed to increase the reliability of the collected data. The use of different methods known as “triangulation” minimizes the possibility of making erroneous conclusion and increase the credibility of the findings. This study collected both primary and secondary data. Primary data were obtained from customers of the bank. Primary data were collected by using questionnaire and interview. Interviews were mostly used to collect data from Bank Officers who in most cases lack enough time to deal with questionnaires.

Various sources were consulted for the purpose of getting secondary data. These included various manuals, Bank website, articles, reports and other original sources which were available at CRDB-Mbinga branch. Documentary review included the analysis of different documents and files and brochures available at the bank.

3.9 Data Collection Procedure

For the purpose of understanding the strength of data collection instruments, pilot testing of questionnaire and the interview guide was conducted. Pilot testing allowed the researcher to focus on particular areas that might have been unclear previously. Moreover, Pilot testing ensures that the issue of validity and reliability are maintained in the whole process of data collection. Therefore, after the pilot testing, changes or improvement on the study instruments were made based on responses from the respondents. According to Fink (1995), the minimum number of subjects for pilot testing should not be less than ten. Therefore, this study also considered ten (10) respondents for pilot testing in order to adhere to methodological requirements. The use of more than one data collection instruments enable the researcher to combine strength and ratify some of weaknesses of

using only one data collection tool. Both qualitative and quantitative data collection was to meet the study objectives. Inonda and Guto, (2006) argued that in data collection the researcher must have a clear understanding of what he/she hopes to obtain and how he/she hopes to obtain it. Also their further explain that no single method can act in isolation since any bias can distort the whole picture of reality that researcher is investigating. The study employed questioners, documentary study, and interview together with participant observation as an instrument of data collection.

3.9.1 Documentary study

Documentary study as the one of the techniques of data collection is involved analyzing the material such as books, magazines, newspapers and other contents of all other materials (Kothari, 2005), the purpose is to study the natural behavior that cannot be easily seen by use of other techniques. Documentary review/study is one of the techniques of data collection were by researcher used/ review existing document to obtain relevant data fit to his/her objective of study. The review of existing document help researcher to have wide knowledge on how other researcher write and reached into conclusion on the same phenomena.

3.9.2 Questionnaires

Saunders et al (2007) define questionnaires as the technique for data collection has the advantage of allowing each person asked to respond to the same set of questions. This technique is among of the best technique preferred by many researcher because of its cheapest and easy way of data collection from large population in planned time. Many Questionnaires comprises both closed and open questions which allow respondent to answer in form of short answer on detailed explanation.

3.9.3 Interview

Interview is another technique used in data collection. Here researcher comes face to face with his/her respondent. Researcher gets information direct from respondent through exchanging the verbal. Cohen et al (2000) argue that interview allows subjects of the study to provide their interpretations of their natural world in which they live, and express how they regard the situation from their own point of view. This technique employed mainly in qualitative study and it gives researcher an opportunity to rephrase the question depending on nature of respondent understanding. Researcher has conducted interview to the customers whose seems to have difficulties in filling questioners.’

3.10 Data Analysis

This study employed both qualitative and quantitative data analysis technique to analyze data obtained from the field. For the case of quantitative data analysis techniques, simple tabulations, counts and proportion were used. On the other hand, qualitative data analysis techniques that were employed include data and information comparison from the two units of analysis, pattern matching and explanation building (description) as suggested by Yin (1994) as well as Miles and Huberman, (1994). Likert Scale was used in the analysis of quantitative data as well as SPSS which assisted in finding association between different services offered by bank (correlation), mean and standard deviation.

3.11 Reliability and Validity of Data

Reliability and validity is important concept for attaining objectivity in qualitative research. The researcher used multiple data collection techniques to ensure reliability and validity of data.

3.11.1 Reliability

Reliability is concerned with whether the measure used in a research will yield the same results in different occasions-deductive approach or if it can provide similar observations if done by different researchers on different occasions-indicative approach (Saunders et al., 2000). Reliability refers to the consistency to which the repeated measures produce the same results across time and across observers (Walsh, 1990). The methods and techniques used to make reliability must be the same (Patton, 2002). In order to improve reliability in this study, triangulation of methods were used in data collection that is questionnaires, interview and documentation. Apart from that, pilot testing of the study instrument was done. This ensured that respondents understood the questions posed in the instruments the same way.

3.11.2 Validity

Validity tries to measure whether the instrument used in a particular study measure what it is intended to measure. It refers to the extent to which the concept one wishes to measure is actually being measured by a particular scale or index (Sirkin, 1995). Validity refers to the degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure (Campbell & Stanley, 1996). For the purpose of improving validity of data in this study, three methods of validation were used, namely; triangulation of data and methods; pilot testing of the study instruments as suggested by Silverman (1993); and adopting definitions of the study variables and methods from previous studies done by prominent scholars in this area as suggested by (Saunders et al., 2000).

3.12 Research Ethics

This research adhered to research procedures needed in a qualitative research. The research was conducted at CRDB Mbinga Branch. The researcher obtained an introductory letter from the University of Dodoma to the respondents of the study. The letter was directed to the relevant authority to allow the researcher conduct the research in that particular field of study. Customers and bank officers responded in various cases that enabled the researcher to get information deemed necessary.

In the field, respondents interviewed or discussed the given questions in separate and private places that could not impair confidentiality. The researcher maintained the security of the respondents by assuring them that, all which was discussed in the rooms or places or offices, would remain undisclosed. The researcher collaborated and clarified the aim and demand of the research to the respondents, so that the respondents knew what to say and why to say it. The respondents reserved rights to answer questions and to reject.

3.13 Researcher as an instrument.

The topic of this dissertation has been part of the researcher's longtime aspiration to educate the public on effectiveness of service delivery and technology utilization in banking sector. This has influenced the researcher to find the appropriate place to express an interest on doing this research.

3.14 Chapter summary

This chapter describes how data have been collected, study area, sampling techniques, sample size, research techniques, types of data and other techniques. Chapter four will show how those collected data will be analyzed, discussed and then presentation of those findings.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents detailed findings of the study following an intensive field inquiry designed to investigate and validate the research questions in view of the problem setting and research objectives. The chapter highlights key issues discovered during the research process in accordance with a given set of research variables that were assessed and measured.

4.1 Profile of Respondents

In an attempt to present data for empirical study like this one, it was necessary to understand the profile of respondents in order to get a clear picture of the study sample. The features of the respondents in this study are gender, age, marital status and level of education for ease analysis and reflection.

4.1.1 Gender

The feature of the respondents was a very important aspect to be considered. The respondents in the study area consist of both males and females among CRDB staff members and customers.

Twelve out of fifteen sampled CRDB bank officers were interviewed and 41.7% were males and 58.3% females. One hundred forty customers were contacted; out of them 57.8% were males and 42.2% were females. This shows that the average number of all respondents in the sample was 56.5% males and 43.5%. The table below shows the gender of the respondents.

Table 4.1: Distribution of the respondents

	Gender of Respondents					
	Male		Female		Total	% Total
	Frequencies	%	Frequencies	%		
Bank officers	5	41.7	7	58.3	12	100
CRDB Customers	81	57.8	59	42.2	140	100
Total	86	56.5	66	43.5	152	100

Source: Field Data 2014

4.1.2 Age groups of Respondents

Because the respondents of the study area were differing in age, so it was better to consider this feature but from the age of 7 years and above since it determine the ability to measure and analyze critically the bank services. The researcher grouped respondents into various groups of age in order to understand and analyze the degree to which each group is responsive to the study. Table 4.2 below indicates the age groups of respondents

Table 4.2: Age Distribution of Respondents

Group Age in years	Frequency	Percentage
7-14	0	0
15-35	32	21.1
36- 60	100	65.7
Above 60	20	13.2
Total	152	100.00

Source: Field Data 2014

4.1.3 Education Level of Respondents

As revealed in table number 4.3 below, the large proportion of respondents involved in this study had secondary education which carries 40.7% of all respondents. It can further

be observed that 32.8% of the respondents had collage level of education and 26.5% had degree level of education, and none of the respondent found to be with other levels of education as specified by the researcher. By knowing education level, researcher can restructure questions especially when conducting interview according to capacity understanding of respondent.

Table 4.3: Level of education of Respondents

Level of Education	Frequency	Percentage
Secondary	62	40.7
College	50	32.8
Degree	40	26.5
Total	152	100.00

Source: FieldData2014

4.1.4 Respondents' time of banking with CRDB

The researcher was interested in knowing the time that the customers had been with the bank because perception on the effectiveness of services provided has a close link to the years that the customers had stayed with the CRDB bank. Findings in Table 4.4 below shows that 24.3% of the respondents said that they had been with the bank for less than a year. 38.2% for 1-5 years; 23% for 6-10 years; and 14.5% more than ten years. These results revealed that the majority of the customers of CRDB bank had stayed with the bank for a long time.

With relevance to the literature review, this indicates that the CRDB bank has been providing quality services to its customers that is why they are still banking with this Bank and they have not switched to other Banks observed from the time that they have been banking with CRDB.

Table 4.4: Respondents' time of banking with CRDB

Years		Frequency	Percent
	Less than a year	37	24.3
	1-5	58	38.2
	6-10	35	23.0
	>10 years	22	14.5
	Total	152	100.0

Source: Field data 2014

4.2 Services Delivered by the Bank and their relevance to effective service delivery

4.2.1 Major bank services provided by the Mbinga CRDB Bank branch

The CRDB Bank PLC Mbinga branch started to operate in 2001 after formation of CRDB Ruvuma branch in 1998. The branch grew at a slow pace until today where the branch has sufficient number of customers.

The branch provides the following services to its customers: first, receiving deposits and opening of customers' accounts; second, receiving applications for loans and processing the loan applications; third, managing automatic teller machines (ATMs); fourth, effecting money transfers; fifth, facilitating internet banking; sixth, facilitating currency purchase online; seventh, operating SimBanking; eighth, effecting international transfers; and, ninth, processing salaries. Providing all these services involves interacting with customers on a massive scale. For example, issues that are related to managing ATMs concern card capture/swallow, card loss, card delay and card usage problems; and those that related to operating simBanking concern mobile money transfer from mobile phones money handlers to CRDB and from CRDB to mobile phones money handlers handling cardless services and handling refund of unsuccessful transactions.

Table 4.5 below show customer awareness of different services offered by CRDB Mbinga branch. 140 respondents who respond to the questions seem to be aware (100%) on the following bank services; ATM, bank account, ATM card, telephone banking and deposit and withdrawing service. This is due to fact that, almost all customer of CRDB Mbinga branch used all this services. This is due to fact that, almost all customer of CRDB Mbinga branch used all this services in their daily bank transaction. It is noted that 57.14% of the respondent were aware of business loan and personal loan, 46.4% respondent were aware of electronic money transfer service and only 28.6% respondent were aware of internet banking.

Table 4.5 customer awareness of services provided by the branch

Item	Number of respondent	Percentage (%)
ATM	140	100
Deposit and withdrawals	140	100
Bank account	140	100
Business and personal loans	80	57.4
Mobile banking	0	0
ATM card	140	100
Internet banking	40	28.6
Telephone banking	140	100
Electronic money transfer	65	46.4

Source: field data 2014

4.2.2 Customers awareness on bank accounts.

Most of the respondent seems to be aware with different bank account offered by the branch. Respondent reveal that, it is easy to open an account with the bank. Only few procedures were required for new customer to open it, two passport size and twenty thousand shilling were required in opening an account. The question here is what type of

account customers have with CRDB. Majority of respondent seem to have saving and current account which consist 72.4% of all respondent, 14.5% said to have loan account, and 13.1% said to have credit account. Some of respondent said to have more than one account with the bank depending on the purpose of that account. For example some respondent said to have saving account and current account which designed purposely for small and medium enterprises. CRDB Bank prepare different account package to cater all needs of their customers.

Table 4.6: Customer’s account

Customer account	Frequency	Percentage
Saving& current account	110	72.4
Loan account	22	14.5
Credit account	20	13.1
Total	152	100

Source: Field data 2014

4.3 Descriptive distribution of survey questions

The table summarizes analysis results for the survey questions replied by respondents regarding perception of service delivery and technological utilization in banking sector. The questionnaire intended to measure customers’ perceptions using Likert Scale ranging from 1 to 5.

The first column of table contains survey questions used to measure customers perception, the second contains number of individuals who responded to specific question, third column contains range of likert scale used in measuring perceptions with minimum 1 and maximum 5; representing 1 if customer is “Very satisfied”,2 if “Satisfied”, 3 if “Neutral”, 4 if “Dissatisfied” 5 if “Very Dissatisfied”, the fourth column contains measure

of concentration which was key in perception assessment ie mean indicating how majority of bank customers perceives a given service by the bank, the fifth column contains measure of dispersion i.e standard deviation. The statistic measures the average deviation of the responses from the concentrated value (mean) and finally, percentage of deviation from the mean; which measures proportion of responses deviated from the mean response.

Table 4.7 Descriptive distribution of survey questions

Descriptive Statistics						
Survey Questions	Units	Scale		Concentration	Dispersion	
	No. of Respondents	Minimum	Maximum	Mean	std	% of Deviation from the mean
Customer perception on the use of Telephone Banking	140	1	5	1.86	0.79	42.30
Customer empathy in effectiveness service delivered by the Bank	140	1	3	1.91	0.64	33.44
Customer agreement in assurance and security of the service	140	1	4	2.01	0.74	36.70
Customer perception on the use of ATM	140	1	5	2.03	0.80	39.20
Customer agreement in responsiveness and effectiveness in service delivery	140	1	5	2.03	0.80	39.20
Customer agreed on staff reliability	140	1	5	2.13	0.90	42.11
Customer agreement in tangibility of the service	140	1	5	2.63	1.02	38.81
Customer perception on the use of Internet Banking	140	1	5	2.78	0.82	29.62
Valid N (listwise)	140					

Source: Computed Field Data, 2014

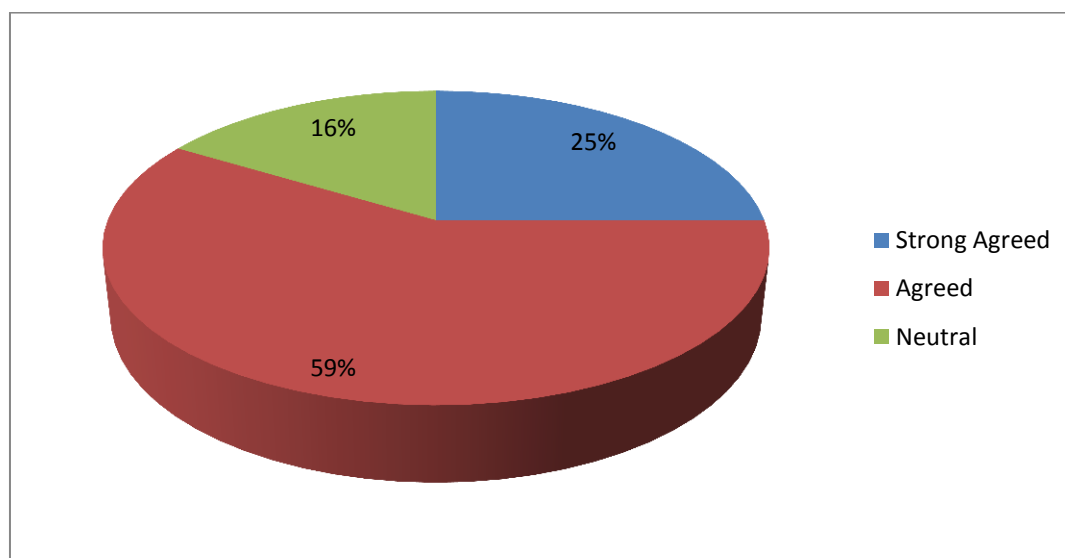
4.4 Degree of customer agreement on effectively services delivery by the CRDB bank.

4.4.1 Customers Empathy

Regarding staff empathy in effectiveness of service delivered by the bank, the analysis result shows that majority of the customers agreed with mean 1.91 approximately 2 that, bank staff treats customers with empathy. Further, the results show that 0.64 standard deviation of the responses which is about 33% of all responses deviated from the mean responses implying only few respondents had different perceptions of staff empathy on effectiveness of service delivered by the bank. That is they were either strongly agreed or neutral.

Detailed distribution of the perception of the bank customers is as detailed in the following figure

Figure 4.1: Customer Empathy in Effectiveness Service Delivered by the Bank



Source: Computed from Survey Data 2014

The visual distribution of the bank customer's responses on empathy in effectiveness of service delivered by the bank shows that neither of the respondent disagreed nor strongly

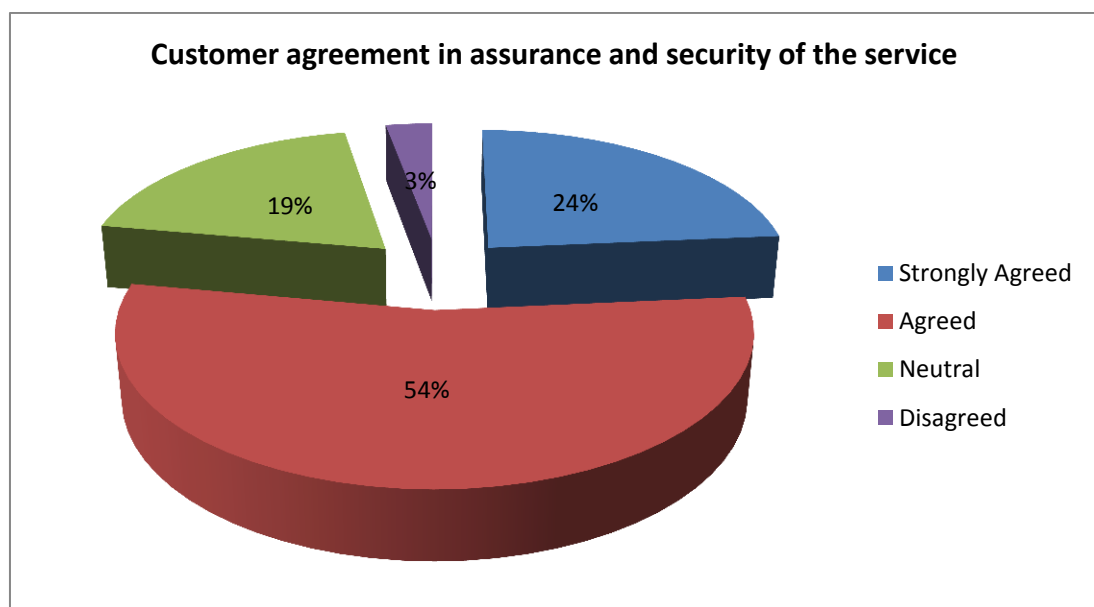
disagreed. All respondent,; strongly agreed, agreed or were neutral. In general terms, all surveyed CRDB bank customers, Mbinga branch agreed that staffs of the bank are empathetic in the sense that they listen and care for their customers as per the bank motto the *bank that listens* since none of the respondent disagreed or strongly disagreed.

4.4.2 Agreement in assurance of security of the service

The analysis result also shows that, majority of the customers agree on effectiveness of assurance and security of bank services delivered by the CRDB bank, Mbinga branch; the mean perception is 2.01. However, the result indicated that 0.74 of the responses measured by standard deviation had differing perceptions on the effectiveness of assurance and security of bank services accounting for about 37% of all respondents.

Details of the perception of the bank customers is as detailed in the following figure

Figure 4.2: Customer agreement in assurance and security of the service



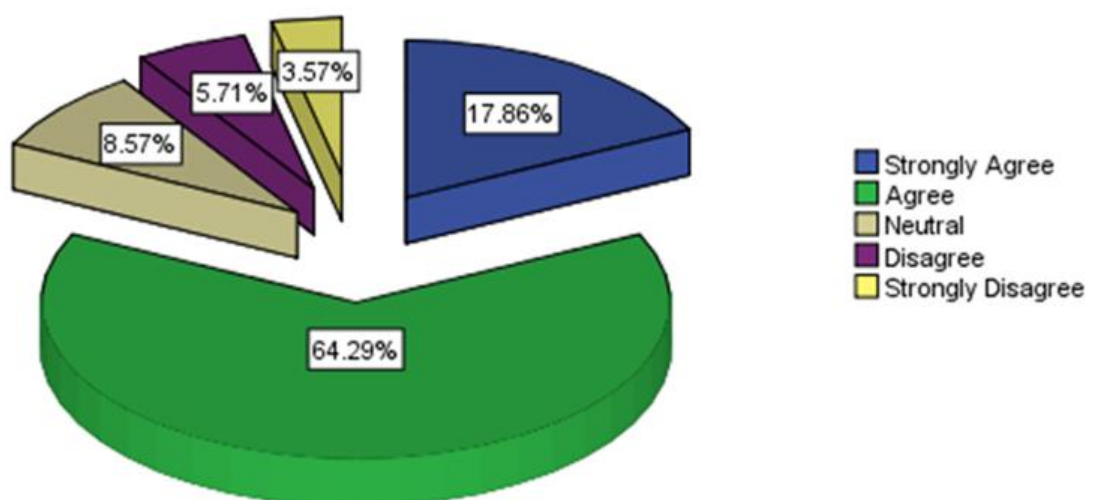
Source: Computed from Survey Data 2014

The visual distribution of customer's responses on assurance and security of the bank services confirms mean and standard deviation results. The figure shows that, responses are skewed to the left and that no respondent strongly disagreed on assurance and security of the bank services. The skewedness to the left means majority of the surveyed respondents; over 75% of the respondents feels secured and assured with their financial information as no one can access unless requires by law. Few respondents were indecisive of whether their information are secured on not while very few disagreed with view that, the bank has assurance and required security for customers information.

4.4.3 Customer agreed on staff Reliability

The researcher wanted to know whether bank staff attended their customers on time and provided reliable services. Results from the study shows that mean perception is 2.13. However, the result indicated that 0.90 of the responses measured by standard deviation had differing perceptions on the effectiveness of assurance and security of bank services accounting for about 42% of all respondents.

Figure 4.3: Customer Agree on Staff Reliability



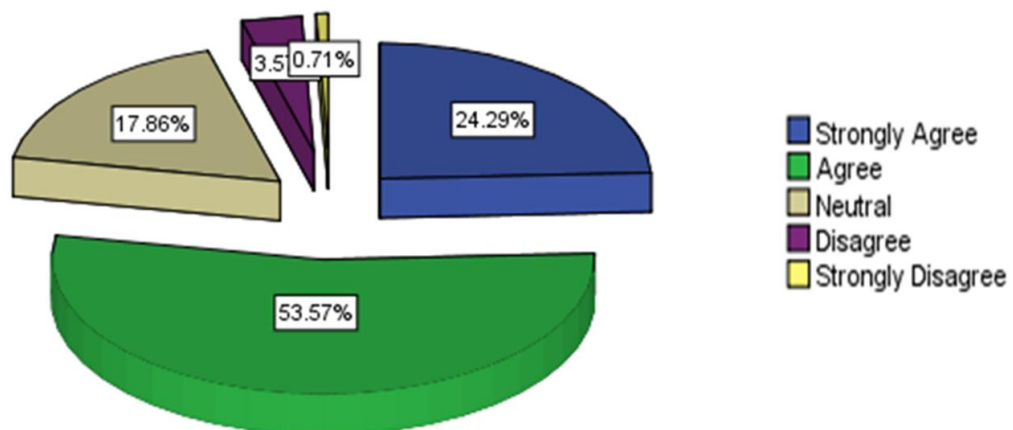
Source: Computed from Survey Data 2014

The visual distribution of customer's responses on staff reliability of the bank services confirms mean and standard deviation results. The figure shows that, responses are skewed to the left and that few respondents had strongly disagreed on staff reliability of the bank services. The skewedness to the left means majority of the surveyed respondents; over 82% agree with staff reliability. Therefore, we can conclude that the bank provide reliable services to the customer as majority agree.

4.4.4 Customer agreed on staff Responsiveness

Concerning staff responsiveness in effectiveness of service delivered by the bank, the analysis result shows that majority of the customers agreed with mean 2.03 that, bank staff were responsible in their work. Further, the results show that 0.80 standard deviation of the responses which is about 39% of all responses deviated from the mean responses implying only few respondents were disagree and strong disagree. Detailed distribution of the perception of the bank customers is as detailed in the following figure

Figure 4.4: Customer agreement in responsiveness in service delivery



Source: Computed from Survey Data 2014

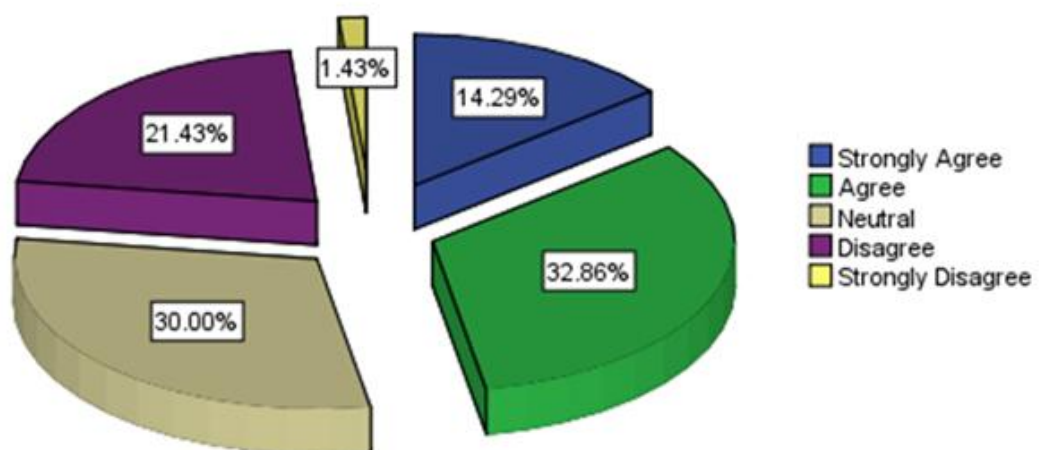
The visual distribution of customer's responses on staff responsiveness of the bank

services confirms mean and standard deviation results. The figure shows that, responses are skewed to the left and that mean very few respondents about 0.71% had strongly disagreed on staff responsiveness of the bank services. This shows that, majority of respondent above 75% agrees with staff responsiveness. These findings mean that workers of the bank were behaving in a responsible manner when carrying out their duties and functions

4.4.5 Customer agreement in term of Tangibility

Regarding to tangibility in effectiveness of service delivered by the bank, the analysis result shows that majority of the customers agreed with mean 2.63 that, bank had tangibility service. Additional, the results indicate that 1.02 standard deviation of the responses which is about 39% of all responses deviated from the mean responses implying only few respondents were disagree and strong disagree. Detailed distribution of the perception of the bank customers is as detailed in the following figure

Figure 4.5: Customer agreement in tangibility of the service



Source: Computed from Survey Data 2014

The graphic distribution of respondent on customer agreement in tangibility of the services indicate that, respondent had different view on tangibility of services due to individual judgmental consigning the tangibility of services.47.15% were strong agree and agree, 30.00% were neutral,21.43% said to disagree and 1.43% were strong disagree.

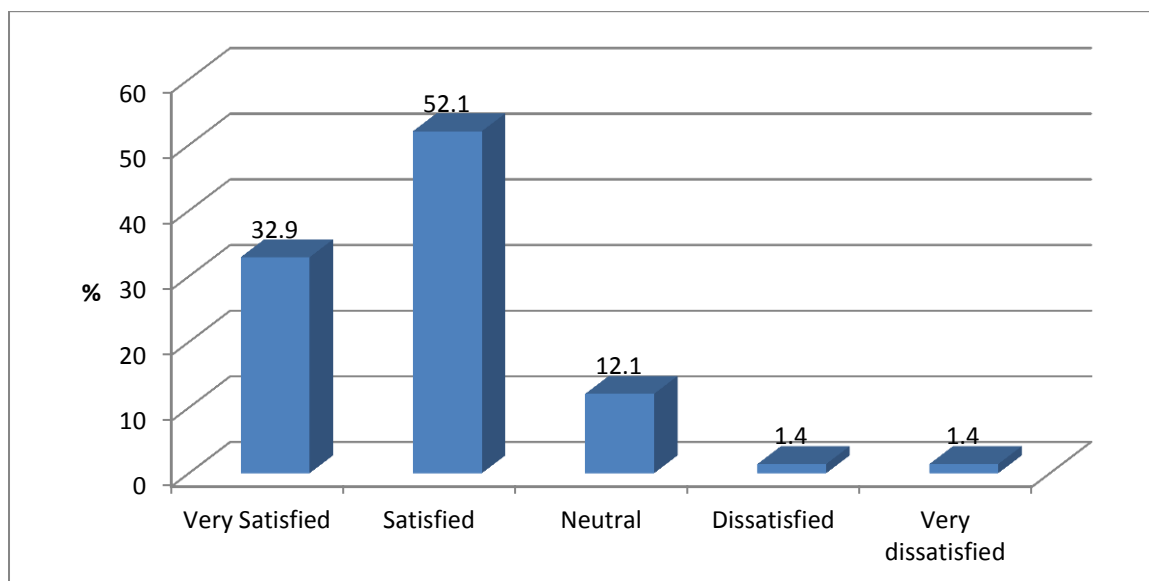
4.5 Effective utilization of modern technology and its user friendship to customers

4.5.1 Telephone Banking

The analysis result shows that, majority of CRDB bank customers were satisfied with the used of telephone banking with mean response of 1.86 approximately 2 and in fact most of the aged customers use telephone banking system. However, the table shows that other respondents on the same services had differing opinions represented by standard deviation 0.79; indicating either minority of the respondents were very satisfied, neutral, dissatisfied or very dissatisfied with the use of telephone banking.

Distribution of the perception of the bank customers is as detailed in the following figure

Figure 4.6: Customer Perception on the Use of Telephone Banking



Source: Computed from Survey Data 2014

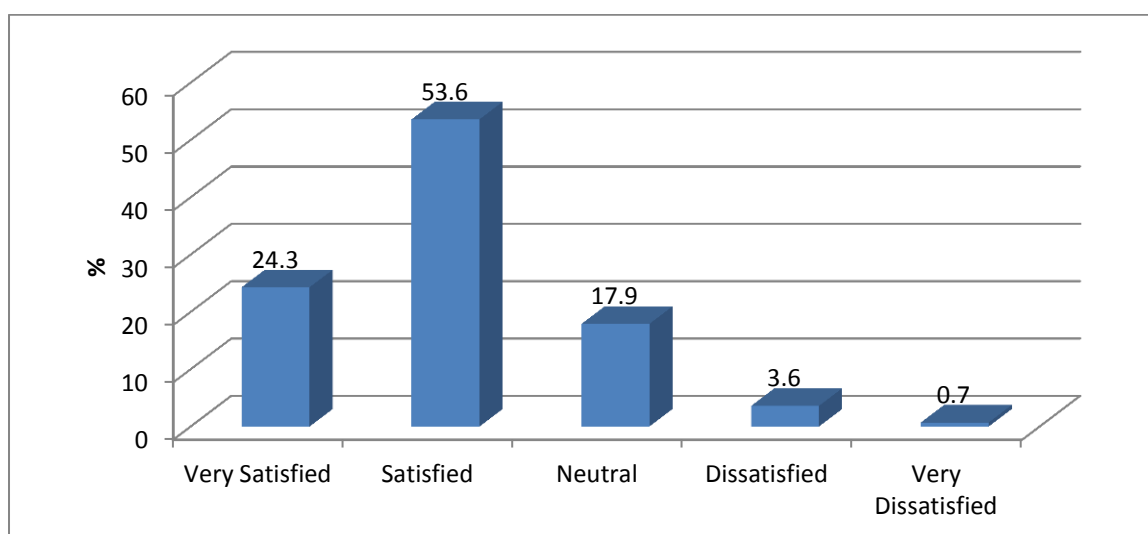
The visual display of customer responses shows that, responses are skewed to the left. That is majority of the customers were very satisfied and satisfied compared to few whom were neutral, dissatisfied and very dissatisfied. Thus conclusively it can be interpreted that most of CRDB bank customers, Mbinga branch (cumulatively over 80%) are satisfied with the use of telephone banking.

4.5.2 ATM Uses

The analysis results show that CRDB customers, Mbinga Branch are generally “satisfied” with the use of ATM services in different bank transactions; the mean perception is 2.03. Further, the result indicated that CRDB bank customers had differing perceptions on the use of ATM services measured by standard deviation at 0.8. This result implies that some of the respondents were either very satisfied, neutral, dissatisfied or very dissatisfied about the use of ATMs in transactions.

Details of the distribution of customer satisfaction on the use of ATMs in transactions are as shown in the figure 4.7

Figure 4.7: Customer Perception on the Use of ATM



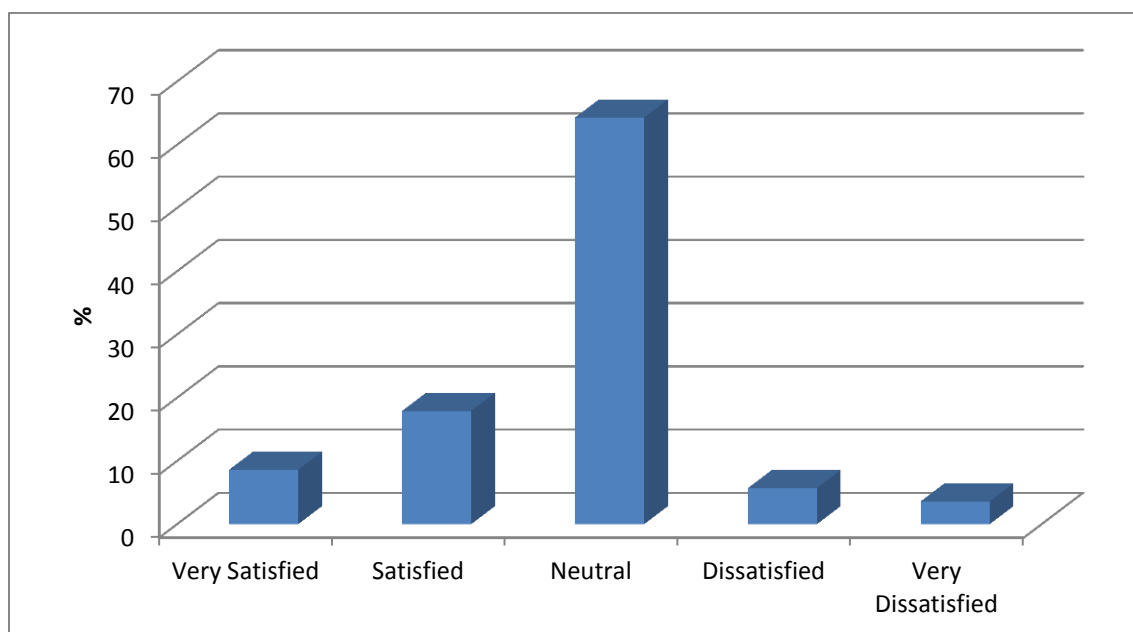
Source: Computed from Survey Data 2014

The visual display of the CRDB bank customers on the use of ATM services are skewed to the left confirming mean and standard deviation results that majority of respondents over 75% measured by the sum of the first two bars (Very satisfied and satisfied) are satisfied with use of ATM services. Small proportions of the respondents were neither satisfied nor dissatisfied with the use of ATM services while very few about 4% were dissatisfied (dissatisfied and Very dissatisfied).

4.5.3 Internet Banking

The analysis result shows that, majority of CRDB bank customers were neutral about the use of internet banking with mean 2.8 approximately 3 in the likert scale. Their corresponding standard deviation from the majority response result was 0.8 implying few respondents were satisfied or dissatisfied with the use of internet banking services.

Figure 4.8: Customer perception on the use of Internet Banking



Source: Computed from Survey Data 2014

The visual distribution of the respondents' perception on the use of internet banking confirms mean and standard deviation results that majority of respondents are neutral on the use of internet banking. The figure resembles normal distribution curve neither skewed to the left nor right. Generally bank customers they are indecisive or indifferent on the use of internet banking simply because it's the newly introduced bank product and it requires infrastructures which are not very well developed in Ruvuma and therefore Mbinga district. Small portion of the respondents were satisfied (first two bars) as well as small portion of the respondents were dissatisfied (last two bars).

As strategy to improve customers use of internet banking services, the bank should indulged in advertisement of the product and at the same time advocate to the government in awake to improve infrastructure relevant to support easy execution of internet banking.

4.6 Measures of Association

The table or rather correlation coefficient matrix below summarizes established relationship between different services offered by the bank. The analysis results using spearman's rank correlation shows that, all services offered by the bank are strongly positively correlated with minimum correlation coefficient of 0.78.

The correlation coefficient is such that, its value ranges from -1 to 1. If the established result is -1, it means there is perfect negative relationship between the two variables under consideration and perfect positive relationship if the value is positive. When the value is below -1 or 1 but higher than 0.6, the relationship is said to be strong whether negative or positive. If the value is 0.5 to 0.6 the relationship is said to be fair, below that is weak relationship and if it happens to be zero, then the two variables under consideration has no relationship at all.

Table 4.8: Association between different services offered by bank

Correlation: Spearman's rho								
	Customer perception on the use of Telephone Banking	Customer perception on the use of ATM	Customer perception on the use of Internet Banking	Customer empathy in effectiveness service delivered by the Bank	Customer agreed on staff reliability	Customer agreement in responsiveness and effectiveness in service delivery	Customer agreement in assurance and security of the service	Customer agreement in tangibility of the service
Customer perception on the use of Telephone Banking	1.00	0.86	0.86	0.89	0.81	0.86	0.85	0.84
Customer perception on the use of ATM	0.86	1.00	0.87	0.94	0.88	1.00	0.99	0.88
Customer perception on the use of Internet Banking	0.86	0.87	1.00	0.90	0.83	0.87	0.86	0.78
Customer empathy in effectiveness service delivered by the Bank	0.89	0.94	0.90	1.00	0.90	0.94	0.93	0.82
Customer agreed on staff reliability	0.81	0.88	0.83	0.90	1.00	0.88	0.89	0.83
Customer agreement in responsiveness and effectiveness in service delivery	0.86	1.00	0.87	0.94	0.88	1.00	0.99	0.88
Customer agreement in assurance and security of the service	0.85	0.99	0.86	0.93	0.89	0.99	1.00	0.88
Customer agreement in tangibility of the service	0.84	0.88	0.78	0.82	0.83	0.88	0.88	1.00

Source: Computed from survey Data, 2014

For instance, the matrix above shows that, there is strong positive relationship $r=0.86$ between bank customers perception on the use of ATM services with perception on the use of telephone banking. The strong relationship applies for all services offered by the bank.

4.7 Challenges arising from open ended question

Some of open ended question wanted the customers to say what they considered to be the problem in the operations of the CRDB Bank Mbinga branch. Findings under multiple response were given by respondent especially in ATM, Internet banking and Telephone banking

4.7.1 Challenges in usage of ATM

Researcher was determine to know the frequency of customer encounter problem whenever using ATM. Result from finding indicate that;50% of respondent get problem often; 45% get problem sometime; 5% get problem rarely and no respond said to get problem always and no one had never get problem. Majority of the respondents were not happy with the functioning of the ATM. During discussions with some of the customers of the branch they mentioned the following problems with regard to the functioning of the ATM; sometimes the machines are very slow and do make miscalculations; most of the time is out of service; it is only one, and placed in the district center only; services are not available 24 as promised; it lead to long queues; sometimes it fail to provide money for no reason at all. With regard to the ATM cards, they had the following complaints: they are of very poor quality; they do not last long; they are expensive when lost or destroyed; they often get swallowed; and, expiration period is too short. This is indeed a long list of complaints against the bank on ATMs. The bank should find solutions to such complaints. The table 4.9 below analyzes the finding in detail

Table 4.9: Customer experience problem when using ATM

	Number of respondent	Percentage
Always	0	0
Often	70	50
Sometime	63	45
Rarely	7	5
Never	0	0
TOTAL	140	100

Source; field data 2014

4.7.2 Challenges in usage of Internet banking

Internet banking result from respondent showed that, 50% get problem very rarely, 45% experienced problem often and 5% always faced problem, no respondent seem to face problem in “sometime and never” when using internet banking. This service used by few people only 40 respondent out of 140 who respond to the question said to use the service. Bank should work hard in advertising of product to customer so as to be known and used by majority and customer should be educated on how to use it in different purchases. The table 4.10 illustrates more

Table 4.10: Customer experience problem when using Internet banking

	Number of respondent	Percentage
Always	2	5
Often	18	45
Sometime	0	0
Rarely	20	50
Never	0	0
TOTAL	40	100

Source; field data 2014

4.7.3 Challenges in usage of Telephone banking

Researcher want to know how often customer experience problem whenever using telephone banking. Finding from study show that, 60% of respondent get problem often; 19.3% get problem sometimes; 15% of respondent get problem rarely; 4.3% get problem always and 1.4% respondent are never get problem. The respondent went further in explaining some problem relating on the usage of telephone banking by giving an example in Swahili language

“wakati mwingine ukinunua umeme kwenye simu unakuja siku ya pili yake”

Mean that when using simbanking in buying electricity you get electricity unit in next day. Respondent get annoyed with telephone service due to delaying respond of services, sometimes experienced external application down, customer cannot perform any transaction when network is down and sometime when transferring money from customer account to telephone especially large amount of money starting from 2 million and above it will take a week even more days to be able to withdraw those money from your telephone. The tables 4.11 below elaborate in detailed

Table 4.11: Customer experience problem when using Telephone banking

	Number of respondent	Percentage
Always	6	4.3
Often	84	60
Sometime	27	19.3
Rarely	21	15
Never	2	1.4
TOTAL	140	100

Source; field data 2014

4.7.4 Challenges caused by customer

During discussions with some of the bank officers they reveal some difficulties faced in attending to some customers. All 12 staff responded to this question seem to have experienced some challenges in attending customers. 58.3% of bank staff said long queue and congestion especial in the pick days of month is challenge to them; 25% said that customer fail to understand bank language which is challenge to them, this lead to wrong interpretation of some document hence wrong feeding of information. Finding shows that language problem is mostly experienced in the filling of loan form and in the opening account form; and 16.7% of respondent experience problem in loan repayment as most customers were stubborn in repayment of the loan.

Table 4.12: challenges rose by bank staff

Challenges	Number of respondent	Percentage
Language	3	25
Congestion and long queue	7	58.3
Loan repayment	2	16.7
Total	12	100

Source; field data 2014

4.7.3 Bank service charges

Bank service charges had caused complaints from some customers and that is why the researcher decided to examine the customer perception on it. The question which was intended to examine whether the charges were tolerable received responses that are summarized in Table 4.13 below. 16.4% of the respondents said that bank service charges are low; 50.7% indicate that bank service charges are medium and 32.9% said that it is high. A good percent of customers were indifferent on the issue of the bank service charges but majority were in medium. This may be explained by the fact that the

perception, whether good or bad, on the burden of bank service charges depends on the amount of savings and on the number of transactions that one executes in a given period.

Table 4.13: Bank service charges

Perception	Frequency	Percentage
Low	23	16.4
Medium	71	50.7
High	46	32.9
Total	140	100

Source: field data 2014

4.8 The extent to which services encourage customers to stay

The researcher wanted to know the extent to which the services provided by the branch did encourage them to remain with the bank. Findings in Table 4.14 below show that 37.2% of the respondents said that they were encourage to stay at very large extent; 46.4% were encourage to stay with bank a large extent; and 16.4% were encourage to stay at low extent. The majority of the respondents i.e. 83.6 % were satisfied to a very large extent and large. The explanation to this is also based on the fact that customers were encourage to stay with the bank due to availability of qualified personnel who provide good service to customers and availability of modern technology.

Table 4.14: whether the services provided encouraged the respondent to stay with

CRDB Bank

Extent	Frequency	Percent
Very large extent	52	37.2
Large extent	65	46.4
Low extent	23	16.4
Total	140	100

Source: Field data 2014

4.9 The probability a respondent leaving CRDB Bank

The researcher wanted to know the percentage chance or probability of a customer to leave the CRDB Bank because of being dissatisfied with the services being provided by the branch. Findings in Table 4.15 below show that 53.1 percent (36) of the respondents said that the probability for them leaving CRDB Bank was 0%; for 32.7 percent (19) the probability was between 1% and 50%; and, for 14.2 percent the probability was between 51% and 100%. This shows that the majority of the customers were not likely to leave the CRDB Bank because they like the services provided by the bank. This is in line with Koys (2001) who notes that customers satisfied with supplier express strong intention to keep on using the service.

Table 4.15: Probability a respondent of leaving CRDB Bank

Probability	Frequency	Percent
1-50%	117	83.6
51-100%	23	16.4
Total	61	100.0

Source: Field data 2014

4.10 Conclusion

In this chapter we have presented, analyzed and discussed data collected from the case study. In the next chapter (chapter five) will be discussing much on findings, conclusion and recommendations from the researcher.

CHAPTER FIVE

SUMAMARY OF THE FINDINGS, CONCLUSION AND RECOMENDATIONS

5.0 Introduction

This chapter gives summary on the findings that were discussed in the previous chapter of the study on the effectiveness of the services delivery and technology utilization in banking sector, CRDB Mbiga branch in Ruvuma was chosen as a case study. It also gives the conclusion as well as recommendations with regards to the research problems, methodology and research objectives.

5.1 General findings of the study

This study aimed to investigate the effectiveness of services offered by CRDB Bank PLC Mbinga Branch and how technological utilization has improved customer agreement towards banking services that were studied from.

Findings of the study show that most of the customers of CRDB were agree with the quality of services provided by the bank where all of their banks' information such as financial status and other particulars were securely and confidentially kept. And customers were having the assurance and there are aware of the Banks financial services and other bank services such as loans, different bank account, ATM, Internet banking and Telephone banking available at the bank.

5.1.1 Customer perception on bank services

Customers' degree of agreement in terms of empathy, reliability, responsiveness, assurance and tangibility of effectiveness services delivered was among the subject discussed in the finding. Respondent shows positive perception of the bank staff on the empathy, reliability, responsiveness, assurance and tangibility of the when serving

customers. Bankers of the Bank behaved in a manner that they are supposed to behave in carrying out their duties of the bank. That staff of CRDB expressed high degree of professionalism as the number of customers had been increasing since the establishment of the branch with a provision of quality services that also met standards and tastes and preferences of the customers. It was also concluded that, the staffs were responsive and they know perfect to handle customers with different altitude as they use friendly language and respectful words in providing services to customers which contributes to the retention of customers for a long period of time. In addition, they had been serving customers timely and with more efficiency.

On the ease of accessibility of loans respondents were unhappy with harsh loan conditions and high interest rates that they were required to pay on loans. .

On the Bank service charges being factor of the customer satisfaction, customers were indifferent because of their differences in savings and in their number of transactions and thus their perceptions on the bank service charges varied in that direction. Customers were not happy with the charges that they incur to the Bank as the majority of the customers could not express satisfaction with them.

Also majority of the respondents were not happy with the interest paid on their savings accounts. It was also found that customers were not satisfied and in some cases were undecided to detail in the way they perceived the interest rate provided on savings. The reasons could be due to low awareness on how the rate is computed or being ignorant on the way the rate has effect on their savings. Others pointed out that they had never received interest from their saving and the rate is very low.

Customers were also not satisfied and in some cases were undecided to tell the way they perceived the interest rate charged on loans. The reasons could also be due to low awareness on how the rate is computed or being ignorant on the way the rate has effect on their loans. Others pointed out that they could not benefit from the loans since the repayment period was short.

It was also noted that the bank has only one branch in Mbiga which provide services to other near District especially Nyasa district and all surrounding village. Having one branch has impacted on the service delivery where it has created queues which take longer for the customers to get the services timely and costly as customer need to travel for bank activities. Therefore, many respondent especially who come from Mbiga village and from other District were not happy with this.

5.1.2 Problem arises on the IT services user

The study reveal that customers were not happy with the services provided by the ATM, although is the most IT service used by majority. They claimed that ATM is not only one and far located but also it not operating all the time due to network problem. It go offline for long time without prior notification to customers hence reduced the services delivery to the tastes and preference of the customers. The Bank needs to consider place more ATMs to cattle customer need and more education should be provided to the customer on the use of other function of ATM and not only dispensing as it used by majority.

Internet banking is another IT service used by only few customers, only 40 respondent out of 140 said to use it. The reason behind being security concerns, many customer feel unsecure due to increased number of internet hacker, bank should find a way to make customer secure and safe on using the service. Lack of knowledge on how to use, is another reason for not adopted and unreliability. Internet banking if well adopted by bank

and spread well to its customer it will be more convenience and flexibility to customers attached with an almost total control over their banking as customer can perform different banking services from their homes. Due to lack of trust as observed from the study bank should take serious security concern not only to the banking industry but also the e-commerce. There are various measures that can be put in place to ensure more security using internet banking services such as installation of encrypted software, verification system for customer's identification cards, frequent change of password, examining test questions and using mixed password (Gbadeyan, 2011).

Telephone banking (simbanking) services also annoyed customers due to frequency network problem. Some respondent claimed to fail making money transaction from their account to their phone or to another account. Other respondent fail to get service quick as they want due to internet problem for example delaying receiving electricity unity after buying or sometime unit may not come at all.

5.2 Conclusion

The study findings show that the CRDB Bank Mbinga branch did utilize effectively technology in service delivery as a result customers agree with the services provided by the bank branch. The branch also got an increasing number of customers due to good services provided by the bank and hence business prospered. Customers were however unhappy with the poor services that are provided through ATM, Telephone banking and Internet banking and this is mostly due to lack of proper awareness and security reasons which make respondent not to opt using IT services fully. Moreover, most customers could not express satisfaction with interest rates paid on savings accounts and those charged on loans.

5.3 Recommendations

This study makes recommendations on issues that the majority of respondents said they were dissatisfied with. Researcher recommends the following issues to be taken into consideration by the bank;

- Bank should open many branches in particular in places where there are many customers such as Nyasa District and Kigonsela and opening branches in rural areas of Mbinga District should be taken into account.
- The claims on the interest rates on loans and bank charges are high with 22.9% and 48.4 respectively which is a result that the Bank has to review their rates with the current market rates relatively to the reflection of the customer's need not switch to other banks which may also discourage some customers on to use the bank services. And thus, the bank should revise the policies related to these services.
- Interest rates on savings account were observed to be very low and thus respondents responded indifferently on this factor .The Bank should revise the interest on the deposits of the customers and should educate the customers on the importance of savings with the reviewed on attractive rate. This is not good for business operation.
- Bank should clearly set out on the ease of getting loans by setting out all the procedures and the outlines of requirements of all types of loans to avoid the confusions to the customers on the way the loans are acquired.

For the case of ATM, Internet Banking and Telephone banking, researcher recommend bank to take the following measure;

- Banks should improve the networks for ATM which has to go hand in hand with opening more ATMs in the different locations to increase reliability and availability of service hence improving customer needs of services. This will encourage the

customers to use their services and stay with them.

- Bank should regularly review their security policies. Security serves as a serious concern to the banking industry. There are various measures that can be put in place to ensure more security using e-banking services such as installation of encrypted software, verification system for customer's identification cards, frequent change of password, examining test questions and using mixed password such as the use of alphanumeric;
- Customers need to be given more sustained public education concerning the use of e-banking services and the important of keeping their information secret. For example; proper maintenance of ATM cards, how to make various online transactions without giving room for Internet fraudsters, and ensuring more security for their online transactions more important is to keep their password secret.
- There should be proper maintenance of the system used by the banks in order to prevent cases of complete breakdown of the system, which can result to loss of material or information that are of vital importance to the customers and the organizations as well.

5.5 Areas for future research

This study also acknowledges that the following areas will need further actions to improve banks' products and services towards building bank good image to its customer:

- Effectiveness of Internet Banking in Tanzania business.
- The importance of simbanking in the growing economy of Tanzania.

REFERENCES

- Al-Hawari, M,&Ward, T. (2006), “The Impact of Automated Service Quality on Financial Performance and the Mediating Role of Customer Retention”, *Journal of Financial Service Marketing*, 10(3),228-43.
- Australian Journal of Business and Management Research Vol.1 No.4 [108-116] | July-2011
- Australian Journal of Business and Management Research Vol.1 No.4 [108-116] | July-2011
- Auwal Y.A (2011), “Ethical considerations in self-service technology and customers patronage of banking products in Nigeria,” *Paper presented at the 2011 Ben-Africa Conference Zanzibar,Tanzania-31st October- 2nd November 2011*
- Bank of Tanzania (BOT) (2012) Monthly Economic Review.
- Brodie, R. J; H Winklhofer; N. E Coviello and W.J Johnston, (2007). Is e-marketing coming of age? An Examination of the Penetration of e-marketing and Firm Performance. *Journal of Interactive Marketing*, 21,2 – 21.
- Campbell, T. and Stanley, H. (1996), “Technology, Multimedia and Qualitative research in education,” *Journal of Research on Computing in Education*, Vol.6, No. 2, 314-316.
- Cohen, L., Manion, L. & Morrison, K. (2000), *Research methods in education*, Longman publisher,London.
- Cooperative Rural Development Bank (CRDB) (2011) Annual report.
- Dabholkar, P. (1994), Technology based service delivery, *Advances in Services Management*, Vol. 3 pp.241-71.
- Davies, F. Moutinho, L.& Curry, B. (1996), “ATM user’ attitudes: a Neural Network Analysis”, *MarketingIntelligence & Planning*, 14/2, 26-32.
- Develeux, J.S. and Hoddlinot,J. (1992), *Field work in developing countries*, Harvester Wheat Sheaf,
- Essinger, J. (1999). *The virtual banking revolution, the customer, the bank and the future*, London: Churchill-Livingstone.

- Fink, A (1995), *The Survey handbook*, Thousand Oaks, California, Sage.
- Gbadeyan, R. A. & Gbonda, O. A. (2011), The customers preference for E-banking services; A case study of selected in banks in Sierra Leone, Sierra Leone.
- Hall, C. (2004) "Technology, existing resources keys to marketing on a budget," Selling,
- Harris, L and L. J Spence (2002).The ethics of Banking. *Journal of Electronic Commerce Research*, 3(2), 59-66.
- Heskett, J. L., Sasser,W. E., Jr, &and Schlesinger, L. A. (1997). *The service profit chain*. New York: Free
- Humphrey, D., Willeson, M., Bergendahl, G. & Lindblom, T. (2006): Benefits from a changing implication for future research, *Journal of Marketing*, Vol. 49, No. 4, pp. 41-50, 1985.Industry in Nigeria.
- Inonda, J. and Guto, B. (2006), *Issues on Social Sciences Research*, Social sciences Research
- Inonda,J. and Guto, B. (2006), "Issues on Social Sciences Research, Social Science Research Methodology", Vol 111, Unpublished materials, Institution in Tanzania.
- Joseph, M. & Stone, G. (2003),"An Empirical Evaluation of US Bank Customer: Perceptions of the Impact of Technology on Service Delivery in the Banking Sectors", *International Journal of Retail & Distribution Management*, 31(4), 190-2002.
- Khalifa, M. and Liu, V. (2002),. *Satisfaction with Internet-Based services, the role of Expectations and Desires*, Washington.
- Kombo & Delno L. A (2006), "*Proposal and Thesis Writing: An Introduction*" Daughters of St. Paul, Nairobi GPO (Kenya) pg.12.Pauline's Publications Africa.
- Kombo, D. K . & Trop, D.L.A (2009), *Proposal and thesis writing, An Introduction:* Paulinas Publications Africa, Nairobi Kenya.
- Kothari C. R. (2005), *Research Methodology method and techniques (2nd Revised Edition)*, New Age International (P) Limited. New Delhi.
- Koys, D. J. (2001). The effects of employee satisfaction, organizational citizenship behaviour and turnover on organizational effectiveness: A unit-level, longitudinal study. *Personnel Psychology*, 54, 101–114.
- Lamb, W. C; Hair, J. F; Mcdaniel, C (2002). *Marketing*. South Western Publishers, Ohio, USA.

- Lewis, B.R. & Mitchell, V.W. (1990). Defining and measuring the quality of customer service, London international thomas business press
- Lovelock, C.H. (2000), Functional Integration in service: Understanding the Links between Marketing, Operation and Human resources. In Swartz, T.A. and Lacobucci, D. *Marketing Inteligence & Planning*, 8(6), 11-17.
- Masocha, R . N Chiliya and S Zindiye (2011). E Banking adoption by customers in the rural milleus of South Africa: A Case of Alice, Eastern Cape, South Africa. *African Journal of Business Management*, 5(5), 1857 – 1863. *Methodology*, Vol 111, Unipublished Materials, Institution in Tanzania.
- Meuter, M., Ostrom, A., Bitner, M. & Roundtree, R. (2003). “The influence of technology anxiety on consumer use and experiences with self-service technologies,” *Journal of Business Research*; November, Vol. 56 Issue 11, pp. 899-906.
- Miles, Matthew B. and Huberman A.M. (1994), *Qualitative Data Analysis: An Expanded Sourcebook*, (Second edition), Sage Publications International Educational and Professional Publisher, Thosand Oaks, New Delhi.
- Mobarek, A. (2007), “E-Banking Practices and Customer Satisfaction- A Case Study in Botswana”, Retrieved on April, 2014, from http://papers.ssrn.com/so13/papers.cfm?abstact_id.
- Parasuraman, A., Zeithaml V. A., Berry L. L. (1985), A conceptual model of services quality and its implication for future research, *journal of Marketing*, Vol.49, No. 4, pp 41-50.
- Patton, M. (2002), “*Qualitative research & evaluation methods*,” 3rd education. Sage publications thousand. Oaks California.
- Patton, M. (2002), “*Qualitative research & evaluation methods*,” 3rd education. Sage publications thousand. Oaks California.
- Rose, P. S. (1999). *Commercial bank management*. Boston, Irwin/McGraw-Hill.
- Sarota, P. M. (2009), The effects of Electronic payment on Customer satisfaction; The case of CRDB Bank Limited, unpublished dissertation, The University of Dar-es-salaam.
- Saunders, M. Philip, L. and Thornhill, A. (2000); *Research Methods for Business Students*, 2nd ed., Prentice Hall, England.
- Saunders, M. Philip, L. and Thornhill, A. (2000); *Research Methods for Business Students*, 2nd ed., Prentice Hall, England.

- Shitu, O. (2010), The impact of Electronic Banking in Nigeria Banking System, *Critical appraisal of Unity Bank PLC*, Nigeria.
- Silverman, D (1993), *Interpreting Qualitative Data: Methods for Analysis Talk, Text and Interaction*, SAGE Publication, London.
- Singhal, D and V. Padhmanabhan (2008). A Study on Customer Perception Towards internet Banking: Identifying major contributing factors. *The Journal of Nepalese Business Studies*. V (1), 101 – 111.
- Sirkin, R. M (1995), *Statistics for the Social Sciences*, Sage Publications, New Delhi.
- Sirkin, R. M (1995), *Statistics for the Social Sciences*, Sage Publications, New Delhi.Tokyo, Japan.
- Tuckman, B. W. (1978), *Education Research*,Harcourt Brace Jovanovic Publisher, New York.
- Walsh, A. (1990), *Statistics for the Social Science with Computer Application*, Harpper and Row Publishers, New York, NY
- Walsh, A. (1990), *Statistics for the Social Science with Computer Application*, Harpper and Row Publishers, New York, NY
- Wisniewski, M. & Donnelly, M. (2001). Measuring service quality in the public sector: the potential for SERVQUAL. *Total quality Management*, 7(4), 357-365.
- Yin,Robert K. (1994), *Case Study Research: Design and Methods*, (Second Edition), Sage Publications,International Educational and Professional Publisher, Thousand Oaks, London, New Delhi.
- Yin,Robert K. (1994), *Case Study Research: Design and Methods*, (Second Edition), Sage Publications,International Educational and Professional Publisher, Thousand Oaks, London, New Delhi.

APPENDICES

Questionnaire

Appendix I: Research Questionnaire for CRDB bank officers

This study is based at the University of Dodoma. Its major objective is to assess effectiveness of service delivery and technology utilization in banking sector; A case study of CRDB Mbinga branch. You are therefore, kindly requested to participate in this study by filling in this short questionnaire. The information being looked for is only for academic purposes and will not be given out to any person or organization.

Instructions for Interviewers:

Choose an appropriate answer and then fill in the spaces the best numeric (value) accordingly otherwise fill in the blanks with suitable string/discrete value/ answers (words): Be neat and brief and Use a pencil. In case of language problem, you may use either of Swahili and English languages.

Part One: Profile of Respondents

1. Date.....
2. Name of Respondent (optional)
3. Occupation
4. Age
- 5 Sex
- a. Male ()
- b. Female ()
6. Educational level
- a. Secondary ()

b. collage ()

c. Degree ()

Part Two: Types of services offered in the CRDB bank

1. For how long have you been working with CRDB bank?

a. less than a year ()

b. 1-5 years ()

c. 6-10 years ()

d. more than 10 years ()

2. Does the bank have any policy reflecting customers? (Tick appropriate answer).

a. Yes ()

b. No ()

3. If the answer is yes in question number (2) above, what are those policies

.....
.....
.....
.....

4. According to your bank policy, what are the services offered by CRDB to the customers? Please tick in appropriate box

a. ATM ()

b. Telephone banking ()

c. Internet banking ()

d. Money transfer ()

e. Saving/ withdrawing account ()

f. Loan ()

g. Others if any.....

5. Referring question 4 above, what type of services preferred mostly by your customer (mention)

.....
.....

6. Do you experienced any difficulties in attending your customer?

a. Yes ()

b. No ()

7. If the answer is yes in question 6 above, in which part of your service delivering you experienced more difficulties? Please tick appropriate

a. ATM ()

b. Telephone banking ()

c. Internet banking ()

d. Money transfer ()

e. Saving/ withdrawing account ()

f.Loan ()

g. Others if any.....

8. Which measures are taken by the bank to handle those difficulties?

Part three: policy issues on Effective utilization of Technology

1. Does your bank policy reflect the use of Modern technology as tool for modernizing bank services? (Tick appropriate)

a. Yes ()

b. No ()

2. If yes, what are those modern technology bank offered to the customer?

.....
.....

3. Do you think current technology used by a bank cater the need of your customer?

a. Yes ()

b. No ()

4. If the answer is yes in above, to what extent?

a. Good ()

b. Very good ()

c. Excellent ()

5. In which part does the modern technology help the banker in their daily activities?

Please tick appropriate

a. Time ()

b. Speed ()

c. Security ()

d. Accurate ()

e. Reliability ()

f. Cost ()

g. Profit ()

h. All above ()

6. What are the drawback of using modern technology in bank services?

.....
.....
.....

Part four: police issues in satisfaction of customers

1. Does the bank police reflect customer satisfaction?

- a. Yes ()
- b. No ()

2. How does the bank provide services to their customers?

- a. According to their age ()
- b. According to their status ()
- c. According to their education ()
- d. According to their disabilities ()

3. Does the bank has special package (services) relating to those group mentioned in number two?

- a. Yes ()
- b. No ()

4. If yes in 3 above, what are those services offered according to the groups indicated in question 2 above?

.....
.....
.....

5. How many complains do you receive from your customers reflecting services and use of modern technology per year? (tick appropriate)

a. Theft

1-100 per year ()

100-200 per year ()

Above 200 per year ()

b. Network breakdown

1-100 per year ()

100-200 per year ()

Above 200 per year ()

c. Poor customer care

1-100 per year ()

100-200 per year ()

Above 200 per year ()

6. Does your customers satisfied with your services as per your bank policy?

a. Yes ()

b. No ()

7. If yes in 6 above, how?

.....
.....

8. Does the bank ever experience dramatic shift of customer to another bank?

a. Yes ()

b. No ()

9. If yes, what do you think the cause of that dramatic shift?

.....
.....
.....
.....

10. What measure do the bank take to ensure customer satisfaction and retention?

.....
.....
.....
.....

Thank you for your cooperation

Appendix 1I: Research Questionnaire for CRDB Customers

This study is based at the University of Dodoma. Its major objective is to assess effectiveness of service delivery and technology utilization in banking sector; A case study of CRDB Mbinga branch. You are therefore, kindly requested to participate in this study by filling in this short questionnaire. The information being looked for is only for academic purposes and will not be given out to any person or organization.

Instructions for Interviewers:

Choose an appropriate answer and then fill in the spaces the best numeric (value) accordingly otherwise fill in the blanks with suitable string/discrete value/ answers (words): Be neat and brief and Use a pencil. In case of language problem, you may use either of Swahili and English languages.

Part One: Profile of Respondents

- 1 Date
2. Name of Respondent (optional)
3. Occupation
4. Age
 - (a) Between 7 and 14 ()
 - (b) Between 15 and 35 years ()
 - (c) Between 36 and 60 years ()
 - (d) Above 60 years ()

5. Sex
- (a) Male ()
- (b) Female ()

6. Educational level

- a. Primary ()
- b. Secondary ()
- c. College ()
- d. degree ()
- e. Others (Specify)

Part Two: Types of services offered in the CRDB and its effectiveness

1. For how long have you been a customer of the CRDB bank?
- a. less than a year ()
- b. 1-5 years ()
- c. 6-10 years ()
- d. more than 10 years
2. Which type of bank services are you aware of? Place number of the appropriate answer in the box.
- a. ATM ()
- b. Deposit and Withdrawals ()
- c. Bank Accounts ()
- d. Business Loans and Personal Loans ()

- e. mobile banking ()
- f. ATM Cards ()
- g. Internet Banking ()
- h. Simbaking (telephone banking) ()
- i. Electronic Money Transfers ()

3. what type of account you have in the bank

- a. Loan account ()
- b. Saving account ()
- c. Current account ()
- d. Credit account

4. Have you ever experienced any problem in opening account?

- a. Yes ()
- b. No ()

5. Have you ever take any loan from the bank?

- a. Yes ()
- b. No ()

6. If yes in number 5 above, do you ever experienced any harsh conditions or poor corporation from bank?

- a. Yes ()
- b. No ()

7. How do you see the charges of different services offered by the bank?

- a. Low ()
- b. Medium ()

c. High ()

8. How do you see the quality and reliability of services provided by the bank?

.....
.....
.....

Part three: services effectiveness and technological utilization

1. How does the bank communicate with you?

- a. E-mail ()
- b. Brochure ()
- c. Phone ()
- d. Postal ()
- e. Walking in the bank hall ()

2. Which type of IT services provided by the bank you are aware with? Place number of the appropriate answer in the box.

- a. ATM ()
- b. Internet banking ()
- c. Mobile banking ()
- d. Telephone banking ()

3. What service your mostly used

- a. ATM ()
- b. ATM and telephone banking ()
- c. ATM, Telephone banking and internet banking ()
- d. Mobile banking, ATM and internet banking ()

4. Do you feel secure in using ATM and their convenient location?

a. Yes ()

b. No ()

5. How often you experience service problem whenever you use IT services?

	It services item			
	ATM	Internet banking	Mobile banking	Telephone banking
Always				
Often				
sometime				
Rarely				
Never				

6. Do use IT service in making different financial transaction beyond you bank branches?

a. Yes ()

b. No ()

Part four: Agreement on bank service and technology utilization

1. Use the Likert scale below to give your opinion on agreement on bank services and technology utilization.

S/N	FACTOR	strongly agree	agree	Neutral	Disagree	strongly disagree
1	Good customer care					
2	Assurance and security of services					
3	Staff with more empathy					
4	Services are always reliable and fast					
5	Staff are responsible and they know what they do					
6	The quality service of e-banking					
7	Telephone banking					
8	ATM					
9	Internet banking					
10	Mobile banking					
11	Services charge					
12	Interest rate on saving account					
13	Interest rate on loan					
14	Easy of opening a current account					

2. What is the chance that you can decide to leave this bank?

a. 1-50% ()

b. 51-100% ()

3. If the chance is less than 50% in 2 above state reasons

.....
.....
.....

4. To what extent the services provided encouraging you to stay

a. Very Large Extent ()

b. Large Extent ()

c. Low Extent ()

d. Very low extent ()

5. Have ever left this bank before

a. Yes ()

b. No ()

6. If the response is yes in 5 above, state reasons

.....

7. Do you think that the BANK has some challenges?

Yes ()

No ()

8. If Yes in part 7, where are you not happy with services, and what are the problems of the bank? (Put a tick in the appropriate box)

Area	Problem
Customer care	
Loan	
ATM	
Telephone banking	
Internet banking	
Mobile banking	
Service charges	
Other problem if any	

9. How can we improve the provision of services in the bank?

Area	Problem
Customer care	
Loan	
ATM	
Telephone banking	
Internet banking	
Mobile banking	
Service charges	
Others	

Thank you for your cooperation