

**THE IMPACT OF CUSTOMER SERVICE ON CUSTOMER PATRONAGE IN
BANKING – THE MEDIATING EFFECT OF ICT ADOPTION**

by

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ABSTRACT

The study sought to assess the mediating effect of ICT adoption on the relationship between customer service and customer patronage in Access bank. The study was limited to the branches of Access bank in the Kumasi Metropolis and customers were the main objects. The study used a hierarchical linear multiple regression to assess the relation among the variables using three hundred and eighty six (386) questionnaires. The study proved the significance of customer services to ICT adoption as well as the significance of ICT adoption to customer patronage. Customers of Access bank were also found to be within a youthful age group which was seen as a positive factor for ICT adoption. The mediation analysis proved that ICT partially mediated the relationship between the dependent and independent variables indicating that there for other variables that mediate the relationship between the two variables. It was therefore recommended that the bank improves more of the content and delivery of their customer services. Also, since ICT adoption in a way accounts for the relationship between customer service and customer patronage, it was necessary for the bank to take of advantage of the youthful age of customers to increase the rate of adoption of ICT. The findings of the study brought a conclusion that, the content and delivery of customer service which include the various ways of handling complaints, education given on products and services among others positively influenced the perception and attitude of customers to ICT adoption in banking. The negative coefficient of the mediating variable as well as the coefficient of the Sobel test further implied that the effectiveness of Customer service on the average slightly affects customer patronage by increasing the level of ICT adoption in banking.

DEDICATION

This thesis is dedicated to my mum and husband

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CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background

The banking industry, a service provider contributes to a country's development in diverse ways. Not only does it ensure economic growth by contributing to the GDP growth of the country, it also provides job opportunities for different kinds of people such as tellers, managers, cleaners, security personnel, etc. Thus, for a country such as Ghana to develop, much depends on the banking industry. For instance, banks which are part of the service sector added 51.4% to Ghanaian GDP. (United States Central Intelligence Agency Report, 2012).

In recent times, due to the increasing competition in the market, corporate strategies have been deployed by banks to increase profit and also to gain higher shares in the market. These strategies aim at providing solutions to global issues that affect organizations which includes customer service excellence, customer pleasure and consumer patronage. In other words, for a bank to have a competitive edge over the other, unique resources which cannot be imitated must be developed by the organization.

Also, in today's fast-paced competitive markets, banks are in the customer centric position instead of product centric position since they all provide the same products with different names. Ojo (2010) is with the view that more attention should be given to service as quality of service and customer expectation are very important factors that have a positive and direct influence on customer satisfaction. In view of this, firms should seek and address customer suggestions and also put more effort in designing programs which can assess

service quality and customer satisfaction. A study by Hafeez and Muhammed (2012) also points out that banks are supposed to concentrate on various ways to improve the quality of service they provide for an improved and greater customer satisfaction and loyalty; customers satisfaction is therefore seen as the situation when the outcomes of service matches or surpasses customer expectations of the service. Thus, delivering good customer service to meet customer expectation is an essential factor that differentiates one bank from the other. Customer service consist of intangible activities and can be simply replicated (Aliyu and Tasmin, 2012).

All these activities can be articulated in different aspect of skills personal and interpersonal skills such as body language, listening skills, good telephone techniques, communication skills among others. In general, customer service is all about the treatment a company gives to its customers. Dei-Tumi (2005) sees customer service as an attitude and not a department. He is also with the view that, a company can only keep and create customers based on the attitude given them by the organization. It is also about creating value for the customer as promised by company. Therefore, if a company is able to render services constantly and consistently to customer by meeting their needs and wants, it is termed as customer service. Haroon (2010) observed that customer services play an important role in increasing the customer loyalty and customers highly consider the price of these services. This means that, delivering excellent and superior customer service is about bringing the customer back. It also about making customers have unique customer experience that makes them produce a positive feedback about the organization and also repeat the transaction they do with the organization.

Customer patronage is achieved when the anticipations of customers are fulfilled. Excellent customer service does not only make customers patronize the products, but they also spread positive word-of-mouth to other people, which is an avenue for creating profits for the bank. In effect, if customers change their ways of patronizing, it will have a great impact on the long term revenue of the bank.

For customers to re-patronize products and services of the bank, information and communication technology becomes the channel through which the services are rendered. Therefore, customer service is delivered through information and technology communication which has a great influence and impact on whether the customer will patronize again or not (Fouad, 2013). The use of ICT within the banking sector involves the networking of branches, the use of ATMs, SMS, internet and telephone banking, electronic payment of bills and others (Kwashie, 2012).

ICT influences decisions made by managers regarding products and services offered to customers. Recently, ICT has become the center in which banking sectors revolve around while banking industry is the main heart for every strong economy. This means if the banks collapses, so will the economy. In addition, internationalization, competition deregulation in today's business have forced most businesses especially banks to offer or services 24/7 across the globe. ICT has also made banking services very flexible and user friendly for customers.

In recent times, banks in Ghana have recognized the lasting effect of good customer services and they are all trying to adopt innovative strategies to achieve this aim. It has been realized that there are various ways of treating a customer to ensure a sustained

patronage and various factors come into play. However the adoption of ICT is usually influenced by how a person perceives the usefulness of ICT and how easy and accessible it is. These factors can either facilitate or impede its achievement, it is for this reason that this research seeks to investigate into how information technology adoption mediates in the kind of effect customer service has on customer patronage.

1.2 Problem Statement

Large deregulation program of the Ghanaian government which has encouraged the springing up of financial institutions in the Ghana and this has led to a substantial rise in competition among these institutions. (Addai-Minkah, 2011). Almost all the banks in the 21st century see customer service as an important strategic tool for survival. The sudden shift of concentration on customer service quality is as a result of the point that consumers are dissatisfied with service delivered and can switch to another bank very easily. The dissatisfaction is as a result of higher bank charges, bad and rude attitudes from staff, long time network breakdown, queuing or delay in service delivery and limited or no access to loan, vehicle or mortgage facilities. Customer service for that matter cannot be underestimated since it is a primary way of survival for banks, therefore, they have a key goal to pull advances in information and technology in order to form and preserve enduring interactions with their customers through the acceptance of innovative networks that enable electronic banking (Fouad, 2013).

However, there are many views regarding the effect of ICT adoption on customer service. Aliyu and Tasmin (2012) hold the view that ICT has solved most recurrent problems in customer services and has made customer experience more comfortable through the use of cash machines, internet services and other channels. Amedu (2005) and Kwashie (2012)

also hold the views that ICT adoption has allowed banking after working hours and decreased long queues at banks respectively. Alternatively, ICT has posed some problems for customer service and this include breakdown of cash machines, system failure, internet fraud, slowing down the process of getting solutions to some problems among others (Rogers, 2010). Also ICT adoption has been seen to be complex and associated with potential costs and risks (Shittu, 2010). All these actual benefits and risk influences the rate at which people adopt ICT

It can therefore be said that the effect of ICT adoption has been identified by some studies as positive yet others found negative results which in turn influences its adoption. Also, most studies have focused on the role of ICT adoption on customer service but whether or not these positive or negative effects have yielded any impact on customer decision to adopt is quiet unknown. The gap makes investors doubtful about their investments in ICT and decisions about future investments hence, this research aims to produce knowledge that covers this gap by looking at the mediating effects of ICT adoption on customer service and customer patronage relationship.

1.3 Research Questions

The study tried to find answers to the following questions;

1. What are the effects of customer service on customer patronage in access bank?
2. What are the effects of customer service ICT adoption?
3. What are the effects of ICT adoption on customer patronage?
4. What are the mediating effects of ICT adoption on customer service and customer patronage relationship in Access bank?

1.4 Objectives of the Study

The key purpose of this study is to explore customer service as one of the development directions that can help banks ensure customer patronage through the adoption of ICT.

That is, customer service as a strategic direction will make one bank be ahead of the rest.

Apart from the general objectives mentioned above, the precise objectives include:

1. To determine the effect of customer service on customer patronage in Access bank
2. To assess the effect of customer service on ICT adoption
3. To determine the effect of ICT adoption on customer patronage
4. To investigate the mediating effects of ICT adoption on customer service and customer patronage relationship in Access bank

1.5 Scope of the study

The geographical scope of the study was limited to Access bank limited, Kumasi Metropolis. There are five branches in Kumasi which are located at Suame, Adum, Amakom, Asafo and Alabar and the study captured data from all these branches.

Access bank was selected for this study as it has been identified as one of the banks in the country experiencing rapid and steady growth with regards to certain prime financial indicators. The objects of study include clients and personnel of the five branches in the metropolis in order to understand the relationship among the variables of the study.

1.6 Significance of the Study

The outcome of proved that customer service is vital for the survival of the financial institutions and the development of the economy as a whole. Thus much emphasis was made on the need of banks to ensure excellence good customer which is one of the best strategic tool for business development. This study also brought out the various ways customer service can have a great impact on customer patronage of products and services through increasing the rate of ICT adoption. Frequent customer patronage is not only expected to increase the profitability of the banks but there is also a possibility of positive feedback through the spreading of affirmative information other prospective users of that particular bank. In addition, this study aimed to produce new knowledge and understanding of customer service through the use of indicators such as customer satisfaction, customer loyalty, customer value, service quality etc. All these elements are factors that influence customer patronage in any organization.

1.7 Brief Overview of the Research Methodology

To analyze and assess how customer service influence customer patronage in banking through ICT adoption, the study combined case study and causal research designs. Thus there is a model formulation which described into detail the correlation amongst the factors (customer service, customer patronage and ICT) that have been stated as important to the problem. This formulation was also presented in a way that the mediating variable (ICT) is both a product of the independent variable (customer service) and a cause of the dependent variable (customer patronage).

In addition, primary and secondary data is the sources of information for the study. For the secondary data was obtained from books, publications in dailies, papers, journals, articles

and unpublished dissertations. Secondary data was also obtained from the reports of Access bank. The aim of taking data from secondary sources was to draw the required information on the subject matter before going to the field for primary data. Primary data was gathered through the use of structured and non-structured questionnaires and interviews. The various views of the population were solicited through the distribution of questionnaires and interviews conducted. Therefore, the views of the stakeholders involved in the study were collected by the author through the use of the primary data. Customers and staff of Access bank were the main center in which the research revolves around in gathering the relevant data from the field.

The author made use of non-probability methods of sampling which is a technique primarily based on the personal assessment of the researchers. The selection of this sampling technique was due to convenience and economic reasons. The convenience sample, which is one aspect of the non-probability sample was used since it involves selecting randomly those cases that are easiest to obtain for the research sample and relevant to the study.

1.8 Organization of the Study

The study was organized in five chapters; the first chapter presented the background of the study, objectives, research questions, scope of the study, significance and a brief summary of the methods used for the research. The second chapter reviewed previous studies in the subject area and the variables of the study. Chapter three highlighted the methods or procedures that were adopted to gather information as well as methods of analysis to achieve the objectives. Chapter four presented the data, analysis and discussion of findings

from the field and lastly, the final chapter outlined the summary of key findings to the study, conclusions drawn of the entire work and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter outlined the theoretical foundation of the topic under study and an appraisal of previous research on the subject matter. A conceptual framework was developed after the review which explained and showed the relationships among the variables of the study.

2.2 Theoretical Foundation of Customer Patronage Behaviour

The theoretical foundation underpinning this study was identified to be the theory of consumer behaviour which is simply defined as the study of persons, clusters of people or societies in relation to the various steps they go through to choose products or services to satisfy a particular purpose. This means that this theory tries to understand the process of choice making among consumers and it considers demographic and behavioral factors which is believed to influence the wants of a person (Sabine, 2012).

In this theory, the consumer is seen to be a buyer, payer and user thus it has an interest in re-affirming the importance of a customer placing a paramount importance on customer retention and customer relationship management (Kahle and Close, 2011). The black box model is also used to depict the communication of incitements, purchaser features, choice processes and consumer reactions. The marketing incentives are programmed by the establishments while the environmental stimulations are fixed by cultural, social and economic occurrences of the society. The purchaser's black box encompasses his or her features and the conclusion process, which determines the buyer's responses (responses are as considered to be the outcomes of a mindful and coherent choice making procedure)

Furthermore, customers evaluate alternatives by comparing various brands and this evaluation is mainly based on the functional and psychological benefits they offer. This implies that an organization needs grasp the benefits customers seek and also find out other brands customers consider. After evaluation is done, the customer is set to decide on his or her choice, and it must be noted that this decision does not necessarily lead to purchasing, hence organizations use different techniques to ensure actual purchase. These techniques may include flexible payment plans for products and services or discounts or even ability to enter a competition with the purchase (Khosla, 2010).

The last stage a consumer goes through is the after buying assessment which enables the buyer to compare the goods or services they purchased and product features such as brand, price and quality are compared. At this stage customers compare their expectations to the perceived value thus influencing the decision to continue purchasing the good or not. It is worth noting that availability of information on products greatly affects this decision (MacInnis et al, 2014).

2.2.1 Customer behaviour in the banking industry

Similarly, customer patronage of a particular bank depends on how much contentment customers gain with the use of the kinds of services and products offered by that bank. It is believed that patronage and re-patronage of banking services is a decision a customer has to make and they go through the processes outlined in the theory of consumer behaviour. Individual perceptions, demographic factors, social, economic and cultural occurrences may affect the choice of bank of a person but most importantly the impression an individual has from patronizing a bank may determine whether he or she will stay.

Every rational person, as stipulated by the theory, samples different banks and evaluates the alternatives to make a choice based on the mentioned factors. As mentioned in the background of the study, good customer service is a prime tool for customer patronage and it is what distinguishes one bank from the other. Therefore the various techniques or strategies used to promote good customer service is very important as it can either facilitate the decision making process of a customer to either patronize the bank or not. Moreover, the post evaluation phase a customer goes through requires banks to continue to review their customer service techniques, they also need to understand customer expectations in order to know whether they are being met. The contribution of ICT to good customer service can facilitate the decision of patronage as it is believed to simplify banking services. However, due to the determinants outlined in this theory to influence decisions of patronage, the supposed simplifier of banking service can be a deterrent. The next section of this chapter explains customer service and customer service in banking.

2.3 Customer Service

In general, customer service is all about the treatment a company gives to its customers. Dei-Tumi (2005) sees customer service as an attitude and not a department. He is also with the view that, a company can only keep and create customers based on the attitude given them by the organization. It is also about creating value for the customer as promised by company. Therefore, if a company is able to render services constantly and consistently to customer by meeting their needs and wants, it is termed as customer service.

Customer service comes in many forms which could be personal or interpersonal techniques such as good communication and listening skills, the type of language, mannerisms and telephone techniques. It is simply the sentiment one gets that makes them

know their anticipations on a product or service have been fulfilled. A study by Osuagwu (2009) explained customer service to include creating, preserving and improving the interactions among partners in a business entity to realize the objective of the significant parties. Such parties can be long term oriented, which is usually the case. He further explained customer service as a state where all buyers are viewed as separate beings, and every action of the organization in question is directed to enhance the communication between key partners in order to realize the objectives of an organization.

Consequently, Haroon (2010) observed that customer services play an important role in increasing the customer loyalty and customers highly consider the price of these services. This means that, delivering excellent and superior customer service is about bringing the customer back. It also about making customers have unique customer experience that makes them produce a positive feedback about the organization and also repeat the transaction they do with the organization. Customer service comes in two forms; either a human being called the sales or service representative provides it or through a computerized means also referred to as self-service.

Customer service thus encompasses the ways through which satisfaction will be mutually beneficial with regards to the unseen aspects of products considered by people who have the urge to satisfy their needs. It is usually gripped on anticipated notion which consist of a precise recognition and accepting the wishes of potential and actual buyers, and also adjustment of the activities of an entity to deliver excellent customer service commendably and professionally (Sokefun, 2011). In this study it was further pointed out that much attention should be given to the correlation between customer satisfaction and performance of a business in order to ensure effective customer care. Customer service is an important

tool to generate income and revenue in an organization as it enhances its ability to undertake these tasks better. Judging from this viewpoint, customer service should be incorporated overall into the entire approach to systematic advancement. The opinion one has about an organization can greatly be influenced by a particular customer service experience (Sokefun, 2011). As stated earlier, customer service is essential for all forms of organizations which provide products and services, however for the purpose of this, study customer service is narrowed down to the banking industry.

2.3.1 Customer Service in Banking

Customer service in banking is one of the most essential means to keep customers coming back. It comprises the provision of responses to the questions and complaints of customers in a detailed and a well-timed manner and relating with patrons by conducting a meeting physically or other technological means such as email, fax and phones. It can be said that, virtually all bank employees are involved in various aspect of customer service. Banks are entreated to be more customer focused due to the growing competition in the sector. As mentioned early on in the study, acquiring additional customers is more costly as compared to maintaining the existing ones. In order to preserve clientele, the customer service personnel within banks are required to have the ability to provide quick, accurate and convenient services to clients (Osuagwu, 2009).

Additionally, Aliyu and Tasmin (2012) explained the ways through which customers access service delivery of banks and they included the comparison of their anticipations before and after experience of the service delivery and also customers cultivate perceptions in the course of the service encounter and then they compare their perceptions with the actual service they received from the bank's personnel. The study went further to establish

that customer expectations are distinct before experiencing a service and this influences each customer's assessment of the performance and satisfaction levels. According to this study, customer service in banking is divided into two, namely; high touch services and high tech services. High touch services refers to bank employees interacting with customers to produce the service and the high tech services is usually based on the use of computerized systems, information technology among others.

In order to improve customer service, bankers ought to dedicate time to study the needs of customers to come out with customer friendly processes. Customer service is one of the tools that can help banks to survive the ever rising competition. This means that banks are supposed to be innovative consistently in order to win more customers and maintain existing ones. As noted earlier, banks have become customer centric lately and this is because customers are seen to be informed lately; they are very much aware of their rights and as such would not tolerate any service or attitude below standard. (Asante, 2012).

2.3.2 Evaluating Customer Service in Banking

Customer service needs to be effective in order to achieve its primary aim and for this to happen the correlation between customer satisfaction and the bank performance need to be considered carefully. This is because customer satisfaction has a direct relationship with service quality. Improving customer service therefor involves putting more effort in studying the needs and wants of customers in order to develop strategies that are customer friendly. It is worth noting that customer needs and wants are dynamic in this case.

Consequently, Aliyu and Tasmin (2012) outlined a way of evaluating customer service delivery in their study on the impact of information and communication technology on

banks' performance and customer service delivery in the Banking Industry. These two parameters include the content and delivery. Content is well evaluated by the bank employees themselves whilst delivery is best assessed by customers because they are at the receiving end.

The delivery of customer service is usually evaluated through the attitude and emotions of personnel. The employees in a bank ought to have a good mood to provide great services to customers, this is because their emotions and mannerisms are an integral part of service delivery. Customers consider these most in evaluating the quality of service of that bank. Bank personnel are therefore expected to have an optimistic temperament, delight and a cheerful attitude. Finally the waiting time should be limited in order not to annoy customers.

Basically, customer service delivery stems from customer expectations, this means that the content should prioritize customer needs and wants. Banks are entreated to seek the opinions of their clients periodically to upgrade the content of customer service delivery systems. This will help them keep up with their dynamic needs and wants.

2.3.3 Factors affecting Customer Service at Banks

Customer service delivery is differentiable and stem from the expectations of customers. Hence, it is necessary to identify and prioritize expectations for customer service and incorporate these expectations into a process for improving customer service delivery. Therefore, to be able to unswervingly surpass expectations, much attention should be given to every area of the bank that has an impact on customer service. It is a challenging task

before the banking sector to provide excellent customer service to all their customers if they can achieve their profit goals (Asante, 2012).

Customer service delivery is usually affected by long queues, limited time for customer servicing, transaction errors which is sometimes caused by bank personnel and excessive bureaucracy (Aliyu and Tasmin, 2012). With respect to face to face customer service delivery, long queues come about as a result of a limited number of customer service personnel in relation to the number of customers in the banking hall at a particular time or a breakdown of network among others. Bureaucracy in the banking system can also slow down the process a customer has to go through for his or her problem to be resolved. Limited time for servicing customers can also be a barrier to effective delivery of customers as customer issues may not be dealt with thoroughly. On the other hand, the study made mention of other factors such as demanding and informed customers. Such customers tend to be troublesome as it is difficult to satisfy their needs and wants as a result of the fact that they possess much more knowledge which tend to make them demanding.

According to Sofekun (2011), the problems that inhibit the delivery of good customer services include a poor legal system, increased provision of non-performing loans, poor management, high lending rates, political instability, expensive pricing of financial service and low profitability. All these factors affect banks in diverse ways of which customer service is included they in turn cause a reduction in the number of customers a bank has. This is because a customer who has once been disappointed by a particular branch will spread bad information to others which will definitely discourage them from patronizing that bank.

An objective of the study is to identify the relationship between customer service and customer patronage therefore the next section discusses customer patronage and customer patronage in banking.

2.4 Customer Patronage

Consumer patronage is the approval or support provided by customers with respect to a particular brand. Patronage delivers the foundation for an established and growing market share. Kottler (2007), advocates that consumers have unpredictable degree of patronage to particular services, stores and other entities. In this study consumers can be categorized into four groups which consist of hard core patrons who are consumers of one particular product always; split patrons usually become loyal to either two or three products within a specified period of time; shifting patrons move from one product to another and finally switchers are consumers who are not loyal to any brand at all.

2.4.1 Customer Patronage in banking

Customers have diverse motivation, tastes and preference and these are the things that determine the patronage of a bank. It is therefore imperative to identify the determinant factors of patronage. It is very essential for banks to investigate into these determinants in order to find appropriate marketing techniques that can entice potential ones as well as retain the current ones. There has been a growing competition among banks as the services offered are mostly similar, consequently, they are required to identify dynamics customers consider to make a choice among different providers.

2.4.2 Factors affecting customer patronage in banking

Most studies in the area rank the factors identified from the most important to the least important, findings of some studies are as follows;

A study conducted by Safkli (2007) in Northern Cyprus on the motivational factors for consumer bank selection and patronization showed that the most important variable is confidence in bank management. The study tested a number of factors perceived to matter in bank patronage to assess its level of importance. Subsequently, a principal factor analysis proved that the most effective factors were service quality, efficiency and financial factors.

Additionally, a study by Kamakodi and Khan (2008) showed that there were ten important factors customer consider in making a decision to patronize a bank. Their study obtained responses from 292 customers of banks on the factors that influence their decisions to patronize banks. The topmost factors were the safety of funds, security of ATMs, accessibility to ATMs, bank reputation, personal attention, pleasing manners, confidentiality, proximity to work place, timely delivery of service and friendliness of staff. This study emphasizes the importance of customer service to customer patronage.

Furthermore, a study conducted by Rehman and Ahmed (2008) in Pakistan on the major determinants of bank selection by customers in the banking industry proved that the most important variables customer services, convenience, online banking facilities and the entire banking environment. The study surveyed three hundred and fifty eight customers of private, privatized and nationalized banks in Lahore. Another study conducted by Blackson et al (2009) identified four prime factors of bank selection and patronage as competence, convenience recommendation by parents and charge free banking. The study then laid more emphasis on the need for developing countries to pay particular attention to the provision of consistent and good customer care.

The findings of another conducted by Aregbeyen (2011) proved the significance of safety of funds, prompt service delivery, minimum waiting time, good complaint handling, bank reputations and dependability, branch networking, one stop banking, innovative products and services, reasonable service charges and friendliness of staff. Other choice determinants identified in this study included the security of ATMs at all times, connectivity of a bank's ATM to other banks, proximity to home or work place, accessibility of ATM at all times, transactional alerts and frequent communication with customers.

The implications drawn from all these studies emphasizes certain factors that encourage patronage of banking services. Service quality is a very important factor here as well as good customer services. Other important factors include the accessibility and security of ATMs at all times, the safety of funds and the reputation of a bank. Bank image is very important as people feel secured when friends or relative recommend a particular brand to them. Patronage will definitely reduce for a bank which is known for disappointing its customers. Customers therefore ought to have some trust and confidence in the management of a bank in order to entrust his or her funds to that bank.

Convenience can be also seen as dominant factor in the studies discussed. Firstly, customers will usually transact business with banks that are either closer to their home or workplace. Secondly, customers like to undertake transactions freely and conveniently. These two points put emphasis on innovative ways of banking which allow the convenience customers look out for and also branch networking and accessibility to ATMs.

The review points out the important customer service practices which are determinants of bank patronage, for this reason the study went further to discuss the effects of customer service customer patronage in the next section which is a part of the focus of this study.

2.5 The Relationship between Customer Service and Customer Patronage

Generally, customer service is seen to be a great factor which entice and preserve customers. Customer loyalty could even come about when there is quality and effective customer service. Currently, most consumers of products are very particular about the additional elements of the service they receive which ranges from the manner in which they are welcomed upon arrival, to the kinds of education given on a product or service and assistance received when a complaint about a product or services is made. Handling customer feedbacks and soliciting their complaints regularly influence patronage behavior.

The studies explained in the factors affecting customer bank selection and patronage show that pleasing manners of employees, confidentiality, personal attention given to customers, timely delivery of service friendliness of staff, prompt service delivery, minimum waiting time and good complaint handling are important factors that encourage customers to patronize a bank. These factors are all seen to be aspects of effective customer service delivery emphasizing the direct relationship between customer service and customer patronage. Consequently, bank patrons who experience these pleasant treatments are likely to spread good information about the particular bank in context.

According to Kwashie (2012) customers may feel hurt when there is nobody to assist them to resolve their issues. He explained the causes of bad customer services to include failure of customer care representatives to answer queries, long unmanageable queues and no

helper to explain issues concerning a product or service to them. Customers therefore feel valued when prompt attention is given to their problems and they become happy and forget the bad feedback they had.

Consequently, customer patronage behaviour is greatly affected by service quality and the level of satisfaction gained from patronizing a particular brand. Gan et al (2006), Poku et al (2013) Sabir et al (2014), Fen and Lian (n.d) conducted studies that proved a direct correlation among service quality, customer satisfaction and patronage of customers. For this reason the study went further to discuss the relationship among the three variables.

2.6 Service Quality and Customer Satisfaction as tools for customer patronage in banking

2.6.1 Service Quality

Service quality can also influence consumer behaviour patterns and as such has been a critical component of the survival of a business, bank are no exceptions in this case. Service quality has been defined as a general judgment or assertiveness in relation to a particular product or service; it involves the overall idea a customer has on the relative dominance or lowliness of a business and the services they provide. (Fogli, 2006).

Most research on service quality is based on a quantitative research by Parasuraman et al in 1988 which developed an instrument for the measurement of customer perception on service quality. This instrument has been used after that research and it is known as SERVQUAL. The basic dimensions of SERVQUAL model include tangibles, reliability, responsiveness, assurance and empathy. Tangibility deals with the physical attributes, equipment and appearance of personnel. Reliability deals with the commitment of the

organization to delivering its promises and how effectively and accurately it can provide that service dependably. Responsiveness on the other hand, deals with how willing an organization is to help or assist customers and how prompt that assistance is given. Assurance involves knowledge and courtesy of employees and their ability to convey trust and confidence and lastly empathy involves the ability of employees to understand customers and share in their feelings and fears (Hafeez and Muhammed, 2012). The implication drawn is that customers are dependent on the physical appearance of products, service, personnel and infrastructure in an organization. Also customers need to trust the brand that it can be depended on to deliver as expected, the willingness of personnel to assist customers and the ability of the workers to inspire and confidence in the company.

Service quality is therefore a tool to increase customer satisfaction thereby promoting loyalty among customers. This means that the relationship between these three variables are direct; when customers are able to gain the satisfaction they desire from a service or product, they tend to be reluctant to switch to a different brand. A quantitative study in Pakistan on the factors influencing customer satisfaction in the banking sector showed a significant correlation between service quality features and customer satisfaction. Furthermore the study discovered that customer satisfaction and loyalty are directly correlated (Sabir et al, 2014).

The difficulties banks encounter in their quest to improve on service provision consist of poor systems usually legal, poor management, low profitability, high loan rates, high non-performing loans, high risks involved and unstable political atmosphere. These difficulties tend to negatively affect service quality. These specific effects include the discouragement of prospective customers of that particular bank. This is because current customers who

have been dissatisfied by the quality of service of a bank is likely to spread bad information about the bank to others.

2.6.2 Customer satisfaction

Customer satisfaction has progressively become a crucial indicator to assess performance and an indispensable constituent for organizational success. A study by Chaiyasoonthorn and Suksa-ngiam (2011) explained customer satisfaction as the feelings of contentment or discontentment of customers that comes about as a result of a comparison between the performance of a product or service with and their expectations prior to the experience. Research has proven that customer satisfaction is related directly to service quality. For this reason companies should focus on service quality. Firms are therefore entreated to welcome suggestions of customers and base on that to plan for programs which would estimate service quality and customers satisfaction. (Ojo, 2010).

The explanation showed that customer satisfaction is driven by the expectations of customers and it is a determinant of customer purchase intents and their loyalty to the brand. Recently, companies are channeling their efforts to have a high level of customer satisfaction to retain their existing clientele instead of spending additional funds to attract new ones. For this reason companies have placed customers at the center of their operations to keep them satisfied to gain their loyalty in order to maximize their market share (Sabir et al, 2014).

Consumers of banking services consequently play a dynamic part in the monitoring and evaluation of quality banking services. The information they provide on their preferences shape the strategies used in operations. Customers are also a valuable source of information

in assessing the quality of customer care services. This is because their satisfaction or dissatisfaction interpret the process and outcomes of services. Customer satisfaction and customer loyalty are dependent on each other, this is because a customer who is satisfied will continue to patronize the services of that bank and hence decreases the probability of that person switching banks. It can be noted that, to enhance customer loyalty, customer satisfaction has a great impact and is the most important force (Sondoh et al., 2007).

According to Singh and Khan (2012), customer satisfactions is not enough to keep customers coming back all the time therefore companies have to cross that line of just keeping the customer satisfied. Companies providing goods and service of which banks are included are supposed to focus on strategies that will make their customers loyal to them as well as attracting new ones. This shows that focusing on customer loyalty is as important as ensuring service quality and customer satisfaction.

2.7 Customer Loyalty

Customer loyalty comes about when customers are satisfied which motivates them to continue patronage. For an organization to sustain long term success and reputation, customer loyalty has to come into play. From the earlier discussions customer loyalty have been linked to service quality and customer satisfaction; these two variables are in turn influenced by a lot of factors. According to Kumar and Advani (2009), the term customer loyalty can be used to describe the behavior of repeat customers, as well as those that offer good ratings, reviews, or testimonials. From this definition customers who constantly purchase a good or service can be termed as loyal as well customers who spread good information it.

Additionally, Singh and Khan (2012) explained customer loyalty as the tendency of a customer to purchase a particular good or service in the midst of other brands. The ability of a company to draw and preserve new customers is usually not limited to the kind of products and services they provide but rather the kind of reputation it has in the market and the various ways it serves its existing customers. In this study, it was identified that customer loyalty has a positive influence on profit margin and also eventually it earns the company a good reputation. Al-Rousan et al (2010) advocated that, there are certain dimension of service quality that are directly correlated with customer loyalty and they include tangibility, responsiveness, reliability and empathy. The study went further to put much more emphasis on tangibility as the most important factor increasing customer loyalty. The implication is that any improvements made to increase service quality will spontaneously lead to an increase in the customer loyalty. On the other hand, Afsar et al (2010) stated in a study that satisfaction and trust are the two important factors for increasing the commitment level of a customer. Therefore the level of trust a customer has for a brand and the level of satisfaction an individual gains from patronizing that service has a way of influencing the level of commitment of the customer.

Customer loyalty is important for all industries providing a good or service however it is limited to the banking industry in this study.

Consequently, Sabir et al (2014) examined the factors that ensure loyal behaviour of customers in the banking industry and found out that inertia could be a factor. Inertia in this regard was explained as the reluctance of a customer to shift to another seller as a result of ease or relatively little importance. Usually, if a particular choice is deemed less important, a person sees no point in spending time and efforts on searching for substitutes.

Other reasons for loyalty to banks include customers' perception about the banking industry itself. Most customers were found to be reluctant to switch banks because they believe all banks provide similar services and hence switching to the other would not make a difference. Some of these customers may be either satisfied or dissatisfied but they would rather stick to patronizing a particular bank because they tend to believe that, other brands will equally disappoint them just as their current brand (Gan et al, 2006).

A number of studies have found a direct correlation between customer loyalty and customer satisfaction in the banking industry. These studies concluded that customers who are content with the product and services re-patronize products and services which in turns lead to loyalty whilst dissatisfied ones discontinue patronage. However, the aspect of loyalty based on the perception of all banks providing similar services hence no need to switch to the other as found in some studies show that Customer satisfaction does not necessarily lead to customers' loyalty. Nonetheless, the concept of bank loyalty greatly depends on the satisfaction customers gain from services banks offer thus banks should introduce innovative services as well as products that can grow customer loyalty.

An objective of the study was to identify the mediating effects of ICT adoption on customer service and customer patronage relationship, therefore, it is imperative to discuss information and communication technology and its adoption in banking service delivery.

2.8 Information and Communication Technology

Information technology was defined by Langdon and Langdon, (2006) as a set of interrelated components that collect or remove, process, store and distribute information to support decision making, coordination and control. Similarly it was defined by Laudon and

Laudon (2010) as a set of interrelated components that collect (or retrieve), store, and distribute information to support decision making and control in an organization. ICT usually entails the attachment of electronic technology to fulfill the data necessities of a business entity at all phases.

ICT consist of technologies such as computers, internet, telecommunication (fixed and mobile phones), networks, wireless communication devices and others (Manueli et al, 2007)

Information and communication technology include equipment that simplifies information handling and assist communication in several forms, it could be between a human being or a person and an electronic structure or among different electronic structures. According to this definition, ICT is categorized into four main groups. It consist of display devices or technologies, processing technologies, capturing technologies and storage structures. Capturing structures or technologies are technologies that gather information through input devices, it then convert the information into digital nature. Storage technologies are those that produce a wide range of devices to preserve and retrieve information in digital form. Processing structures basically support digital information technologies as it develops the schemes and applications software which is required to safeguard the performance of digital information technologies.

Moreover, communication technologies are the transmitters of information into digital forms. They produce the systems, procedures and networks that is required to transfer information. Examples include digital cellular networks and local area networks. Lastly, display equipment generate a wide range of output devices used for displaying digitized

information. Examples include computer monitors, digital television sets with programmed picture modification and set-top boxes for video-on-demand.

2.8.1 ICT Adoption Theories

A number of theories and models have been used in different studies to explain the adoption of ICT in businesses. These studies usually build on three approaches which consist of the diffusion approach, an adoption approach and a domestication approach. Manuelli et al (2007) explains these approaches in details;

a. The Diffusion Approach

The diffusion approach theory argues from the point of view that a person's beliefs and judgement are influenced by the information provided by the media and social contacts. The theory consist of mainly four elements: invention, diffusion which is through social networks, time and then consequences. New innovations will be embraced or forbidden depending on the nature of the networks that filter information and the influence of opinion leaders. These leaders are able to sway people though the use of personal contact whereas mediators such as agents of change and gate keepers influence the diffusion process. The theory further states that there are five categories of adopters namely: innovators, early adopters, early majority, late majority and laggards (Manuelli et al, 2007).

b. The Adoption Approach

The adoption approach theory refers to the adoption decision of users applying various decision making theories. Three theories are usually applied here, they include the Technology Acceptance Model (TAM), Theory of Reasoned Action (TRA) and its extension; Theory of Planned Behaviour (TPB). This approach suggests that whenever there is a new technology, decisions of potential users on how and when to use it are

influenced by some factors, for instance, its supposed worth and ease of use. However, the TAM does not account for the influence, economic factors, personal control factors on behaviour and certain external factors. TRA was then introduced to cater for this limitation and it is surrounded on four concepts: behavioral attitude, subjective norms, intention of use and actual use. The TPB was also introduced as an extension of TRA which deals with the situation where an individual has little or no control of their behaviour (Manueli et al, 2007).

c. The Domestication Approach

Lastly, the domestication approach emphasizes how technology becomes a part of everyday life. It studies the process that causes technology to become an essential part a person's daily habit. This approach is usually affected by demographic factors such as age and gender. Peoples' age usually influences how they embrace innovations as younger people tend to embrace easily innovations as compared to older people. Women also tend to easily adjust to new things as compared to men but then again the other factors outlined in the early discussion come into play equally (Manueli et al, 2007).

2.8.2 Factors affecting ICT adoption

The inference made from the theories and models of ICT adoption is that, it is greatly affected by the characteristics of an individual or an organization. As stated earlier in the discussion, individuals consider the perceived usefulness, risks among others and the decisions made is usual as a result of the individual's basic characteristics. Demographic, social and economic factors usually shape this decision. At the organization or business level, the size really matters, the competition in that particular industry and structural sophistication of the business also influence the readiness to adopt ICT (Chen et al, 2010).

As a result, Manuelli et al (2007) explained five main factors influencing ICT adoption as business characteristics, business action, system characteristics, internal expertise and external expertise. Business characteristics, whether small or large affect its willingness to adopt ICT or not. Comparatively, larger firms use complex structures than smaller ones, hence they require extensive use of information and computer technology. Smaller firms handle smaller volumes of information as compared to larger ones and since ICT simplifies procedures and information handling, embracing it becomes an option for larger firms.

According to this study, business action is usually determined by top management officials and because of this their behavioral characteristics affect adoption. Also whether or not these officials identify ICT needs of a company, establish proper ICT goals and allocate financial resources to its adoption is a very crucial factor. In addition, the access to ICT experts internally and externally affect ICT adoption. For instance, firms with employees who have some kind of knowledge on ICT is likely to adopt it easily than the opposite situation.

In spite of all these barriers to ICT adoption, it has revolutionized the way of living as well as conducting businesses and study of banking industry has received increased attention over the last decade. ICT adoption has become imperative for the banking industry due to the above factors outlined in the theories of its adoption. It can be seen that banks handle a large amount of information about clients, it also has large client base among others.

2.8.3 The adoption of ICT in banking

In order to ensure local and global competitiveness in banking, the adoption of information and communication technology practices, models and approaches in banking activities has

increasingly become an important matter. Planning and decision banking on banking products and service can be directly affected ICT. Also, it has brought variety in innovative means of ensuring efficient and quality of service in banks worldwide (Casu *et al.*, 2006). Technology banking also comprises the systems that allow banks and other financial institutions and its customers to have access to accounts, conduct business, acquire information on financial products and services through the of technological medium.

A study by Oluwatolani et al (2011) identified some banking activities that have adopted ICT systems in a study on the impact of information technology on the Nigerian banking industry. The findings showed that there was the use of Global System for Mobile communication (GSM) for mobile and SMS banking. Also, Automated Teller Machines are used, which is a computerized cash dispenser through the use of a personal identification number by a customer. The adoption of the ICT integrated project, funds transfer, online banking, electronic mail, bankers automated clearing services were some of the ICT banking products identified. The adoption if the ICT integrated projects uses systems that allows communication among numerous employees in and across countries. Funds transfer deals with the electronic transfer of money across the globe and online banking deals with the transfer of cash electronically, payment of bills, goods and services through the use websites. Lastly, the bankers automated clearing services is a system that encodes, decodes and sorts cheque through the use of a Magnetic Ink Character Reader (MICR).

Similarly, Obiri-Yeboah et al (2013) identified some banking procedures that have experienced the adoption of ICT; direct deposit and withdrawal services, payment by phone systems, point of sale transfer terminal, internet banking, branch networking, electronic

funds transfer at point of sale, electronic cheque conversion and personal computer banking.

2.8.4 ICT adoption in the Ghanaian banking industry

The earliest practices of electronic and communications technologies in Ghana were basically the use of automation equipment and devices at the workplace. The use of telephones, telex and facsimile was embraced in order to ensure efficiency and speed in all processes. These forms of technology remained in use for bank transactions for almost a decade. However, in the 1980s, some banks in Ghana as a result of the growing competition in the sector embraced the use of these technologies in their back office activities and later its use was embraced in the banking hall operations. Advancement in computer technology brought about networking of bank branches where a customer could be assisted at any branch at all without necessarily visiting their original branch. Standard Chartered Bank and Barclays bank were the banks who pioneered this technological innovation which changed the entire banking sector in the country. (Obiri-Yeboah, 2013)

Additionally, Eshun (2009) pointed out that, ATM and Branch Network are the commonest forms of electronic banking delivery channels in Ghana. Internet Banking, Telephone Banking, PC Banking and electronic funds transfer, over the years are evolving gradually and it is hoped in the years to come, customers are going to patronize them. Certainly, the use ATM has grown to be the most electronic innovation in banking in the country and the world as a whole lately. The use of ATM in the country has been identified to increase customer utility. (Obiri-Yeboah, 2013). The Trust Bank installed the first ATM in Ghana in the years 1995. The major banks at that time followed the practice and started installing ATM at vantage points. Competition in the industry has grown, as discussed early on and

because of that, most banks have ATMs. Customers on the other hand consider it as very important in choosing banks for that matter it had a great effect on banks that delayed in installing these machines. The use of ATMs have made it possible to institute the one-branch philosophy in Ghana, by being networked, so clients can do their transactions without going to their original branch.

Alternatively, the use of electronic cards has become one computerized form of banking and some banks in Ghana have it in place. Social Security Bank now SG-SSB was the first providers of cash card in Ghana in May 1997. This card allowed money to be loaded electronically; it was called “sika card”. (Saffu and Walker, 1993). Stanchart also provided the first debit card in 2001 and this card now has its functions incorporated with ATM cards of clients which has increased its accessibility to people as a single application process is needed to use have access to it. Electronic cards were at some point advanced in November 2001; this advancement was championed by three banks namely; Ecobank; the Trust bank and Cal Merchant bank. They called this card E-card and they are able to effect prompt changes whenever a client uses the card or there are modifications in their bank accounts.

Additionally, personal computer banking is an ICT based product which allows customers to have complete access to their bank accounts through registered network. It is usually made possible through the installation of the software that supports the activity on a personal computer. With this software, a customer can just log on to gain access to perform certain activities on his or her account. The use of personal computers has increased due to the increased awareness that has been created on the benefits of computer literacy and it is for this reason that PC banking has experienced some growth lately. Also it allows

customers to undertake certain banking activities at home or office all the time (Asiamah, 2011).

The incorporation of Information and Communication Technology into banking services has allowed banking on the internet. From the above, the main notion behind ICT in banking is to allow customers to have an access to their bank account through a website in order for them to undertake certain activities on their accounts and it comes with very strict security checks. Most banks in Ghana have this system in place. ICT has also allowed electronic funds transfer in banking. It is an online system where funds can be transferred instantly for the bank accounts of customers to merchant accounts when making purchases. This service is also available in some banks in Ghana. It can therefore be said that the rate adoption and use of ICT by banks is high but the adoption rate of customer cannot be estimated (Asiamah, 2011).

2.8.5 Benefits of ICT in banking

Numerous studies have been conducted on the benefits of ICT adoption in banking, some findings are discussed in this section. A study by Eshun (2009) points out that, information technology innovations by banks have had a very significant influence on the activities of those banks and it had also enhanced the delivery of services to customers. Another survey conducted on the impact of ICT on the improvement of bank performance matrix showed that it had influenced earnings per share, market value added, returns on assets and the net profit margins in Jordanian banks (Jalal-Karim and Hamdan, 2010).

The findings of Osei and Harvey (2010) also confirmed that, banks that invest much resources in IT experienced increased returns on assets and return on equity. Additionally,

a study on the technological innovations in Bank of Africa; Uganda revealed that internet banking and ATMs have had a positive influence on the delivery of banking services in the bank (Moya *et al*, 2010)

Similarly, as technology services allow customers to access their banking accounts from any location and at any time of the day, it gives advantage to customers to be able to manage their finances properly and in a more convenient way. Information Technology (IT) services offer relative advantages when compared to branch banking and other alternative methods in terms of price, convenience and performance (Suki, 2010).

In Nigeria, information and communication adoption in banking industry has allowed flexibility and convenience in service provision to customers. Most electronic banking applications use internet which makes it possible for customers to get access to their account balances at any time. The use of SMS banking in Nigeria has also helped customers to relax as prompt messages are sent to their phones whenever any transaction is made by them or other people (Oluwatolani *et al*, 2011).

A study by Obiri-Yeboah *et al* (2013) identified some benefits of ICT adoption in banking in their study to investigate into the role of information technology on banking service delivery in Ghana and found out that the adoption of ICT has increased the customers' accessibility to their accounts, it had enhanced proper management of finance, reduction in cost, easy access to information, security and speed in banking services.

Also, Kwashie (2012) found out in his study identified in his study that innovative technologies in banking has brought about numerous improvements. Some of these were identified to be convenience in banking, boosted customer access and awareness, speed in

processes, broadcasting of information, lessening of scam levels and managing risks better. Additional benefits include global compliance which implies the adoption of trends that can help deliver incessant and unvarying services worldwide and it also enhances the publicity of banking services and many others. The study was conducted on the impact of electronic banking on service delivery to customers of Ghana Commercial Bank.

2.9 Relationship between customer service and ICT adoption

ICT has increasingly become an instrument that accelerates the organization structure of a bank, business policies and customer services (Jayamaha, 2008). Currently, the total adoption of ICT into banking helps them to be more customer focused in operations as it helps to build a robust foundation for managing customer relations. The effective adoption and use of the system also supports the growth of the array of products and services at the same time moderating fraud levels and improving risk management, decrease the cost of transaction and operation and to enhance competitiveness.

Furthermore, most cyclical problems in customer service delivery has been minimized with the increased use of internet services and cash machines. Also the demand for customer service has increased in the banking industry which could have been a challenge but ICT has minimized its prospective problems, for this reason customer experience has been pleasant. It is worth nothing that the ICT adoption has allowed banks to provide services to their customers through alternative channels other than visiting a branch physically and also at the comfort of their homes and work places.

In addition, ATMs found inside bank branches helps to simplify bank procedures for customers and lowers the cost on personnel. This is because waiting time is reduced for the

provision of certain services and also it gives rooms for more interaction with customers who still prefer human servicing instead of machines. Customers who fall in this category may include people who are less informed and the elderly (Aliyu and Tasmin, 2012).

Similarly, a study by Kwashie (2012) showed that the adoption of e-banking system which is as a result of ICT adoption had decreased significantly long queues in banks and in turn it had influenced positively the image of those banks in the eyes of people. The findings of Amedu (2005) is not different from that of the other studies stated above. The findings of his study proved that ICT adoption had promoted accuracy in record keeping, conduction of transactions beyond working hours and at the comfort of peoples' homes, and payment of purchases without physical cash.

Alternatively, customer service impacts ICT adoption. This can be seen from the perspective that the most prominent factors that influence adoption of ICT aside the personal characteristics of on individual is the convenience aspects of ICT services, perceived comfort of using it and how it matches the current lifestyle of an individual (Rogers,2010). The content and delivery of customer service can either deter customers from adopting it or rejecting it. For instance giving education on an ICT based service will simplify the service and hence positively influence adoption.

Furthermore the new technology acceptance models establishes the fact that customers are not ready to change from the old ways of doing things except a specific need is fulfilled (Cheung and Lee, 2006). In this regard, customer satisfaction or dissatisfaction can drive ICT adoption. Factors such as long queues in banking halls, limited time frame for banking

activities, limited time for handling complaints among others have influenced people to adopt ICT.

Moreover, banks, in their quest to offer excellent customer services to increase patronage, may influence ICT adoption. ICT adoption has been perceived to provide channels through which banking procedures can be simplified. Therefore, to reduce pressure in the banking hall, banks ought to embrace ICT, this means that poor customer service can influence ICT adoption in relation to both customers and bank management.

Customer service aspects such as education on products and services affects ICT adoption. This is because the amount of information customers possess is able to influence them to embrace ICT. The higher the awareness levels on the usefulness, effectiveness and accessibility has a positive influence on the attitudes of customers towards ICT adoption. This goal can be achieved through effective customer services.

2.10 Effect of ICT adoption on Customer Patronage

As established from the earlier discussions, pleasant banking experience and service quality leads to patronage. Most studies have placed much emphasis on the significance of ICT adoption on customer patronage behavior in banking. Some of the studies are summarized in the subsequent paragraphs of this sub section.

According to Wise and Ali (2009) banks located in Bangladesh are very much particular in investing in ATMs as it is believed that customers have a high preference for ATMs as compared to visiting a branch to undertake transactions. They believe ATMs increased use of the service can decrease branch cost as a minimal increase in fee income is significantly balanced by the cost incurred in increased customer transactions. The evaluation intents is

nonetheless a considerable increase in the unseen aspects of customer satisfaction. The rise converts to an increased bank loyalty and in turn increases retention of customers and a high growth of the value of the bank. Internet banking can therefore be said to be a cost effective method of increasing productivity and retention of customers.

The impact of ICT adoption on customer patronage is further assessed by the findings of a survey that was based on how customers are satisfied with banks' service delivery channels which were all identified to be ICT channels. Four channels were evaluated which included; ATM, Branch, Mobile and Internet Banking with respect to proximity, accessibility, quality of service delivery and availability amongst other factors. The conclusions drawn from the study were that a higher percentage of customers get satisfaction from ATMs due to its accessibility and proximity, a few customers gained satisfaction from mobile banking, internet banking and branch banking which constituted the least. This shows that customers derive more satisfaction not only from multiple and innovative ways of banking but also convenience of the channel is very important (Sofekun, 2011).

2.11 Factors influencing ICT adoption in banking

The adoption of ICT in banking have faced some problems over the years, customers have their individual perceptions, attitude and risks towards it. From the discussed sections customer characteristics obviously has an effect the use of ICT systems. For instance a customer without a personal computer cannot undertake PC banking, a customer with a computer but does not have access to internet cannot undertake internet banking. According to a study by Rogers (2010) on customers' attitudes, perceived risks, trust and internet adoption in Uganda, customers' technology orientation and perception of the

technological competency of the electronic communication system is very important in their information processing behaviour and trust. Also younger customers tend to appreciate less the face to face interactions with customer service personnel whilst older people tend to feel more comfortable with face to face interactions as compared to self-services which ICT adoption has made possible.

The kind of motivations individuals have could influence the adoption of ICT. This stems from the inner psychological, cultural and biological being which influence their ultimate attainment of a goal. ICT adoption involves a conscious efforts to avoid or achieve a particular goal and this has been termed as objectified motive. There is also a primitive motive which usually encompasses the most basic needs and wants that are required for the existence of human (Scialdone and Zhang, 2008).

Also, a study by Polasik and Wisniewski (2009) found out that the other banking products in a bank can influence the rate at which they embrace ICT. The market exposure people have also affects this decision because it has a substantive influence on the attitudes of consumers. For instance internet banking adoption is greatly influenced by the kind of internet connection one uses. As bad internet connection will be a turn off for customers who had an initial motive for adopting ICT. Lastly their study also proved the significance of demographic characteristics and perceived security of the use of ICT services.

Chinakidzwa (2014) also proved the importance of information to ICT adoption. The level of awareness of customers on the purposes of ICT in banking enhances their motivation to adopt it. The study showed that marketing communication is a tool that can create

awareness of the usefulness of ICT in banking. The conclusion was that ICT adoption is directly related to the amount of information one possesses.

Alternatively, ICT itself has got problems one way or the other which pose a challenge to its adoption. According to Rogers (2010) some problems identified with ICT systems in banking that serves as a barrier to its use by customers include; the periodic break down of ATMs, shortage of cash in ATMs, internet fraud, slowing down the process of obtaining solution to problems due the fact that it prevents personal interactions.

The next section explains mediation and further relates it to the topic under study

2.12 Mediation

Mediation refers to the effort to assist parties in a disagreement to hear one another, to reduce the harm that can come from disagreement to maximize the extent of agreement so as to prevent the altitudes of disagreement from meddling with the process of in quest of a compromise or a mutually agreed outcome. Mediation has been used in a lot of disciplines; it is a form of alternative dispute resolution in law. It broadly entails the instance where an intermediary assists other people to come to an agreement. Commonly, the mediator plays the role of an independent party who takes no sides in order accelerate the achievement of a compromise and does not direct the process in context. Mediation is purely facilitative and hence seeks to help parties develop a shared understanding of a situation promoting practical and long lasting resolution. (<http://www.dsc.vic.gov.au/effective-engagement/toolkit/tool-mediation-and-negotiation>)

In this context mediation offers and explanation to how and the reason for a cause and effect happens. A mediation analysis is usually done to assess the intermediary role one

variable from a dependent variable to an independent variable. To describe a variable as a mediator variable, it must be able to account for the relationship between two other variables (MacKinnon et al, 2007) Mediation represents the consideration of how a third variable affects the relation between two other variables.

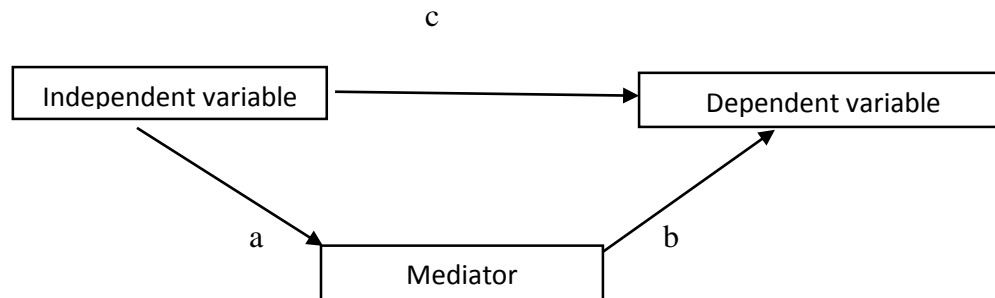


Figure 2.1 Basic Causal Chain diagram

Source: Imai et al. 2010

The basic causal chain diagram depicts the process of mediation as shown in figure 2.1. This mediation model is a three-variable system that has two causal paths feeding into the outcome variable: path c is the direct impact of the independent variable while path b is the impact of the mediator variable. There is also a path which is from the independent variable to the mediator.

2.12.1 Mediation of ICT adoption in customer service and customer patronage relationship

Narrowing down to this study, mediation can be said to be the rate at which adoption of ICT in banks mediates the effects of customer service delivery on patronage behaviour. In this case, the rate of adoption of ICT is seen as a way to improve customer service activities and customer service also affects patronage. It is also seen as a tool that can develop a

shared understanding between bank employees and customers hence promoting practical and lasting relationship between the two parties which will promote customer retention (Imai et al, 2010).

2.12.2 Factors precedent for mediation to occur

In order for mediation to be successful in any situation there are certain factors that need to be in place. This means that attention should not only be focused on efforts that will ensure agreement among parties but also the factors that affect the process should be examined carefully. Guevara (2015) explained four factors that should be in place for mediation to occur to include timing, acceptance of the process, party preparation, settlement authority and the agreement. However in this context, a quantitative tool; mediation analysis is used. For mediation to occur the independent variable must predict the dependent variable. The independent variable predicts the mediator and also the mediator predicts the dependent variable (McKinnon et al, 2007)

2.13 Conceptual Framework

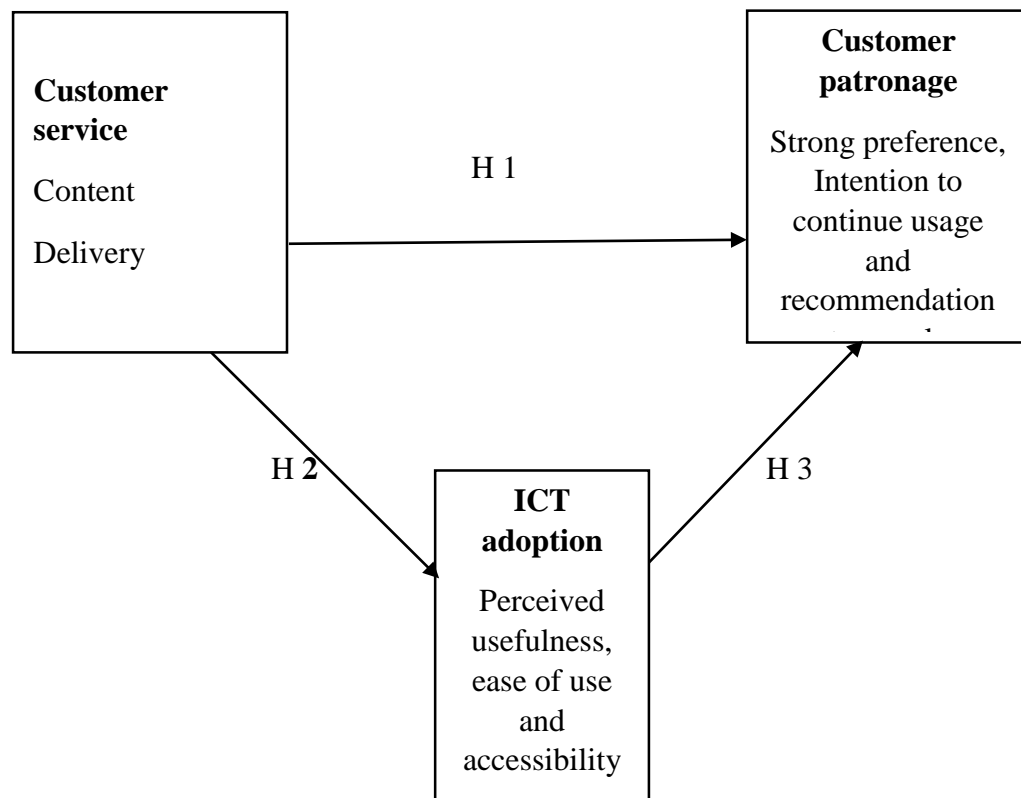
From the literature review, the conceptual framework developed for the effects of customer service on customer patronage through the mediating effect of ICT adoption is shown in figure 3.1. The model shows that customer patronage behaviour is influenced by customer services of banks. It also shows that the impact of customer service practices on customer patronage behaviour is mediated by the effect of ICT adoption. From the conceptual framework developed, the hypotheses of the study are as follows;

H1: Customer service is directly and positively related to customer patronage

H2: Customer service directly and positively influences ICT adoption in banks

H3: ICT adoption positively influences customer patronage behaviour

H4: ICT adoption mediates the relationship between customer service and customer patronage



Source: Researcher's construct, 2016

Figure 2.2 Conceptual framework for the impact of customer service on customer patronage through the mediating effect of ICT adoption

The conceptual framework of the mediating effects of ICT adoption on customer service and customer patronage relationship suggest that, customer service dictates the level of patronage of a bank. Also, customer service has the tendency to influence the opinions and attitudes of customers towards technology used in banking and finally, peoples' attitude towards technology in banking can either increase or decrease patronage.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter summarized the approaches and methods that was used to gather information to achieve the objectives of the study. The research design used was explained, the sources of data, study population, sample frame for the study, sampling techniques, sample size calculation, tools that was used for data collection and administration and the methods that was used to analyze the data were also explained. The last sub section described the study area.

3.2 Research design

The study adopted the causal research design. Causal research design is also called explanatory research and it investigate cause and effect relationships (Newman, 2004). In order to determine causality there has to be dependent and independent variables. Two methods are usually used to determine cause and effect relationship and they are experimentation and statistical research which uses statistical methods like regression (Newman, 2004). Regression was therefore used in this study.

3.3 Data Sources

The study used information from secondary and primary sources. Primary data can be defined as data that is collected for the first time and secondary data refers to data that has been processed (Dawson, 2009). Primary data was gathered from the customers and staff of access bank in the metropolis using questionnaires and interview guide. Secondary data was gathered from online and physical sources. The secondary data was obtained from books, papers, journals, articles and unpublished dissertations.

3.4 Population

Population here can be explained as the entire set of circumstances the researchers wants to make a broad view of (Dawson, 2009). In this study, the population consisted of respondents within the Kumasi Metropolis who use banking services. This was estimated to be about 865,124 (Ghana Statistical Service, 2010)

3.5 Sample frame and Sample Size

The sample frame is a set that contained all members within the population and it was from this set that the sample for the study was taken (Dawson, 2009). The sample frame consisted of all account holders; individual and corporate accounts. For Suame branch there were 6,034 account holders; Adum has 11,173 accounts which is the highest; Amakom has 4,688; Asafo has 4,986 and the Alabar Agency had 497 representing the lowest. These accounts added up to 22,378 which formed the sample frame for the study. The formulae for calculating the sample size of the study was adopted from Korir et al (2015)

$$n = \frac{N}{1 + N(\alpha)^2}$$

Where n is sample size

N is sample frame

α is the margin of error (the confidence level that will be used is 95% making the margin of error 0.05)

$$\begin{aligned} \text{Therefore; } n &= \frac{27378}{1 + (27378)(0.05)^2} \\ &= \frac{27378}{1 + 68.445} \\ &= \frac{22378}{69.445} = 394.24 \end{aligned}$$

The sample size of this study was 395. This number was distributed proportionally among the five branches in the metropolis using the percentage of accounts of that particular branch in relation to the total number of accounts for all the branches.

The formulae adopted was;
$$\frac{\text{no. of accounts per branch}}{\text{Total number of accounts of all branches}} \times 395$$

Table 3.1 Sample Size

Branch	Total accounts	Sample size
Suame	6,034	87
Adum	11,173	162
Amakom	4,688	67
Asafo	4,986	72
Alabar	497	7
Total	27,378	395

Source: Researcher’s Construct, 2016

3.6 Sampling Techniques

In this study non-probability sampling was used throughout. This sampling method does not give all elements in the population of study an equal chance of being selected hence some elements may or may not be selected. It usually based on certain assumptions that concern the study population. This sampling technique was used because it is impossible to predict the customers coming in daily and the data collection goes on (Newman, 2004). The non-probability methods of sampling that was used included convenience and purposive sampling methods. Convenience sampling method involves the selection of respondents based on convenience. With this type of sampling, there is little or no effort to ensure accurate depiction of some large population (Dawson, 2009). In this study,

convenience sampling method was used because the order in which customers visit the bank could not be determined. Customers were therefore be approached as and when they entered the banking hall and once they agreed to be interviewed, some of the questionnaires were administered in their presence and the rest were given out to them and were returned to the bank on the next visit. Purposive sampling was also used at some point; this method of sampling is heavily dependent on the subjective decision of the researcher and here it was used to determine the employees to be interviewed (Dawson, 2009).

3.7 Data collection

Based on the literature reviewed and field observations a set of proposed questionnaires based on research questions and objectives for the study were administered to test validity before the survey was conducted. The proposed questionnaires were subjected to critical analysis and tested before administering for the purpose of the study. Ten observations were used as basis so that irrelevant and non-applicable questions were detected before the actual survey (Dawson, 2009)

Questionnaires were the main data collection instrument for this study. It was used because it is seen as a convenient and quick way of gathering and analyzing the views of respondents (Newman, 2004) Observations were also be made in the banking hall to gather primary data and confirm certain physical variables of the study like waiting time. Interview guides were also be used to gather information from the operations managers and branch managers of the banks. Questionnaires were also be designed to capture information from the various customer care personnel in the branches.

The questionnaires for customers consisted of both open ended and closed questionnaires and were separated into segments; the first section collected data of the demographic and

social characteristics of customers; the next section was structured to obtain information on their views on the kinds of customer services Access bank provides. Ten constructs were used to measure customer service. The next section focused on customer patronage, ten constructs were used to assess the reasons why respondents chose Access bank and three constructs were used to measure patronage behaviour of customers. The subsequent section measured ICT adoption through its perceived usefulness, effectiveness and ease of use as well as the attitude of customers towards these services. A five point likert scale was used to assess customers' perceptions regarding the variables of the study; 1-strongly disagree, 2-disagree, 3-neutral 4-agree 5-strongly agree adopted from Rogers (2010) and Aliyu and Tasmin (2012).

3.8 Measurement of variables

Customer patronage behaviour was measured by the degree of preference a customer has and their intention to continue to use the bank and the intention to recommend to other people. Three constructs were used for this evaluation. It was adopted from Chaiyasoonthorn and Suksa-ngiam (2011) and Ogwo and Igwe (2012)

Customer service constructs measured content of customer service packages and style of delivery which were adopted from Aliyu and Tasmin (2012). Ten constructs were used for this evaluation.

ICT adoption was measured by its perceived usefulness, effectiveness and ease of use to customers as explained by the Technology Acceptance Model and this was adopted from Tan and Teo (2000) and Rogers (2010). Eights constructs were used for this evaluation

Customer satisfaction was measured by the level of satisfaction a customer gained from the products and services. This was adopted from a study by Sabir et al (2014). A single item approach was used for this assessment.

3.9 Method of data analysis

The Statistical Package for Social Science (SPSS) version 20 was used to carry out the entire data analysis. For the basic data on respondents descriptive statistics was used as well as data on the views of customer service. Pearson Correlation test was used to assess the relationship that exist among the variables of the study; customer care, ICT adoption and patronage behaviour. It was also used to evaluate the relationship between socio-demographic data of respondents and their attitude towards ICT adoption. Hierarchical regression analysis was also used to evaluate the mediating effects of ICT adoption on the relationship between customer service and customer relationship. Reliability and validity tests were also conducted on the variables. Finally, data was presented with the help of tables, bar charts and pie charts with write ups.

3.10 The Study Area- Access Bank Ghana

Access bank started operating in Ghana on the 19th of August, 2009 and it has been one of the most capitalized banks in Ghana since then. This group has been recognized for innovation and excellence across Africa and the world as a whole. Since it was launched in the country it has been able to provide widespread banking services to many people in Ghana and as such it has promoted growth and economic development. Access bank was selected for this study as it has been identified as one of the banks in the country experiencing rapid and steady growth with regards to certain prime financial indicators.

The bank is a subsidiary to Access Bank PLC and as such is influenced by the strong technological systems of the group which have been recognized to stand the test of time and has been commended as one of the best globally. Access bank therefor has the advantage to provide stakeholders of the group valued local information and links.

Access bank has been capable to of instituting economical priced and expedient answers to banking which include VISA card, internet and mobile banking, SMS alerts, Email alerts, E statements, MasterCard and Verve services as well as payroll management solutions. Their business module covers business banking, corporate banking, women banking, private banking, commercial and personal banking. The bank has earned much recognition due to its standard for worldwide best banking practices; notably “the bank of the year 2013”

The bank operates twenty eight branches in the Greater Accra Region, five branches in the Ashanti Region which are the central emphasis of this study. The Western Region has four branches, two for Central Region, One branch each in the Northern, Brong Ahafo, Eastern, Volta, and the Upper east regions. The Ashanti Regional branches are located at Alabar, Asafo, Suame, New Amakom and Adum. These five branches will then be the main focus of the study from which information will be gathered.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the results of the field data collection and discussion. The first section presents the general information about respondents, the subsequent sections analyzes the relationship among the variable of the study. The questionnaires given out to the customers were three hundred and ninety five (395) however three hundred and eighty six were returned (386) Eighty five (85) of the questionnaires sent to the Suame branch were returned out of eighty seven (87). For Adum, out of the 162, 158 were returned and for Asafo 69 were returned. The questionnaires sent to amakom, and Alabar were all returned.

4.2 Basic Information of respondents

The basic information of respondents covered age, sex, occupation, marital status and educational background. These were the basic information that were deemed important to the objectives of the study. This was adopted from Maneuli et al (2007) and Chen et al (2010) which indicated that the above socio demographic factors affect peoples' perception about technology and in this case other relevant factors of the study.

4.2.1 Age and Sex of Respondents

The results of the age and sex of the people who participated in this study are shown in figure 4.1 and figure 4.2

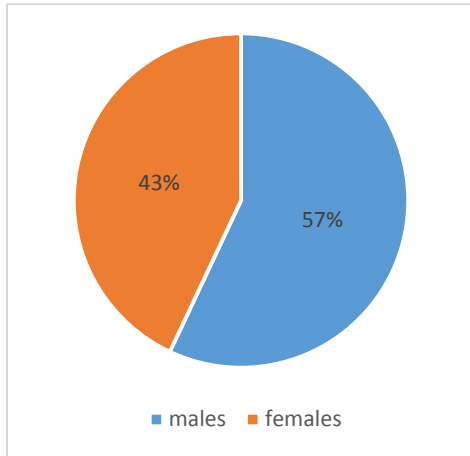


Figure 4.1 sex composition of respondents

Source: Field Survey, 2016

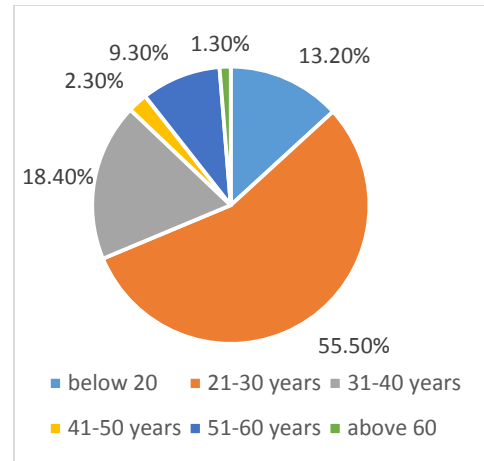


figure 4.2 age composition of respondents

Source: Field Survey, 2016

The sex composition of respondents showed that majority of them were males representing two hundred and twenty (220) people and females were one hundred and sixty six (166). The inference made from the technology acceptance model showed that females are more likely to adopt ICT as compared to males. This gave an indication that the perceived usefulness and ease of use of ICT will be reflected by this composition

Also figure 4.2 shows that most of Access bank customers are in their youthful ages as 55 percent of the respondents were between the ages of 21 and 30, 18.4% are between the ages of 31 and 40 and a few are 60 and above. These findings was in line with that of Rogers (2010) where people who used banking services in Uganda were within a youthful age group which affected their rate of adoption of internet banking. The composition showed that Access bank customers are likely to adopt ICT because young people tend to understand the usefulness of technology easily as compared to older people.

4.2.2 Marital status of respondents

Marital status of respondents was included in the background information of respondents because from the literature review it was realized that marital status of people affect their behavioral attitudes and intention of use of a particular facility or innovation (Rogers, 2010). The information showed that about 63% of the respondents were single and 33.7% were married. A few were separated, divorced or widowed representing 1.6%, 1.0% and 0.8% respectively. The larger number of single people gave an indication that most of the customers of the bank are free to take certain decisions because married people tend to be restricted in taking certain decisions.

4.2.3 Educational Level of respondents

Educational level of people has a great influence on their behavioral attitudes and also their perception about things are affected by how much knowledge they possess. Figure 4.3 show the educational level of respondents;

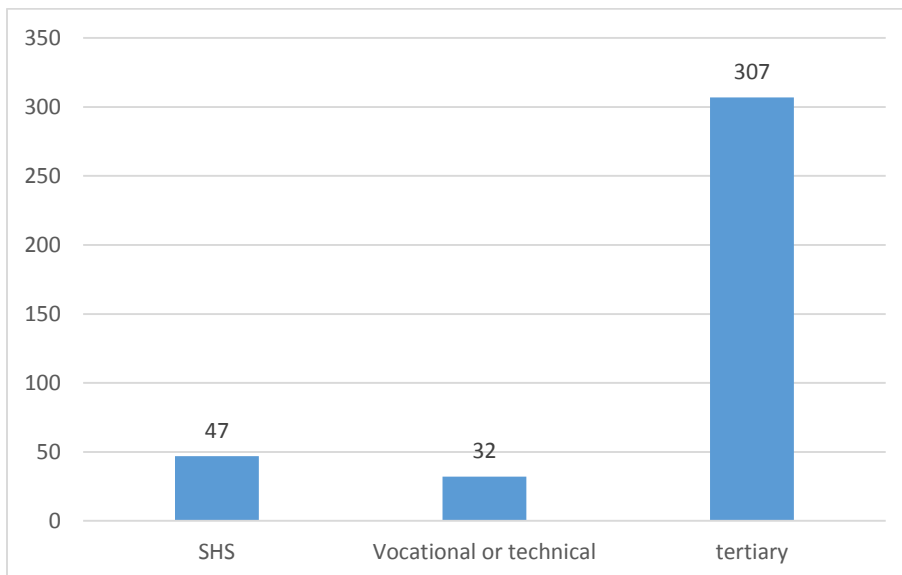


Figure 4.3 Educational background of respondents

Source: Field survey, 2016

Out of the 386 respondents, 307 people had education up to the tertiary level, 47 had up to secondary education. The results showed that most of the customers of access are literate and possess much information hence their rate of adoption of ICT is likely to be high.

4.2.4 Occupation of respondents

The sort of economic activities one is engaged in usually determines their income level and their patronage behaviour. It also affects their rate of adoption of new things as economic factors tend to influence peoples intentions and attitudes. The survey showed that 34% were students, 11% were engaged in some trading activity which included vendors, retail shop operators and others and 41% were in the formal service sector which included teachers, civil servants, bankers, and nurses among others. Informal service comprised 11%, artisans constituted 0.3% and 1.6% were either retired or unemployed.

4.3 Factors predicting customer patronage of Access bank

The literature reviewed pointed out some factors that influenced the choice of banks by customers. Among these factors were proximity to home or work, perceived service quality, good customer service, bank image, confidence in management, online banking facilities, recommendation by friends or family, branch networking, accessibility to ATMs and innovative products and services.

Initially, the study sought to subject these factors influencing their patronage to principal factor analysis to reduce the complexity of the factors selected. The intention was to reduce the number of factors that may be used to represent the relationship among the interrelated variables. Prior to that appropriateness of the factors for factor analysis was tested using the Kaiser Meyer-Olkin measure of adequacy of sampling and the measure was 0.80 which

was enough but the Bartlett's test of sphericity showed the data was not suitable for reduction as it was not significant at 1%.

It was therefore imperative to check the reliability of these scales to ensure internal consistency, a Cronbach's alpha of 0.832 was enough as any coefficient above 0.7 is accepted (Hafeez and Muhammed, 2012).

The study went further to conduct a one sample t test to test for significance of the factors in determining customer patronage of Access bank. The means of each factor were ranked to show the importance customers attached to the factors identified as shown in table 4.1;

Table 4.1 one sample t test on the determinants of bank patronage

Factors	Mean	Std deviation	Sig (2-tailed)	Rank
Proximity to work or home	3.30	1.689	.000	10
Perceived quality of service	4.34	.753	.000	1
Good customer service	4.23	1.100	.000	2
Bank image	3.72	1.321	.000	9
Confidence in management	3.99	1.226	.000	7
Online banking facilities	4.10	1.301	.000	5
Recommendation by family or friends	4.15	1.549	.000	4
Branch networking	4.18	1.276	.000	3
Accessibility to ATMs	4.04	1.438	.000	6
Innovative products and service	3.73	1.489	.000	8

Source: field survey, 2016 (SPSS output)

The mean for each of the ten variables are higher than 3 and according to the scale that was used, 3 stands for neutral. All of the variables are significant at 95% confidence indicated by a p value of .000 for all determinants which is lower than 0.05. This showed that all the selected variables are important in customer patronage of banks. The most important factors were the perceived service quality (4.34) followed by customer service (4.23),

branch networking (4.18), recommendation by friends (4.15), online banking facilities (4.10) and accessibility to ATMs (4.04). This is because customers perceived these factors as either important or very important to their decision to patronize a bank. These findings were found to be similar to those of the studies by Rehman and Ahmed (2008) and Aregbeyen (2011) where these factors were found to be the most important for customer patronage of a bank.

The least important factors included proximity to home or work, bank image, innovative products and services, and confidence in management of the bank. This was shown by the response rates which were between neutral and important. The outcome of this analysis was found to oppose the findings of Safakli (2007) who found out that customers needed to have some trust and confidence in the management of a bank before he or she entrusts his or her funds to that bank. This was because the two variables (bank image and confidence in management) that were used to assess these two factors were not very important to the customers of Access bank who participated in the study.

4.4 Customer perception of customer services of Access bank

The study went further to investigate the view of respondents on certain customer service elements of Access bank. About 48.2 percent of the customers confirmed that the average turnaround time was under five minutes and 51.8 percent said it was between five and ten minutes. This showed that the average turnaround time in Access bank was not too long. Also all the respondents admitted that the bank always welcomes suggestions and complaints from customers. About 71 percent affirmed that they used the suggestion box for this activity, 19.2 percent expressed their suggestions and complaint through the

Customer Complaint Unit of the bank and the rest did it through the branch manager. The conclusions drawn from these findings was that Access bank could be offering good customer services.

4.5 Customer Satisfaction with Access bank

The satisfaction level of customers was assessed in relation to the variables of the study; customer services and ICT products and services. The findings proved that the level of satisfaction customers gained from the customer services of Access bank was high as shown by a mean of 4.31. The findings showed that customers' responses on their satisfaction generally ranged between highly satisfied and satisfied confirming their responses in the assessment of customer services section. The level of satisfaction respondents with ICT services was low as indicated by a mean response of 3.98 which was averagely considered as good even though it is comparatively low.

The conclusion drawn from this was that most of them feel neutral about the ICT services and products in the bank and a few felt satisfied with them. This was possible to have an effect on the adoption rate of ICT by customers. The mean of the overall responses for the level of satisfaction gained from Access bank as a whole was 4.12. This meant that most of the customers interviewed were either highly satisfied or satisfied with Access bank. This could implied that customer patronage as well as loyalty is high with the bank, as customer satisfaction usually affect customer patronage behaviour.

4.6 Relationship among the main variables of the study

The dependent variable of the study is customer patronage and the independent variables are customer service and ICT adoption. In this study ICT has been hypothesized as a variable that affects the relationship between customer service and customer patronage.

4.6.1 Descriptive statistics of the variables of the study

Table 4.2 Descriptive statistics of variables

Variable	Mean	N
Customer service	4.078	386
Customer patronage	4.132	386
ICT adoption	4.229	386

Source: field survey, 2016 (SPSS output)

The mean of all three variables gave an indication that generally customers either agree or strongly agree to the individual constructs of the main variables. The implication is that customers are basically satisfied with the customer services of access bank as indicated by a mean of 4.078 indicating that they either agree or strongly agree to the assessment of its content and delivery. Also, customer patronage can be said to be high as shown by a mean of 4.132 indicating that customers may have a strong preference for Access bank and its likely they intend to continue to use it in the future or recommend to other people. With regards to ICT adoption, it can be said that adoption rate is high since it has the highest mean among the three variables. This gave an indication that the observed usefulness, effectiveness and ease of use of ICT products and service might be high.

4.6.2 Reliability and validity tests

The study variables were subjected to a reliability analysis to check for reliability of the scales. The Cronbach's alpha coefficient for customer service was 0.854, customer patronage was 0.784 and ICT adoption was 0.778. This indicates a high level of internal consistency of all the variables as any alpha coefficient greater than 0.7 is accepted

Table 4.3 Cronbach's Alpha coefficients of variables

Variable	Cronbach's alpha	No. of items
Customer service	0.854	10
Customer patronage	0.784	3
ICT adoption	0.778	8

Source: field survey, 2016 (SPSS output)

4.6.3 Correlations

Table 4.4 correlations between variables

		Customer service	Customer patronage	ICT adoption
Customer service	Pearson correlation Sig (2-tailed)	1		
Customer patronage	Pearson correlation Sig (2-tailed)	0.524** 0.00	1	
ICT adoption	Pearson correlation Sig (2-tailed)	0.082* 0.00	-0.258** 0.002	1

Note: *correlation is significant at 0.05 (two-tailed); **Correlation is significant at 0.01

level

Source: field survey, 2016 (SPSS output)

Table 4.4 showed the bivariate correlations between the independent variables and the dependent variable of the study. Customer patronage and customer service are significant

at 1% and ICT adoption is significant at 5%. The correlation coefficient of customer patronage for customer service ($r=0.524$) showed a large positive relationship between the two. The coefficient of ICT adoption on customer patronage ($r= -0.258$) indicated a significant negative effect between the two however, the relationship was not strong. Lastly, coefficient of customer service on ICT adoption ($r= 0.082$) showed a weak but significant positive relationship between the two variables. These results support hypotheses 1, 2 and 3. The results also gave an indication that each of the conditions necessary to test for the probable role of a mediator had been fulfilled at the bivariate level.

It was further identified that the results of the relationship between customer service and customer patronage supported previous studies (Kwashie, 2012; Sabir et al, 2014; Gan et al, 2016) which all identified a significant and direct relationship between the two variables. It also supported some previous studies on the relationship between customer service and ICT adoption (Aliyu and Tasmin, 2012; Cheung and Lee, 2006) which found out that a direct positive relationship exist between the two, that is; as ICT adoption increases, customer service improves and the vice versa. Lastly the correlation between customer patronage and ICT adoption supported some previous studies (Wise and Ali, 2009; Sofekun, 2011) which found a direct relation between the two variables.

4.7 Regression analysis

In order to test the hypothesis 1, 2 and 3, the study went on to conduct a hierarchical regression analysis to determine the mediating effects of ICT adoption in the relationship between customer service and customer patronage. The dependent variable for this analysis was customer patronage, the independent variable was customer service and the mediating

variable was ICT adoption. The causal steps approach was used and the following equations were used for the mediation analysis adopted from MacKinnon et al (2007)

$$Y = i_1 + cX + e_1 \dots \dots \dots \text{equation 1}$$

$$M = i_2 + aX + e_2 \dots \dots \dots \text{equation 2}$$

$$Y = i_3 + bM + e_3 \dots \dots \dots \text{equation 3}$$

$$Y = i_4 + c'X + b_2M + e_4 \dots \dots \dots \text{equation 4}$$

Where i_1 and i_2 , i_3 and i_4 are intercepts, Y is the dependent variable, X is the independent variable,

M is the mediator, c is the coefficient relating the independent variable and the dependent variable, c' is the coefficient relating the independent variable to the dependent variable adjusted for the mediator, b is the coefficient relating the mediator to the dependent variable adjusted for the independent variable, a is the coefficient relating the independent variable to the mediator, and e_1 , e_2 , e_3 and e_4 are residuals.

4.7.1 Relationship between Customer service and Customer patronage

A linear regression was conducted between customer service and customer patronage to test for equation one, which is the first step of determining the mediating effects of ICT on the two variables

Table 4.5 Regression coefficients of dependent and independent variable

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	9.930	.589		16.861	.000
customer service	.066	.015	.224	4.501	.000

Dependent variable: Customer patronage

Source: field survey, 2016 (SPSS output)

The model is statistically significant as indicated by a p value of 0.000 which is lower than the conventional 0.05 indicating that the model is a good fit for the data. The multiple correlation coefficient, R (see appendix B) which is a measure of customer patronage behaviour determination is low (R= 0.224). This gave an indication that the proportion of customer patronage behaviour accounted for by only customer service is low implying there are other factors that determine the dependent variable. The t statistic is the coefficient divided by its standard error. If 95% of the t distribution is closer to the mean than the t value of the coefficient then there is a p value of 5%. A p value of 0.05 or less is the accepted point at which the null hypothesis of each independent variable absolutely having no effect can be rejected. The coefficient also showed a significant positive effect of customer service on customer patronage. The perceived quality of content and the delivery of customer service can therefore be said to increase the urge customers have to bank with Access bank. However, there are other factors they may consider aside the customer services they provide.

4.7.2 Relationship between Customer service and ICT adoption

A linear regression was conducting with customer service predicting ICT adoption as required by the procedure for testing for mediation. Table 4.6 represents model 2

Table 4.6 Regression coefficients of the mediator variable and independent variable

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
2	(Constant)	32.208	1.004		32.075	.000
	customer service	.040	.025	.082	1.603	.010

a. Dependent Variable: ICT adoption

Source: field survey, 2016 (SPSS output)

The multiple correlation coefficient which is the level of determination of the adoption of ICT consideration customer service is also low ($R = 0.082$). The entire model is however significant at a 5% interval ($p = 0.010$) showing an acceptable relationship between the two variables as stated earlier. The coefficient of customer service was seen to be weak but it showed a statistically significant and positive effect on ICT adoption. The implication here was that as customer service content and delivery becomes quality in the eyes of customers, they tend to be fast to ICT adoption. Customer service involves the intangible aspects of service which include response to complaints, language, limited waiting time among others and on the other hand ICT products and services has been seen as tools that are gradually replacing some of these customer service activities. Consequently, the more Access bank customers get satisfied with customer services, the more likely the rate of adoption of ICT in banking procedures will be high as they obtain much more knowledge on its usefulness due to quality customer services. This is because their perceived usefulness, effectiveness and ease of use will be affected.

Alternatively bad perception about customer services can decrease ICT adoption among customers and the bank as well. The significant relation between these two variables gave an indication that they affect each other as established; this means that if ICT adoption is an option for a customer to experience better customer services with a bank, he or she will be influenced to go for it. In the same regard, banks, in their quest to offer quality customer services might increase their rate of adoption of ICT in their activities.

4.7.3 Relationship between ICT adoption and customer patronage

A linear regression was conducted with ICT adoption predicting Customer patronage as shown in table 4.7

Table 4.7 Regression coefficients of the mediator variable and dependent variable

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
3 (Constant)	15.736	1.028		15.315	.000
ICT adoption	-.095	.030	-.158	-3.139	.002

a. Dependent Variable: customer patronage

Source: field survey, 2016 (SPSS output)

The multiple correlation coefficient which is the level of determination of customer patronage accounted for by ICT adoption is also low ($R = 0.158$). The entire model is however significant at a 5% interval ($p = 0.002$) showing an acceptable relationship between the two variables as stated earlier. The coefficient of ICT itself is also significant 5% as shown in the model ($p = 0.002$). The relationship between the two variable was found to be weak indicating ICT adoption alone cannot determine customer patronage of Access bank. The negative coefficient of ICT adoption gave an indication that as customers

perceive ICT to be very useful, effective and accessible to them they tend to reduce patronage of Access bank. This could be that, customers face certain problems with the ICT based product and services in Access bank which negatively affects their perception about it. Hence as their attitude and perception of the usefulness and accessibility of ICT become more positive, they tend to decrease the strong preference for Access bank and the likelihood of future use as well as recommending to other people decrease.

4.7.4 The mediating effects of the relationship between customer service and customer patronage

The results from the first three models showed that a zero-order relationship exist among the three variables proving the possibility of mediation. This is because there was a significant relationship between all the variables in the first three models. The study then went further to test the significance of the mediation and to assess the kind of mediation that exist between ICT adoption and customer service and patronage relationship. That is whether the relationship between the dependent and independent variables can be fully or partially accounted for by the mediating variable.

Table 4.8 regression coefficients of all variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.930	.589		16.861	.000
	customer service	.066	.015	.224	4.501	.000
2	(Constant)	13.360	1.112		12.012	.000
	customer service	.071	.015	.238	4.851	.000
	ICT adoption	-.107	.029	-.178	-3.614	.000

a. Dependent Variable: customer patronage score

Source: field survey, 2016 (SPSS output)

A hierarchical regression was done and the first model included on the dependent and independent variable. The entire model was significant at 5% confidence level indicated by a p value of 0.000 as well the predictor. This showed that customer service is indeed important to customers' decision to patronize a bank. The multiple correlation coefficient was lower in this model hinting that customer service alone is weak in determining customer patronage (R= 0.224). This showed that customer service accounted for 22.4% of customer patronage behaviour determination.

From model two which was the final model, the multiple correlation coefficient which is the level of determination of customer patronage being accounted for by customer service and ICT adoption is also low (R= 0.285). The entire model is however significant at a 5% interval (p= 0.000) showing an acceptable relationship among the three variables as stated earlier. The signs for the coefficients of this multiple regression is the same as that of the simple linear regression conducted for each of the hypothesis. The inference made was that

the amount of the relationship between customer patronage and customer service accounted for by ICT adoption represented 28.5% of the direct effect.

In order to complete the mediation analysis there was the need to test for the significance of the indirect pathway that is; X affects Y through the compound pathway of *a* and *b*. this is a major weakness associated with the method used (Imai et al, 2010). Also the approach made it possible to miss some real mediation effects. The regression coefficient for the indirect effect represents the change in Y for every unit change in X that is mediated by M. The Sobel test uses the extent of the indirect effect compared to its standard error estimate for the effect of X on M and M on Y (MacKinnon et al (2007)

The Sobel test was used to test whether the mediator variable (ICT adoption) significantly carried the influence of the independent variable (customer service) to the dependent variable (customer patronage). In other words, whether the indirect effect of customer service on customer patronage through ICT adoption was significant. The Sobel test statistic was -14.281 and it was significant at both 1% and 5% significant level ($p= 0.00$). This gave an indication that the relationship between customer service and customer patronage is significantly reduced by the inclusion of ICT adoption.

The results of the mediation analysis supported partial mediation. Partial mediation occurs when the coefficient of X in the final is model is statistically significant. Alternatively, full mediation occurs when X is no longer significant after the final model. In this case the standardized beta coefficient of customer service in the final model (2) was 0.238 and has a p value of 0.000. The conclusion was that other variables may be mediating the relationship between customer service and customer patronage in addition to ICT adoption.

According to MacKinnon et al (2007), psychological behaviors are influenced by a lot of

factors and to assume a single mediator variable can fully explain the relationship between a dependent and independent variable is not realistic. The findings of this study therefore has confirmed this.

4.7.5 Discussion on the partial mediation of ICT on customer service and patronage relationship

The evidence of partial mediation in this study indicated that there is not only a substantial relationship between ICT adoption and customer patronage but also a direct relationship exist between customer service and customer patronage. The coefficient of the mediating variable was found to be negative as well as the coefficient of the Sobel test and it showed that dependent variable was slightly reduced by the independent variable by increasing the effect of the mediating variable (Imai et al, 2010). This implied that the effectiveness of Customer service on the average slightly affects customer patronage by increasing the level of ICT adoption in banking.

The findings which proved a partial mediation suggested that ICT adoption can be improved by focusing on customer service and customer patronage can be increased by improving ICT adoption. As discussed earlier improving the content and delivery of customer service can motivate customers to adopt ICT faster. For instance, when customers are educated on the ICT products of banks, specifically Access bank, customers' perception about its usefulness will be positively influenced. Also assisting them in situations where necessary is likely to influence their perception on its ease of use. Moreover, dealing with problems associated with technology based products and making them more accessible to customers will increase the rate of adoption. These findings support that of a study by

Chinakidzwa (2014) which established that ICT adoption is influenced by the amount of information a customer possess.

The adoption of ICT has also been proved to be a strategic way to increase customer patronage of Access bank therefore conscious efforts to increase adoption rate. Adoption rate could also be increased by making customers see a better side of technology related banking products in order to influence their judgement. One inference made from the regression analysis was that ICT adoption was actually low even though the assessment from the descriptive statistics showed it was a bit high. This was attributed to the fact that, customers face certain problems with ICT based products of the bank. These problems may include the period poor network, breakdown of ATMs, perceived risks associated with online and electronic banking systems among other. For this reason, Access bank could critically assess these problems in order to deal with them and customer service could be a tool to deal with it. The results also supported the findings of Kwashie (2012) which found out that ICT adoption increases customer patronage and bank image.

However, the effect of customer service on customer patronage can be transmitted by other factors or variables other than ICT adoption. As previous studies (Hafeez and Muhammed, 2012; Aregbeyen, 2011) found customer satisfaction, reputation among others as strong drivers of customer patronage in the banking industry. This gave an indication that indeed ICT adoption cannot account for this relationship totally.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings of the study, the conclusions on the entire study as well as some recommendations to the findings. The summary of the findings was organized under the main objectives of the study.

5.2 Summary of findings

The sex composition of respondents show that majority of them were males representing two hundred and twenty (220) people and females were one hundred and sixty six (166) which was seen to affect the perception of usefulness and effectiveness of ICT in banking. Also, Access bank customers are in their youthful ages as 55 percent of the respondents were between the ages of 21 and 30 which gave an indication of a high adoption rate of ICT as young people tend to understand the usefulness of technology easily as compared to older people. Furthermore, the results showed that most of the customers of access are literate and possess much information hence their rate of adoption of ICT is likely to be high.

The most important factors that customers considered to use Access bank in descending order were the perceived service quality, customer service, branch networking, recommendation by friends, online banking facilities and accessibility to ATMs. Also customers ratings of how effective Access bank customer services is was very high as a result their satisfaction level with it was high (mean=4.31). Moreover, most of the

customers interviewed were either highly satisfied or satisfied with Access bank (mean= 4.12).

The coefficient of the regression of customer service on customer patronage showed a significant positive effect of customer service on customer patronage (p value of 0.000). The perceived quality of content and the delivery of customer service was therefore seen to increase the urge customers have to bank with Access bank. However customer service accounts for just about 22% of the determinants of patronage($R=0.0224$).

The coefficient of customer service predicting ICT adoption was seen to be weak but it showed a statistically significant and positive influence ($p=0.01$). This implied that as customer service content and delivery becomes quality in the eyes of customers, they tend to be fast to ICT adoption. This is because their perceived usefulness, effectiveness and ease of use will be positively affected.

Additionally, the relationship between ICT adoption and customer patronage was found to be weak indicating ICT adoption alone cannot determine customer patronage of Access bank which was expected. The negative coefficient of ICT adoption gave an indication that as customers perceive ICT to be very useful, effective and accessible to them they tend to reduce patronage of Access bank.

The Sobel test statistic was -14.281 and it was significant at both 1% and 5% significant level ($p=0.00$). This gave an indication that the relationship between customer service and customer patronage is significantly reduced by the inclusion of ICT adoption. The results of the mediation analysis supported partial mediation. The negative coefficient of the mediating variable (ICT adoption) implied that the effectiveness of Customer service

averagely slightly decreases customer patronage by increasing the level of ICT adoption in banking.

5.3 Conclusions

The study sought to investigate how ICT mediates the relationship between customer service and customer patronage. It was recognized from the study that customer service indeed influences patronage behavior of customers as presumed. Also customer service in a way can predict the rate of ICT adoption in banks and finally, ICT adoption predicted customer patronage. This established ICT as a mediating variable on the relationship customer service has with customer patronage. However, the findings of the study showed that ICT adoption could not fully account for this relationship just as expected. This was because, literature proved that no single mediator variable can predict the relationship between a dependent and independent variable. The evidence of partial mediation in this study indicated that there is not only a substantial relationship between ICT adoption and customer patronage but also a direct relationship exist between customer service and customer patronage

The findings of the study brought a conclusion that, the content and delivery of customer service which include the various ways of handling complaints, education given on products and services among others positively influenced the perception and attitude of customers to ICT adoption in banking. The negative coefficient of the mediating variable as well as the coefficient of the Sobel test further implied that the effectiveness of Customer service on the average slightly decreases customer patronage by increasing the level of ICT adoption in banking. The results of partial mediation indicated that there is the need to

empirically test for other indirect effects on the customer service customer patronage relationship.

5.4 Recommendations

The study came out with the following recommendations based on the findings;

1. Customers of Access bank were averagely within a youthful age group which was seen as a positive factor on ICT adoption. Since ICT adoption in a way accounts for the relationship between customer service and customer patronage, it was necessary for the bank to take of advantage of the youthful age of customers to increase the rate of adoption.
2. It was realized that perceived service quality was the main factor that behind customers' drive to patronize Access bank. Therefore, it was recommended that the bank reviewed the various aspects of service quality in order to improve upon it to increase customer patronage.
3. The study proved the significance of customer services to ICT adoption, hence it was recommended that the bank improves more of the content and delivery of their customer services.
4. The relationship between customer patronage and ICT adoption gave an indication that customer who are yet to go through the ICT adoption face have negative perceptions about how useful it could be and how suitable it will be for their lifestyle. Therefore the study recommended that Access bank improves on the delivery of ICT products and services in order to have a positive influence on customer attitude towards ICT adoption.

5.5 Directions for Future Research

The evidence of partial mediation showed the need to empirically assess the indirect effects of other variables on customer service and customer patronage relationship. It is therefore suggested that further research be done on multiple mediator variables which consist of customer satisfaction, inertia and ICT adoption in order to assess the percentage of mediation accounted for by each of these variables. Furthermore, this study can be conducted across banks using a large sample as the sample size of a study affect the results of full or partial mediation (Imai et al, 2010). It has been established that smaller sample sizes usually result in partial mediation hence using a larger sample size may prove ICT adoption as full mediator of customer service and customer patronage relationship.

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APPENDIX A

QUESTIONNAIRE FOR CUSTOMERS OF ACCESS BANK

This study seeks to gather information on the mediating role of ICT on the impact of customer service on customer patronage of Access bank. Information given will be treated with strictest confidentiality.

A. GENERAL INFORMATION

1. Gender of respondent

- a. Male () b. female ()

2. Age of respondent

- a. Below 20 b. 21-30 years c. 31- 40 years d. 41-50 years e. 51-69 years d. above 60

3. Occupation

- a. Student () b. commerce or trading () c. formal service () d. informal service ()
d. artisan () e. other please specify.....

4. Marital status

- a. Single () b. married () c. separated () d divorced () e. widowed () f. co-habitation ()

5. Educational level

- a. Primary () b. JHS () c. SHS () d. Vocational/ technical () e. Tertiary ()

B. ACCESS BANK CUSTOMER SERVICES

6. How will you rank the staff of Access bank

- a. Excellent () b. very good () c. good () d. satisfactory () e. poor ()

7. What is the turnaround time for customers at the banking hall?

- a. Under 5 minutes b. 5 – 10 minutes c. 11 – 16 minutes d. 17 – 23 minutes
e. 24 + minutes

8. Does Access bank welcome customer complaints?

- a. Yes () b. No ()

8b. If yes, what are the means of lodging complaints?

- a. Suggestion box () b. Customer complaint unit () c. Branch manager ()
- d. Other(s) please specify.....

9. How will you rate these tangible customer services

	Very Poor (1)	Poor (2)	Satisfactory (3)	Very good (4)	Excellent (5)
Welcoming upon entry					
Education on products and services					
Assistance given to complaints					
Soliciting complaints					
Timely handling of complaints					
Assistance given in filling forms					
Waiting time					
Telephone techniques					
Listening skills					
Language					

C. CUSTOMER PATRONAGE OF ACCESS BANK

10. Why did you choose access bank

Factor	1 not important at all	2 unimportant	3 neutral	4 important	5 very important
Proximity to work or home					
Perceived quality of service					
Good customer service					
Bank image					
Confidence in management					
Online banking facilities					
Recommendation by family or friends					
Branch networking					
Accessibility to ATMs					
Innovative products and service					

11. To what extent do you agree with these statement

Statement	1 strongly disagree	2 disagree	3 neutral	4 agree	5 strongly agree
I have a strong preference for this bank					
I intend to continue banking with Access					
I will recommend access to others					

12. What would you like the bank to do to meet your needs?

- a. Provide more tellers
- b. provide more chairs for waiting
- b. Visit or call you regularly
- d. Extend banking hours
- e. other.....

D. ICT ADOPTION IN ACCESS BANK

13. How much do you agree with these statements about your perceived usefulness, effectiveness and ease of use of ICT in banking

	Strongly disagree	disagree	neutral	agree	Strongly agree
Accessibility to funds anywhere branch is located					
Saves time and transportation costs					
Instant notification of debit or credit on my account					
ICT in banking suits my lifestyle					
Instant access to my account details					
Reduces time involved in bank transactions					
Reduces long queues in banking halls					
Enhances ability to access accounts at any location					

15. what are your perceived risks on the ICT services?

	Strongly disagree	disagree	neutral	agree	Strongly agree
I worry about giving my ATM number or log in to banking website					
ICT based banking transactions are intercepted by unauthorized third parties					
Much time is needed for additional procedures when using ICT banking.					
Automated banking services make me uncomfortable					
The connection may be lost when using these banking services					

15b Other risks

.....

E. CUSTOMER SATISFACTION

16. How much do you agree with these statements

	Strongly disagree	disagree	neutral	agree	Strongly agree
I am satisfied with the customer services access bank provides					
I am satisfied with the ICT products and services					

16b. On a scale of 1 – 5, how would you rate your level of overall satisfaction with Access bank?

a. 1 b. 2 c. 3 d. 4 e. 5

16c. In your opinion, what is the level that this bank fulfils your expectation

a. lower than expected b. just as expected c. much more than expected

17. What should access bank do to improve customer service delivery in your opinion

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

Thank you

APPENDIX B

customer turnaround time

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid under 5 minutes	186	48.2	48.2	48.2
5-10minutes	200	51.8	51.8	100.0
Total	386	100.0	100.0	

what is the means of lodging complaints

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	37	9.6	9.6	9.6
suggestion box	275	71.2	71.2	80.8
customer complaint unit	74	19.2	19.2	100.0
Total	386	100.0	100.0	

Descriptive Statistics of customer satisfaction

	N	Minimum	Maximum	Mean	Std. Deviation
i am satisfied with the customer services of access bank	386	3	5	4.31	.555
i am satisfied with the ICT products and services	386	2	5	3.98	.745
rate your overall satisfaction with access bank	386	3	5	4.12	.773
Valid N (listwise)	386				

Equation 1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.224 ^a	.050	.048	2.224

a. Predictors: (Constant), customer service

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	100.234	1	100.234	20.259	.000 ^a
	Residual	1899.893	384	4.948		
	Total	2000.127	385			

a. Predictors: (Constant), customer service

b. Dependent Variable: customer patronage

Equation 2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.082 ^a	.007	.004	3.79268

a. Predictors: (Constant), customer service

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
2	Regression	36.974	1	36.974	2.570	.010 ^a
	Residual	5523.607	384	14.384		
	Total	5560.580	385			

a. Predictors: (Constant), customer service

b. Dependent Variable: ICT adoption

Equation 3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
3	.158 ^a	.025	.022	2.254

a. Predictors: (Constant), ICT adoption

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
3	Regression	50.032	1	50.032	9.852	.002 ^a
	Residual	1950.095	384	5.078		
	Total	2000.127	385			

a. Predictors: (Constant), ICT adoption

b. Dependent Variable: customer patronage

Equation 4

Model Summary^c

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2
1	.224 ^a	.050	.048	2.224	.050	20.259	1	384
2	.285 ^b	.081	.077	2.190	.031	13.063	1	383

a. Predictors: (Constant), customer service

b. Predictors: (Constant), customer service, ICT adoption

c. Dependent Variable: customer patronage

ANOVA^c

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	100.234	1	100.234	20.259	.000 ^a
	Residual	1899.893	384	4.948		
	Total	2000.127	385			
2	Regression	162.898	2	81.449	16.979	.000 ^b
	Residual	1837.229	383	4.797		
	Total	2000.127	385			

a. Predictors: (Constant), customer service

b. Predictors: (Constant), customer service, ICT adoption

c. Dependent Variable: customer patronage

Excluded Variables^b

Model		Beta In	T	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	ICT adoption	-.178 ^a	-3.614	.000	-.182	.993

a. Predictors in the Model: (Constant), customer service score

b. Dependent Variable: customer patronage score