The Influence of the Quality of Libyan Banks' Services on Achieving Customer Satisfaction

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الملخص

الهدف الرئيسي من هذه الدراسة هو توفير إطار نظري يحدد ويعرف المفاهيم المختلفة المتعلقة بجودة الخدمات المصرفية من حيث المؤشرات والنماذج ، بالإضافة إلى معالجة قياس رضا العملاء لمعرفة مدى وعيهم بجودة الخدمات التي تقدمها المؤسسات المصرفية الليبية من أجل إيجاد طرق لتحسين جودة الخدمات. تنعكس مشكلة هذه الدراسة في واقع المنافسة التي تواجهها البنوك العامة في ليبيا، وحاجتها إلى اتخاذ مجموعة من الإجراءات لغرض قياس وتحسين جودة الخدمات المقدمة. تعتمد الدراسة على استخدام المنهج الوصفي التحليلي وهو الأنسب لتحقيق أهداف هذه الدراسة من الواقع الحقيقي لمشكلة البحث. تمت معالجة البيانات وتحليلها إحصائياً بواسطة برنامجي Microsoft Excel و SPSS لاختبار الفرضيات والوصول إلى النتائج التي تحقق أهداف الدراسة. أشارت النتائج إلى وجود وعي بأن جودة الخدمات المصرفية لها تأثير كبير في تحقيق رضا العملاء.

الكلمات الأساسية: الجودة ؛ الخدمات البنكية؛ العميل؛ الإشباع؛ والوعي.

Abstract

The main objective of this study is to provide a theoretical framework that defines the various concepts related to the quality of banking services in terms of indicators and models, in addition to addressing the measurement of customer satisfaction to know the extent of customers' awareness of the services provided by Libyan banking institutions in order to find ways to improve the quality of services. The problem of this study is reflected in the reality of competition faced by public banks in Libya, and their need to take a set of measures for the purpose of measuring and improving the quality of the services provide. The study depends on the use of the descriptive analytical method, which is the most appropriate to achieve the objectives of this study from the real reality of the research problem. The data was subsequently processed and analyzed statistically by Microsoft Excel and SPSS software to test the hypotheses and reach results that achieve the objectives of the study. The results indicated that there is an awareness that the quality of banking services has a significant impact on achieving customer satisfaction.

Key words: The quality; Banking Services; Customer; Satisfaction; and awareness.

An introduction

The world is heading towards globalization in all its forms, especially financial ones, as the financial services industry plays an important and distinctive role in the economies and markets of different countries. This requires banks to understand and measure the quality of banking services provided as well as to study the expectations and perceptions of customers for the quality of services (Brumbaugh 1992, Chaoprasert 2003, Drigă and Isac 2014).

In light of the major competitive conflicts that the World is witnessing today and in the context of economic globalization that led to the transfer of competition from local markets to global markets, service institutions are facing a set of challenges that fall within the new economic climate. Its services towards its customers in order to achieve their satisfaction. This is considered as one of the main entrances to achieving success and development in its competitive capabilities while gaining a distinguished market position and increasing the profitability of the institution (Jeanneau 2007, Iranzadeh and Chakherlouy 2012, Belás, Chochol'áková et al. 2015).

The increasing interest in the quality of electronic banking services, whether for the bank or the customer, is considered an effective tool for improving and knowing the level of services provided and expected from customers. The quality of electronic service has effects on customers' attitudes, satisfaction and behavioral intentions. Accordingly, customers' evaluation of quality enables practitioners to allocating the organization's resources to ensure the performance of services that bring them satisfaction. The evaluation of the quality of services and their improvement and development on a permanent basis depends mainly on collecting information about the services provided to the customers of the institution, by adopting effective strategies in marketing its services with the application of modern methods aimed at meeting the needs and expectations of customers and satisfying their desires (Husnain and Akhtar 2016, Moenardy, Arifin et al. 2016).

Not a day goes by without a bank/client relationship taking place but today the customer has a better place than in the past. In today's world, it can be accepted that intense competition in terms of quantity and quality makes it very difficult for a company to differentiate itself from its competitors (Ha, Minh et al. 2015, Vu and Huan 2016).

For this reason, the organization must pay close attention to the client, and establish commercial agencies as a link between it and its clients. In addition to accessing that direct relationship, its characterized by transparency and security, when this is achieved, the institution has achieved customer satisfaction. Excellent business processes leading to product or service quality that can be viewed as the direct factors influencing customer satisfaction and loyalty (Brady, Cronin et al. 2002, Chi Cui, Lewis et al. 2003).

Considering that the quality and satisfaction of the customer represent the real concern of all service institutions that wish to achieve the appropriate marketing position and seek stability and continuity in the scope of their work, it was worth addressing by asking some questions, including (Is there any effect on the quality of the banking service for the public sector in achieving satisfaction for its customers?). Through this question, it must first know the answer to some sub-questions, including:

- What do we mean by quality of service?
- How does the customer evaluate the quality of services provided by public banks?
- What are the criteria that customers use in evaluating the quality of service?
- How can a public banking institution keep pace with the performance and quality of its services with the expectations of its customers?

The study aims to know the impact of the quality of services provided by banks to their customers, in order to develop the quality of their services and work to satisfy their customers. This study aims to define concepts related to service quality, methods of measuring, improving and evaluation models, in addition to identifying on customer satisfaction and ways to measure it. Getting to know customers' evaluation of the level of quality of services provided. Reaching some results and suggestions that could contribute to developing the quality of banking services.

The importance of this study lies in expressing the level of quality of services provided by Libyan public banks to their customers and their compatibility with their desires and needs in order to gain their satisfaction. As well as, trying to show the relationship between three effective variables: quality as a strategy taken by the institution, customer satisfaction as a result, and measurement as a means to assess the degree of satisfaction or dissatisfaction.

The problem of this study is reflected in the reality of competition faced by public banks in Libya, and their need to take a set of measures for the purpose of measuring and improving the quality of the services provide. Using their dimensions to identify the sites of shortcomings and address them to enjoy the satisfaction and confidence of customers. In additional to increase their market share and achieve competitive advantages. In fact, public banks are vital institutions with a direct impact on the national economy and development. Especially, with the increased satisfaction of customers with the contemporary electronic lifestyle, and that many citizens do not want to deal with private banks.

Study Hypotheses

Based on the questions raised, the following hypotheses were developed:

H_{01}**:** There is awareness that a quality of the banking services highly influences in achieving the customer's satisfaction.

H_{02}**:** There is positive impact of services quality on the bank performance.

Study Model

The Independent Variable   The Dependent Variable
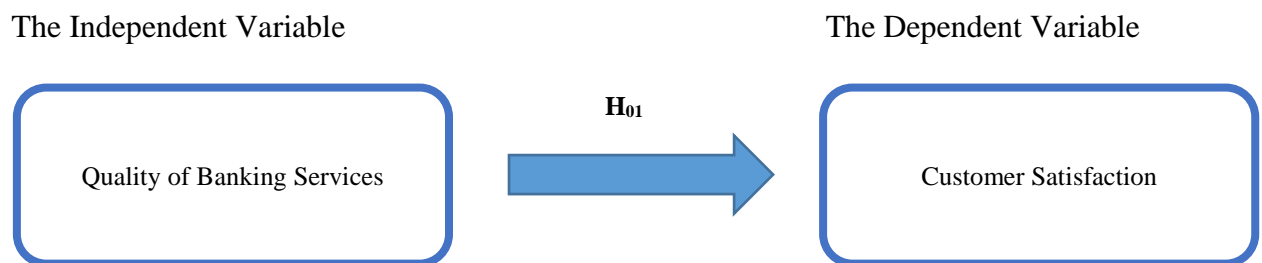

Figure 1: The study model.

Study Methodology

The study depends on the use of the descriptive analytical method, which is the most appropriate to achieve the objectives of this study from the real reality of the research problem. The questionnaire was used as a source for collecting data and information about the study variables that was distributed to the study sample. The data was subsequently processed and analyzed statistically by Microsoft Excel and SPSS software to test the hypotheses and reach results that achieve the objectives of the study.

- **Evaluation**

The customers feeling and satisfaction of Libyan banks was reflected by includes four questions. Evaluate the actual performance of their services provided to their customers to determine their satisfaction with these services. Where, the measurement degree of responses to the questionnaire was measured by a five-point scale, ranging from (strongly disagree to strongly agree), as shown in table:

Table 1: The five-point approval scale

Approval scale	No. of point
Strongly Agree	5
Agree	4
Neutral	3
Disagree	2
Disagree strongly	1

- **sample selection**

This study focused on a customer sample from the Libyan Banks. The questionnaire was randomly implemented and distributed personally. 250 questionnaires are distributed, while 210 questionnaires were applied to the bank's clients.

- **Data Analysis Tools**

The questionnaire was designed to respond to research variables, answer research questions, and measure instrument stability that focusing on Cronbach's alpha test was performed and stability coefficients were determined. To determine the degree of customer agreement with the services provided the Microsoft Excel and SPSS programs were used to analyze the data and the results were tested using the mean and standard deviation, in additional to T-test and ANOVA to test hypotheses. The Cronbach's alpha coefficient was calculated for the stability of the study instrument and the questionnaire was constructed was taken as an indicator of its logical honesty, as well as the honesty that is reflected in the judges' opinions. The number of elements tested and their dimensions affected the alpha value (Cortina 1993, Tavakol and Dennick 2011). In general, there are various references to accepted alpha values, which range from 0.70 to 0.95 (Nunnally 1975, Bland and Altman 1997). An alpha value (KMO value) of 0.932 is sufficient, that is, more than 0.7. Indeed, all factors with eigenvalues greater than 0.5 were retained.

RESULTS DISCUSSION AND ANALYSIS

- **Demography**

The demographic characteristics of study sample participating in the field study, the first part of the questionnaire treated some data for the study sample by SPSS software, such as gender, age, educational level and frequency of use of the bank. More details in follows table:

Table 2: Study samples demography features

Variables		Categories	Repetition	%
Gender	1	Male	145	69%
	2	Female	65	31%
Age	1	18 to 25	71	31%
	2	26 to 40	80	40%
	3	41 and above	59	29%
Educational level	1	Intermediate / Secondary	58	20%
	2	undergraduate	120	59%
	3	Postgraduates	32	21%
Using the bank	1	Daily	37	19%
	2	Weekly	24	15%
	3	Monthly	72	30%
	4	Other	77	36%

- **Service Quality and Customer Satisfaction**

The Libyan Banks costumer was divided by their questionnaire's answers include strongly agree, agree, natural, disagree and strongly disagree. The question of whether the Libyan Banks has modern looking equipment. The opinions of bank's customers ware believe that Libyan Bank has modern looking equipment with standard deviation about

1.02 and mean 3.56, which main that concentration and non-dispersion. on other question, Libyan Bank have physical features are visually appealing, the highest answers are positive side with standard deviation 0.85 and mean 3.54, which means that concentration and non-dispersion in answers, and the Normality test significant value becomes nearly (0.0). The question is whether the Libyan Bank reception desk employees are neat appearing. the banks costumer believe that Bank has good looking.

Study samples of Libyan Bank answers the question of When the Bank promises to do something in certain time, it does so. The opinions believe that Bank work with time function with standard deviation 1.10 and mean 3.54, which mean showed concentration and non-dispersion as well as in Normality test significant value becomes nearly zero. More details in Figures that shows normality test distribution in answers. The questionnaires responsiveness of answers of the research samples of Bank was divided into five groups, strongly agree, agree, natural, disagree and strongly disagree. The question whether The Libyan Bank of Commerce and Development's employees tell you exactly when services will be performed. The opinions of bank's customers believe that the bank's employees tell you exactly when services will be performed. In other question, whether The Bank's employees never too busy to respond to your request. After using SPSS software, the answers regarding the analysis become the highest percentage become as natural, which means that the costumers are not sure if the bank's employees never too busy to respond to their request.

- **Hypothesis Tests**

H_{01}. There is awareness that a quality of the banking services highly influences in achieving the customer's satisfaction.

- If value of statistically significant differences is ($\alpha < 0.05$), the H_{01} hypothesis will be accepted.

The hypothesis H_{01} of research, considering that there is awareness that a quality of the banking services highly influences in achieving the customer's satisfaction.

- If value of statistically significant differences is ($\alpha > 0.05$), the H_{11} Alternative hypothesis will be accepted.

The H_{11} Alternative hypothesis there is no awareness that a quality of the banking services highly influences in achieving the customer's satisfaction.

The research current data that analyzed by standard deviation, mean and T-Test in SPSS software was supported the H01 hypothesis, which influence become real as of human resources practices like Tangible elements, Reliability, Responsiveness, Safety, Empathy and Overall evaluation in bank services and its relationship of all those with bank performance. The value of the significance level is 0.000, which is less than 0.05, which means accepting the H_{01} hypothesis that exists the awareness that a quality of the banking services highly influences in achieving the satisfaction of their customers.

Table 4: The H_{01} hypothesis SPSS details (One sample T-Test).

Hypothesis	N	Mean	Standard deviation	Standard error mean	df	One samples T-test significance (2-tailed)
H_1	210	3.77	0.887	0.065	209	0.000

H_{02}. There is positive impact of services quality on the bank performance.

- If value of statistically significant differences is ($\alpha < 0.05$), the H_{02} hypothesis will be accepted.

H_{02} hypothesis: There is positive impact of services quality on the bank performance.

- If value of statistically significant differences is ($\alpha > 0.05$), the H_{12} Alternative hypothesis will be accepted.

H_{12} Alternative Hypothesis: There is no positive impact of services quality on the bank performance.

Current research data analyzed by standard deviation, mean, normality test, and T-test using SPSS software presented hypothesis H_{02}. Where the value of the significance value is 0.000, that is less than value of 0.05 this means that there is an impact of the human resources department in the institutions, more details in table.

Table 3: The H_{02} hypothesis SPSS details (One sample T-Test).

Hypothesis	N	Mean	Standard deviation	Standard error mean	df	One samples T-test significance (2-tailed)
H_1	210	3.38	1.090	0.078	209	0.000

Conclusions

The study aims to know the impact of the quality of services provided by banks to their customers, in order to develop the quality of their services and work to satisfy their customers. The ability of banks to gain the satisfaction of their customers by providing high quality services that meet their expectations. It is the main reason for the success of banking institutions in distinguishing their competitiveness and providing high quality services. The research questions and hypotheses, by identifying different concepts related to theoretical and practical aspects, reached some conclusions, including that the concept of service quality focuses on maintaining and satisfying customers by providing the service to meet or exceed their expectations. Quality is a competitive advantage, it is used as a strategy among customer satisfaction strategies and it has a positive impact of the quality of services on banking performance.

The results indicated that there is an awareness that the quality of banking services has a significant impact on achieving customer satisfaction. Also, there is a difference in the responses of the research samples about the positive impact of the quality of services on the performance of banks due to educational qualification. There is no difference in the responses of the research samples about the positive impact of the quality of services on the performance of the bank due to the frequency of using the bank.

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