

PERCEIVED SERVICE QUALITY ON CUSTOMER SATISFACTION, LOYALTY AND MARKET SHARE PERFORMANCE: INSIGHTS FROM ZIMBABWE'S BANKING SECTOR

EDITH SHAMISO MUTAURWA *

Department of Retail Management, Chinhoyi University of Technology.

*Corresponding Author Email: edithshamisoonly@gmail.com

LOVEMORE CHIKAZHE

Department of Retail Management, Chinhoyi University of Technology. Email: chikazhelb@gmail.com,
ORCID ID: <https://orcid.org/my-orcid?orcid=0000-0001-7030-3507>

TINASHE RUVINGA

Department of Marketing, Chinhoyi University of Technology. Email: truinga@cut.ac.zw

ESTERY CHINYANI

Chinhoyi University of Technology. Email: echinyani@cut.ac.zw

Abstract

Examining the impact of perceived service quality, customer happiness, and customer loyalty on market share performance within the banking industry in Zimbabwe was the study's main goal. A total of 232 bank clients in Zimbabwe participated in a cross-sectional survey and participants were randomly selected upon visiting their respective banks. The study proved that customer loyalty and satisfaction are influenced by perceived service quality. Furthermore, the current study established that customer satisfaction influences customer loyalty and market share performance. The current study expands the extant literature within the banking sector especially in emerging markets within the Sub Saharan region.

JEL Classification: M – Business Administration and Business Economics, Marketing, Accounting, Personnel Economics.

Keywords: Customer Loyalty, Customer Satisfaction, Market Share Performance, Perceived Service Quality, Zimbabwe.

1. INTRODUCTION

Globally, market share performance is crucial within the banking sector (Nyagadza et al., 2023). Strong market share is regarded as a sign of a bank's strength (Chikazhe & Makanyeza, 2022). If banks or financial organizations are to thrive in a cutthroat atmosphere, achieving a sizeable part of the whole market is very crucial (Kaondera et al., 2023). Within the banking industry, customer loyalty and satisfaction are outcomes of the calibre of services provided by a business (Nyakurukwa, 2022). Customers can easily switch service providers because of the modest variations in services and products offered within the banking industry (Kanyama et al., 2022). Due to the continued market invasion by new players offering comparable goods and services, the banking industry faces intense competition (Makanyeza and Chikazhe, 2017). Banks are therefore under pressure to create strategies for converting casual consumers into devoted and loyal ones. Also, banks are required to comprehend the elements that affect client satisfaction

and loyalty. Thus, service quality is a noteworthy source of competitive advantage and market share performance within the banking sector (Fernandes & Caldeira, 2019).

Service quality is a key differentiator that a company distinguishes itself from rivals offering similar services and products (Murebwa et al., 2023). Most banks are at risk of losing customers to rivals if they do not raise the quality of services. Because of this, banks should give priority to initiatives that raise service standards, which in turn increase customer satisfaction and loyalty. Satisfied customers tend to become loyal ones, and loyal customers boost sales, which boosts the company's financial returns (Chikwere et al., 2023). Overall customer satisfaction is a dynamic process that changes as a result of customer's interactions with service providers. Customer satisfaction is based not only on how customers perceive the reliability of the services received but also on how they interact with the service delivery process. Banks must continue to cultivate solid and intimate connections with their clients while bearing in mind the significance of customer satisfaction. As noted by Karatepe (2011), customer loyalty refers to a company's ability to retain customers by encouraging them to continue utilising its goods and services. The concept of customer loyalty is seen to have several dimensions (Kanyama et al., 2022). Composite, behavioral, and attitudinal metrics can be used to evaluate it (Chikwere et al., 2023). Since recurring business increases revenue and profits, customer loyalty determines a business's success through market share expansion (Kaura et al., 2015). Thus, several factors including customer happiness, customer loyalty, and service quality, affect market share performance.

The Zimbabwean banking sector is one of those with intense competition with also similar products on the market. The majority of banks are losing market share as customers continuously moving from one bank to the other (Dzingirai, 2021; Gwatiringa, 2020). Despite offering similar products with almost similar benefits, bank customers continuously switch suppliers looking for better service delivery. Thus, market share performance within Zimbabwe's banking sector is affected through this continuous movement by customers. Thus, most banks in Zimbabwe are failing to keep a base of loyal customers and resulting in performance challenges (Munyoro & Nyereyemhuka, 2019; Nyakurukwa, 2022). In an effort to address similar problems, several studies have been conducted across the globe (Heinonen & Strandvik, 2015; Schneider et al., 2020). There is, however, a dearth of research on the relationship between market share success and customer happiness, loyalty, and service quality in the banking industry, particularly in emerging Sub-Saharan countries. The current study looked into how market share performance in the banking industry is influenced by customer happiness, loyalty, and service quality parameters in an effort to close this knowledge gap in the literature. The study sought to achieve this main goal through answering these research questions (RQ); - RQ1- What is the relationship between service quality and client satisfaction and loyalty in the banking industry? RQ2- What impact does customer satisfaction have on market share performance and customer loyalty? RQ3- How does the performance of market share relate to consumer loyalty? The paper is organised as; - theoretical framework, empirical literature and research hypotheses development, methodology, results and discussion and implications

2. THEORETICAL FRAMEWORK, DEVELOPMENT OF RESEARCH HYPOTHESES AND RESEARCH MODEL

2.1 Theory/Model Underpinning the Study

The study was underpinned by The SERVQUAL model which is built on a five-dimensional discrepancy between perception and expectation of service quality. For the service sector, SERVQUAL has five dimensions: tangibility, reliability, assurance, responsiveness, and empathy (Karatepe, 2011). Also, the current study is anchored on the Customer Loyalty Model is a conceptualization of the interactions between attitude and behaviour. Because customers who grow committed to a brand or business demonstrate real loyalty, customer loyalty theory is thus pertinent to the current study. Genuine loyalty should come from the heart, not from a contract, and should not be derived from a duty to remain faithful. Latent loyalty is sensed when relative attitude is strong and repeat business is low.

2.2 Perceived Service Quality

Customer expectations and actual service performance are at odds, which is represented by service quality (Liu et al., 2020). The quality of the service is assessed by comparing the client's expectations with their impressions of how the service was delivered (Karatepe, 2011). A crucial step in assessing a service's quality is assessing if its delivery of services fulfils or beyond the expectations of the client (Qasrawi et al., 2017). Woratschek et al. (2020) assert that a significant source of competitive advantage in the services sector is service quality. In other words, a business may obtain a competitive edge by consistently enhancing the reliability and quality of its goods (Chikazahe & Makanyeza, 2022). More satisfied and devoted customers result from ongoing service quality improvement (Kaura et al., 2015). The company stands out from its rivals thanks to its superior service quality (Almahamid et al., 2021). According to the present study, perceived service quality is the degree to which customers believe that the services offered by the banking business are outstanding or excellent overall.

2.3 Customer Satisfaction

Customer satisfaction is defined as a customer's assessment of a company's ability to meet their needs (Woratschek et al., 2020). Ali et al. (2022), Woratschek et al. (2020) and other researchers have shown a correlation between customer satisfaction and the following: the satisfaction of needs, desires, appraisal of purchase experiences, and assessment of the actual and ultimate outcome. Customers want to be completely satisfied with the products or services they purchase. Winning in today's industry necessitates more than just producing items; it also necessitates delivering higher value to target customers over competitors. Consumers' opinions on how satisfied they are with the products they have purchased will tell us if a business offers excellent services or not since happier customers are the result of better products. According to this study, a bank's customer satisfaction level is determined by how well its products, services, and overall customer experience meet or exceed the expectations of its clients. It shows how well

consumers are satisfied with products or services, which is indicative of the banks' overall health.

2.4 Customer Loyalty

Customer loyalty is defined by Gaura et al. (2021) as the propensity of clients to stay in touch with a company and make use of its goods and services. It includes recurrent customer purchases but is not restricted to them. Customer loyalty is also important for managing services (Chikazahe & Makanyeza, 2022). According to Murebwa et al. (2023), client loyalty is seen to be a multifaceted concept. Behavioural, attitudinal, and composite measurements can be used to quantify it. Long-term relationships are developed between a businesses and devoted clients. It is created by maintaining a consistent log of interactions with clients. Additionally, devoted clients are a portion of a company's assets that are challenging to replace. Additionally, devoted clients are advantageous to a business because they increase value through repeated purchases. According to the present study, a customer's propensity to engage with you and make repeat purchases instead of your competitors characterises customer loyalty, which is defined as a continuous emotional bond between the business and the consumer. When a customer has a pleasant experience, it builds trust, which leads to loyalty.

2.5 Market Share

Market share is described as "the percentage of total quantity or dollar sales in a market held by each competitor (Nyagadza et al., 2023). The term "market" can be used to refer to anything from the entire industry, to all substitutes, to a single market sector (Veluchamy et al., 2020). Which level provides the best insight into one's competitive situation determines the market to be chosen. Its strategic goal is reflected in this definition, which is more focused on competitors. Market share is also believed to be able to represent a company's current competitive position (Mashapure et al., 2022). As a result, businesses with large market shares are thought to better serve customer wants and have an advantage over rivals with lesser market shares (Shamsudin et al., 2019). According to this study, market share is the proportion of a market's or industrys' overall sales that a specific company is able to control and service.

2.6. Development of Research Hypotheses and Research Model

Ali et al. (2021) looked at how customer satisfaction in the hotel business is affected by service quality. With the exception of dependability, the study found that all four aspects of service quality—tangibility, assurance, empathy, and responsiveness—have a positive correlation with customer satisfaction. Zygiaris et al. (2022) also looked at how customer satisfaction in the vehicle care sector was affected by service quality in the post-pandemic period. The study concluded that tangibles, assurance, responsiveness, empathy, and reliability all strongly positively correlate with customer satisfaction. In the retail sector, Djelassi et al. (2018) examined the connection between customer happiness and service quality. The findings show that customer happiness and service quality are positively correlated. Also, Gaura et al., (2021) investigated the response given by retail service providers such as banks and discovered that they should establish internal service

standards for tasks such as replying to emails, responding to the customer phone calls and serving each client in a queue. When responding to requests, inquiries, grievances, and problems from customers, this dimension places a strong emphasis on being timely and attentive. Customers can tell how responsive a business is by the amount of time it takes to serve them, respond to their inquiries, or address their concerns. The current study examined the relationship between customer satisfaction for banking sector clients and each aspect of service quality. Therefore, it is Hypothesised that:

H_{1a}: Responsiveness has a positive effect on customer satisfaction

H_{1b}: Assurance has a positive effect on customer satisfaction

H_{1c}: Tangibility has a positive effect on customer satisfaction

H_{1d}: Empathy has a positive effect on customer satisfaction

H_{1e}: Reliability has a positive effect on customer satisfaction

The effect of perceived service quality on customer loyalty

Anwar et al. (2019) examined the influence of quality, responsiveness, and resilience on customer loyalty in a similar study. The study findings indicated that the ability of an organization to react quickly to environmental changes is regarded as one of the most important organizational capabilities that directly produces organizational competitive advantage. This ability promotes customer retention and creates value for customers. Additionally, Pakurár, et al. (2021) discovered that organizational responsiveness serves as a link between internal and external behaviours to enable the operations department to successfully respond to customer requests. Also, Kumar and Reinartz (2018) settled that assurance can be established by the amount of information, knowledge, and benevolent treatment by the staff in providing the services as well as their capacity to foster trust and confidence in clients. This study focuses on examining the importance of assurance on customer loyalty. Bei and Chiao (2006) found that there is a relationship between the direct or indirect impacts on customer loyalty and the different degrees of intangible service associated with each of the three different service sectors. Also, Nguyen et al. (2020) concluded that physical factor significantly affects customer happiness but not customer loyalty. Employee look, equipment, and physical facilities are a few instances of tangibility. Thus, the primary focus of this study should be on how perceived service quality affects customer satisfaction, loyalty, and market share performance in the banking sector. However, this study investigates how the banking customers' loyalty is influenced by each of service quality dimensions. Therefore, it is hypothesised that:

H₂: Perceived service quality has a positive effect on customer loyalty

H_{2a}: Responsiveness has a positive effect on customer loyalty

H_{2b}: Assurance has a positive effect on customer loyalty

H_{2c}: Tangibility has a positive effect on customer loyalty

H_{2d}: Empathy has a positive effect on customer loyalty

H_{2e}: Reliability has a positive effect on customer loyalty

Previous studies in the banking industry have demonstrated a substantial relationship between loyalty and client satisfaction (Rahayu et al., 2020; Raza et al., 2020). Trustworthy banks also require a foundation of devoted and content customers. Overall research findings show a favourable correlation between customer satisfaction and loyalty (Chiguvi & Guruwo, 2017; Thakur, 2014). Client happiness affects client loyalty, according to research done by Akbar and Parvez (2009) to determine the relationship between service quality, trust, and consumer pleasure and customer loyalty. El-Adly (2019) also looked at the relationship between customer satisfaction, customer loyalty, and customer perceived value and discovered a substantial correlation between all three. This study is unique in that it looks at how customer happiness, customer loyalty, and market share performance relate to perceived service quality. Therefore, it is hypothesised that:

H₃: Customer satisfaction has a positive effect on customer loyalty

In marketing and general corporate finance management, market share and customer satisfaction have long been considered critical performance indicators. Buyers who are happy will purchase more goods and services (Davras & Caber, 2019; Gerdt et al., 2019); they will also repurchase goods and services; they are devoted because they have faith in the business; and they are prepared to pay a premium because they are happy (Mohamad et al., 2019). Customers are people, and individuals are aware of what "other people do" (Feng et al., 2019). As such, consumers are people. A loyal consumer will sway other people's decisions to buy products or services just because their relatives are doing so (Razak & Shamsudin, 2019). It is possible to apply the social proof concept to risk assessment. The others will probably react as well if everyone does (Shamsudin et al., 2018). Using the good or service will contribute to the company gaining a significant portion of the market. Therefore, it is hypothesised that:

H₄: Customer satisfaction has a positive effect on market share performance

Borishade et al. (2018) investigated how an organisation develop and sustain ties with current clients by encouraging their loyalty. They found that when new products enter the market, customer loyalty might help keep customers from switching to competitors. Furthermore, word-of-mouth advertising that is so frequently offered by contented, happy customers can help a business grow. According to Borishade et al. (2018), an organization that personalizes its communication with its loyal customers will discover that every loyal customer is eager to enter into long-term relationships. As a result, the organization must devote resources to keeping its loyal customers happy because they are its main source of revenue (Liu et al., 2019). Considering that a firm already has its loyal clients, it will be able to avoid wasting too many resources on attracting new ones (Davras & Caber, 2019). (Gerdt et al., 2019). Customers are people, and people like to feel appreciated. If they don't feel appreciated, they won't stay loyal to a company and would instead patronize one of its rivals (Zhang et al., 2019). Consumers who have a

positive, strong emotional attachment with a retailer would spend 37% more there, per a recent study (Chicu et al., 2019). Customer loyalty contributes to the organization's capacity to offer collateral for future business expansion (Adams et al., 2019), improved funding access, dividend payments to shareholders, and, eventually, an increase in shareholder wealth (Lee et al., 2020). None of these studies focuses on the effect of perceived service quality on customer satisfaction, loyalty and market share performance in the banking sector. Therefore, it is hypothesised that;

H₅: Customer loyalty has a positive effect on market share performance

Based on the preceding debate, the conceptual framework in Figure 1 is proposed.

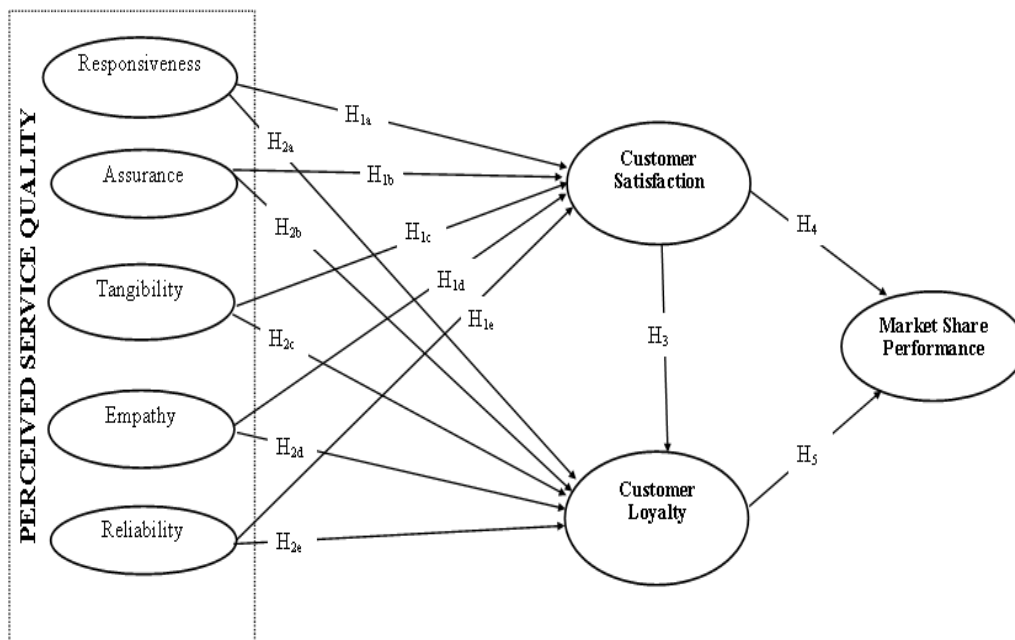


Figure 1: Conceptual Framework

Source: Authors' own work (2024)

4. MATERIALS AND METHODS

This section focuses on the questionnaire design and measures, sampling and data collection methods.

4.1 Questionnaire Design and Measures

A structured questionnaire with Likert type questions was used to gather the data from the banking sector. Perceived service quality (PSQ), customer satisfaction (CUS), customer loyalty (LOY), market share performance (MSP), and demographics were the five elements that made up the questionnaire. The Likert scale, which goes from 1 (strongly disagree) to 5 (strongly agree), was used to rate each construct's components. Table 1 below shows research instrument designed with the construct, items and the source. The instrument used in this study was adapted to meet the needs of the

investigation by using items from earlier, relevant investigations. A second order concept was applied to perceived service quality.

Table 1: Research Instrument

Construct	Items	Source
Service quality Reliability	The bank provides service right at the first time	Chikazhe <i>et al.</i> (2021)
	The same quality of service is always provided	
	The bank offers statements free from errors	
	The bank keeps customer promises	
Assurance	The bank's employees are knowledgeable	Subashini and Gopalsamy (2016)
	The bank staff are highly experienced	
	The bank offers the necessary details	
	The bank employees are quick and efficient	
Tangibility	Staff members dress smartly	Hamzah <i>et al.</i> (2017)
	The bank infrastructure is attractive	
	The bank environment is safe	
	The pamphlets are clear and well explained	
Empathy	The bank staff understand customer needs	Ali <i>et al.</i> (2022)
	The bank staff listen to customer problems	
	The bank maintains strong customer relationships	
	The bank informs clients about new schemes	
Responsiveness	The bank responds to the customer enquiries in time	Gerdt <i>et al.</i> (2019)
	The bank staff help customers to ensure prompt service	
	The bank's access points are convenient	
	The employees prevent long waiting lines	
Customer satisfaction	Customers are happy with the items my bank has to offer	Chikazhe and Makanyeza, 2022; Davras and Caber (2019)
	My bank's services are better than I could have imagined	
	Customers are happy with the banks offerings	
	I feel satisfied with all transaction	
Customer loyalty	I recommend the bank to others	Chikazhe and Makanyeza, 2022; Muflih (2021)
	I speak positively about my bank	
	I recommend the bank to everyone who asks for my	
	I intend to keep using my bank	
Market share performance	The bank sales continue to grow	Phan <i>et al.</i> (2020)
	The bank continues to open more branches	
	The bank continues to open new accounts for customers	
	The number of customers continue to rise	

Source: Authors' own work (2024)

4.2 Sampling and Data Collection

Target population encompasses bank customers in Harare Central Business District. Bank customers were selected to participate in the study as they were in a better position to assess the level of quality offered by their banks. Customers were also able to assess their own satisfaction and loyalty. As regards to market share performance, bank customers assessed it basing on a comparison of profitability as published in financial statements. Also, customers considered the rate at which the company opened new branches as well as the rate at which colleagues and friends opened new accounts with

their banks. The total number of bank customers was unavailable because banks do not disclose the number of their customers due to confidentiality requirements. Harare was chosen because it has all the banks that operate in Zimbabwe. A total of 232 bank customers participated in a cross-sectional survey that was carried out using self-administered questionnaires that were dispersed at random when the customers entered their individual banks. Participants were requested to leave the completed questionnaires at the reception or by the door as they left the banking hall. Customers who participated in the current study were those that bank with CBZ, ZB, First Capital Bank and AgriBank. These banks were selected since they are the leading banks in Zimbabwe and they operate in all major cities within the country. Table 2 below indicates the sample profile for respondents who participated in the study.

Table 2: Demographic

Characteristic	Frequency	Percent%	
Age	Below 18-19 years	31	13
	20-29 years	68	29
	30-39 years	90	39
	40-49 years	32	14
	50 and above	11	5
Gender	Male	105	45
	Female	127	55
Occupation	Entrepreneurs	32	14
	Formal Employment	132	57
	Unemployed	2	1
	Student	66	28
Educational qualification	Primary	30	13
	Secondary	70	30
	Tertiary	132	57
Experience with the bank	Less than 5 years	127	55
	5-10 years	69	30
	10 and above	36	16
Type of account	Savings	174	75
	Current	56	24
	Investment	2	1

Source: Authors' own work (2024)

The majority of respondents (82%) were between the ages of 20 and 49, as indicated by the data in Table 2 above, which lists the fundamental characteristics of bank clients. There were more females (55%) than males (37%) respondents. Most respondents were formally employed (57%) followed by students with (28%), then entrepreneurs with (14%) and the unemployed respondents with (1%). The bulk of the respondents were from tertiary education (57%), followed by those from high school (30%) and 13% from primary level. As regards the banking experience, 55% of respondents had banked with their banks for less than 5 years and (45%) used the bank for 5 and plus years. Savings account is being used by the majority of the respondents with (75%) and (24%) for the current account.

4.3 Scale Validation

The Scale Validation Process

Data were validated through convergence validity, discriminant validity and confirmatory factor analysis (CFA) before hypotheses were tested. SPSS V26 and AMOS V6 were used for CFA and the data analysis exercise. Sampling adequacy was carried out through Kaiser-Meyer Olkin (KMO) measure and Bartlett's Test of Sphericity and the results are presented in Table 2.

Table 3: Sampling Adequacy Test Results

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.639
Bartlett's Test of Sphericity	Approx. Chi-Square	1628.317
	df	595
	Sig.	.000

Source: Authors' own work (2024)

The results shown in Table 2 (KMO 0.639, Approx. Chi-square 1628.317, Degrees of freedom (DF) 595; $p < 0.001$) indicate that minimum conditions for sampling adequacy test were achieved and this gave way for CFA to be conducted. According to Field *et al.* (2012), this meets the requirements that the KMO statistic be at least 0.5 and the Bartlett's Test of Sphericity be significant at $p < 0.05$. Factor analysis was conducted using Varimax Rotation. Rotation converged after eight rounds, with the data explaining 69.975% of the variance.

The measurement model fit indices that were taken into consideration were CMIN/DF (χ^2/DF), Goodness of Fit Index (GFI), Adjusted GFI (AGFI), Normed Fit Index (NFI), Tucker-Lewis Index (TLI), Comparative Fit Index (CFI), and Root mean square error of approximation (RMSEA). A good model that satisfies the requirements should have a χ^2/DF in the range of 0 to 5, where smaller values correspond to better fits (Park, 2015). Additionally, values closer to 1 indicate a good match for GFI, AGFI, NFI, TLI, and CFI, while an appropriate range for RMSEA is between 0.05 and 0.10 (Reisinger and Mavondo, 2007). Measurement model fit indices test results for the model are shown in Table 4.

Table 4: Measurement model fit indices results

Item	Actual	Recommended	Source
CMIN/DF	2.337	Between 0-5	Park (2015)
GFI	.918	>.900	
AGFI	.941	>.900	
NFI	.933	>.900	
TLI	.921	>.900	
CFI	.911	>.900	
RMSEA	.045	Between .05 and .10	

Source: Authors' own work (2024)

Results in Table 4 that minimum results for model fit indices satisfied minimum requirements Park (2015).

Convergent validity measurement was performed using Standardised Factor Loadings, Individual Item Reliabilities, Critical Ratios, Cronbach's alpha (α) and Composite Reliabilities (CRel). Convergent validity measurement results are presented in Table 5 below:

Table 5: Convergent Validity Measurement

Constructs	Items	Standardised Factor Loadings	Individual Item Reliabilities (IIR)	Critical Ratios (CR)	Cronbach's alpha (α)	Composite Reliabilities (CRel)
Reliability - SQREL	SQREL1	.754	.732	-	.856	.912
	SQREL2	.845	.823	23.123***		
	SQREL3	.712	.767	20.532***		
	SQREL4	.853	.754	19.653***		
Assurance - SQASS	SQASS1	.698	.673	-	.871	.895
	SQASS2	.711	.876	21.087***		
	SQASS3	.901	.702	18.346***		
	SQASS4	.814	.814	21.877***		
Tangibility - SQTAN	SQTAN1	.653	.733	-	.798	.825
	SQTAN2	.734	.813	22.098***		
	SQTAN3	.738	.705	17.654***		
	SQTAN4	.687	.861	22.124***		
Empathy - SQEMP	SQEMP1	.744	.757	-	.831	.887
	SQEMP2	.814	.782	21.547***		
	SQEMP3	.731	.800	20.987***		
	SQEMP4	.832	.817	22.032***		
Responsiveness - SQRESP	SQRESP1	.875	.721	-	.915	.976
	SQRESP2	.745	.838	21.908***		
	SQRESP3	.836	.704	17.235***		
	SQRESP4	.829	.831	22.627***		
Customer satisfaction - CUS	CUS1	.901	.821	-	.856	.908
	CUS2	.765	.779	18.644***		
	CUS3	.799	.825	22.007***		
	CUS4	.698	.754	18.875***		
Customer loyalty - LOY	LOY1	.744	.843	-	.853	.955
	LOY2	.839	.753	19.345***		
	LOY3	.921	.824	21.936***		
	LOY4	.804	.764	18.325***		
Market Share Performance - MSP	MSP1	.609	.823	-	.922	.974
	MSP2	.723	.742	17.097***		
	MSP3	.637	.837	22.303***		
	MSP4	.741	.762	18.030***		

Note: - CR is fixed *** $p < 0.001$

Source: Authors' own work (2024)

Table 5 shows that the Convergent validity measurement results (reliability, standardised loadings, critical ratios, individual item reliabilities, Cronbach's alpha and composite reliabilities) all met minimum conditions (Fornell & Larcker, 1981). Thus Cronbach's alpha and composite reliabilities were above 0.6 (Kuo et al., 2009). Standardised factor loadings within items were larger than 0.5 with critical ratios large and also significant at $p < 0.001$ (Fornell & Larcker, 1981). All individual item reliabilities were greater than 0.5 (Kuo et al., 2009).

Table 6 presents results for discriminant validity test.

Table 6: Discriminant validity test results

Construct	SQREL	SQASS	SQTAN	SQEMP	SQRESP	CUS	LOY	MSP
Reliability - SQREL	.634							
Assurance - SQASS	.234	.635						
Tangibility - SQTAN	.421	.343	.534					
Empathy - SQEMP	.317	.256	.384	.612				
Responsiveness - SQRESP	.234	.156	.442	.270	.642			
Customer satisfaction - CUS	.317	.462	.169	.226	.195	.677		
Customer loyalty - LOY	.317	.331	.197	.333	.282	.267	.635	
Market Share Performance - MSP	.317	.317	.261	.401	.423	.336	.418	.596

Note: Diagonal elements in bold represent AVEs

Source: Authors' own work (2024)

The Average Variance Extracted (AVEs) for the discriminant validity test findings shown in Table 6 were compared using Squared Inter-Construct Correlation (SICC). Every AVE was higher than every SICC value and above 0.5. Consequently, the requirements for discriminant validity were met.

5. RESULTS

Table 7 presents results for model fit indices considered before hypotheses testing.

Table 7: Measurement Model Fit Indices Results

Item	Actual	Recommended	Source
CMIN/DF	3.005	Between 0-5	Hair et al. (1998)
GFI	.897	>.900	
AGFI	.916	>.900	
NFI	.951	>.900	
TLI	.939	>.900	
CFI	.935	>.900	
RMSEA	.039	Between .05 and .10	

Source: Authors' own work (2024)

Results displayed in Table 7 show that the model fit indices results were within the accepted range as commended by Reisinger and Mavondo (2007). This paved the way for hypotheses testing. Thus, hypotheses testing was performed using the structural equation modelling in AMOS V21. McQuitty and Wolf (2013) supported the use of structural equation modelling because of its ability to show correlations as well as whether or not the study model and observed data generally fit. Hypotheses test results are presented in Table 8.

Table 8: Hypotheses Test results

Hypotheses	Hypothesised Relationships	SRW	CR	Remark
H1a	Reliability → Customer satisfaction	.294	15.093***	Accepted
H1b	Assurance → Customer satisfaction	.231	14.632***	Accepted
H1c	Tangibility → Customer satisfaction	.415	19.902***	Accepted
H1d	Empathy → Customer satisfaction	.286	15.752***	Accepted
H1e	Responsiveness → Customer satisfaction	.512	31.098***	Accepted
H2a	Reliability → customer loyalty	.342	16.534***	Accepted
H2b	Assurance → customer loyalty	.331	16.990***	Accepted
H2c	Tangibility → customer loyalty	.275	15.474***	Accepted
H2d	Empathy → customer loyalty	.198	21.034***	Accepted
H2e	Responsiveness → customer loyalty	.361	17.974***	Accepted
H3	Customer satisfaction → customer loyalty	.380	18.092***	Accepted
H4	Customer satisfaction → market share performance	.422	29.632***	Accepted
H5	customer loyalty → market share performance	.487	30.234***	Accepted

Notes: SRW standardised regression weight, CR critical ratio, *** significant at $p < 0.001$

Source: Authors' own work (2024)

The results in table 8 show that all hypotheses were accepted indicating a positive relationship among the study variables. This implies that perceived service quality influences both customer satisfaction and loyalty (H1a-e and H2a-e were all supported). Likewise, customer satisfaction positively impacts on customer loyalty, thus H3 was supported. Last, both customer satisfaction and loyalty influence market share performance. Hence, H4 and H5 were also supported.

6. DISCUSSIONS

6.1 Theoretical Implications

Studies focusing on factors that influence the performance of market share within the banking sector are scarce especially within emerging economies like Zimbabwe. this study was carried out to narrow this knowledge gap. Also, studies of this nature are important as they promote the survival of the banking sector in third world economies as well as developing nations. Therefore, by examining the impact of perceived service quality, customer happiness, and loyalty on the performance of market share within the banking sector, the current study aimed to add to the body of knowledge in marketing and management.

The study found that customer loyalty and satisfaction are influenced by perceived service quality. This shows that better service quality offerings, particularly those resulting from enhancements in areas like the five pillars of service quality—tangibility, empathy, responsiveness, dependability, and assurance—have a favourable impact on customer satisfaction and loyalty. This corroborates earlier studies (Chikazhe et al., 2022; Park et al., 2021) that settled for almost similar results. This study's findings also lend credence to the SERVQUAL model, which examined the discrepancies between an organization's success in meeting customer service quality expectations and its own service quality performance. Furthermore, the current study established that customer satisfaction influences customer loyalty and market share performance. This implies that if the banks' customers are satisfied about the quality of service offered, it can influence loyalty. This finding support results for prior studies (Nguyen et al., 2020; Ali et al., 2022; Kaondera et al., 2023; Manyanga et al., 2023; Nyagadza et al., 2023).

The current study further extended findings by prior studies and went on to focus on how market share performance can be influenced by both customer satisfaction and loyalty. This study concluded the market share performance is enhanced by ensuring that customers are satisfied and loyal to their banks. Thus, the current study expanded the extant literature within the banking sector especially in emerging markets within the Sub Saharan region.

6.2 Practical Implications

The banking industry must comprehend the variables that affect client loyalty and happiness. When it comes to improving client happiness and loyalty, banks are encouraged to tackle issues related to service quality. Since these elements form the cornerstone of exceptional service quality, banks are advised to give them careful consideration. These dimensions include assurance, dependability, empathy, tangibility, and responsiveness. It is recommended that banks enhance the quality of their customer service by promptly responding to customer inquiries, hiring front-line staff with the necessary expertise to handle customers, investing in state-of-the-art point-of-sale technology, offering a level of service that aligns with clients' expectations, and delivering the appropriate service at the appropriate time.

Management should take into consideration that transactions be completed efficiently with the banks' self-service technology, that customer transactions ought to be secure, straightforward, and engaging, and that self-service technology features should be appropriate for all bank customers as part of improving the quality of service in the banking sector through enhanced self-service technology. This means that bank management in developing economies, such as Zimbabwe, must enhance self-service technology, such as online and mobile banking.

The study found a favourable correlation between market share performance, customer happiness, loyalty, and service quality in the banking industry. Therefore, it suggests that the quality of bank services influences customer happiness, which encourages loyalty and boosts market share performance. This may be accomplished among other things,

by making sure that the attractive contemporary bank infrastructure consistently introduces new products and provides small-interest and unconditional loans. The study recommends the banks to come up with strategies to improve customer retention for example, the bank ought to ensure that it offers statements that are devoid of errors, provides responses to the clients as promised, employing knowledgeable staff capable of handling customers and improving on promotional activities to market new and existing products.

Considering the homogeneity of products on the offer by the banking sector, management should create uniqueness for their organisations through ensuring that the frontline employees are continuously courteous to customers. The banks' environment must be safe for customer especially with secure car parking space which is a common problem in Zimbabwe's major cities. Bank managers need to focus on the provision of convenient sitting and waiting arrangements for customers as these are some of the customers' expectations which can provide a competitive advantage to the bank. Most banks in Zimbabwe do not provide enough assistance to customers who physically visit the banking halls. It is therefore necessary for the management to ensure that clients are informed about; new and attractive schemes and taking the correct decision on investments.

6.3 Limitations of the Study

Only Harare was included in the sample. As a result, it could be challenging to generalize the results. The current study evaluated the market share performance and the quality of services provided by the banks solely based on customers' perceptions. Future researchers that takes into account managements' perspectives in evaluating the quality of services and market share performance could enhance the study's findings.

6.4 Future Research Suggestions

Expanding similar studies to other cities in Zimbabwe and beyond could enhance future researchers. Future research may also take employers' opinions into account when evaluating the customer loyalty and market share performance.

References

- 1) Adams, P., Freitas, I.M.B. & Fontana, R., (2019). Strategic orientation, innovation performance and the moderating influence of marketing management. *Journal of Business Research*, 97: 129-140. <https://doi.org/10.1016/j.jbusres.2018.12.071>
- 2) Akbar, M. M., & Parvez, N. (2009). Impact of service quality, trust, and customer satisfaction on customers' loyalty. *ABAC journal*, 29(1).
- 3) Ali, BJ, Gardi, B., Othman, BJ, Ahmed, SA, Ismael, NB, Hamza, PA, Aziz, HM, Sabir, BY. & Anwar, G. (2021). Hotel Service Quality: The Impact of Service Quality on Customer Satisfaction in Hospitality. *International Journal of Engineering, Business and Management*, 5(3): 14-28. <https://doi.org/10.22161/ijebm.5.3.2>
- 4) Ali, K. Y., Lotayif, M. S., & Al-Deeb, H. M. (2022). Impact of Customer Relationship Management on Customer Loyalty: Evidence from Kingdom of Bahrain. *Journal of Statistics Applications & Probability*, 11(1): 65-70. <http://dx.doi.org/10.18576/jsap/11S105>

- 5) Almahamid, S.M., Al-Jayyousi, O.R., Alalawi, A.I. & AlQarny, A.S., (2021). Knowledge management processes and service innovation: Key insights from Saudi International Airports. *International Journal of Innovation and Technology Management*, 18(04): 2150014. <http://dx.doi.org/10.1142/S0219877021500140>
- 6) Anwar, S.A., Sohail, M.S. & Al Reyaysa, M. (2020), Quality assurance dimensions for e-learning institutions in Gulf countries, *Quality Assurance in Education*, 28(4): 205-217, <https://doi.org/10.1108/QAE-02-2020-0024>.
- 7) Bei, L. T., & Chiao, Y. C. (2006). The determinants of customer loyalty: an analysis of intangible factors in three service industries. *International Journal of Commerce and Management*, 16(3/4): 162-177. <https://doi.org/10.1108/10569210680000215>
- 8) Borishade, T., Kehinde, O., Iyiola, O., Olokundun, M., Ibidunni, A., Dirisu, J., & Omotoyinbo, C. (2018). Dataset on customer experience and satisfaction in healthcare sector of Nigeria. *Data in Brief*, 20: 1850–1853. <https://doi.org/10.1016/j.dib.2018.06.070>
- 9) Chicu, D., Pàmies, M. del M., Ryan, G., & Cross, C. (2019). Exploring the influence of the human factor on customer satisfaction in call centres. *BRQ Business Research Quarterly*, 22(2): 83–95. <https://doi.org/10.1016/j.brq.2018.08.004>
- 10) Chiguvi, D., & Guruwo, P. T. (2017). Impact of customer satisfaction on customer loyalty in the banking sector. *International Journal of Scientific Engineering and Research (IJSER)*, 5(2): 55-63.
- 11) Chikazhe L. & Makanyeza C. (2022). Do Customer Satisfaction and Loyalty Mediate the Effect of Graduate's Perceived Service Quality on Graduate's Perceived Job Performance? *Journal of Entrepreneurial Innovations*, 3(1): 17-27. <https://doi.org/10.14426/jei.v3i1>
- 12) Chikazhe, L., Makanyeza, C. & Chigunhah, B. (2021). Understanding mediators and moderators of the effect of customer satisfaction on loyalty, *Cogent Business and Management*, 8(1): 1-19. <https://doi.org/10.1080/23311975.2021.1922127>
- 13) Chikwere, D., Chikazhe, L., & Tukuta, M. (2023). Value for money in public procurement: Experience from Zimbabwe's rural district councils. *Cogent Social Sciences*, 9(2): 2244746. <https://doi.org/10.1080/23311886.2023.2244746>
- 14) Davras, Ö., & Caber, M. (2019). Analysis of hotel services by their symmetric and asymmetric effects on overall customer satisfaction: A comparison of market segments. *International Journal of Hospitality Management*, 81(2018): 83–93. <https://doi.org/10.1016/J.IJHM.2019.03.003>
- 15) Djelassi, S., Godefroit-Winkel, D., & Diallo, M. F. (2018). Does culture affect the relationships among utilitarian and non-utilitarian values, satisfaction and loyalty to shopping centres? Evidence from two Maghreb countries. *International Journal of Retail and Distribution Management*, 46(11/12): 1153-1169. <https://doi.org/10.1108/IJRDM-06-2017-0131>
- 16) Dzingirai, M. (2021). Demystifying corporate restructuring strategy through digital transformation: lessons learned from the banking sector of Zimbabwe. *In Emerging challenges, solutions, and best practices for digital enterprise transformation*, 8(12): 164-181). <https://doi.org/10.4018/978-1-7998-8587-0.ch009>
- 17) El-Adly, M. I. (2019). Modelling the relationship between hotel perceived value, customer satisfaction, and customer loyalty. *Journal of Retailing and Consumer Services*, 50: 322-332. <https://doi.org/10.1016/j.jretconser.2018.07.007>
- 18) Feng, T., Wang, D., Lawton, A., & Luo, B. N. (2019). Customer orientation and firm performance: The joint moderating effects of ethical leadership and competitive intensity. *Journal of Business Research*, 100(2018): 111–121. <https://doi.org/10.1016/j.jbusres.2019.03.021>

- 19) Fernandes, J., & Caldeira, M. (2019), Benefits realisation of an it implementation in a bank: a case study using BMS, *The European Journal of Management Studies*, 24(2): 79-94. <https://doi.org/10.5455/EJMS/30540/2019>
- 20) Field, A., Miles, J., and Field, Z. (2012). *Discovering statistics using R*. Sage.
- 21) Fornell, C. & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1): 39-50. <https://doi.org/10.2307/3151312>
- 22) Gaura, K. C., Manyanga, W. & Chikazhe, L. (2021). The Effect of Corporate Social Responsibility on Brand Awareness: Evidence from the Insurance Sector in Zimbabwe. *Journal of Marketing and Consumer Behaviour in Emerging Markets*, 2(13): 22-36. <https://doi.org/10.7172/2449-6634.jmcbem.2021.2.2>
- 23) Gerdt, S. O., Wagner, E., & Schewe, G. (2019). the relationship between sustainability and customer satisfaction in hospitality: An explorative investigation using eWOM as a data source. *Tourism Management*, 74(2018): 155–172. <https://doi.org/10.1016/j.tourman.2019.02.010>
- 24) Gwatiringa, P. T. (2020). Banking sector profitability through investigation of financial performance indicators: the case of Zimbabwe. *IOSR Journal of Business and Management*, 22(7): 22-30. <https://doi.org/10.9790/487X-2207072230>
- 25) Kanyama, J., Nurittamont, W., & Siripipatthanakul, S. (2022). Hotel service quality and its effect on customer loyalty: The Case of Ubon Ratchathani, Thailand during COVID-19 Pandemic (January 9, 2022). *Journal of Management in Business, Healthcare, and Education*, 1(2): 1-20., Available at SSRN: <https://ssrn.com/abstract=4004388>
- 26) Kaondera, P. R., Chikazhe, L., Munyimi, T. F., & Nyagadza, B. (2023). Buttressing customer relationship management through digital transformation: perspectives from Zimbabwe's commercial banks. *Cogent Social Sciences*, 9(1): 1-19. <https://doi.org/10.1080/23311886.2023.2191432>
- 27) Karatepe, O. M. (2011). Service quality, customer satisfaction and loyalty: the moderating role of gender. *Journal of Business Economics and Management*, 12(2): 278-300. <https://doi.org/10.3846/16111699.2011.573308>
- 28) Kaura, V., Prasad, C. S. D., & Sharma, S. (2015). Service quality, service convenience, price and fairness, customer loyalty, and the mediating role of customer satisfaction. *Marketing Intelligence and Planning*, 33(4): 404–422. <https://doi.org/10.1108/IJBM-04-2014-0048>
- 29) Kumar, V., & Reinartz, W. (2018). *Customer relationship management*. Springer-Verlag GmbH Germany.
- 30) Kuo, Y.-F., Wu, C.-M., and Deng, W.-J. (2009). the relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value-added services. *Computers in Human Behavior*, 25(1): 887-896. <https://doi.org/10.1016/j.chb.2009.03.003>
- 31) Lee, C. M. J., Che-Ha, N., and Syed Alwi, S. F. (2020). Service customer orientation and social sustainability: The case of small medium enterprises. *Journal of Business Research*, (2018), 1–10. <https://doi.org/10.1016/j.jbusres.2019.12.048>
- 32) Liu, Y., Song, Y., Sun, J., Sun, C., Liu, C., & Chen, X. (2019). Understanding the relationship between food experiential quality and customer dining satisfaction: A perspective on negative bias. *International Journal of Hospitality Management*, 3(9), 102-123. <https://doi.org/10.1016/j.ijhm.2019.102381>

- 33) Makanyeza, C., & Chikazhe, L. (2017). "Mediators of the relationship between service quality and customer loyalty". *International Journal of Bank Marketing*, 35(3): 540–556. <https://doi.org/10.1108/IJBM-11-2016-0164>
- 34) Manyanga, W., Kanyepe, J., Chikazhe, L. & Manyanga, T. (2023). The effect of debt financing on the financial performance of SMEs in Zimbabwe. *Cogent Social Sciences*, 9(2): 1-19. <https://doi.org/10.1080/23311886.2023.2282724>
- 35) Mashapure, R. Nyagadza B., Chikazhe L., Mazuruse G. & Hove P. (2022). Research Women entrepreneurship development and sustainable rural livelihoods in Zimbabwe. *Arab Gulf Journal of Scientific Research*, <https://doi.org/10.1108/AGJSR-07-2022-0112>
- 36) McQuitty, S., & Wolf, M. (2013). Structural equation modelling: A practical introduction. *Journal of African Business*, 14(1): 58–69. <https://doi.org/10.1080/15228916.2013.765325>
- 37) Mohamad Yazid, M. F., Ishak, M. F., Che Mat, C. R., Mohd Ali, A., & Saidun, Z. (2021). Effect of Service Recovery towards Customer Satisfaction in Banking Industry. *Journal of Information Technology Management*, 13(3): 55-69. <https://doi.org/10.22059/JITM.2021.83113>
- 38) Muflih, M. (2021). The link between corporate social responsibility and customer loyalty: Empirical evidence from the Islamic banking industry. *Journal of Retailing and Consumer Services*, 61(5): 109-115. <https://doi.org/10.1016/j.jretconser.2021.102558>
- 39) Munyoro, G., & Nyereyemhuka, O. (2019). The contribution of customer relationship management on customer retention in the Zimbabwean banking sector: A case study of ZB bank. *International Journal of Research in Business, Economics and Management*, 3(1): 216-233.
- 40) Murebwa, S., Mbizi R. & Chikazhe, L. (2023). Entrepreneurial behaviour and performance of Utility parastatals: Implications for Re-industrialisation and SDGs. Fifth Chinhoyi University of Technology International Conference, February 2023, Chinhoyi, Zimbabwe.
- 41) Nguyen, D. T., Pham, V. T., Tran, D. M., & Pham, D. B. T. (2020). Impact of service quality, customer satisfaction and switching costs on customer loyalty. *The Journal of Asian Finance, Economics and Business*, 7(8): 395-405. <https://doi.org/10.13106/jafeb.2020.vol7.no8.395>
- 42) Nyagadza, B., Mazuruse, G., Simango, K., Chikazhe, L., Tsokota, T., & Macheka, L. (2023). Examining the influence of social media eWOM on consumers' purchase intentions of commercialised indigenous fruits (IFs) products in FMCGs retailers. *Sustainable Technology and Entrepreneurship*, 2(3) 38-56: <https://doi.org/10.1016/j.stae.2023.100040>
- 43) Nyakurukwa, K. (2022). The Zimbabwe code on corporate governance (zimcode) and financial performance. *Journal of African Business*, 23(3): 549-567. <http://hdl.handle.net/10.1080/15228916.2021.1889871>
- 44) Pakurár, M., Haddad, H., Nagy, J., Popp, J., and Oláh, J. (2019). The service quality dimensions that affect customer satisfaction in the Jordanian banking sector. *Sustainability*, 11(4): 1113. <https://doi.org/10.3390/su11041113>
- 45) Park, H.M. (2015). Univariate analysis and normality test using SAS, Stata, and SPSS, *Trustee of Indiana University*, 3(4): 1-15, available at: <https://hdl.handle.net/2022/19742>.
- 46) Phan, D. H. B., Narayan, P. K., Rahman, R. E., & Hutabarat, A. R. (2020). Do financial technology firms influence bank performance? *Pacific-Basin finance journal*, 62, 101210. <https://doi.org/10.1016/j.pacfin.2019.101210>
- 47) Qasrawi, B.T., Almahamid, S.M. & Qasrawi, S.T., (2017). The impact of TQM practices and KM processes on organisational performance: An empirical investigation. *International Journal of Quality & Reliability Management*, 34(7): 1034-1055. <https://doi.org/10.1108/IJQRM-11-2015-0160>

- 48) Rahayu, Y., Setiawan, M., Irawanto, D., & Rahayu, M. (2020). Muslim customer perceived value on customer satisfaction and loyalty: Religiosity as a moderation. *Management Science Letters*, 10(5): 1011-1016. <https://doi.org/10.5267/j.msl.2019.11.009>
- 49) Razak, A. A., and Shamsudin, M. F. (2019). The influence of atmospheric experience on Theme Park Tourist's satisfaction and loyalty in Malaysia. *International Journal of Innovation, Creativity and Change*, 6(9), 10–20.
- 50) Reisinger, Y. and Mavondo, F. (2007). Structural equation modelling. *Journal of Travel and Tourism Marketing*, 21(4), 41-71. https://doi.org/10.1300/J073v21n04_05
- 51) Shamsudin, Mohd Farid, Ishak, M. F., Hashim, M. A., Nabi, M. A., Yazid, M. F. M., and Razak, A. A. (2019). Preliminary analysis on relationship of CRM functions implementation towards firm's business performance. *Humanities and Social Sciences Reviews*, 7(1): 113–120. <https://doi.org/10.18510/hssr.2019.7114>
- 52) Thakur, R. (2014). What keeps mobile banking customers loyal? *International Journal of Bank Marketing*, 32(7): 628-646. <https://doi.org/10.1108/IJBM-07-2013-0062>
- 53) Veluchamy, R., Parthiban, P., and Lingaraja, K. (2020), Effectiveness of online marketing and its determinants: marketers' perspective, *International Journal of Management (IJM)*, 11(3) <http://www.iaeme.com/IJM/index.asp>
- 54) Woratschek, H., Horbel, C., & Popp, B. (2020). Determining customer satisfaction and loyalty from a value co-creation perspective. *The Service Industries Journal*, 40(11-12), 777-799. <https://doi.org/10.1080/02642069.2019.1606213>
- 55) Zhang, J., Zhang, J., & Zhang, M. (2019). from free to paid: Customer expertise and customer satisfaction on knowledge payment platforms. *Decision Support Systems*, 127(3), 113140. <https://doi.org/10.1016/j.dss.2019.113140>
- 56) Zygiaris, S., Hameed, Z., Ayidh Alsubaie, M., & Ur Rehman, S. (2022). Service quality and customer satisfaction in the post pandemic world: A study of Saudi auto care industry. *Frontiers in Psychology*, 13, 842141. <https://doi.org/10.3389/fpsyg.2022.842141>