Customer Service and Customer Retention in Ghana's Banking Sector : The Case of SG SSB Bank (Societe Generale, Ghana)

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Abstract

This paper assesses the extent to which SG-SSB Bank Limited satisfies its customers in order to retain them and to identify the effects of customer service retention on the bank's fortunes. Regarding methodology of the study, a descriptive approach was considered using systematic random sampling method. The field instrument touched attributes of service performance, customer complaints, and service quality from 120 respondents. Multiple-linear regression model was used to determine the relationship between customer service delivery and customer retention. The study revealed that respondents were satisfied with service performance of quality service provided by the bank, but were dissatisfied with how the bank deals with customer complaints. It was concluded that though Ghana's banking sector is growing, much needs to be done in terms of client service management and strengthening employees' relationship with the management for growth. It is recommended that banks in Ghana must strive to meet ever increasing demands of clients if they want to remain relevant and competitive in the banking industry. The implication is that retaining customers through efficient customer service practices should be of prime focus of the top management for tangible results at the frontline. This will enhance corporate image in the banking sector, which is currently described as very competitive. Findings will be useful for policy development for sustainable growth in Ghana's financial services sector and other financial markets in Africa.

Keywords: customer service, customer retention, service quality, customer loyalty, banking

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Customer service is not only a rhetoric in business, but is an essential corporate strategy for business success, especially in the services sector. Organizations operating in competitive emerging markets like Ghana cannot survive without adopting and sustaining customer service, since it holds the key to business success. Customer sophistication in the new millennium requires corporate leaders to spend time and other resources to get customers satisfied, no matter the consequences. Excellent customer service delivery starts first by taking time to know the customer, his situation, his vision, his frustrations, and his goals about any product or service (Salas, 2005). Further, excellent customer service leads to customer loyalty since customer loyalty is crucial for business success (Dagger & David, 2012).

Banks, like other entities, add new products or services, employees, channels, customers, rewards, and other incentives to existing offerings, and they ought to manage customer experience to avoid customer disloyalty. Effective customer service helps to build and maintain customer relationships to achieve success in business (Kotler, 2003). Today's customers have an overdose of service information and experience due to the advent of information communication technology (ICT) supported by transfer of world-class service experience across regions as compared to the past decade. Therefore, service providers ought to be outstanding to guarantee customer expectation. Furthermore, financial service providers like banks must build strong bonds or relationships with clients to remain competitive.

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Customer retention and loyalty are also essential in competitive sectors like financial services. Hence, managers of banks must recognize and craft policies and systems to achieve total customer satisfaction and retention. The longer customers are retained by firms, the more profitable firms become because of increased customer purchasing behaviour, decreased operational costs, and hence, clients become motivated to pay a premium price, and in the long term, this reduces cost of acquiring new customers (Pine, Peppers, & Rogers, 1995). It must be emphasized that financial decisions persist throughout the life of customers. Hence, customers prefer to remain with their service providers over a long time (Anabila, Nartey, & Tweneboah-Koduah, 2012 ; Colgate, Stewart, & Kinsella, 1996).

This study evaluates how banks in Ghana, specifically the SG-SSB Bank, now known as Societe Generale Ghana used customer service to retain clients. Hence, authors sought to find out the relationship between astute customer service and customer retention in Ghana's financial sector. Findings of this study will assist stakeholders, especially policy makers, in Ghana's banking sector to appreciate how superior customer service helps in retaining clients and aids in promoting sustainable competitive corporate image.

The Ghanaian Banking Industry

Ghana, situated on the West Coast of Africa, is currently described as a lower middle-income economy after rebasing (Government of Ghana, Ministry of Finance & Economic Planning, 2012). Banking in Ghana has witnessed significant reforms since 1983 as part of IMF-World Bank sponsored structural adjustment programmes (SAPs). In 1988, the Central Bank embarked on the financial sector structural adjustment programme (FSSAP) to improve the performance of the sector. Owusu-Frimpong (2008) and Narteh and Owusu-Frimpong (2011) posited that the move has supported the survival of the sector through sound bank regulatory framework and restructuring financially distressed institutions through capital injection and management expertise. Furthermore, in 2006, the Central Bank deregulated the sector by abolishing its three tiered structure of commercial, development, and merchant banks in favor of a universal banking license to allow banks to operate in all sectors of the economy, depending on risk appetite and capacity. Again, it raised the minimum capital requirements to $60 million in 2012 to be fulfilled by all commercial banks and abolished secondary reserves, thereby freeing more resources for lending (Narteh & Owusu-Frimpong, 2011). The banking sector virtually remains significant to the country's economic development after cocoa and gold mining, which have supported the nation for decades, and before the discovery and production of oil in commercial quantity in 2010. After the global financial meltdown, banks in Ghana have performed better than expected due to increased competition, growing customer demands, and new regulations (Ghana Banking Survey, 2010, 2011). Furthermore, the sector has witnessed a rapid influx of foreign banks from Nigeria, South Africa, and Libya, all employing ICT for the benefit of the customers.

However, customers of some banks in Ghana remain frustrated, especially if one is not privileged to be a client of a few elite banks. Long winding queues within banking halls are a common phenomenon, though the sector plays host to leading commercial banks like GCB, Barclays, Standard Chartered, Ecobank, and Stanbic, commanding 47.7% of the sector's share of deposits and 38.9% in terms of loan advances, with average sector profit before tax of 30.6% (Ghana Banking Survey, 2011). The industry's profit before tax margin rose from 27.2% in 2010 to 30.6% in 2011. This is attributable to a 18% decline in interest expense and a 30% increase in net fees and commission income, compared to a 2% decline and a 18% increase in 2010 respectively. Gross loans and advances increased by 18% from GH¢ 7.71 billion in 2010 to GH¢ 9.12 billion. However, interest income decreased by 16% as compared to 2010. Interest income declined by 9.1% from GH¢ 2.29 billion in 2010 to GH¢ 2.08 billion in 2011. At the end of 2012, the sector recorded 27 commercial banks operating 817 outlets with hundreds of ATM machines scattered across the nation.

SG SSB held a market share of 5.3% as in 2008, with 45 fully networked branches and agencies across the country. As a member of the Societal General Group, electronic banking is at the core of the bank's operations, with Internet-based products like Sikanet, Sikamail, and Sikatext as some of the most sought after products (Societe Generale Ghana, n.d.). Like most banks, SG SSB serves corporates, individuals, and small and medium enterprises clients.

Literature Review

↳ **Customer Service and Customer Retention :** Extensive literature review has been done on customer satisfaction in service marketing (Evanschitzky, Sharma, & Prykop, 2009 ; Syzmanksi & Henard, 2001; Westbrook, 1981; Zeithaml, Berry, & Parasuraman, 1993). However, there are too many customer satisfaction studies which are only concerned with making managements feel good about the scores they are earning from year to year (Joshi, 2011). Oliver (1997) defined satisfaction as the consumer's level of fulfilment being pleasant or unpleasant, and it is a subjective feeling state that is perceived as a cognitive component of evaluation. Again, customer satisfaction is a basic ingredient of business success, thereby compelling many academicians and other stakeholders to understand the phenomenon. It focuses mainly on customer orientation and dimensions of service quality as perceived by customers, either positive or negative feelings regarding net value of services received from a supplier (Jumaev, Kumar, & Hanaysha, 2012 ; Woodruff, 1997). It is a feeling or attitude of customers towards a product or service after it has been used, and is generally described as the full meeting of one's expectation (Oliver, 1980). It is based on the above factors (Phadke, 2011) that customer satisfaction has been considered by companies as a key strategy to gain competitive advantage.

There are different levels of satisfaction depending on the customer in question, which connects satisfaction with products and its consumption, satisfaction with sales representatives, product attributes, or satisfaction at the pre-purchase evaluations (Hanson & Sand, 2008 ; Yi, 1991). Shortfall in customer expectations may result in dissatisfaction. However, if performance matches with expectations, then the customer is satisfied, and if performance exceeds expectations, then the customer may be highly satisfied or delighted. Customer service is essential in banking. Hence, service providers must anticipate and deliver services in a mutually rewarding manner (Dubey, 2011). Therefore, managers and employees of banks ought to act professionally to deliver astute services to clients.

Service quality is commonly noted as an essential ingredient of competitiveness and for establishing sustaining satisfying relationships with customers, it is an important indicator of customer satisfaction (Spreng & Mackoy, 1996). Adoption and implementation of service quality procedures at all levels of the firm help firms to gain competitive advantage (Boshoff & Gray, 2004). Service quality models developed by Gronroos (1978) and Parasuraman, Zeithaml, and Berry (1988) provide relevant dimensions to measure service quality with service reliability and responsiveness as the essential parameters. Other researchers used dimensions of service quality perceptions as aggregation of various sub-dimensions. Those dimensions then lead to an overall measure of service quality (Brady & Cronin Jr., 2001; Dabholkar, Thorpe, & Rentz, 1996; Dabholkar, Shepherd, & Thorpe, 2000; Spreng & Mackoy, 1996). Recently, attention has shifted to whether service quality may be appropriate at the formative construct stage (Dabholkar et al., 2000; Parasuraman, Zeithaml, & Malhotra, 2005; Rossiter, 2007). Whereas, in the reflective approach, the dimensions are seen as reflective indicators of their higher order construct. The debate surrounding correct measurement specification emerged within e-service quality literature. Fassnacht and Koese (2006) believed that e-service quality is measured with dimensions such as attractiveness of selection, information quality, ease-of-use, and technical quality, which are actually reflections of delivery quality.

Simply, quality of services depends on service consistently conforming to customers' expectations. Parasuraman et al. (1988) saw service quality as the degree and direction of discrepancy between the customers' perception and expectations, or the extent to which a service meets or exceeds customers' expectations. Hence, Parasuraman, Zeithaml, and Berry (1985) developed the SERVQUAL model to measure service quality. According to them, service quality is the result of comparison that customers make between their expectations about a service and their perception of the way a service has been performed. They further argued that service quality is the overall evaluation of a specific service of firms with customers' general expectations of how the sector should perform.

According to Parasuraman et al. (1985,1988), the SERVQUAL dimensions comprise of tangibility, reliability, empathy, responsiveness, and assurance. Tangibility relates to the appearance of physical facilities like equipment and appearance of employees and communication tools. It relates to how customers are convinced and touched about the work of an organization. Immediate physical environment of firms, in terms of infrastructure, helps customers in assessing the quality of services. Likewise, the duration of service delivery gives either positive or negative impression to customers regarding service quality.

Reliability deals with a firm's ability to perform the promised service dependably and accurately without any deviation. Customers will often enjoy a good relationship with businesses that always have systems working appropriately and who have trustworthily demonstrated consistent employee character. Such behaviour often describes the moment of truth for firms. Empathy involves the provision of caring and providing individualized attention to customers depending on their needs. Empathy includes access, communication, and understanding the customer. Customers will often enjoy dealing with banks where officials are capable of rectifying challenging encounters as quickly as possible. Responsiveness is the willingness of firms to help customers and provide them with prompt service. Customers with challenges want them (the challenges) to be resolved as soon as possible, without delay. The faster a firm resolves a particular issue, the more customers impose confidence in the organization's products and services. Assurance relates to competence, courtesy, credibility, and security used by employees, which helps to build trust in customers. It further highlights a firm's ability to make sure that an organization's promise is fulfilled. Therefore, providing what customers want will always improve repeat purchase, and ultimately establish a bond between the organizations and customers through relationship marketing. Relationship marketing ,therefore, aims to identify, establish, maintain, and enhance, and when necessary, terminate relationships with customers (and other parties) so that the objectives regarding economic and other variables of all parties are met. This is achieved through a mutual making and fulfilment of promises (Grönroos, 1999; Gronroos, 2009). Most private banks claim that creating and maintaining customer relationships is important to them due to positive values that relationships provide (Colgate et al., 1996).

➯ **Customer Relationship Management :** Effective customer service is a function of how customers are managed through efficient relationship marketing activities. Customer relationship management (CRM) is one of the most significant strategies that makes companies to be familiar with their customers and their behaviours. CRM is the comprehensive recognition of customers, their requirements, and preferences (Schulze,Bach,Österle, & Thiesse, 2001). CRM provides efficient cooperation between procedures as well. It involves a consolidation of technologies and business processes used to gratify the requirements of a customer during any given interaction. Furthermore, CRM includes acquisition, analysis, and utilization of knowledge about customers to sell more products or services and to do it more productively and efficiently (Bose, 2002; Faed & Forbes, 2010).

➯ **Customer Retention :** A firm's ability to retain its clients over a long period provides firms with an assured sale at cheaper, little, or no cost. The clients are already familiar with products, and hence, the concept of customer retention has become quite significant. Customer retention has become an enormous issue for organizations desiring to remain competitive and to be profitable. Weinstein and Johnson (1999) indicated that 75% of an organization's marketing budget be spent on customer retention strategy and strengthening of relationships. It is ,therefore, clear to understand that the generation of information from customers plays a very crucial role in the formulation of marketing strategies, and this provides a link between the customers and the organization (Pandiya, Bhattacharjee, & Kumar,2012). The longer customers are retained by firms, the more profitable the organization becomes because of increased customer purchasing behavior, decreased organizational operations costs, customer referrals, willingness of customers to pay price premiums, and reduced customer acquisition costs for the organization (Pine et al., 1995). Customer retention also involves the steps taken by organizations in order to reduce customer defection. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. Customer retention is important to most companies because the cost of acquiring a new customer is far greater than the cost of maintaining a relationship with an existing customer.

Parasuraman et al. (1988) asserted that the interaction or the relationship between customers and service organizations may be linked to perception of service quality. Indeed, the attitude of service providers can also serve as a quality indicator for customers. This finding of the researchers supports the findings of Owusu-Frimpong (1999), who claimed that good reception attitude is a key ingredient for giving a good impression about a bank and its services. Globally, the emergence of competition, new technology, and improved communication has increased customers' expectations for fuller satisfaction on their investment (Canel, Rosen, & Anderson, 2000). A company's ability to attract and retain new customers is not only related to its products or services, but is strongly related to the way its serves existing customers and the reputation it creates within and across the market place. This makes interpersonal communication an essential base for measuring satisfaction. Interpersonal communication, on most accounts in service industries like banks, occurs at the point of contact between customers and frontline employees. The significance of frontline employees for organizational effectiveness is uncontested by managers and researchers alike (Hartline & Farrel, 1996; Larkin, T. & Larkin, S. 1996).

Customer complaint handling refers to the strategies firms use to resolve and learn from service failures in order to re-establish the organization's reliability in the eyes of the customer (Hart & Sasser, 1990). A complaint is viewed as a conflict between the customer and the organization, in which the fairness of the resolution procedure, the interpersonal communication, and the outcomes are principle evaluative criteria for the customer. From a process perspective, complaint handling can be viewed as a sequence of events in which a procedure, beginning with communicating the complaint generates a process of interaction through which decisions and outcomes occur. Effective complaint handling can have a dramatic impact on the customer retention rate, deflect the spread of damaging word of mouth, and improve the bottom line performance (Achrol, 1991). Effective resolution of customers' problems and relationship marketing are linked closely in terms of their mutual interest in customer satisfaction, trust, and commitment (Achrol, 1991). Complaint data is vital in quality management efforts because they can be used to correct problems with service design and delivery, which makes it more likely that performance will be done right the first time.

Methodology

This study was conducted in December 2011 with the population comprising of retail customers of SG SSB Bank in the Greater Accra region. The sample was selected from three branches of the bank, where simple random sampling technique was employed to obtain data from 200 respondents. A sample is a subgroup of the population selected for participation in a study and there are inferences that link sample characteristics, and population parameters are estimation procedures and test of hypotheses in the study (Malhotra, 2007). The location and sampling methods were influenced by convenience and budget constraints.

To effectively measure service quality (SERVQUAL), the following dimension model prescribed by Parasuraman et al. (1988) being tangibility, reliability, responsiveness, empathy, and assurance were adopted for the study. A quantitative research instrument was developed and pretested on 30 respondents to ensure success. The instrument comprised of three segments covering biodata, customer service, and customer retention. A 5-point Likert scale ranging from *very dissatisfied* (1) to *extremely satisfied* (5) was used to measure the bank's service and customer retention. Questionnaires were distributed within a week at various branches after persuading some respondents. Data were analyzed with SPSS software after data was coded and entered. In all, 120 duly filled in questionnaires were received, representing 60% collection rate. Cronbach's alpha was used to determine the reliability of the measurement instrument. The measure ranges from 0 to 1, where 1 indicates perfect reliability, and the value .70 is considered to be the lower level of acceptability (Hair, Anderson, Tatham, & Black, 1998). Furthermore, a multiple-linear regression was used to evaluate the effect of customer service on customer retention (y) at SG SSB Limited.
The proposed model is:

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \beta_7 x_7 + \varepsilon_i$$

Where,
β_0 (Constant), $\beta_1,\beta_2,\beta_3,\beta_4,\beta_5,\beta_6$, and β_7 represent the coefficients of gender (X_1), extent of patronage of service (X_2), educational level (X_3), service performance (X_4), interpersonal relationship (X_5), Complaint handling (X_6), Service quality (X_7). ε is the error/residual component of the model.

Analysis and Results

In all, 120 respondents of the study represented 60% response rate as shown in the Table 1. The first objective of the study was to assess the extent to which SG-SSB roles out customer service activities to satisfy its customers. The results in the Table 1 indicate that all the respondents were satisfied with the service performance of the bank (Mean = 3.26, Stdev = 0.80), their interpersonal relationship with employees of the bank (Mean =3.17, Stdev = 0.75), and the service quality of the bank (Mean = 3.38, Stdev =1.10) as shown in the Table 1. The finding supports Gronroos's (1994) assertion that customers do not remain with an organization just because of the discount offered or loyalty programme that is available, but based on what they want, when they want it (just in time), and a perfect delivery each and every time with the desired level of service is what appeals to the customers. The results reveal that SG SSB bank focused on customer service (as is evident from the results), and understood it to be strategic to win the hearts, loyalty, and patronage of the customers.

Table 1. Customer Service Dimensions of SG SSB Bank

Customer Service Dimensions	Number	Mean	St dev.
Service Performance of the bank	**120**	**3.26**	**0.80**
Services Available	120	3.03	0.81
Location of Services	120	3.03	0.94
Deposit Security	120	3.49	0.78
Service Reliability	120	3.32	0.73
Interpersonal Relationship	**120**	**3.17**	**0.75**
Friendliness of bank employees towards customers	120	3.14	0.85
Interest level of employees to hear out customer complaints	120	3.05	0.78
Reliability of information made available on services	120	3.03	0.83
Availability of information when needed	120	3.00	0.80
Complaint Handling	**120**	**2.99**	**0.81**
Reasons given by banks for Customer's problems	120	2.73	0.77
Fairness of results after handling your complaints	120	2.88	0.74
Time taken to handle complaints.	120	2.77	0.79
Process used for handling complaints	120	2.74	0.84
Service quality of the bank	**120**	**3.38**	**1.10**
Level of satisfaction with tangible factors of the bank	120	3.34	1.03
Level of satisfaction in responding to needs and problems of customers	120	3.26	1.05
Level of satisfaction with bank's empathy for customers in times of crises	120	3.24	1.08
Extent to which the bank assures customers of better service in the future	120	3.25	1.14
Level of Reliability of banking services	120	3.18	0.98

Source : Field Data 2011

Regarding the service performance of the bank, the customers were satisfied (Mean: 3.00-3.99) with **(a)** the service availability, **(b)** the location of the service, **(c)** the security of their deposits/ savings, and **(d)** reliability, as is evident from the Table 1. Reliability of information made available on services and the availability of information to customers when needed strongly support Parasuraman et al.'s (1985, 1988) finding on reliability to be the ability to perform the promised service dependably and accurately. Customers of the bank were satisfied with tangibility factors of the bank as indicated by Parasuraman et al. (1985, 1988), which included the employees' responsiveness to the needs and problems of the customers, the level of empathy shown to the customers in times of problems, the extent of assurance

Table 2. Extent of Customer Retention Behaviour at SG SSB Bank

Customer Retention Dimensions	Number	Mean	Stdev
I don't consider leaving the bank in the foreseeable future.	120	3.63	1.35
I am very loyal to my bank.	120	3.44	1.04
My bank would be my first choice if I need banking services.	120	3.44	1.00
The relationship with my bank is important to me.	120	3.41	1.01
I plan to continue my relation with my bank in the future.	120	3.36	0.99
I will encourage friends & relatives to do business with my bank.	120	3.35	1.02
I consider SG-SSB Bank as my first choice for banking services.	120	3.26	0.98
I will recommend my bank as the best bank in the area.	120	3.13	0.98

Source: Field Data 2011

given to the customers that future services will be improved, and the overall reliability of the bank's services.

However, some customers were dissatisfied (Mean: 2.73-2.99) with how their complaints were handled by the bank. Customers were not satisfied with reasons given regarding handling of their complaints as the bank spent more time to deal with complaints. A slow response time negatively affects customers' intention to continuously use the services of the bank. Kelley, Hoffman, and Davis (1993) believed that effective customer complaint handling can have a dramatic impact on the customer retention rate.

Table 3. Coefficients of the Regression Model of Customers of SG SSB Bank

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	*t* -statistic	Sig.
(Constant)	-0.369	0.731		-0.505	0.614
Gender (X_1)	0.351	0.292	0.129	1.202	0.232
Level of Education (X_2)	-0.146	0.108	-0.113	-1.356	0.178
Extent of service patronage (X_3)	0.358	0.253	0.125	1.417	0.159
Service Performance(X_4)	0.155	0.182	0.091	0.854	0.035*
Interpersonal relationship (X_5)	0.703	0.182	0.389	3.873	0.000*
Customer complaint handling (X_6)	0.044	0.190	0.026	0.234	0.815
Service quality of the bank (X_8)	0.111	0.138	0.089	0.803	0.042*

Source: Field Data 2011. Dependent Variable: I don't consider leaving the bank in the foreseeable future.

The results also show that some of the respondents were indifferent (Mean: 3.13 - 3.63) regarding whether or not they would retain the services of SG-SSG Bank. Indifference means that the customer neither agreed nor disagreed with retaining the services of the bank. The implication of this is that customers may retain the services of the bank if customer service practices are improved, and may leave the bank for other banks if the customer service practices of the said bank did not improve, or worsened. In competitive markets like Ghana, competitors are likely to switch to clients with superior services, who may ultimately retain them, and the existing bank may, thereby, lose its clients for life, especially the gullible ones.

➭ **Effect of Customer Service on Customer Retention :** Multiple-linear regression was used to determine the effect of service performance, interpersonal relationship, complaint handling, and service quality on customer retention intention of the bank (Table 2). Customer retention is one of the strategies SG SSB has put in place to remain competitive because it is expensive for the bank to acquire new customers, and it is far greater than the cost of maintaining a relationship with a current customer. To determine the effect of customer service on customer retention of the bank, multiple-linear regression was used to determine the effect of service performance, interpersonal relationship, complaint handling, and service quality on customer retention intention of the bank while controlling for gender, extent of patronage of service, and educational level of the respondents as indicated in the Table 3 (statistically significant at 95% confidence level). The results in the Table 3 show that service performance, interpersonal relationship, and service quality of the bank - all had a positive and significant effect on the intention of the customers to retain the services of the bank ($p < 0.05$) while gender, level of education of the customer, extent of service patronage, and customer complaint handling did not have a significant effect on the customers' intention to retain the services of the bank ($p > 0.05$).

The multiple regression model also shows that the mode was adequate in explaining the relationship between customer service and customers' intention to retain the services of SG-SSB bank ($F = 7.29$, $df = 116$, $p = 0.000$). However, the coefficient of determination of the regression model was found to be (Rsq adj. = 31.9%). The implication is that, of the eight factors, X_i considered in the model only contributed 31.9% in explaining customer retention intention of the bank. The remaining 68.1% is contributed by other factors not considered in the study, for example, switch cost, customer trust, customers' expectations of service quality in the future, and so forth.

Discussion and Findings

As per the respondents, the bank had a positive and significant impact on customer retention intention, with the value of the standardized coefficient term for service performance of the bank being 0.182, signifying that if the service performance of the bank improved by a unit amount, it had the propensity of increasing customer retention by 0.182, assuming all other factors are held constant (*ceteris paribus*). Interpersonal relationship between customers' and the bank's employees was also found to have positive and significant effect on customers' intention to retain the services of the bank. Therefore, the bank must put in place various levels of specification for the clients' satisfaction, of which, some are satisfaction with a product, satisfaction with consumption, satisfaction with sales representatives, satisfaction with specific product attributes, or satisfaction with pre-purchase evaluations (Yi, 1991; Hanson & Sand, 2008).

Service quality indicates a positive and significant effect on customer retention. The standardized coefficient of quality service was found to be 0.089, implying that if the quality of services offered by the bank improved by a unit amount, it would increase customer retention by 0.089, holding all other factors constant. This indicates that when the service provider's service quality is high, customer retention is also high. Retention is achieved only when the customers believe that customer services offered are effective and of excellent quality. It is obvious from the above discussion that effective customer service and satisfaction go a long way to keep the customers of the bank satisfied.

Conclusion and Implications

The aim of the study was to assess how customer service is used to retain clients in Ghana's competitive banking sector. Customer satisfaction or dissatisfaction is the end result of service encounter as practically tested or measured by the customers. A questionnaire (Cronbach's alpha > 0.70) that was delivered through personal contact, and was self-administered by the customers, generated a response rate of 60%. It has been revealed that customer satisfaction is a function of employee empathy, assurance, and delivery of reliable services to clients backed by transparency in all business interactions, especially in the banking sector, which plays a key role in customer retention.

Bank managers must be conscious of the above factors and must ensure that employees strive to project high qualities at all times to match customer expectations, especially in competitive markets. Again, customer satisfaction is anchored on service performance as assessed through strategic office location and quality of services (as expected by the clients). Compromising on these factors alone may position banks to be uncompetitive. Interpersonal relationships of bank employees must match service expectations of customers at all times, since customer satisfaction will influence customer retention, thereby reducing cost of operation and attracting new customers through word-of-mouth promotions.

Service performance and interpersonal relationships are vital ingredients to retain customers of banks, while effective handling of customer complaints further helps to increase customers' faith to use the services of the banks. The study revealed that customers of SG-SSB bank were satisfied with service performance of the bank through astute service delivery or performance. On the contrary, customers had some misgivings about the bank's poor interpersonal relationships and poor handling of customer complaints.

Customer service delivery has become a pivot around which the survival of a bank hinges. Therefore, SG SSB bank ought to deliver quality service to clients to remain competitive. It is ,therefore, recommended that the bank could retain customers by dealing with customer complaints in a timely manner. Service performance is a critical indicator of service quality measurement. Therefore, the bank should conduct a periodic service quality audit by examining the processes involved in executing services that match ever increasing demands and challenges affecting it. The managers and employees must sign minimum service standard contracts with the bank, which must be randomly checked by superiors and supervisors. Again, frontline employees should improve upon their interpersonal communication skills to reduce interaction challenges. Customer service concerns should be of strategic concern to the management and board of directors, since they are capable of managing it. Employee training should include simulation exercises that focus on dealing with customer complaints.

Limitations of the Study and Scope for Future Research

The main limitation of the study is that we focused solely on three branches of SG SSB Bank instead of working with a larger sample (more bank branches) of the bank or other banks for better comparison. Again, the study concentrated on Accra, the capital city of Ghana instead of other cities in Ghana. Future research studies can analyze whether customer service alone makes customers loyal to a bank or other service related challenges such as technology failure, ambience, brand visibility, and so forth have an effect on customer retention.

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