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Impact of Service Quality on Customers Retention of Selected Deposit Money Banks in Awka, Anambra State

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ABSTRACT: This study examined the impact of service quality on customer retention of selected deposit money banks in Awka, Anambra State. The objectives of the study were to: assess the impact of banks' reliability on customer retention of selected deposit money banks in Awka, Anambra state; ascertain the impact of banks' responsiveness to complaints on customer retention of selected deposit money banks in Awka, Anambra state, and determine the impact of banks' staff empathy on customer retention of selected deposit money banks in Awka, Anambra state. The study was anchored on the SERVQUAL Model theory, propounded by Parasuraman, Zeithaml and Berry in 1985. The study employs descriptive survey research design, using primary data obtained from questionnaires shared to customers of the selected deposit money banks. The total population of the study was 742 respondents. The Taro Yammne formula for sample size determination was use to deduce the sample size of the study to be 260. Descriptive statistics and Pearson Moment Correlation Coefficient was adopted to analyze the data gotten from respondents. The findings of the study revealed that banks' reliability has a significant impact on customer retention, banks' responsiveness to customer complaints has a significant impact on customer retention, and banks' staff empathy has a significant impact on customer retention of selected deposit money banks in Awka, Anambra state. The study recommended that banks should improve service reliability by instituting systems that ensure accurate information delivery and consistent service performance; customer complaints should be handled more promptly and professionally, with better communication channels for follow-up and resolution; and empathy training should be provided to frontline staff to enhance their ability to recognize and respond to the personal banking needs of customers.

Keywords: Service quality, banks' reliability, banks' responsiveness to complaint, banks' staff empathy, customer retention.

INTRODUCTION

In today's highly competitive business environment, service quality has emerged as an important determinant of customer retention. Service quality is about the degree to which a service meets or exceeds customer expectations. It is typically measured through

dimensions such as reliability, responsiveness, assurance, empathy, and tangibles (Sharma & Nayak, 2023). Companies that consistently deliver high service quality tend to enjoy stronger customer relationships, positive word-of-mouth referrals, and increased customer lifetime value. Sharma and Nayak (2023) noted that in service-driven sectors like banking and hospitality, organizations that emphasize consistent service quality not only achieve higher customer satisfaction but also see measurable increases in retention and revenue. It is ability of a company to encourage repeat purchases and maintain a strong, long-term relationship with its customers organizations across various sectors such as banking, telecommunications, retail, and hospitality recognize that attracting new customers is considerably more expensive than retaining existing ones. As such, maintaining high service quality is not merely a strategy for customer satisfaction, but a foundational pillar for long-term customer loyalty and retention (Ali, Aslam & Zafar, 2022; Ekwunife, Nduka, & Ogini, 2022; Nduka, Atueyi, Osakwe, & Mbanefo, 2021).

The World Bank emphasizes that enhancing service delivery in public and a financial institution is essential for building citizen and customer trust. According to a World Bank case study on Argentina's National Social Security Administration (ANSES), reforming service delivery led to a dramatic improvement in citizen satisfaction from 45% in 2005 to over 86% by 2012 (World Bank, 2023). Though in the public sector, these principles apply directly to deposit banks, where reliability, accessibility, and customer-oriented service are key to maintaining relationships with account holders. Kumar (2022) found that service quality is an essential antecedent to customer retention, particularly in service-driven industries. Their study revealed that attributes such as responsiveness, assurance, and reliability significantly influenced whether customers remained loyal to a service provider. They note that a satisfied customer is more likely to stay, even in the face of alternative options, when they perceive value and consistency in service delivery.

Customer retention in deposit banks is important for long-term profitability, as retaining existing customers is more cost-effective than acquiring new ones. High service quality fosters customer satisfaction, trust, and loyalty, which are essential for continued patronage and reduced switching behaviour (Osei & Boateng, 2022; Obidike, Onyeka, & Nduka, 2022; Logan, Okanya, Nduka, Manasseh, Ede, Onoh, Omeje, Ozioko, & Agu, 2021). With customers now having access to multiple banking options and digital platforms, any perceived inadequacy in service can lead to attrition. This shift has made service quality not just a differentiator but a strategic necessity. The 2024 KPMG West Africa Banking Industry Customer Experience Survey emphasized that service quality is a major factor affecting customer retention in Nigerian banks. The report noted that complaint resolution, staff responsiveness, and digital service performance were vital areas where customer loyalty was gained or lost. Poor service in these areas led to increased customer churn, while efficient service encouraged loyalty. Consistent and high-quality service delivery significantly enhances customer retention in banking. Hassan & Ali (2024) found that banks that provided personalized services and responsive customer support retained more clients, particularly in urban markets where competition is intense. Similarly, Rahman and Adedeji (2023) observed that in the African banking context, dimensions like empathy and assurance had a strong influence on customer loyalty, especially among long-term deposit holders.

The banking sector digital transformation has reshaped customer expectations. Today's banking customers expect seamless, secure, and quick services across both physical and digital channels. Failure to meet these expectations often results in dissatisfaction and switching to more service-efficient banks. Therefore, deposit banks must continuously evaluate and improve their service quality standards to meet changing customer needs and enhance retention (Chen & Zhang, 2023). The advent of digital transformation has further heightened the importance of service quality. With customers becoming more informed and empowered, their expectations for prompt, efficient, and personalized services are higher than ever before. Businesses must therefore innovate and consistently evaluate their service delivery to remain competitive and retain customers in the long term (Hassan & Ali, 2024). Adetayo (2023) highlighted that the quality of banks' websites, including ease of navigation, quick response times, and dependable online services, significantly influences customer patronage and recommendations. This indicates that in the digital age, online service quality is pivotal for customer retention.

Service quality is a key driver of customer satisfaction, loyalty, and retention (Monogbe, Akinpelumi, Achugbu, & Nduka, 2016; Nduka, Ananwude, & Osakwe, 2019; Ogunewe, Ananwude, & Nduka, 2020). It consists of several dimensions including reliability, responsiveness, assurance, empathy, and tangibility that shape the customer's overall perception of the service experience. When these dimensions are not adequately addressed, customers are more likely to disengage and switch to competitors offering superior service experiences (Hamilton-Ibama & Ihunwo, 2023). Service quality measured through dimensions such as responsiveness, reliability, empathy, assurance, and tangibility plays a significant role in shaping customer satisfaction and loyalty, both of which are precursors to retention (Hamilton-Ibama & Ihunwo, 2023). However, many businesses fail to translate service quality improvements into sustained customer relationships. The emergence of digital platforms has further complicated service delivery. While technological integration offers speed and convenience, it has also raised customer expectations. Poor user experience, delayed responses, or lack of personalization in digital services often lead to dissatisfaction and disengagement (Fadaka & Azeez, 2023). Customers are more likely to remain loyal to firms that consistently provide high-quality services, yet gaps remain in how service quality is managed and evaluated in practice (Badara & Mohammed, 2023). These issues indicate a clear disconnect between perceived service quality and actual customer retention outcomes. On these premises, this study aims to examine the impact of service quality on customer retention of selected deposit money banks in Awka, Anambra State.

LITERATURE REVIEW

Conceptual Clarifications

Service quality has increasingly become a strategic imperative for deposit money banks operating in a competitive and customer-driven financial environment. It represents the customer's overall judgment about the superiority or excellence of a service, reflecting the extent to which the service meets or surpasses customer expectations. In the Nigerian banking sector, where customers have become more informed, tech-savvy, and selective, service quality has become a critical differentiator and a key determinant of organizational performance (Abubakar, Al-Hassan & Bala, 2024; Aniefor, Nduka, Ananwude, & Ezeaku, 2021; Anusi & Nduka, 2022). This quality is not confined to the physical aspects of service delivery alone but

consists of the full range of customer interactions, from in-person banking experiences to digital engagements and back-end processes. In practice, service quality is understood through multiple dimensions: tangibles (physical facilities and equipment), reliability (ability to perform dependably), responsiveness (prompt service), assurance (employee knowledge and courtesy), and empathy (caring, personalized attention). These dimensions, conceptualized through the SERVQUAL model, continue to shape how banks design and assess their service strategies (Eze & Okonkwo, 2022). As banks evolve from traditional to digital platforms, these indicators remain relevant, but the digital equivalents of these dimensions such as platform usability, system uptime, mobile app performance, and digital responsiveness are now more critical than ever (Nduka, Achugbu, & Ucheahara, 2016). Customers no longer merely assess quality based on physical branch aesthetics or staff politeness but also on mobile responsiveness, internet banking reliability, and transaction speed (Nwankwo & Ahmed, 2023).

Customer retention is one of the most vital indicators of a bank's health and sustainability in today's rapidly evolving financial marketplace (Mazeli, Adigwe, & Ananwude, 2020; Ejinkonye, Mazeli, Adiga, & Nwosu, 2024; Chukwuma, Okaro, Anyanwu, Ogbonna, & Mazeli, 2023. It reflects the ability of a bank to keep existing customers actively engaged and satisfied over time. Unlike customer acquisition, which often involves significant advertising and promotional expenditure, retention capitalizes on existing relationships and transforms satisfied customers into long-term, profitable patrons (Mazeli, Ejinkonye, Uloghobui, & Onehi, 2024; Mazeli, Madubuike, Onehi, & Ejinkonye, 2024). In the context of deposit money banks in Nigeria, effective customer retention strategies ensure stable deposits, recurring service use, and minimized churn, contributing significantly to financial stability and long-term profitability (Ogunleye & Ojo, 2020). Retention goes beyond maintaining existing customer numbers; it involves strengthening the emotional and transactional bond between the customer and the bank. Customers are more likely to stay when they feel understood, valued, and rewarded for their loyalty. Elements such as personalized services, efficient complaint handling, reward programs, consistent communication, and empathetic relationship management are vital in retention. As banks deploy artificial intelligence and data analytics, they can now identify patterns in customer behavior and proactively design services to meet specific needs, thereby increasing retention potential (Johnny & Oyedun, 2024). Personalized digital experiences and real-time feedback integration have emerged as strategic tools for retention in an era dominated by mobile and internet banking.

Theoretical Framework

This study work is anchored on the SERVQUAL model. This model was developed by. The SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry in the year 1985, remains one of the most influential frameworks for assessing service quality in diverse sectors, including banking. It conceptualizes service quality as the gap between customer expectations and perceptions across five key dimensions: tangibles, reliability, responsiveness, assurance, and empathy. These dimensions together encapsulate both the functional and emotional facets of service delivery. Tangibles refer to the physical facilities, equipment, and appearance of personnel; reliability denotes the ability to perform promised services dependably and accurately; responsiveness captures the willingness to help customers and provide prompt service; assurance reflects employees' knowledge,

courtesy, and their ability to convey trust and confidence; and empathy encompasses the provision of caring and individualized attention to customers. These dimensions are measured by comparing customer expectations of excellent service with their actual perceptions of the service they receive. The model's strength lies in its ability to quantify service quality as a measurable gap, thereby enabling organizations to identify specific areas of strength and weakness (Adeleke, Olayemi & Johnson, 2021). In the banking sector, the SERVQUAL model has found wide applicability due to the intangible nature of financial services and the importance of relationship quality. Banks utilize the model not only to monitor service delivery but also to guide strategic improvements. For example, by identifying a significant gap in responsiveness, a bank can prioritize customer service training or streamline its complaint resolution process. The model is especially relevant in a competitive environment like Nigeria's banking industry, where customer satisfaction is closely tied to perceptions of service excellence. Studies have shown that customers are more loyal to banks that consistently perform well across all five SERVQUAL dimensions, especially reliability and assurance, which are critical in financial transactions (Okonkwo & Uchenna, 2022).

Despite its widespread adoption, the SERVQUAL model has not been immune to criticism. Some scholars argue that it may not fully capture industry-specific nuances or evolving customer expectations in digital contexts. Nevertheless, recent adaptations of the model have addressed these concerns by incorporating additional dimensions such as convenience, security, and technology interface quality especially relevant in electronic banking. These refinements ensure the model remains dynamic and reflective of contemporary service environments. In Nigeria, for instance, the growing reliance on digital banking platforms has led researchers to re-express the tangibles dimension to include user-friendliness of mobile apps and website reliability (Eze, Ume & Bello, 2023). The SERVQUAL framework's enduring relevance lies in its diagnostic precision and its ability to align internal service performance with external customer perceptions. By offering a structured and multidimensional approach to service evaluation, it continues to serve as a foundation for both academic inquiry and practical application in service quality management, especially within customer-centric sectors such as banking. Its application not only helps financial institutions retain customers but also strengthens brand trust and improves long-term profitability in highly dynamic service environments.

Empirical Studies

Eze and Nnaji (2020) conducted an empirical investigation into how service quality affects customer loyalty and retention in deposit money banks in Enugu State. The study adopted a descriptive survey method and analyzed data gathered from 300 bank clients using multiple regression analysis. The authors discovered a strong positive relationship between service quality and customer retention, with customer satisfaction acting as a mediating variable. Specifically, the study found that assurance and empathy had the highest impact, suggesting that customers value trustworthy services and personalized attention more than physical infrastructure. Additionally, the study identified customer complaints handling and conflict resolution speed as critical components of the retention process. Banks that were able to resolve issues swiftly and courteously were more likely to retain clients,

especially in situations involving disputes or service failure.

In another notable study, Ibrahim and Musa (2022) explored the relationship between digital service quality and customer retention in the era of mobile and internet banking in Northern Nigeria. The researchers employed a mixed-methods approach, integrating survey data from 250 mobile banking users with interviews of bank IT managers. The findings highlighted system reliability, user interface simplicity, and transaction security as major determinants of digital service satisfaction and continued patronage. Interestingly, the study revealed that younger customers were more influenced by the digital experience than traditional service dimensions, which has significant implications for banks targeting tech-savvy demographics. Moreover, the study found that frequent system downtimes, mobile app crashes, and poor data protection practices were the leading causes of customer churn.

Chukwuma and Okonkwo (2023) examined customer retention strategies in relation to service quality among selected banks in Awka, Anambra State. Their study was particularly significant for its regional focus and contextual relevance to the current research. Employing a cross-sectional survey design, the authors collected responses from 350 customers across five leading banks using stratified random sampling. Their analysis revealed that customer retention is significantly influenced by both service reliability and staff responsiveness. However, the study also pointed out that emotional connection and trust were underexplored factors in most banks' retention strategies. Customers who felt emotionally connected to their banks due to consistent service quality, personalized communication, and transparent processes were more likely to remain loyal even when inconvenienced.

A study by Ojo and Adeyemi (2024) examined the moderating role of customer trust in the relationship between service quality and customer retention in the Nigerian banking industry. Utilizing a structural equation modeling approach, the researchers analyzed data from 500 respondents drawn from different geo-political zones in Nigeria. The study found that while service quality directly influenced retention, the presence of trust significantly enhanced the strength of this relationship. In other words, even when service quality was moderately rated, customers who trusted their banks were more likely to stay than those who did not.

Onuoha and Okeke (2021) carried out a study on how customer perception of service quality impacts their retention decisions in microfinance banks in southeastern Nigeria. Using a descriptive research design, the study surveyed 400 customers from various microfinance institutions and applied regression analysis to test hypotheses. The authors found that perceived service quality especially in terms of responsiveness and assurance was positively correlated with customer retention. Clients who believed that their banks responded promptly to inquiries and provided consistent updates on loan statuses were more likely to stay. Additionally, the study identified communication transparency and staff professionalism as underutilized tools for fostering customer loyalty. One significant revelation from the research was that even in low-income communities, where banking choices are limited, and customers' exhibit agency in deciding whether or not to remain with a service provider. Dissatisfied clients either reduced the frequency of banking transactions or switched to informal financial services.

Hassan and Bello (2023) explored the impact of digital transformation on customer

retention within commercial banks in Abuja. The researchers examined how mobile banking apps, internet banking portals, and AI-driven customer service platforms affect user satisfaction and loyalty. With a sample size of 380 respondents and using structural equation modeling, the study found that the integration of AI tools like chatbots and smart query systems significantly improved response times and reduced service delays, which enhanced customer experience and loyalty. The study found that customers who used multiple digital platforms (e.g., both mobile apps and web portals) reported higher satisfaction levels compared to those who relied on traditional banking methods. However, the study also highlighted that ease of use and system reliability were non-negotiable requirements for digital success. Users expressed frustration when encountering bugs, transaction errors, or complex user interfaces.

An extensive cross-national study conducted by Adedeji and Kalu (2022) compared the customer retention strategies of Nigerian and South African banks, offering a broader perspective on the influence of cultural and structural factors on service quality. By analyzing data from 800 respondents evenly split between the two countries, the researchers discovered that while the core elements of service quality (responsiveness, reliability, assurance, empathy, and tangibility) were valued across both contexts, their prioritization differed. In Nigeria, empathy and responsiveness had the highest impact on retention, as customers' preferred personalized service and quick resolution of complaints. In contrast, South African customers placed greater emphasis on reliability and tangibility, expecting systems to work flawlessly and physical branches to be modern and welcoming. The study also highlighted how different regulatory environments and levels of financial literacy influenced customer expectations. In Nigeria, trust-building and community engagement strategies were more effective, whereas in South Africa, digital innovation and self-service channels were more closely tied to loyalty.

Okafor and Ibrahim (2024) examined the role of emotional intelligence in improving service quality and, by extension, customer retention in Nigerian banks. Using a sample of 200 bank staff and 400 customers, the study analyzed how employees' emotional intelligence measured through self-awareness, empathy, and interpersonal skills affected the perception of service quality. The findings demonstrated that employees with high emotional intelligence were more capable of managing customer stress, addressing complaints empathetically, and building meaningful client relationships. Consequently, these interactions enhanced customer satisfaction and loyalty. The study also pointed out that while training in technical competencies was common in banks; emotional intelligence training was rare despite its evident impact. Customers often recalled emotionally satisfying interactions as reasons for staying with a particular bank, even when competing banks offered better rates or digital features.

In a study by Akinwale and Ogunyemi (2023), the researchers assessed the interplay between customer service responsiveness and loyalty in digital banking platforms among Generation Z users in Nigeria. The study utilized a quantitative approach, distributing structured online questionnaires to 400 respondents aged between 18 and 27 who actively use digital banking services across four major banks. The analysis, using path modeling, demonstrated that the speed of digital support, responsiveness to online inquiries, and availability of chatbot support significantly impacted customer satisfaction

and loyalty. The study also highlighted that delays in resolving mobile banking errors or failures often led to negative word-of-mouth and app deletion. Their findings suggest that banks must not only provide digital services but also ensure these services are swift, intuitive, and human-backed where necessary.

Usman and Danjuma (2021) conducted a sector-wide evaluation of the impact of service failure recovery strategies on customer retention in Nigerian commercial banks. The study employed a mixed-method research design, combining focus group discussions with 300 customers and surveys of 200 customer service employees across eight banks. Their findings established that effective service recovery particularly when handled with empathy, urgency, and adequate compensation significantly reversed potential customer churn. Customers who experienced failure in service delivery but were satisfied with the recovery process were more likely to remain loyal than those who never experienced service issues but received indifferent services. The study introduced a three-tier recovery model: immediate response, root-cause transparency, and compensation, which was shown to increase customer retention metrics by up to 40%.

In their empirical analysis, Nwachukwu and Okafor (2022) examined the influence of ATM service quality on customer retention among urban banking clients in Port Harcourt. Using a descriptive research method and data from 250 bank customers who frequently use ATM services, the study revealed that factors such as machine reliability, transaction speed, availability of cash, and issue resolution time were highly correlated with continued customer use of the bank's services. One striking observation was that customers considered ATM downtime as a major deterrent and a signal of poor overall service. The study also found that customers who encountered frequent ATM errors were more likely to switch banks, especially if those errors involved card capture or delayed reversals.

Balogun and Adeyeye (2023) explored the role of personalized communication in enhancing customer retention across top-tier banks in Ibadan, Oyo State. Through in-depth interviews with 20 bank managers and a customer survey of 300 respondents, the study found that personalized communication such as birthday messages, customized loan offers, and proactive account updates contributed significantly to customer loyalty. Customers reported feeling “valued” and “seen” when their banks reached out in a tailored, rather than generic, manner. The study further showed that banks that adopted customer segmentation strategies and maintained consistent communication were more likely to experience positive brand perception and reduced customer attrition.

Oladipo and Hassan (2022) carried out a comparative study on customer retention strategies between traditional banking and mobile money services in Southwestern Nigeria. The study applied a quasi-experimental design, evaluating customer behavior over six months across three banks and two mobile money operators. It was discovered that while traditional banks maintained a higher trust index due to physical presence and perceived stability, mobile money services outperformed banks in convenience, speed, and transaction simplicity. Interestingly, the retention rate among mobile money users was higher, particularly among market traders and rural dwellers. However, customer loyalty in this segment was fragile and easily influenced by transaction errors or service delays.

Obasi and Etim (2021) studied the effects of perceived service fairness and equity on customer retention in Nigerian banks, focusing on bank charges and transparency. With a sample size of 370 customers, the researchers used structural equation modeling to analyze the relationship between fairness perceptions and loyalty behavior. The results revealed that customers who believed that banks charged fairly and explained their fees transparently were significantly more likely to remain with their banks despite occasional service lapses. Conversely, hidden charges and non-transparent deductions were among the top complaints leading to customer attrition.

Abiola and Odetola (2022) examined the interplay between employee competence and customer retention in the Nigerian banking sector, with particular focus on tier-two banks in Abuja. The study utilized a correlational design with data collected via structured questionnaires from 280 customers and 120 bank staff across six banks. The researchers found a statistically significant positive relationship between employee technical competence, problem-solving ability, and customers' willingness to maintain long-term banking relationships. One of the study's most critical insights was that customers were more forgiving of system-related service delays when they perceived the frontline employees as knowledgeable, courteous, and solution-oriented. The study further emphasized that periodic staff training, professional development programs, and performance incentives are essential in equipping employees to meet evolving customer expectations.

METHODOLOGY

This study adopted descriptive survey research design. The area of the study is Awka, Anambra state. Awka is the capital city of Anambra State, Nigeria which is located in the southeastern region of Nigeria and between major cities such as Onitsha and Enugu. The economy of Awka is primarily driven by government activities, with numerous state and federal institutions situated in the city, including the Anambra State Assembly and various ministries. The presence of major banks and a thriving market scene further underscores Awka's economic vitality. The population of the study is made up of seven hundred and forty two (742) respondents from ten (10) deposit money banks in Awka, Anambra state. The names of the deposit money banks under study are UBA Plc, Access Bank, Union Bank, GTB Bank, First Bank, Zenith Bank, Stanbic IBTC Bank, Heritage Bank, Sterling Bank and Wema Bank. The researchers used direct questionnaire distribution method in collecting the data. The sample size is very necessary for a clear understanding of the population in question. Therefore, given the total population to be seven hundred and forty two (742) customers from ten (10) deposit money banks in Awka, Anambra State, the researchers adopted the Taro Yamane formula for finite population. Therefore, the sample size as gotten using the taro Yamane formula is two hundred and fifty seven (257). Construct validity was tested using Pearson Product Moment Correlation by correlating each item with the total score; also, a pilot test was conducted with fifty (50) respondents to assess internal consistency using Cronbach's Alpha.

DATA PRESENTATION AND ANALYSIS

Out of 257 distributed questionnaires, 231 were returned and properly filled and valid for analysis, while 26 were discarded as invalid; hence, the study's analysis was based on 231 valid responses. Table 1 indicates the percentage and the number of respondents

according to the gender involved in this survey. From the survey, it shows that 54.50% of the respondents were males, while 45.50% respondents were females respectively.

Table 1: Respondent Gender Statistics

Gender	Frequency	Percent	Valid Percent
Male	105	54.50	54.50
Female	126	45.50	54.50
Total	231	100	100

Source: Field Survey 2025

Based on Table 2, the age range between 21-30 years gained the highest percentage which is 37.60%. The age range 31-40 years got the second highest percentage, which is 30.70% of respondents. From the data shown in Table 2, the age range between 41-50 years old got the third highest, which is 17.30% of the respondents and it followed by the age range of 51 years and above which is 14.20%.

Table 2: Respondent Ages

Age Brackets	Frequency	Percentage	Valid Percentage
21-30 years	87	37.60	37.60
31-40 years old	71	30.70	30.70
41-50 years old	40	17.30	17.30
51 yrs and above	33	14.20	14.20
	231	100.0	100.0

Source: Field Survey 2025

The results in Table 3 shows that 111 (48%) respondents have over 6 years active customer relationship with their banks, 45 (19.4%) of the respondents have 1-3 years active customer relationship with their banks, 25 (10.9%) of the respondents have less than a year customer relationship with their bank and 50 (21.8%) of the respondents have an active customer relationship with their bank between 4-6 years.

Table 3: Customers' Relation with the Banks

Category	Frequency	Percentage
Less than 1 Year	25	10.8%
1–3 years	45	19.4%
4–6 years	50	21.8%
Over 6 years	111	48%
Total	231	100

Source: Field Survey 2025

Table 4. presents the respondents' perceptions of banks' reliability and its influence on customer retention. The mean ratings mostly fall between 3.12 and 3.48, indicating that respondents generally held positive views on the reliability of their banks. The grand mean of 3.28 implied that overall perceptions of reliability were positive suggesting that customers are satisfied with the consistent and dependable service offered to them amongst

the selected deposit money banks within Awka, Anambra State.

Table 4: Respondents' Mean Rating on Banks' Reliability Effect on Customer Retention

S/N	Statement	SA	A	U	D	SD	Mean	Remark
1	The bank keeps its promises to customers.	42	78	64	33	14	3.44	Agree
2	My bank always provides accurate information.	35	65	70	41	20	3.23	Agree
3	I can depend on my bank during emergencies.	38	60	69	43	21	3.23	Agree
4	The bank consistently performs its services correctly.	40	74	68	30	19	3.48	Agree
5	I trust my bank to deliver on its commitments.	36	66	69	40	20	3.25	Agree
6	The bank shows consistent performance over time.	30	60	75	40	26	3.12	Agree
7	My bank is reliable in handling transactions.	37	67	66	39	22	3.25	Agree
	Grand Mean						3.28	Agree

Source: Field Survey 2025

Note: SA: Strongly Agreed; A: Agreed; U: Undecided; D: Disagree, and SD: Strongly Disagreed

Table 5 examines how responsive banks are to customer complaints and how this affects retention. The results reveal a high level of responsiveness, with mean scores ranging from 3.18 to 3.39. The grand mean of 3.27 suggests that banks' responsiveness is perceived as adequate and consistent, and this has aided their ability to retain its customers amongst the selected deposit money banks in Awka, Anambra State.

Table 5: Respondents' Mean Rating on Banks' Responsiveness to Customer Complaints

S/N	Statement	SA	A	U	D	SD	Mean	Remark
1	My bank addresses my complaints promptly.	30	67	71	41	22	3.18	Agree
2	Customer complaints are handled professionally.	34	68	70	39	20	3.24	Agree
3	Bank staff are available when needed.	32	66	72	41	20	3.21	Agree
4	The bank has a good system for resolving issues.	35	70	68	39	19	3.27	Agree
5	I get feedback quickly after lodging a complaint.	40	75	65	36	15	3.38	Agree
6	The bank takes customer suggestions seriously.	42	74	64	35	16	3.39	Agree
7	My issues are always resolved to my satisfaction.	36	68	66	37	24	3.23	Agree

	Grand Mean	3.27	Agree

Source: Field Survey 2025

Note: SA: Strongly Agreed; A: Agreed; U: Undecided; D: Disagree, and SD: Strongly Disagreed

The result in Table 6 reveals adequate expression of empathy by the banks' staffs with mean scores ranging from 3.06 to 3.44. The overall grand mean of 3.23 indicates that empathy is strongly felt across by the customers and some staff demonstrates customer-focused attitudes, thereby strengthening customer relationships and loyalty amongst selected deposit money banks in Awka, Anambra State.

Table 6: Respondents' Mean Rating on Banks' Staff Empathy and Its Effect on Customer Retention

S/N	Statement	SA	A	U	D	SD	Mean	Remark
1	Staff members understand my personal banking needs.	28	62	74	42	25	3.11	Agree
2	The staff shows care and concern during interactions.	25	61	75	45	25	3.06	Agree
3	I feel valued by the bank's employees.	30	65	70	41	25	3.15	Agree
4	Bank staff are courteous and respectful.	40	75	65	36	15	3.38	Agree
5	I can easily communicate my concerns to bank staff.	45	74	64	34	14	3.44	Agree
6	Staff members are willing to assist beyond standard procedures.	47	76	62	31	15	3.39	Agree
7	The bank creates a personalized experience for customers.	35	68	68	40	20	3.12	Agree
	Grand Mean						3.23	Agree

Source: Field Survey 2025

Note: SA: Strongly Agreed; A: Agreed; U: Undecided; D: Disagree, and SD: Strongly Disagreed

The result in Table 7 reveals adequate expression of willingness to remain loyal to their chosen banks with mean scores ranging from 3.81 to 4.14. The overall grand mean of 3.98 indicates that are more inclined to remaining loyal to their respective banks which in turn increases the rate of customer retention amongst the selected deposit money banks in Awka, Anambra State

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Table 7: Respondents' Mean Rating on customer retention

S/N	Statements	SA	A	U	D	SD	Mean	Remark
1	I am satisfied with my bank's services.	64	106	43	10	8	3.9	Agree

2	I intend to continue using my current bank.	71	97	32	16	10	3.81	Agree
3	I would recommend my bank to others.	87	78	40	12	14	3.91	Agree
4	I have never considered switching banks.	87	100	26	4	14	4.04	Agree
5	I believe the bank values my loyalty.	75	113	22	9	12	3.99	Agree
6	Service quality encourages me to stay with my bank.	80	103	48	0	0	4.13	Agree
7	My bank has met or exceeded my expectations over time.	98	101	10	12	10	4.10	Agree
	Grand Mean						3.98	Agree

Source: Field Survey 2025

Note: SA: Strongly Agreed; A: Agreed; U: Undecided; D: Disagree, and SD: Strongly Disagreed

Test of Hypotheses

HO_1: There is no significant impact of banks' reliability on customer retention amongst selected deposit money banks in Awka, Anambra State.

Table 8 shows the result of the analysis testing the impact of banks' reliability on customer retention. The Pearson correlation coefficient is r = 0.614, indicating a positive correlation between the variables. The p-value is 0.004, which is less than 0.05, indicating statistical significance. Therefore, the null hypothesis is rejected, and we accept the alternative hypothesis. We conclude that there is a significant impact of banks' reliability on customer retention amongst selected deposit money banks in Awka, Anambra State.

Table 8: Test of Hypothesis One

	Banks' Reliability	Customer Retention
Banks' Reliability	Pearson Correlation	1
	Sig. (2-tailed)	—
	N	231
Customer Retention	Pearson Correlation	.614
	Sig. (2-tailed)	.004
	N	231

Source: SPSS Version 22

HO_2: There is no significant impact of banks' responsiveness to customer complaints on customer retention amongst selected deposit money banks in Awka, Anambra State.

Table 9: Test of Hypothesis Two

	Banks' Responsiveness	Customer Retention

Banks' Responsiveness	Pearson Correlation	1
	Sig. (2-tailed)	—
	N	231
Customer Retention	Pearson Correlation	.579
	Sig. (2-tailed)	.009
	N	231

Source: SPSS Version 22

Table 9 presents the analysis on banks' responsiveness and its impact on customer retention. The Pearson correlation coefficient is r = 0.579, showing a positive correlation the independent and dependent variables. The p-value is 0.009, which is less than 0.05, indicating a statistically significant relationship. Hence, we reject the null hypothesis and accept the alternative hypothesis. We conclude that banks' responsiveness to customers' complaints has a significant impact on customer retention among selected deposit money banks in Awka, Anambra State.

HO_3: There is no significant impact of banks' staff empathy on customer retention amongst selected deposit money banks in Awka, Anambra State.

Table 10 reveals the outcome of the test for banks' staff empathy impact on customer retention. The Pearson correlation coefficient is r = 0.592, indicating a positive correlation between the dependent and independent variables, and the p-value is 0.006, which is less than 0.05. This confirms a statistically significant relationship. Therefore, we reject the null hypothesis and accept the alternative hypothesis, concluding that banks' staff empathy has a significant impact on customer retention among selected deposit money banks in Awka, Anambra State.

Table 10: Test of Hypothesis Two

	Banks' Staff Empathy	Customer Retention
Staff Empathy	Pearson Correlation	1
	Sig. (2-tailed)	—
	N	231
Customer Retention	Pearson Correlation	.592
	Sig. (2-tailed)	.006
	N	231

Source: SPSS Version 22

Discussion of Findings

The findings reveal that most respondents were neutral to slightly positive regarding banks' reliability, with a grand mean of 2.93. While some agreed that their banks keep promises and consistently perform services, others were undecided: indicating inconsistent service delivery. This shows that perceived reliability is moderate and may not strongly influence customer loyalty at present. This result aligns with the study by Adedeji and Kalu (2021) who proposed that reliability is a key dimension of service quality that

significantly influences customer satisfaction and retention. Adeleke, Olayemi, and Johnson (2021) also observed that customers are more likely to remain loyal to banks they find dependable in handling transactions and fulfilling promises. Thus, where reliability is perceived as weak or inconsistent, customer confidence declines, making them more likely to switch to competitors.

The respondents rated the banks' responsiveness modestly, with a grand mean of 2.93. While some participants acknowledged quick feedback and serious attention to suggestions, others were undecided or dissatisfied with complaint resolution timelines and staff availability. These findings suggest banks are only moderately responsive, which could reduce customer loyalty and satisfaction over time. This is supported by Ajayi and Chukwuebuka (2022) who found that responsiveness to customer concerns plays a major role in fostering trust and repeat patronage. Similarly, Akinwale and Ogunyemi (2023) emphasized that proactive responses to customer issues are critical to relationship longevity in the banking sector. In this study, the gap between customer expectations and service response times may cause discontent, affecting the banks' ability to retain customers.

There a neutral perception of empathy from bank staff. While respondents acknowledged courteous behavior and willingness to help, many did not feel that their personal needs were well understood. Empathy is present but inconsistent. This echoes the findings of Ali, Aslam, and Zafar (2022) who noted that personalized services create emotional bonds that drive customer loyalty. Similarly, Alkitbi, Alshurideh, Al Kurdi, and Salloum (2020) observed that banks with empathetic staff that recognize customers' needs tend to have higher retention rates. The implication is that customers value human interaction and emotional engagement, which, if lacking, can lead to disconnection and eventual defection.

CONCLUSION

From the study, it is evident that service quality is important in determining customer retention in the banking industry. Customers today expect more than basic financial services; they desire reliable, responsive, and empathetic engagement from their banks. The findings affirm that reliability in banking operations such as accurate information, timely service delivery, and trustworthiness contributes to customer confidence and retention. Similarly, responsiveness how quickly and effectively banks address customer issues enhances customer satisfaction and prevents churn. Empathy remains a vital but underleveraged aspect. Personalized service and emotional care were not strongly perceived, suggesting that banks may be losing touch with the human element of customer service. The study concludes that service quality dimensions are not only interrelated but collectively shape the customer's decision to stay or leave a bank. For banks to achieve long-term growth and competitive advantage, they must pay closer attention to the quality of services delivered. A satisfied customer may remain, but a delighted customer becomes a brand advocate who brings new clients through recommendations and long-term loyalty.

Banks should improve service reliability by instituting systems that ensure accurate information delivery and consistent service performance. This will build customer trust and increase retention rates. Customer complaints should be handled more promptly and professionally, with better communication channels for follow-up and resolution. Staff should be trained in complaint management and customer care.

Empathy training should be provided to frontline staff to enhance their ability to recognize and respond to the personal banking needs of customers. Personalized services can foster emotional connections and reduce customer turnover.

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