

Tangibility And Customer Patronage of Microfinance Banks in Akwa Ibom State,Nigeria.

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Abstract

The objective of this study was to examine the influence of tangibility on Customer patronage of Microfinance banks in Akwa Ibom State. To achieve this objective, the main source of data was through primary sources with the use of a questionnaire. The researcher adopted the survey research design approach and data were collected from 323 respondents drawn from the banks customers' base. A total number of 295 copies of the questionnaire were retrieved in useable form representing 91.3 percent of data analyzed using the Simple Regression Model (SRM). Data generated from the study were processed using descriptive and inferential statistics and hypothesis tested at 0.05 level of significance. Findings revealed that tangibility had significant influence on customer patronage of Microfinance banks in Akwa Ibom State. Thus, the study recommended that the managers of Microfinance banks should employ employees that have a neat and professional appearance and also make provisions for visually appealing materials associated with the banks service products in order to delight their customers and enhance their consistent patronage.

INTRODUCTION

1.1 Background to the Study

Services must adapt to the dynamic changes in our business environment. The recent redesign of the naira, new withdrawal limits, and scarcity of currency notes have led to a significant increase in customers at banks, all seeking prompt, efficient, and high-quality service.

Globally, the banking sector is highly competitive, with deposit money banks vying for microfinance bank customers. The rise of new deposit money banks and microfinance banks has heightened customer expectations, demanding superior service delivery (Osim, Muyanja, & T. Bainya, 2020). Consequently, banks are leveraging technology to differentiate themselves in this competitive landscape (Osim et al., 2020). Self-service technologies such as ATMs, online/internet banking, telephone banking, mobile banking, and SMS banking are being employed to meet diverse customer needs, focusing on convenience, transaction security, user-friendliness, information quality, and technology reliability (Osim et al., 2020; Akpan, 2007).

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The integration of technology and excellent service quality enables bank customers to conduct online transactions using banking platforms. Chattopadhyay (2019) emphasizes that the success of Microfinance Banks (MFBs) hinges on customer satisfaction, emphasizing customer-centricity over profits. MFBs should align their pricing with service quality to attract and retain long-term customer relationships, thereby increasing customer base and fostering loyalty (Chattopadhyay, 2019). Okeke (2020) underscores customer patronage as vital for boosting bank profits and maintaining market position.

1.2 Statement of the Problem

Agbele and Onoriode (2021) and Etuk, Awah, and Akpan (2022) argue that increased liquidation rates among microfinance banks (where a bank ceases operations shortly after establishment), coupled with poor reputation, customer dissatisfaction, excessive charges, and ineffective crisis management, have significantly undermined public trust in microfinance banks, impacting customer patronage.

Customers frequently encounter technology unreliability when using ATMs, with many machines often out of service or lacking sufficient cash for transactions. Mobile banking also presents challenges, with some customers unable to access services due to complexities like app compatibility issues or short session timeouts on USSD platforms (Akpan & Abdul, 2009; Osinde, Mayanja, & Tibaingana, 2020).

Despite numerous studies on microfinance banks (e.g., Akpan, 2007; Acha, 2012; Wardhana & Satriyanto, 2020; Alshammari, Mahmond, & Daud, 2021; Njagi & Njoku, 2021; Awah, Akpan, & Emmanuel, 2024; Etuk, Awah, & Akpan, 2024), limited attention has been given to service quality and customer patronage in developing economies like Nigeria. Additionally, research on financial institutions predominantly focuses on deposit money banks, with microfinance banks in Nigeria receiving minimal scrutiny (Cai, Park, & Wang, 2016). This knowledge gap drove the motivation behind this study.

1.3 Objectives of the Study

The main objective of this study was to examine the influence of tangibility on customer patronage of selected Microfinance Banks in Akwa Ibom State.

1.4 Research Questions

This study attempted to provide answer to the following question.

- i. What is the influence of tangibility on customer patronage of Microfinance Banks in Akwa Ibom State?

1.5 Hypothesis

The following null hypothesis was postulated to guide the study:

- i. Tangibility does not significantly influence customer patronage of Microfinance Banks in Akwa Ibom State.

1.6 Significance of the Study

This study will enable the government to know the problems affecting Microfinance banks and realize how difficult the porches are and device a means of solving the problems. It will aid the government to know how to uplift the image of Microfinance Banks in Nigeria. Above all, by addressing sustainability challenge of Microfinance banks it will help to generate employment as there may be stronger and viable microfinance banks in Nigeria.

1.7 Scope of the Study

The scope of the study covered the following three central aspects:

Content Scope: The content scope of this study covers the tangibility variable used by Microfinance Banks in Akwa Ibom State and customer patronage. It also covers the concepts on tangibility and customer patronage. This study is domiciled in service marketing.

Geographical Scope: The geographical scope of the study was in Akwa Ibom State located at the South South region of Nigeria.

Unit of Analysis: The unit of analysis of this study involved customers of the selected Microfinance Banks in Akwa Ibom State, namely: Uniuyo microfinance bank, Palmcoast microfinance bank, Active point microfinance bank, Eduiek microfinance bank, Ikpe-Annang microfinance banks, Ini microfinance bank, Madelyn microfinance bank, Nsehe microfinance bank and Akcofed microfinance bank.

LITERATURE REVIEW

2.1 Conceptual Framework

2.1.1 Concept of Service Quality

The term "quality" carries varied meanings among individuals, influenced by specific definitions within sectors like services, production, and manufacturing. This diversity of interpretation is also shaped by the perspectives, needs, and expectations of users (Ali & Bilal, 2020; Awah, Akpan, and Emmanuel).

Ali & Bilal (2020) conceptualized service as abstract benefits produced and consumed simultaneously, lacking storage or transport capabilities, and devoid of user ownership rights. According to Kotler and Armstrong (2020), service involves behaviors or acts resulting from interactions between two parties—the provider and the receiver—where the essence of this reciprocal process is intangible. Mwirigi (2019) defined service as a set of characteristics and properties aimed at satisfying clients and meeting their needs. Setiawan, Rini, and Silalahi (2022), along with Kotler and Armstrong (2020), outlined service characteristics such as intangibility, perishability, inseparability, and variability. This implies that services lack tangible qualities that customers can touch, see, or smell (Omofowa, Omofowa, and Nwachukwu, 2021; Etuk, Awah, and Akpan, 2024).

Sulaiman, Muhammad, Muhammad, and Sabiu (2021) suggested that the intangibility of services and customer participation in the service delivery system lead to variations in service experiences. Unlike physical products, services cannot be assessed through the senses before purchase, necessitating buyers to seek evidence of quality from various sources, such as the environment, personnel, equipment, communication materials, symbols, and price (Kotler and Armstrong, 2020). Therefore, service providers must manage tangible elements to make the intangible aspects more concrete. For example, microfinance banks can enhance their service quality through physical evidence and presentation, developing a distinctive appearance and customer interaction style aligned with the intended customer-value proposition, whether emphasizing cleanliness, speed, or other benefits (Kotler and Armstrong, 2020). This can be achieved through careful planning of the place, ensuring sufficient and engaged personnel, state-of-the-art equipment, effective communication materials, appropriate symbols, and transparent pricing strategies.

While physical goods go through manufacturing, inventorying, distribution, and consumption stages, services are inseparable as they are produced and consumed simultaneously. The presence of both the service provider and the client during service delivery is a distinctive feature of services marketing (Kusdibyo & Februadi, 2019). Due to the inherent variability in service quality depending on the provider, some microfinance banks offer CBN guarantees to mitigate customer perceptions of risk (Kotler and Armstrong, 2020). To enhance

quality control, service providers can invest in effective hiring and training processes, standardize service performance throughout the organization using service blueprints, and monitor customer satisfaction through suggestion and complaint systems.

The concept of service quality, as highlighted in various studies, pertains to the degree to which services meet customer expectations and influence business success and customer loyalty.

Chattopadhyay (2019) emphasizes that banks can increase profits and market share by prioritizing the quality of services offered to customers. The relative superiority of banks and their services is demonstrated through service quality, underscoring its importance for the survival of all service-oriented companies.

Maintaining service quality is seen as an ongoing effort essential for banks aiming for long-term customer prosperity (Chattopadhyay, 2019). By retaining profitable customers and forming customer equity, banks can utilize service quality as a tool for gaining a competitive advantage and differentiating themselves from competitors. Good service quality not only attracts potential customers but also retains existing ones (Daramawam, Mardikaningsih, & Hadi, 2017).

Studies in various industries, such as hospitality and banking, have shown that service quality significantly impacts customer loyalty, satisfaction, and patronage (Zebrga & Zaveri, 2020; Darmawan et al., 2017; Leninkumar, 2016). Dimensions of service quality such as responsiveness, tangibility, reliability, and compliance directly influence customer satisfaction and loyalty (Molaei, Ansari, & Teimuori, 2013).

Additionally, service quality can enhance corporate image and create customer patronage in the banking industry (Darmawan et al., 2017). Okeke's (2020) study on local restaurants in Awka, Anambra State, revealed that food quality, service quality, and physical environment significantly determined customer patronage. Similarly, Subiyantoro (2021) highlighted the impact of service quality, convenience, price, and product quality on customer satisfaction and loyalty.

In the banking sector, attributes like tangibility, reliability, responsiveness, and assurance significantly influence customer loyalty (Obananya, 2020). Service quality not only affects customer satisfaction but also plays a mediating role in customer loyalty, as seen in studies on internet service quality (Juudeh & Dandis, 2018).

Furthermore, studies emphasize the role of service quality in customer retention across various industries, including food and beverage (Abdul-Qadir, Abubakar, & Utomi, 2021), commercial banking (Obananya, 2020), and mobile shopping applications (Kuo, Tsai, Iuan-yuan, & Chang, 2017). Improving service quality can lead to enhanced customer satisfaction, perceived value, and ultimately, customer loyalty (Akbar, Som, Wadood, & Alzaidiyeen, 2010).

In summary, service quality is a critical determinant of customer satisfaction, loyalty, and business success across different sectors, highlighting its importance in shaping customer experiences and organizational outcomes.

2.1.2 SERVICE QUALITY GAP

Kotler and Armstrong (2020) propose the existence of five gaps that contribute to unsuccessful service delivery, detailed as follows: Gap between consumer expectation and management perception:

Management may not always accurately perceive customer desires. For instance, the bank might assume that customers prioritize the availability of loans, while customers may actually be more concerned with the responsiveness of the staff. Gap between management perception and service quality specification:

Although management might correctly perceive customer needs, they may fail to establish performance standards. Gap between service quality specification and service delivery:

This gap can arise when personnel are inadequately trained, incapable, or unwilling to meet the established standards. Conflicting standards, such as balancing time spent listening to customers and providing fast service, can also contribute to this gap.

Gap between service delivery and external communications:

Customer expectations are influenced by statements made by company representatives and advertisements. If the bank's promotional materials depict an elegant banking hall, but customers arrive to find it cheap and unimpressive, external communications have distorted customer expectations. Gap between perceived service and expected service: This gap occurs when customers misperceive the quality of the service in comparison to their expectations.

2.1.3 Customer Patronage

A successful bank attracts a substantial customer base that regularly uses its services, aiming to foster customer satisfaction and encourage repeat transactions (Anetoh, 2016). While customer satisfaction is a key factor in encouraging return usage, it doesn't guarantee repeat purchases (Nnamdi, 2020). Banks must prioritize delivering quality services to build goodwill and foster consistent customer patronage (Anetoh, 2016).

Smith (2012) outlines five strategies to ensure persistent customer patronage, including building strong personal relationships, maintaining politeness, upholding integrity, rewarding customer loyalty, and adding societal value. Implementing these tips can enhance service quality, thereby improving customer satisfaction and patronage.

Rahman, Hossain, Zaman, and Mannan (2020) discovered that customer trust plays a critical role in mediating the relationship between e-service quality and customers' intentions to patronize. The adoption of advanced technology acts as a significant moderator influencing trust and patronage intentions in online retail banking.

Anetoh (2016), in a study on service quality dimensions and customer patronage of grocery services in Nigeria, identified a significant relationship between service quality dimensions and customer patronage. The SERVPERF model proved to be a valuable tool for assessing service quality and customer patronage within the Nigerian grocery service industry.

2.1.4 Tangibility and Customer Patronage

Tangibility refers to the physical appearance of facilities, equipment, personnel, and communication materials. Omofowa, Omofowa, and Nwachukwu (2021) conducted a study to explore the relationship between electronic banking service quality and customer satisfaction. They found that e-service quality factors such as innovation, technology, competence, reliability, and tangibility collectively influence customer satisfaction.

Alafashat and Alola (2018) investigated the connection between service quality, customer satisfaction, and customer loyalty in Jordanian commercial banks. Their findings demonstrated a significant positive relationship between tangibility and customer satisfaction. They recommended that bank management should enhance equipment and design to create a conducive atmosphere for customers.

Sulaiman, Muhammad, Muhammad, and Sabiu (2021) studied the mediating role of customer satisfaction between service quality and customer loyalty in non-interest banks in Nigeria. Their research indicated that service quality positively and significantly influenced both customer satisfaction and loyalty. However,

customer satisfaction did not significantly mediate the relationship between service quality and customer loyalty according to their findings.

Kusdibyo and Februadi (2019) examined the impact of electronic service quality on customer satisfaction and loyalty in online shopping. They found that electronic service quality had a positive and significant influence on customer satisfaction. Furthermore, customer satisfaction positively influenced loyalty, with the indirect effect of electronic service quality on loyalty being more pronounced than its direct effect. They recommended that online businesses focus on relevant electronic service quality dimensions to enhance competitiveness and differentiate themselves from other online retailers.

Jiang, Che, Wang, and Wei (2022) investigated service quality, customer satisfaction, and repurchase intention in the context of online event ticketing. Their study revealed that service quality positively influences both customer satisfaction and repurchase intention. They suggested that online event ticketing platforms prioritize improving service quality to enhance customer satisfaction and encourage repeat purchases.

2.2 Theoretical Framework

In this section one major theory was considered relevant for this study; this include;

2.2.1 Service Quality (SERVQUAL) Model propounded by Parasuraman, A., Zeithaml, V. and Berry, L. (1988)

Parasuraman et al., (1988) developed the service quality model. This model was entitled SERVQUAL. Based on this model they identified five determinants of service quality in their order of importance and they include: Reliability, Responsiveness, Assurance, Empathy and Tangibles.

- i. **Reliability:** This is the ability of the bank to perform the service they had promised their customers dependably and accurately.
- ii. **Responsiveness:** This refers to the willingness of the bank to help their customers as well as providing prompt services.
- iii. **Assurance:** This means the knowledge and courtesy of the bank employees as well as their ability to convey trust and confidence.
- iv. **Empathy:** This involves the banks provision to care for their customers and also providing individualized attention to them.
- v. **Tangibles:** This refers to the appearance of the banks physical facilities, equipment, personnel and communication materials.

Based on these five dimensions, Parasuraman, et al., (1988) developed a 21 – item scale for measuring the service quality and they include;

- i. **Reliability**
 - a. Providing service as promised
 - b. Dependability in handling the banks customers service problems
 - c. Performing services right to the bank customers at the night time.
 - d. Maintaining error-free records
 - e. The banks' ability to have employees who possess the knowledge to answer questions from their customers

ii. **Responsiveness**

- a. Keeping the banks customers informed on when services will be performed
- b. Providing prompt service to the bank customers
- c. The banks willingness to help its customers
- d. The banks readiness to respond to their customers' request

iii. **Assurance**

- a. The banks' ability to have employees who can instill confidence in the customers.
- b. Having employees who can make the bank customers feel safe in their transactions.
- c. The banks' ability to have employees who are consistently courteous.

iv. **Empathy**

- a. Giving the banks customers individual attention
- b. Having employees who deal with the bank customers in a caring fashion
- c. Having the banks customers' best interest at heart
- d. Having employees who understand the needs of the banks' customers.
- e. Convenient business hours

v. **Tangibles**

- a. The banks' ability to have modern equipment
- b. The banks' ability to have visually appealing facilities
- c. Having banks employees who have a neat and professional appearance
- d. The ability of the bank to have visually appealing materials associated with the service.

This model can be viewed as a model widely used by many service organizations to measure service quality and it becomes the anchor model for this study.

2.3 Review of Empirical Studies

This section is concerned with the review of the studies which were considered to be relevant, accordingly 10 studies were reviewed.

2.3.1 Ismail and Yunam (2016): Service quality as a predicator of Customer Satisfaction and Customer Loyalty. Ismail and Yunam attempted to investigate the correlation between service quality and customer loyalty and the correlation between service quality and customer loyalty. They adopted the inferential and descriptive statistics for data analysis, the findings of their study revealed that service quality dimensions such as tangibility, reliability, responsiveness, assurance and empathy significantly correlates with the customer satisfaction and customer loyalty. They concluded that the ability of service providers to appropriately implement the quality dimensions in providing medical service has enhance customer loyalty and satisfaction in the organization. They recommended that the findings of their study should be used as important guidelines by management to improve the implementation of service quality in Malaysian Army Health Centers. Critics: This study was carried out in 2016 and may not be relevant in today's dynamic business environment hence the need for recent research also the study effectively demonstrated the significant correlation between service quality dimensions and customer satisfaction and loyalty in the Malaysian Army Health Centers and offered valuable recommendations for managerial improvements; however, its relevance in the current business environment might be limited.

2.3.2 Iddrisu *et al.*, (2015): Assessing the Impact of Service Quality on Customer Loyalty; a Case Study of the Cellular Industry of Ghana. Their study aimed at Investigating the Relationship between service quality and customer loyalty in the cellular industry of Ghana. They adopted the Correlation and Multiple regression for data analysis. The findings of the study showed that service quality dimensions such as tangibility, responsiveness, reliability, assurance and empathy had a positive influence on customer loyalty via customer satisfaction. The study also showed that customer satisfaction had a direct relationship with customer loyalty. The study recommend that mobile operators should make efforts to improve the quality of mobile service offered to customers. Critics: This study was carried out in Ghana and the findings of the study may not be universal also this study successfully assessed the impact of service quality on customer loyalty in the Ghanaian cellular industry through customer satisfaction mediation, providing practical recommendations for mobile operators to improve service quality.

2.3.3 Okeke and Okoye (2021): Service Quality and Customer Patronage; a study of selected commercial banks users in Anambra State. The study aimed at examining the influence of service quality, price and Cost Variables on Customer Patronage of Specific Banks. They adopted the multiple regression for data analysis. The findings of this study revealed that service quality as well as price/cost variables had a significant influence on customers' patronage of specific banks. They recommended that the banks managers should enhance regular and timely training and retraining. Hence, this is very crucial and critical. Critics: The study effectively demonstrated the significant influence of service quality and price/cost variables on customers' patronage of specific banks in Anambra State, emphasizing the importance of regular training for bank employees.

2.3.4 Anetoh (2016): Dimensions of Service Quality and Customer Patronage of Grocery Services in Nigeria. Anetoh aimed at examining the use of SERVPERF model in measuring the relationship between Service Quality dimensions and customer patronage of grocery services in Nigeria. He adopted the Pearson Product Moment Coefficient Correlation for data analysis. The findings of this study revealed that there was significant relationship between service quality dimensions and customer patronage. It was also a very useful tool in the measurement of service quality and customer patronage of Nigerian grocery services. He concluded that customer patronage was a function of service quality. The study recommended that the managers of grocery firms should continue to improve on their service quality dimensions for enhanced customer patronage also they should be consistent in maintaining high level of competitiveness in order to remain in business and gain competitive advantage. Critics: The study successfully measured the relationship between service quality dimensions and customer patronage of grocery services in Nigeria using the SERVPERF model, providing valuable guidelines for grocery firms to enhance customer patronage and competitiveness.

2.3.5 Bisimwa, Nuwagaba and Musigire (2019) perceived service quality, trust, customer satisfaction and customer loyalty in the banking sector of Bukavu (East of DR Congo).

The study used the underlying mediating role of customer satisfaction to examine the relationship between perceived service quality, trust, customer satisfaction and customer loyalty in the banking sector of Bukari. They adopted the correlation and regression analysis for data analysis. Data obtain from the sample of 225 respondents. The study revealed that customer satisfaction positively and fully mediates perceived service quality and customer loyalty relationship and partially mediates trust and customer loyalty. They recommended that they should be frequent discussion between the banks and their customers. They also recommended that

customer satisfaction and loyalty should regularly be assessed and ethical value integrated. Critics: This study effectively explored the relationships between perceived service quality, trust, customer satisfaction, and loyalty in the banking sector of Bukavu; however, the limited sample size and the focus on a specific region may restrict the generalizability of the findings.

2.3.6 Ali and Bilal (2020): Service quality of Microfinance institution in district Mansehra.

An investigation of customer satisfaction. The study investigated the empirical relationship between service quality dimension and customer satisfaction. Using a survey of 623 clients of microfinance institutions. The findings of the study revealed that service quality dimensions are independent and positively related to customer's satisfaction. The study recommended that the bank administrators should identify the importance of service quality in order to improve and monitor customer's satisfaction. Critics: The study effectively demonstrated the positive relationship between service quality dimensions and customer satisfaction in microfinance institutions in district Mansehra. However, it could have provided more concrete suggestions for administrators to monitor and improve customer satisfaction effectively.

2.3.7 Osinde, Mayanja and Tibaingana (2020): Technology service quality and customer satisfaction in the Uganda's banking sector. The study aimed at investigating the effect of technology service quality on the customer satisfaction in pride Microfinance limited. The study adopted a quantitative research design focusing a single case study using a sample of 384 respondents who were the banks customer from selected branches using the technology banking service. The findings of the study showed that technology service quality has a positive and direct effect on the customer satisfaction. The result showed that fulfillment dimension has the greatest impact on customer satisfaction while two dimensions of technology serve quality such as responsiveness and security had no significant impact on customer satisfaction. The study recommended that the banking institutions should make use of the service quality dimensions to appraise technology delivered services in order to ensure customer satisfaction. Critics: The study effectively investigated the effect of technology service quality on customer satisfaction in pride Microfinance Limited, with important recommendations for banks. Nevertheless, it would benefit from more in-depth analysis of the dimensions that had no significant impact on customer satisfaction.

2.3.8 Mwirigi (2019): Mediating effect of service quality on the relationship between customer relationship management and satisfaction of commercial bank account holders in Nairobi city Kenya. The study aimed at investigating the mediating effect of service quality on the relationship between customer relationship management (CRM) and the satisfaction of commercial bank account holders in Nairobi city county, Kenya. The study adopted the exploratory and descriptive research techniques with a sample of 400 respondents selected using mixed sampling techniques, Data were analyzed using descriptive and inferential statistics. The study findings revealed that service quality has a statistically significant mediating effect on the relationship between CRM and satisfaction of commercial bank account holders. The study recommended that the management of commercial banks should give more consideration to service quality dimensions for strategies development. Critics: The study successfully mediated the relationship between customer relationship management and customer satisfaction of commercial bank account holders in Nairobi city county, Kenya. However, it could have provided more specific recommendations to guide commercial bank managers in enhancing service quality.

2.3.9 Omofowa, Omofowa and Nwachukwu (2021): E-banking service quality and customer satisfaction. Evidence from deposit money bank in South-South Nigeria. The study aimed at examining the connection between electronic banking service quality and customer satisfaction. The sample size for the study was 344 respondents. The study adopted mo the descriptive and inferential statistics for data analysis. The findings of the study revealed that E-banking service quality dimensions such as innovation, technology competence, reliability and tangibility jointly influence customer satisfaction. Also, these dimensions all had positive and significant effects on customer satisfaction. They recommended that deposit money banks should optimize their E-banking services to improve customer satisfaction. Critics:

2.3.10 Setiawan, Rini and Silalahi (2022):The effect of electronic service quality and perceived value on customer loyalty through customer satisfaction as a mediating variable for participants in Bpjamsostek Medan city branch. The study adopted the descriptive and quantitative statistics for data analysis. The result of the study findings revealed that perceived value affects customer loyalty either directly or indirectly through customer satisfaction as a moderating variable while E-service quality variable did not. Influence customer loyalty directly or indirectly through customer satisfaction as moderating variables. The study recommended that Bpjamsostek should consider the development of E-service quality which can aid them to socialize with non-wage recipient participants. The sample size of 84 respondents was so insignificant for the study. Critics: The study effectively explored the effect of electronic service quality and perceived value on customer loyalty through customer satisfaction, providing practical recommendations for Bpjamsostek. However, the small sample size might limit the study's robustness and generalizability.

2.3.11 Awah, Akpan and Emmanuel (2024): Responsiveness and customer patronage of microfinance banks in Akwa Ibom State, Nigeria. The study adopted descriptive and inferential statistics for data analysis. The result of the study findings revealed that responsiveness had significant influence on customer patronage of microfinance banks in Akwa Ibom State. The study recommended that Microfinance banks employees should show willingness to help their customers as well as providing prompt service to aid build customers trust, exceed their expectations and enhance patronage.

2.3.12 Awah, Akpan and Emmanuel (2024): Service quality dimension and customer patronage of microfinance banks in Akwa Ibom State, Nigeria. The study adopted descriptive and inferential statistics for data analysis. The result of the study findings revealed that responsiveness had significant influence on customer patronage of microfinance banks in Akwa Ibom State. The study recommended that reliability had significant influence on customer patronage of microfinance banks in Akwa Ibom State. The study recommended that Microfinance banks should perform the promise services dependably and accurately in order to delight their customers and enhance their consistent patronage.

2.3.13 Etuk, Awah and Akpan (2024): Physical ambience and customer behavior in selected microfinance banks in Uyo metropolis, Akwa Ibom State. The researchers adopted the survey research design approach and data analysed using the descriptive and inferential statistics. The result of the study findings revealed that colour, temperature, design and layout had significant influence on customer behavior in microfinance banks in Uyo metropolis. The study recommended that managers of microfinance banks should design their business environment in order to produce specific value perceptions in the customer as well as create an outstanding experience that is viable to attract and retain the banks existing and potential customers

RESEARCH METHODOLOGY

3.1 Design of the Study

The study design adopted by the researcher in this study was the Survey Research Design. Data on the Independent variable and the dependent variable were collected from different microfinance banks in Akwa Ibom State. The survey research design used assisted the researcher in reaching out to a good number of customers of Microfinance Banks in Akwa Ibom State. The justification for using the survey research design was to aid the researcher in gathering information from a good number of customers of Microfinance Banks in order to understand their opinions, attitudes, behaviours, or characteristics. It is useful for studying topics that can be measured quantitatively and for obtaining a wide range of data quickly. This design allows researchers to collect data from a diverse sample and analyze trends, correlations, or patterns within the data.

3.2 Population of the Study

The target population for the study comprised all customers of Microfinance Banks in Akwa Ibom State. Hence, the Population of the study was infinite,

3.3 Sampling and the Sample Size determination

Since the population size for the study was infinite, sample size for this study was determined using the Topman Formula at 5% level of tolerable error.

The formula is given as

$$n = \frac{Z^2 \cdot pq}{e^2}$$

Where n = required sample size

z = the value of z-score associated with the degree of confidence is 95% confidence level being 1.96 from the Z-score table.

p = 0.7 decimal (positive)

q = 0.3 decimal (negative)

e = acceptable tolerance level of error (stated in percentage points)

$$\begin{aligned} n &= \frac{Z^2 \cdot pq}{e^2} \\ &= \frac{1.96^2 \cdot (0.7 \times 0.3)}{0.05^2} \\ &= \frac{3.8416 \times 0.21}{0.0025} \\ &= \frac{0.806736}{0.0025} \\ &= 322.6 \\ &= 323 \end{aligned}$$

Therefore, the sample size of the study was 323.

3.4 Sampling Procedure

Convenient sampling technique was employed in the administration of the research instrument for this study. This was carried out by reaching out to the respondents based on their willingness to participate in the research as well as their accessibility and availability to the researcher. The total number of the research instrument (323) was divided by the total number of microfinance used in the study, this resulted in approximately 32 copies of questionnaire administered to each microfinance bank used in the study.

According to CBN (2020), there were 13 registered microfinance banks in Akwa Ibom State. The researcher conducted a pilot study to ascertain which MFBs implemented the service quality dimensions outlined in the study. The pilot study revealed that 10 MFBs indeed incorporated the specified service quality dimension. Consequently, this dimension was adopted and utilized in the present study.

3.5 Methods of Data Collection

Data analysis involved both descriptive and inferential statistics. Data was analyzed using the simple regression analysis to determine the influence of tangibility on customer patronage. The hypothesis was tested at $P > 0.05$ level of significance.

3.6 Sources of Data

The main source of data employed in this study was the primary data source. The primary data source was a structured questionnaire which was served on respondents. The questionnaire was made up of two sections: section "A" generated data on demography, while section "B" was made up of one sub- section which was the independent variable (tangibility) and the dependent variable (customer patronage). Hence, the ordinal scale used for this study were strongly agree, 4; agree,3;disagree,2;strongly disagree,1; neutral,0; to elicit responses from the respondents. The five points were employed to measure the dependent and the independent variables.

3.7 Reliability of the Instrument

The reliability of the research instrument was conducted to ascertain the degree to which the instrument yields consistent result. Hence, it was conducted to ascertain whether the variables of the study consistently measured the factors intended. In this study the internal consistency reliability was adopted, a pre-test for internal consistency measure using Cronbach's Alpha was employed for assessing the reliability of the research instrument. The purpose of reliability test was to further ascertain whether the internal consistency of the scales is indicative of the homogeneity of the construct items that measures the variables. In the process, the reliability for each of these scales was determined at a minimum threshold of 0.7 and above (Cronbach,1951). Furthermore, the composite reliability (CR) for all constructs was above 0.70 (Serbetar and Sedlar, 2016).

The obtained coefficients were:

S/No	NO.of items	Study Variables	Cronbach's Alpha	Composite Reliability
5	4	Tangibility	0.917	0.941
6	3	Customer Patronage	0.787	0.815

Source Author's computation (2024)

In this study, the Cronbach alpha for all the construct ranges from 0.787 to 0. 917.All the construct had Cronbach Alpha greater than 0.70 thresholds which suggest that the instrument used for the evaluation was reliable. (Cronbach's Alpha > 0.70). In addition, composite reliability of reflective items was all above the acceptable 0.7

threshold which means that all the variables in the study displayed construct reliability. All construct were viewed to have acceptable reliability levels because the composite reliability scores for all construct.

DATA PRESENTATION AND ANALYSIS

4.1 Data Analysis

Test of Hypothesis One

Tangibility does not significantly influence customer patronage of Microfinance Banks in Akwa Ibom State.

Table 4.1.1 Model Summary of the Influence of Tangibility on Customer patronage of Microfinance Banks

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	.782 ^a	.612	.611	1.95981

a. Predictors (constant), Tangibility

Source: Field Survey, 2024

Analysis of Variance of the Influence of Tangibility on Customer Patronage of Microfinance Banks

Model	Sum of squares	Df	Mean square	F	Sig.
Regression	1775.226	1	1775.226	462.196	.000 ^b
1 Residual	1125.370	293	3.841		
Total	2900.597	294			

a. **Dependent Variable:** Customer Patronage

b. **Predictors:** (Constant), Tangibility

Source: Field Survey, 2024

Coefficients^a of the Influence of Tangibility on Customer Patronage of Microfinance Banks

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.464	.273		16.333	.000
	Tangibility	.428	.020	.782	21.499	.000

a. Dependent Variable: Customer Patronage

The result in table 4.1.1 shows that there is a positive relationship between the independent and the dependent variable with R-value of (.782). The R-square which is the coefficient of determination is (.612). This is an indication of the independent variable (Tangibility) in predicting the percentage of influence on the dependent variable (Customer Patronage). In other words, 61.2 percent of the variation in the dependent variable can be explained from the independent variable. The F-ratio value in the ANOVA table is 462.196 which is significant at 0.000, Since the probability value (0.000) is less than 0.05 percent of significance. We reject the null hypothesis and accept the alternative that Tangibility actually contributes to the Customer Patronage of

Microfinance Banks in Akwa Ibom State.

4.2 Discussion of Findings

The first hypothesis of this study states that tangibility does not significantly influence customer patronage of microfinance banks in Akwa Ibom State. Despite the statistical fact of significant effect of Tangibility on customer patronage of Microfinance Banks, authors such as Akbar,et al., (2010) demonstrated that hotel revitalization of service quality had positive effects on customer loyalty, perceived value and customer satisfaction were the two significant variables that mediated the relationships between the hotel service quality and customer loyalty.

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary

The main thrust of this study has been presented in the preceding four sections. This section is concerned with the summary of the study. The study investigated the influence of tangibility on Customer Patronage of Microfinance Banks in Akwa Ibom State. One hypothesis was formulated to guide this study and the hypothesis was tested at 0.05 level of significance through the use of simple regression analysis.

The null hypothesis was rejected and the alternative hypothesis accepted. This resulted from the fact that the regression results was significant, the computed F-values for the hypothesis show statistical significance of the overall regression model, this means that there is statistical significant effects of Service Quality variable (ie, Tangibility) on customer patronage of Microfinance Banks in Akwa Ibom State.

To achieve this objective, a survey research design was used to reach out to the respondents of the Microfinance Banks in Akwa Ibom State.. The population of the study was infinite. The Topman sample size determination formula at 5% level of tolerable error was used to determine the sample size of 323. The convenience sampling technique was employed in the administration of the research instrument for the study.

5.2 Conclusion

The study made the following conclusion.

- i. Tangibility has significant influence on on Customer Patronage of Microfinance Banks in Akwa Ibom State.

This means that for every unit that Service Quality variables (ie, Tangibility) increases, Customer Patronage of Microfinance Banks will also increase.

5.3 Recommendations

The first conclusion of this study revealed that tangibility has significant influence on Customer Patronage of Microfinance Banks in Akwa Ibom State. Consequently, the study recommends that the managers of Microfinance banks should employ employees that have a neat and professional appearance and also make provisions for visually appealing materials associated with the banks service products. This is in consonance with the recommendations of Alafashat and Alofa (2018). They recommended that the bank management should take action in improving the bank equipment and design in order to create a proper atmosphere for their customers.

5.4 Contribution to Knowledge

This study has contributed to the body of knowledge in expanding the academic understanding of service quality within the context of microfinance, contributing to validating existing theories and frameworks in service

marketing. Specifically, it has contributed in bridging the knowledge gap in literature with respect to Nigerian business environment by providing empirical evidence on the influence of service quality on customer patronage of microfinance banks particularly in Nigeria. The study findings revealed significant effect of service quality variable (ie, Tangibility) on customer patronage of microfinance banks in Akwa Ibom State. This is a novel discovery within the Nigerian banking environment, judging from findings of previous studies.

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