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the Nigerian Banking Sector in the Period of COVID-19

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**An Investigation Of Service Quality Delivery In Relation To Corporate Banking Services
In The Nigerian Banking Sector In The Period Of Covid-19**

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Summary (186 words)

The purpose of this developmental paper is to present a report of a work-in-progress on the investigation of service quality in the Nigerian banking sector during the period of the coronavirus pandemic. Specifically, the doctoral study is investigating the five dimensions of SERVQUAL instrumentation, including reliability, assurance, tangibles, empathy, and responsiveness, with the purpose of assessing service delivery with reference to corporate banking services in the Nigerian banking sector in the pandemic era. Quantitative and qualitative data from corporate banking clients will be collected through structured questionnaires. The population of the study will consist of the entire customer base of deposit money banks in south-west Nigeria, comprising states such as Lagos, Ogun, Oyo, Osun, Ekiti, and Ondo. The study will employ purposive sampling techniques to draw samples from the affected customers of a deposit money bank in south-west Nigeria. Taro Yamane's (1973) recommended sample size formula will be used to determine the sample size. The preliminary report revealed the necessity for banks to fulfil the requirements of SERVQUAL by upgrading their facilities and equipment to enable them to decrease the gap between customers' perceptions and expectations.

Key words: Service Quality, Customer satisfaction, corporate banking services, (COVID-19) pandemic.

Introduction

The outbreak of the COVID-19 pandemic has caused significant changes and challenges in the Nigerian banking sector. The pandemic has wreaked havoc on various sectors of the economy, including the banking industry, which has had to adapt quickly in order to maintain uninterrupted service delivery (Ozili, 2021). Corporate banking, which serves the financial needs of large businesses and corporations, is critical to the economy's long-term growth (Roslan et al., 2015).

The purpose of this study is to look into the quality-of-service delivery of corporate banking services in the Nigerian banking sector during the COVID-19 period. Service quality is an important aspect of the banking industry, and assessing it becomes even more important during times of crisis when customers' trust and confidence are put to the test (Obi et al., 2020). Understanding how banks-maintained service quality and met the needs of their corporate clients during the pandemic is critical for both banks and customers (Amnim et al., 2021). Because physical interactions were limited as a result of the COVID-19 pandemic, digital channels became the primary mode of banking transactions. This shift to digital platforms raised concerns about the quality, dependability, and security of online banking services, particularly for corporate clients who frequently have complex financial requirements (Ghani et al., 2022).

The COVID-19 pandemic has posed numerous challenges to Nigeria's banking sector, particularly in terms of providing high-quality services to corporate clients. Corporate banking services are essential for large businesses and corporations, and ensuring their smooth operation is critical for economic stability (Syafarudin, 2021). The pandemic, on the other hand, has disrupted traditional banking operations, necessitating a rapid shift to digital channels and remote interactions.

Despite the fact that many researchers have studied service quality and its interrelationship with customers (Rumiyati and Syafarudin, 2021; Zibarzani et al., 2022; Jou et al., 2022; Alarifi and

Husain, 2023), These studies concentrated on using available data from social networking sites to improve customer satisfaction, using electric utility companies to improve the payment system that uses an online payment, and improving Internet banking e-service quality for e-customer service. Their scope did not include the delivery of quality service. However, the concept of service quality has yet to be fully explored in the Nigerian banking sector, particularly in relation to corporate banking.

Against this backdrop, this study seeks to provide a clear understanding of the concept of "service quality delivery" as it relates to customer satisfaction in the Nigerian banking sector.

Objectives of the Study

The broad objective of this study is to investigate to investigate how service quality might have influenced service delivery and customer satisfaction within the Nigerian banking sector during the time of COVID-19, while the specific objectives are to:

- i. examine the SERVQUAL model's role in establishing the relationship between Nigerian banks' services and customers' choice;
- ii. determine how banking practitioners use SERVQUAL concepts to satisfy customers;
- iii. assess the impact of COVID-19 on service quality during the pandemic.

Literature Review

Concept of Service Quality

Quality is typically a concept that is challenging to define broadly. According to Crosby (2004), quality is the fulfilment of requirements. Quality is defined by the International Standard Organisation (ISO) as the totality of an entity's attributes that affect its capacity to satisfy explicit and implicit needs. On the other hand, because the idea of "quality" is elusive, researchers and practitioners have discovered that it is challenging to measure and define quality (e.g., Cronin and Taylor 2012; Gronroos 2015). According to earlier researchers (Crosby, 2009; Takeuchi and Quelch, 2013), different people define quality differently.

Offering a service entails one or more actions related to intangible elements as well as some connections between the service provider(s) and the user(s) of the service(s). According to Amnim et al., (2021), the customer has a significant impact on the service delivery process, which may or may not lead to full customer satisfaction.

The level to which a service meets or exceeds the expectations and needs of the customer is referred to as service quality. According to Khalifa and Fawzy (2017), it includes a number of dimensions, including dependability, responsiveness, assurance, empathy, and tangibles. In a similar way, Ganguli & Roy (2011) and Rares (2014) defined service quality in terms of the primary metrics that clients used to assess the quality of the service they received. As a result, it is reasonable to assume that the level of service affects both corporate marketing and financial performance. From these, it can be concluded that service quality is widely acknowledged as a necessary condition for developing and maintaining satisfying relationships with customers and as

a significant indicator of customer satisfaction for assessing competitive power, even in the banking industry.

Customer Satisfaction

The measurement of a product's or service's ability to meet or exceed customers' expectations and needs is known as customer satisfaction. It is the customer's overall assessment or perception of the calibre, worth, and experience of a good or service (Peng and Moghavvemi 2015). In order to establish customer loyalty, repeat business, and positive word-of-mouth recommendations, customer satisfaction is frequently measured through surveys, feedback, and reviews (Dam and Dam 2021). Mmutle and Shonhe (2017) posited that, customer satisfaction influences buy-back behaviour, boosts word-of-mouth, and increases consumer engagement. According to him, satisfaction is typically thought of as an attitude, such as a judgement following a purchase or an action based on a group of customers interacting with a good or service.

COVID-19

COVID-19, also known as Coronavirus Disease 2019, is a highly contagious respiratory illness caused by SARS-CoV-2. It spread globally after being discovered in Wuhan, China, in December 2019. Fever, cough, and difficulty breathing are common symptoms. COVID-19 can cause pneumonia, acute respiratory distress syndrome, organ failure, and death in mild to severe cases. Coughing, sneezing, talking, or breathing spreads the virus, as does touching contaminated surfaces and then touching the face. Social distance, masks, hand hygiene, and vaccination are ways to prevent COVID-19.

The Nigerian banking industry has been significantly impacted by the COVID-19 pandemic. It accelerated the shift to online transactions by forcing banks to quickly adapt to remote working and digital channels. Banks had to overcome operational difficulties to maintain service continuity and quality (Marcu, 2021). Economic disruptions led to an increase in credit risks and loan defaults, which had an impact on bank profitability. The pandemic also made clear the need for stronger cybersecurity controls to safeguard customer information and financial transactions. In conclusion, COVID-19 emphasised the value of adaptability, toughness, and digital transformation in the Nigerian banking industry (Uford and Mfon, 2023).

Corporate Banking Service

Corporate banking services cover a broad spectrum of specialised financial goods and services developed to specifically address the requirements of big businesses, multinational corporations, and institutional clients. These services, which include cash management, trade finance, lending and credit facilities, treasury services, foreign exchange, risk management, and advisory services (Fasnacht and Fasnacht, 2018), are offered by banks and financial institutions to support (Ehrhardt and Brigham, 2016) the financial operations of corporate clients. Melnychenco et al. (2020) opined that corporate banking aims to provide comprehensive and tailored solutions to assist businesses in managing liquidity, reducing risk, and conducting effective business transactions. According to the size, sector, and complexity of the corporate client, the range of corporate banking services

may vary, all with the aim of promoting the growth, expansion, and success of the client's finances (Fang and Zhang, 2016).

Nigerian Banking Sector

In Nigeria, the banking industry plays a crucial role in the economy by offering financial services to citizens, companies, and governmental bodies. There are many different types of banks included in it, such as commercial, microfinance, and development banks. The industry has undergone significant growth and reform in recent years, with increased adoption of digital banking and financial inclusion initiatives. Nevertheless, problems like non-performing loans, regulatory compliance, and small businesses' access to financing continue to exist. To support Nigeria's economic expansion, actions are being taken to bolster the sector, improve governance, and advance financial stability (Olagunju and Utulu, 2021).

Theoretical Review

SERVQUAL framework

The SERVQUAL framework was proposed by Valarie et al., (1988). The framework was introduced in their seminal paper titled "SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality,"

Several key assumptions underpin the SERVQUAL framework. To begin, it is assumed that service quality is a multidimensional concept with distinct dimensions such as dependability, responsiveness, assurance, empathy, and tangibles. Second, it assumes that customers have certain service quality expectations and that their perceptions of service quality are based on a comparison of their expectations and their actual experiences. Third, it presumes that service quality can be measured and assessed using a quantitative survey instrument. Furthermore, the framework assumes that service quality gaps can be identified by comparing customer perceptions and expectations, revealing areas for improvement. Finally, it is assumed that improving service quality leads to higher customer satisfaction, loyalty, and positive business outcomes.

The SERVQUAL dimensions of dependability, responsiveness, assurance, empathy, and tangibles can be used by researchers to analyse how customers perceived the quality of their services during the pandemic. As a result, banks are guided in improving their service delivery to meet customer expectations and maintain customer satisfaction despite the challenges posed by COVID-19. This framework makes it easier to conduct a structured analysis of the gaps in service quality and helps identify specific areas for improvement.

Methodology

A pragmatic approach to research will be used in this study. This study will be conducted using a mix of quantitative and qualitative methodologies. For the purpose of gathering quantitative data

from corporate banking clients, structured questionnaires will be created. To gauge perceptions of service quality, levels of satisfaction, and experiences with banking services during the COVID-19 period, Likert scale questions will be included in the questionnaires. Purposive sampling will be used in the study so that the researcher can choose corporate banking clients who actively used banking services during the COVID-19 period and have firsthand experience with the quality-of-service delivery.

The population of the study will consist of the entire customer of deposit money bank in south-west Nigeria. South-West region is one of the major economic hubs in Nigeria, comprising states such as Lagos, Ogun, Oyo, Osun, Ekiti, and Ondo. It is home to numerous corporate entities, multinational companies, and financial institutions, making it a significant contributor to the Nigerian banking sector. Nevertheless, due to the size of the study's population, the sample size for this investigation will be determined using Taro Yamane (1973), which suggest when the population is infinite is show below:

$$\text{Sample size using Taro Yamane formula} = \frac{N}{1 + N(e)^2}$$

Where:

n = Sample size

N = Population size

e = Margin of error or acceptable level of sampling error (expressed as a proportion)

Conclusion

The investigation of service quality delivery in the Nigerian banking sector during the COVID-19 period demonstrates the importance of service excellence in maintaining customer satisfaction and loyalty. The study reveals the difficulties that banks have faced in adapting to the pandemic, as well as the need for technological advancements and effective communication channels. Banks can improve their resilience, build strong relationships with corporate clients, and contribute to the overall growth and stability of the Nigerian banking sector by prioritising service quality and implementing customer-centric strategies.

Recommendation for Further Research

Further research into service quality delivery in relation to corporate banking services in the Nigerian banking sector during the COVID-19 period should look into the long-term effects and sustainability of the implemented service quality improvements.

Furthermore, investigating the impact of specific technological solutions and customer support strategies on service quality and customer satisfaction may yield useful insights. Moreso, comparative studies across different regions or sectors of the Nigerian banking industry would

assist in identifying variations in service quality delivery and identifying best practises that can be shared across the sector.

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