

Influence of the Reliability Dimension of Service Quality on Customer Satisfaction: A Case of NMB Bank in Rungwe District, Tanzania

تأثير بُعد الموثوقية في جودة الخدمة على رضا العملاء: دراسة حالة للبنوك في منطقة رونغوي، إقليم مبييا

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Abstract

This study examined the influence of the reliability dimension of service quality on customer satisfaction at National Microfinance Bank (NMB) in Rungwe District, Tanzania. The study was guided by the SERVQUAL model developed by A. Parasuraman, Valarie A. Zeithaml, and Len Berry, which conceptualizes service quality across five dimensions: reliability, assurance, tangibles, empathy, and responsiveness. A cross-sectional research design was employed using a sample of 289 customers selected through simple random sampling from a population of 400 customers. Data were collected using structured questionnaires and analyzed using descriptive statistics and ordinal logistic regression.

The findings indicate that customers perceive NMB as highly reliable in delivering banking services, particularly in terms of timely service provision, accuracy of information, dependability, and employees' willingness to assist. Ordinal logistic regression results reveal that reliability has a statistically significant positive influence on customer satisfaction ($p < 0.05$). The study concludes that enhancing service reliability significantly improves customer satisfaction in the banking sector. It recommends that financial institutions strengthen mechanisms that ensure consistent, accurate, and timely service delivery to sustain customer trust and long-term loyalty.

Key words: Service Quality, Customer Satisfaction, Reliability, Rungwe District

ملخص

بحثت هذه الدراسة في تأثير بُعد الموثوقية لجودة الخدمة على رضا العملاء في البنك الوطني للتمويل الأصغر (NMB) في منطقة رونغوي بتانزانيا. استرشدت الدراسة بنموذج SERVQUAL الذي وضعه كل من أ. باراسورامان، فالاري أ. زيثامل، ولين بيري، والذي يصور جودة الخدمة عبر خمسة أبعاد: الموثوقية، والمضمونية، والملموسية، والتعاطف، والاستجابة. تم استخدام تصميم بحث مقطعي عرضي على عينة قوامها 289 عميلاً تم اختيارهم عشوائياً من مجتمع قوامه 400 عميل. جمعت البيانات باستخدام استبيانات منظمة وحللت باستخدام الإحصاء الوصفي والانحدار اللوجستي الترتيبي.

تشير النتائج إلى أن العملاء ينظرون إلى البنك الوطني للتمويل الأصغر على أنه يتمتع بموثوقية عالية في تقديم الخدمات المصرفية، لا سيما من حيث توفير الخدمات في الوقت المناسب، ودقة المعلومات، والاعتمادية، واستعداد الموظفين للمساعدة. تكشف نتائج الانحدار اللوجستي الترتيبي أن للموثوقية تأثيراً إيجابياً ذا دلالة إحصائية على رضا العملاء ($p < 0.05$). وتخلص الدراسة إلى أن تعزيز موثوقية الخدمة يحسن بشكل كبير رضا العملاء في القطاع المصرفي. وتوصي بأن تقوم المؤسسات المالية بتعزيز الآليات التي تضمن تقديم خدمات متسقة ودقيقة وفي الوقت المناسب للحفاظ على ثقة العملاء وولائهم على المدى الطويل.

الكلمات المفتاحية: جودة الخدمة، رضا العملاء، الموثوقية، منطقة رونغوي

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1. INTRODUCTION

Banks are key players in financial market operations and play a vital role in keeping the country's economy running smoothly (Al-Jazzazi and Sultan, 2017). In today's highly competitive corporate environment, the quality of services is an essential element for enhancing customer satisfaction (Mualla, 2011). In improving bank performance and determining their success, these factors are decisive, as they lead to better profitability and a larger market share (Khan and Fasih 2014). Customer satisfaction results from the quality of banking services that meet or exceed customers' expectations. Customer satisfaction results from the quality of banking services, meeting or exceeding customers' expectations that are using such services (Sarker & Udin, 2017). If the performance of a bank falls short of these expectations, the customer becomes dissatisfied. If the performance matches expectations, the customer is satisfied. If the performance exceeds expectations, the customer is delighted. Only delighted customers or highly satisfied customers stay loyal to the service provider (Salmen and Muir, 2018).

Worldwide, companies in the service sector regard quality as a valuable tool to maintain their competitive advantage in the market environment (Mostafa and Eneizan, 2018). Service firms such as banks compete in the market by offering differentiated services; these services are regarded as a mostly competitive tool (Logasvathi and Haitham, 2015). Previous studies suggested that service quality is an important indicator of customer satisfaction, and service quality is one of the most important research topics on a large scale in services (Gallifa & Batalle, 2010). The concept of service quality can assist the managers by providing them with a general understanding of how consumers are likely to evaluate the quality of their business (Howat et al., 2008).

For many of the researchers in Africa, service quality has been the point of interest recently (Cheruiyot and Maru, 2013, and Eneizan et al., 2015). Customer satisfaction and service quality (reliability, tangibility, empathy, and assurance) are often considered closely related concepts (Awan, Bukhari, and Iqbal, 2019). Service quality (service reliability, service tangibility, staff empathy, service tangibility and service assurance) and customer satisfaction have a positive relationship as per the findings of Raza et al. (2015) in the banking sector. Moreover, several studies have been conducted in different service-type industries so as to determine the different dimensions of service quality (Pantouvakis, 2013).

In Tanzania, the banking sector is an important sector for economic development. However, the banking sector has been facing customer service challenges such as complicated banking procedures, communication breakdown, and delays in service provision (Buberwa, 2014). The sector has recently undergone a tremendous transformation, aiming at improving service quality. Banks have adapted to changes such as the use of technology in service provision, the introduction of customer service departments to respond to customer needs, and adapting communication mechanisms to improve the reliability of services (CRDB, 2022).

Several studies, such as Raza et al. (2015), regarding service quality the studies suggest that the service sector has the key indicators, including service quality and customer satisfaction. Studies have proved the association between service quality and customer satisfaction (Kumar & Kumar, 2017; Saeidi et al., 2017). Furthermore, according to Awan (2019), service quality is vital in customer satisfaction for the banking sector. However, knowledge gaps still exist in the banking sector. Based on the backdrop, the current study assessed the influence of the reliability dimension of service quality on customer satisfaction in selected banks, Rungwe District.

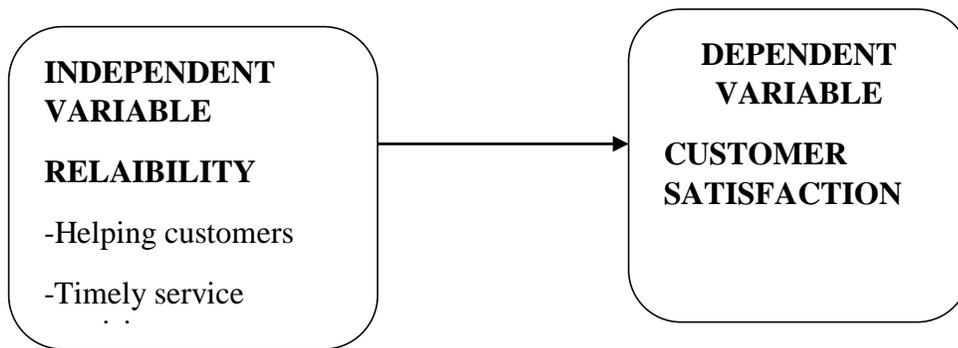
2. Literature Review

2.1 Theoretical Framework

This study is grounded in the SERVQUAL model developed by A. Parasuraman, Valarie A. Zeithaml, and Len Berry in 1988. The model proposes that service quality is determined by the gap between customer expectations and perceived service performance across five dimensions: reliability, assurance, tangibles, empathy, and responsiveness.

Reliability defined as the ability to perform promised services dependably and accurately, is considered the most critical dimension in banking services due to the trust-based nature of financial transactions

2.2 Conceptual Framework



Source: Researcher (2025) Figure 1

Figure 1 shows that service quality was treated as the independent variable, while customer satisfaction was the dependent variable. The study examined the relationship between these variables.

2.3 Empirical Literature Review

2.3.1 Reliability in Provision of Banking Services

A number of studies have assessed the level of reliability of NMB in providing banking services. Lyatuu (2014) assessed the influence of customer service management on the performance of the banking industry by focusing on the National Microfinance Bank (NMB) in Tanzania. The study found that NMB has taken substantial steps in ensuring improvement of the reliability of service provision. Such steps include the adaptation of technology in service provision, which has ensured speedy provision of services. Moreover, the bank has improved employee etiquette and dress code, which has attracted customers.

January (2015) assessed the impact of customer care on customer satisfaction at the NMB branch in Mbeya City in Tanzania. The study suggested that the NMB needs to make improvements in providing its banking services to its customers.

2.3.2 Influence of the Reliability Dimension of Service Quality on Customer Satisfaction

Researchers have assessed the influence of service quality dimensions on customer satisfaction. Afroz (2018) conducted a study on the effect of service quality on customer satisfaction from Banks

in Tangail. The study aimed at determining the impact of service quality on customer satisfaction in both the public and private commercial banks in Tangail. The study found that service quality and all its dimensions have a significant and positive association with customer satisfaction.

Alarussi (2016) conducted a study on service quality dimensions and customer satisfaction in telecommunication companies. The study empirically focused on examining the effect of service quality dimensions on the customers' satisfaction in Telecommunication companies in Yemen. The findings of the study showed that almost the majority of the customers were satisfied with the services provided by telecommunication companies, and all the service quality dimensions are positively and significantly associated with customers' satisfaction. The finding also revealed that telecommunication companies play a great role in maintaining their customers and enhancing their performance. The study concluded that companies should focus their attention on the dimensions of service quality that can influence customers' satisfaction and affect their word-of-mouth communication.

Ananth et al. (2010) examined the relationship between service quality and customer satisfaction and revealed inconclusive results, and showed that empathy, reliability, and assurance positively affect service quality. Suharto (2015) also found that four service quality dimensions (tangible, responsibility, responsiveness, and assurance) are antecedents of consumer satisfaction in this industry, while empathy does not affect customer satisfaction.

3. Methodology

This study adopted a cross-sectional research design. A cross-sectional research design was preferred because of the nature of the study, which does not require the observation of changes in the dependent variable over time and allows a multifaceted approach to data collection and analysis (Kumar, 2011).

The study targeted a population of 400 customers served by the National Microfinance Bank (NMB) in Rungwe District. The study involved a sample size of 289 respondents. The respondents were selected by using simple random sampling. Sampling involved three steps: developing a sampling frame of 400 customers, assigning serial numbers (1–400), and randomly selecting 289 respondents. Data were collected using a structured questionnaire. The questionnaire consisted of a list of closed-ended items regarding service quality and customer satisfaction. The questionnaire was translated into the Swahili Language to facilitate respondents' understanding and answering questions correctly. Data analysis was performed through a combination of descriptive statistics and regression analysis. Descriptive statistics comprising mean scores and standard deviations were applied to describe customers' opinions about the reliability of services. Then, regression analysis was applied to determine the influence of service quality on customer satisfaction.

4. Findings

4.1 Respondents' Characteristics

The study involved customers who were characterized on the basis of gender, age, education levels, and the type of services received.

Table 1 Respondents' Characteristics (n=289)

Variables	Categories	Frequency	Percent (%)
Gender	Males	187	64.7
	Females	102	35.3
Education Levels	Primary Education	123	42.6
	Secondary Education	98	33.9
	College/University Education	68	23.5
Type of Services	Personal Banking	209	72.3
	Corporate Banking	80	27.7
Years Served	Less than 1 Year	0	0
	1-3 Years	37	12.8
	4-10 Years	188	65.1
	More than 10 Years	64	22.1

Source: Field Data (2025)

Table 1 indicates that 289 participants were surveyed in this study. Based on gender, the study included 187 (64.7%) males and 102 (35.3%) females. Most of the respondents were males, indicating that there are gender disparities in accessing banking services.

Based on education levels, participants of this study held diverse levels of education, such as primary education (42.6%), secondary education (33.9%), and college education (23.5%). Most of the customers held primary and secondary education levels. Table 1 further show that 72.3% of respondents receive personal banking services, while 27.7% said they receive corporate banking services. Experience-wise, customers who were surveyed have been receiving banking services for a wide range of durations, ranging from 1-3 years (12.8%), 4-10 years (65.1%), and more than 10 years (22.1%).

4.2 Reliability in Banking Service Provision

This study assessed the extent to which the NMB is reliable in providing banking services to its customers. Findings are presented using mean scores and standard deviations. The mean score values were interpreted using the following scale: 1.00-1.80 = Strongly Disagree; 1.81-2.60 = Disagree; 2.61-3.40 = Not Sure; 3.41-4.20 = Agree; 4.21-5.00 = Strongly Agree. Findings are presented in Table 2.

Table 2: Service reliability in customer satisfaction (n= 289)

SN	Items	Mean	Standard Deviation	Mean Interpretation
1	Employees of the banks are always willing to help customers when customers have problems.	4.55	0.687	Strongly Agree
2	Employees of the banks provide their services at the time they promised to do so	4.62	0.798	Strongly Agree
3	The bank provides accurate information and services as they promised	4.23	0.739	Strongly Agree
4	I am highly dependent on the information and services the banks provide to me.	4.73	0.818	Strongly Agree

5	The facilities for providing banking services are visually appealing	4.86	0.799	Strongly Agree
6	Reliable service influences customer satisfaction	4.57	0.804	Strongly Agree

Source: Field Data (2025)

Table 2 shows that respondents strongly agreed that NMB is reliable in providing banking services to its customers. The respondents strongly agreed that the bank’s employees are willing to assist customers in solving problems (M= 4.55, S.D 0.687). Respondents also strongly agreed that employees provide banking services on time (M= 4.62, S.D. 0.798). Moreover, respondents strongly agreed that the bank provides accurate and fulfills its promises in service provision (M= 4.23, S.D. 0.739). Moreover, respondents strongly agreed that they are highly dependent on the bank (M= 4.73, S.D. 0.818), and facilities for providing banking services are visually appealing (M= 4.86, S.D. 0.799). Finally, respondents strongly agreed that reliable services influence customer satisfaction (M= 4.57, S.D. 0.804).

4.3 Influence of the Reliability Dimension of Service Quality on Customers’ Satisfaction

The study applied ordinal logistic regression analysis to assess the influence of the reliability dimension of service quality on customers’ satisfaction at NMB.

Table 3: Influence of Reliability on Customer Satisfaction

	Variables	Estimate (β)	Std. Error	Wald	Df	Sig.
1	Willing to help customers	1.867	0.342	12.887	1	0.000
2	Provide their services at the time they promised to do	1.776	0.767	1.564	1	0.004
3	Accurate information and services	0.665	0.987	3.453	1	0.003
4	Dependable on the information and services	3.764	0.346	10.443	1	0.002
5	Visually appealing materials	2.456	0.867	3.944	1	0.001
6	Reliable service	2.009	0.756	4.887	1	0.000
	Constant	16.766	4.223	16.113	1	0.000

Source: Field Data (2025)

Table 3 shows results from ordinal logistic regression. It was discovered that Willing to help customers was significant and has a positive impact on performance with a $\beta = 1.867$ and a $p=0.000$, Providing services at the promised time was found to be significant and positively associated with customer satisfaction ($\beta = 1.776$, $p = 0.004$) accurate information and services from the agency banking activities was found significant and has a positive influence on customer satisfaction with a β of 0.665 and a $p=0.003$, dependable to the information and services was found to have a positive significant influence on customer satisfaction with a β of 3.764 and a $p=0.002$, visually appealing materials was found to have a significant influence on customer satisfaction with a $\beta= 2.456$ and $p= 0.001$, Reliability of the service was found to have a significantly influence customer satisfaction with a $\beta= 2.009$ and $p= 0.000$.

Since the study was testing the contribution of service reliability on bank customers' satisfaction in Rungwe Municipality, at $p=0.05$, based on ordinal logistic outputs (p values), the study found a

significant association between service reliability in bank customers' satisfaction. The study therefore rejected the null hypothesis since service reliability has a significant positive contribution to the bank customers' satisfaction.

5. Discussion

Table 2 shows that respondents strongly agreed that NMB is reliable in providing banking services to its customers. The respondents strongly agreed that the bank's employees are willing to assist customers in solving problems. Respondents also strongly agreed that employees provide banking services on time. Moreover, respondents strongly agreed that the bank provides accurate information and fulfills its promises in service provision. These findings are consistent with the previous study by Lyatuu (2014), who revealed that NMB has taken various measures to ensure the reliability of service provision. Such measures include the adaptation of relevant technology that enables the bank to improve efficiency in service provision.

The current study also revealed that the reliability dimensions of service quality have a significant impact on customers' satisfaction. These findings are similar to the previous findings by Ngaliman et al. (2019), who also revealed that improvement of reliability in service provision helps to improve the quality of services.

6. Conclusion

The study found that most of the customers agree that employees are willing to help them when they happen to have problems in receiving services from them, and most of the time, they provide advice if they do not understand their choice, but also, they sometimes get directions on how things should be done as per the rules and regulations of the bank from employees. Therefore, the study concluded that customers agreed that banks always try to satisfy their customers as this will retain them by providing to them by assisting them whenever they experience problems or misunderstandings during service delivery.

7. Recommendations

This study recommends that NMB should continue to improve the quality of services in terms of improving efficiency in service delivery and improving employees' attentiveness to customers' problems. Provided the study focused on one dimension of service quality, further studies are required to assess the influence of other service quality dimensions on customers' satisfaction.

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