

SERVICE INNOVATION IN THE BANKING INDUSTRY OF GHANA

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ABSTRACT

Banking is a rapidly changing industry, and the biggest paradigm shift that has occurred is the move to digital-only banks through innovations. This study aimed to identify the main service innovations in the banking industry of Ghana and find whether there is a relationship between the service innovations and customer satisfaction in the banking sector. Drawing knowledge from SERQUAL Model and Technology Acceptance Model (TAM) the study develop a Unified System Model to cover ATM service, inter-banking, core employee services, customer accessibility service, communication service and price quality service. The researcher limited the scope of the study to active and more than 10-year operating banks in Ghana. A questionnaire was administered to a sample size of 150 employees and customers of the selected banks. Using quantitative approach, SPSS and excel were the main analytical tools for this study. The study revealed that ATM development, e-payment system, speed inter-banking operations, international transaction security, and easy usage of service facilities, instant notifications on transactions are among the current and main service innovations in the banking sector. The study also established a positive regression relationship between service innovation and customer satisfaction and service items explains 87% of customer satisfaction. Pearson correlation analyses was run with SPSS and the coefficient obtained was 0.89 at significant level of .000. ($P < 0.01$). The study recommended that management should provide reliable services in order to achieve high levels of customer satisfaction, an antecedent of sustainable competitive advantage.

Keywords: Service innovations, customer satisfactions, service quality and banking industry.