

**ASSESSING CUSTOMER SERVICE DELIVERY OF MOBILE
VAN BANKING IN RURAL AREAS – THE CASE OF NBS BANK
LILONGWE BRANCH SERVICE CENTRES**

MASTER OF BUSINESS ADMINISTRATION THESIS

EVANS CHILAMBE

UNIVERSITY OF MALAWI

THE POLYTECHNIC

OCTOBER 2017

**ASSESSING CUSTOMER SERVICE DELIVERY OF MOBILE
VAN BANKING IN RURAL AREAS – THE CASE OF NBS
BANK LILONGWE BRANCH SERVICE CENTRES**

MASTER OF BUSINESS ADMINISTRATION THESIS

BY

EVANS CHILAMBE

(BAcc, ACCA, CA (M))

**A thesis submitted to the Faculty of Commerce, University of Malawi, The Polytechnic,
in partial fulfillment of the requirements for the award of the Degree of Master of
Business Administration (MBA)**

October 2017

DECLARATION

I, **Evans Chilambe**, hereby declare that this dissertation is my own work. It is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA) in the University of Malawi and it has not been submitted before for any degree or examination in any other university.

Signature_____ **Date**_____

CERTIFICATE OF APPROVAL

We, the undersigned, certify that we have read and hereby recommend for acceptance by the University of Malawi a thesis titled, *“Assessing Customer Service Delivery of Mobile Van Banking in Rural Areas - The Case of NBS Bank Lilongwe Branch Service Centres”*.

Dean- Postgraduate and Research : Dr. Peter Mhagama, PhD

Signature : _____

Date : _____

Main Supervisor : Mr. Stephen A Chimtengo

Signature : _____

Date : _____

Co-Supervisor : Mrs. Rabiya Hanif

Signature : _____

Date : _____

Head of Department : Alick Kaumba

Signature : _____

Date : _____

DEDICATION

I would like to dedicate this great achievement to my wife Victoria, my mother Idah, my uncle Mr. P.E Chilambe and my two beautiful daughters Favour and Onivaha. You have all been a source of inspiration to my life.

ACKNOWLEDGEMENTS

I would like to express my gratitude to Reserve Bank of Malawi for granting me the opportunity to do further studies for my career development. My profound appreciation should go to NBS Bank in particular Lilongwe Branch mobile van service team for providing necessary information for carrying out of the research.

Special thanks should go to my supervisors, Mr. Stephen A Chimtengo and Mrs. Rabiya Hanif whose comments and criticisms have helped in shaping this dissertation. I also would like to thank my wife Victoria, my children Favour and Onivaha, my mother, uncle, all the relatives, friends and MBA Group 17 Lilongwe Class, for their love and encouragement.

Lastly, I thank God for the gift of life and the courage to move on especially during tough times. In Jesus Christ, everything is possible.

TABLE OF CONTENTS

DECLARATION	i
CERTIFICATE OF APPROVAL.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENTS	iv
LIST OF TABLES	ix
LIST OF FIGURES	x
ABSTRACT	xi
ABBREVIATIONS AND ACRONYMS	xiii
CHAPTER 1.....	1
INTRODUCTION	1
1.1 Study Background.....	1
1.2 Background of Mobile Van Banking Service at NBS Bank.....	2
1.3 Problem Statement	3
1.4 Objectives of the Study.....	5
1.4.1 Main Objective.....	5
1.4.2 Specific Objectives.....	5
1.4.3 Research Questions	5
1.5 Theoretical Framework and Research Hypothesis.....	6
1.6 Significance of the Study.....	6
1.7 Structure of the Thesis.....	7
1.8 Chapter Summary.....	8
CHAPTER 2.....	9
LITERATURE REVIEW.....	9
2.1 Introduction.....	9
2.2 Need for Bank Services in Rural Areas.....	9

2.3	Mobile Van Banking’s Role in Financial Inclusion.....	12
2.4	Financial Inclusion Initiatives in Malawi	13
2.5	Policy Landscape on Banking Services in the Rural Areas.....	14
2.6	Customer Service as a Driver of Customer Satisfaction	15
2.6	Chapter Summary.....	16
CHAPTER 3.....		17
RESEARCH METHODOLOGY		17
3.1	Introduction.....	17
3.1.1	Research Approach and Design	17
3.1.2	Data Sources	18
3.1.3	Primary Data	18
3.1.4	Secondary Data	18
3.1.5	Survey Instrument and Sample Characteristics	18
3.1.6	Sampling Technique.....	19
3.1.7	Population and Research Sample	19
3.2	Data Collection Tools.....	20
3.2.1	Questionnaires.....	20
3.2.2	Analysis of Data.....	21
3.3	Ethical Considerations.....	21
3.4	Limitations of the Study	21
CHAPTER 4.....		23
PRESENTATION AND DISCUSSION OF RESULTS		23
4.1	Introduction.....	23
4.2	Characteristics of Respondents	23
4.2.1	Gender.....	23
4.2.2	Level of Education	24
4.2.3	Sources of Income of Respondents	25

4.3	Attractiveness of NBS Bank Mobile Vans	27
4.4	Employees' Customer Courteous and Respectful Treatment	28
4.5	Display of Knowledge and Willingness to Assist Customers Timely	29
4.6	Employees' Dressing and Conduct Depicting Professionalism.....	30
4.7	Timely Arrival and Departure as per Stipulated Schedules.....	31
4.8	Customers' Satisfaction with Once a Week Service Delivery.....	32
4.9	Customers' Security Concerns with Mobile Van Banking.....	33
4.10	Real Time Processing of Customer Account Transactions	35
4.11	Service Accessibility Frequency by Customers.....	36
4.12	Statistical Testing of the Results	37
4.13	Discussion of Findings	39
CHAPTER 5		43
CONCLUSIONS AND RECOMMENDATIONS		43
5.1	Introduction.....	43
5.2	Conclusions.....	43
5.2.1	Lack of Marketing and Brand Awareness Campaigns	43
5.2.2	Limited Targeted Customer Base.....	43
5.2.3	Adequate General Physical Security of Mobile Van Banking Premises.....	44
5.2.4	Poor Time Management and Absenteeism	44
5.2.5	Inadequate Operating Days.....	44
5.2.6	Delays in Processing of Customer Transactions.....	44
5.2.7	Customers' General Satisfaction with NBS Bank Mobile Van Banking	45
5.3	Recommendations	45
5.3.1	Need for Services and Products Awareness Campaigns	45
5.3.2	Reliable Alternative Sources of Power Supply.....	45
5.3.3	Negotiating with Network Service Providers to Increase Network Capacity	46
5.3.4	Need to Target Market Day of the Week.....	46

5.3.5	Consider Opening of Physical Branches in Mobile Van Service Centres.....	46
5.4	Recommendations for Further Research	47
	REFERENCES	48
	APPENDICES	53
	APPENDIX 1: QUESTIONNAIRE FOR CUSTOMERS	53

LIST OF TABLES

Table 2.1: State of Financial Exclusion in Malawi Neighboring Countries.....	10
Table 4.1: Level of Education.....	25
Table 4.2: Sources of Income of Respondents.....	26
Table 4.3: Employees' Customer Courteous and Respectful Treatment.....	28
Table 4.4: Employee's Professionalism Display through Dressing and Conduct.....	30
Table 4.5: Satisfaction Level with Once A Week Banking Service Delivery.....	32
Table 4.6: Customers' Security Concerns with Mobile Van Banking.....	34
Table 4.7: Service Accessibility Frequency Distribution.....	36
Table 4.8: Chi-Square Tests of Associations between Explanatory Variables and the Responsive Variable.....	39

LIST OF FIGURES

Figure 4.1: Gender Distribution of Respondents.....	24
Figure 4.2: Attractiveness of NBS Bank Mobile Vans.....	27
Figure 4.3: Display of Knowledge and Timeliness in Assisting Customers.....	29
Figure 4.4: Timely Arrival and Departure of the Vans as Per Stipulated Schedules	31
Figure 4.5: Real Time Processing of Customer Transactions.....	35

ABSTRACT

Traditionally, banks and other formal financial institutions in Malawi have avoided or indeed failed to offer sustainable financial services in rural areas. In order to keep up with the modern competitive banking environment, banks are devising various strategies to reach out and grow their customer base and one of such strategies is the mobile van banking. Mobile van banking which is popularly known as 'Bank on Wheels' has provided a platform for banks in Malawi to reach out to its existing and potential customers especially those based in rural areas and this provided the banks an opportunity to grow their customer base.

Additionally, reaching out to rural people with banking services through mobile van banking also has a very important implication on the provision of financial services to rural masses; thus contributing towards the achievement of financial inclusion, a very important agenda for most governments in developing countries like Malawi. Customer service has become an important aspect which customers use for differentiating service providers, more especially in the highly competitive banking industry. As most banks offer similar products and services, customer service is therefore the most important factor in maintaining as well as increasing market share for commercial banks in Malawi. In 2007, NBS Bank introduced its mobile van banking services in order to ensure that it meets the growing demand for banking services in rural especially in rural areas. The study sought to find out whether NBS Bank Lilongwe Branch's mobile van initiative for service delivery in rural areas is contributing towards customer service and the study also highlights areas of improvement for mobile van banking in Malawi.

The study used questionnaires and face-to-face interviews to collect data from the respondents. The population for the study was 1,000 mobile van customers, thus according to NBS Bank Mobile Van Quarterly Report (December 2016). The study adopted a sample size of 100 mobile van customers, representing 10 percent of the population. The sample size was considered reasonable and adequate for the research. Simple random sampling technique was adopted through testing every n th member of the population to ensure that mobile van customer had equal chance of being selected into the sample.

The study revealed the crucial role that mobile van banking is playing towards customer service, specifically in reducing travel distances and associated travel costs, enhancement of a

saving culture among the rural households and provision of other banking services to people in the rural areas. The study also highlighted unreliable network, frequent power supply interruptions, absenteeism and security shortfalls, as some of the challenges affecting mobile van banking service delivery at NBS Bank Lilongwe service centres. All in all, addressing these challenges plus consideration of setting up physical branches in mobile van designated centres might enhance the bank's customer service delivery.

ABBREVIATIONS AND ACRONYMS

ATM	Auto Teller Machine
ESCOM	Electricity Supply Commission of Malawi
GoM	Government of Malawi
MGDS	Malawi Growth and Development Strategy
MSCE	Malawi School Certificate of Education
RSA	Republic of South Africa
SSPS	Statistical Package of Social Science
USA	United States of America

CHAPTER 1

INTRODUCTION

1.1 Study Background

Banks are the backbone of every nation's economy as they are responsible for transferring of funds from those who have surplus funds to those who have shortage of funds thereby enhancing economic activities in any country (Aslam & Naeem, 2016). According to Bello (2005), banks play a crucial role in financial intermediation which is achieved through mobilization and channeling of financial resources, facilitation of financial settlement through the payment system, influencing money market rates and provision of a platform for international payment. As banks mobilize funds from surplus-spending units in the economy and lend the funds to the deficit spending units for investment, they increase the quantum of national savings and investment.

Commercial banks are one of the most important economic entities in developing countries like Malawi where financial market is not well developed. In performing their pivotal role in the economy, banks have realized the importance of extending their services to rural areas where the population of the unbanked is high. Mobile van banking also known as "Bank on Wheels", has proved to be one sure way of extending banking services into rural areas without requiring the banks to heavily invest in setting up physical branches. In the highly competitive banking sector, customer service is regarded as a critical success factor for any bank to achieve competitive advantage over other players in the industry (Lau, Cheung, Lam & Chu, 2013). According to Dagar and Khanna (2011), customer service is "the business of ensuring that the customers get exactly what they want".

Customer service is the life of any business and when customers are not happy, the life of any business is threatened, Weatherill (2007). Commercial banks are no exception to the need for customer service. The financial services industry heavily depends on high-quality customer service, as customers need to feel secure that their money is in the right hands. Providing banking services at the most convenient place for the customer therefore enhances customers' relationship with the bank.

The banking industry like many other financial service industries is facing a rapidly changing market, new technologies, economic uncertainties, fierce competition and more demanding customers and the changing climate has presented an unprecedented set of challenges. Banking is a customer oriented service industry, therefore, the customer is the focus and customer service is the differentiating factor, Kanojia and Yadav (2012). In order to keep up with the modern competitive banking environment, banks are devising various strategies to reach out and grow their customer base and one of such strategies is the mobile van banking.

In view of this, New Building Society (NBS) Bank started offering mobile van banking service in order to ably serve its rural customers by cutting their travel distance and grow its deposit base by attracting new customers from the rural areas. This study mainly aims at assessing customer service delivery of mobile van banking in rural areas at NBS Bank Lilongwe Branch service centres.

1.2 Background of Mobile Van Banking Service at NBS Bank

NBS Bank was established in 2003 as a result of conversion of the New Building Society into a limited liability company. New Building Society was incorporated specifically to be raising funds from the public and advancing them by of mortgage loans against the security of lands and building. NBS Bank was incorporated as a commercial bank on 1st March 2004 after being issued banking license by Reserve Bank of Malawi, and started its commercial bank operations on 1st July 2004. The bank has since grown into a fully-fledged commercial bank, providing a wide range of financial services to individuals, small and medium businesses, large corporations and public institutions.

NBS Bank introduced mobile van banking service in 2007. The service is conducted in the three regions of Malawi, thus, operating in Blantyre, Lilongwe and Mzuzu. In the central region, the mobile van bank operates under Lilongwe Branch and covers two areas namely; Namitete Trading Centre and Nkhoma Trading Centre, weekly on Mondays and Fridays, respectively.

Nkhoma Trading Centre is located about 50 kilometers from Lilongwe City Centre along M1 road while Namitete Trading is 50 kilometers from Lilongwe along Mchinji road, hence the two centres

are in Lilongwe Rural. In many countries, such as Malawi, 'urban' is defined as any designated city or municipality. Anything not fitting this category is classified as 'rural', which means that the term covers a wide range of contexts, hence the need to take account of the diversity of definition of rural (Stone, Agar, Cabello and Hayes, 2012).

The main economic activity among residents in these two rural areas is generally tobacco farming and though seasonal, the proceeds from the tobacco sales drive economic activities in these rural areas. In addition to tobacco farming activities, civil servants in Education, Health and Agriculture sectors contribute to economic activities in these rural areas. Additionally, there are many small scale businesses in the two trading centres whose participation in the rural economic activities cannot be undermined. NBS Bank Lilongwe Branch therefore opted to provide mobile van banking services to these economic agencies in order to grow its customer base and enhance its profitability.

NBS Bank, through its mobile van banking initiative offers a number of services to its customers and the services include; account opening, deposit taking, cash withdrawals, provision of customer account balances and addressing customer queries. Additionally, NBS Bank mobile van has Auto Teller Machine (ATM) with a Visa platform which enables them to serve both NBS Bank customers and customers with visa cards from other banks. However, it is worthy to note that mobile van banking does not offer complete range of services that the bank offers through its traditional branches. For example, loan applications and processing are not handled through mobile van banking facility.

1.3 Problem Statement

The outreach of formal financial service in Africa is generally constrained by financial services provider's limited branch networks and difficulties in reaching the sizeable populations that reside away from major cities and towns, thus according to Ferguson (2011). In the case of Malawi, most commercial banks are operating generally in urban areas as opposed to rural areas thereby preventing most rural people from accessing banking services (Opportunity International, 2009). In today's highly competitive banking industry, delivering of superior customer service is crucial for survival banks (Daikh, 2015). The introduction of mobile van banking service by commercial

banks such as NBS Bank offers a sure way for these banks to reach out to its rural based customers and offer banking services in the designated locations.

According to Ferguson (2011), rural outreach bank initiatives such as mobile van banking and rural branch banking by most commercial banks in Malawi were implemented in order to improve customer service delivery and financial services accessibility and inclusiveness, as advocated by the Malawi Government through the National Strategy for Financial Inclusion (2010). While much has been written about various banking initiatives that enhance rural outreach by commercial banks and other financial service providers (Opportunity International, 2009), the focus has generally been on technical issues and regulatory requirements, which of course are essential to address.

Additionally, in the highly competitive banking sector, knowledge of customer needs and strong customer focus should be the starting point for all new product development initiatives, including the mobile van banking. According to Opportunity International (2009) there is a little value in implementing a highly technically proficient banking product or service that customers do not want or cannot use because it does not solve a problem for them. However, there is limited literature on how various rural banking initiatives, currently being implemented by most commercial banks in Malawi, are impacting on customer service and customer satisfaction, generally.

Recently, banks such as Opportunity Bank and FDH Bank have withdrawn mobile van banking service generally due to poor customer turn-out rates in the banks' mobile van designated service centres which negatively impacted on financial performance. This study therefore aims at assessing the customer service delivery aspects of mobile van banking facility as offered by NBS Bank Lilongwe Branch to its rural based customers at Nkhoma Trading Centre and Namitete Trading Centre. The study would therefore reveal any lapses in customer service delivery aspects which are negatively affecting mobile van banking service in Malawi.

1.4 Objectives of the Study

1.4.1 Main Objective

The main objective of this study was to assess how mobile van banking service at NBS Bank Lilongwe Branch is impacting on customer service delivery in rural designated mobile van service centres.

1.4.2 Specific Objectives

- i. To ascertain customers' satisfaction with bank's timeliness in processing of customer transactions at NBS Lilongwe Branch service centres
- ii. To identify general attractiveness and physical outlook of NBS Bank Lilongwe mobile van to customers in rural areas
- iii. To establish customers' general physical security concerns with NBS Bank Lilongwe Branch mobile van banking service
- iv. To ascertain whether the of number of services offered by NBS Bank Lilongwe mobile van in the service centres are adequate

1.4.3 Research Questions

- i. How timely and satisfactorily are customers' transactions processed at the NBS Bank mobile van bank?
- ii. How modern and attractive do NBS Bank mobile vans appear to the rural based customers?
- iii. What are customers' perceptions about general physical security at the mobile van banking premises?
- iv. Are customers satisfied with the number of services offered at the mobile van banking centres?

1.5 Theoretical Framework and Research Hypothesis

In order to address the above objectives the study adopted a research approach as advocated by Afrin (2012) and Sanjuq (2014) in testing the attributes of customer service in the banking industry in relation to mobile van banking service. Afrin and Sanjuq identified customer service attributes which contribute to customer satisfaction, being as follows: quality of the equipment, security around the bank premises, appearance of physical facilities, staff professionalism, timely processing of account transactions and prompt addressing of customer queries.

Dependent variable for the reaserch was customer service satisfaction.

Independent variables were the customer service attributes of mobile van banking as follows:

- i. Attractiveness of NBS Bank mobile vans,
- ii. Employee's customer courteous and respectful treatment,
- iii. Display of knowledge and timeliness in assisting customers,
- iv. Employee's professionalism display through dressing and conduct,
- v. Real time processing of customer transaction and
- vi. Time arrival and Departure of the vans as per stipulated schedules

The study therefore tested these customer service attributes (independent variables) in order to assess service delivery of mobile van banking (dependent variable) to rural customers by NBS Bank Lilongwe Branch. In general, the research tries to answer the question "*Does mobile van banking contribute to good customer service in rural areas, as measured through the customer service attributes?*"

1.6 Significance of the Study

Mobile van banking is one of the services that is worldwide recognized as one the initiatives that banks employ to reach out to their customers in the locations where they do not have physical presence through such traditional models such as established branches. However, it is vital to assess such bank interventions in terms of how they contribute to customer service. This study

therefore intends to add to the body of knowledge as regards to customer service delivery of mobile van banking in rural areas by NBS Lilongwe Branch.

The output from the study is also expected to provide insight to commercial banks in Malawi to device strategies and services that meet customer service through obtaining constant customer feedback on services that the banks are offering their customers.

Furthermore, the study will provide insight to Reserve Bank of Malawi, as the regulator for banks in Malawi, to come up with policies that encourage commercial banks to increase their presence in rural areas. This will assist policy and decision makers in the financial institutions to develop appropriate interventions that will assist in improving financial inclusion especially to the rural people; thus reading to the enhancement of economic development in Malawi.

This study will also provide an insight on factors preventing banks from investing in mobile van banking service mostly to reach out to their rural customers. Banks will also benefit from the insight provided from the study on the possibility of utilizing mobile van banking service as a cross selling tool for the other services offered by NBS Bank.

1.7 Structure of the Thesis

The thesis comprises five chapters summarized as follows:

Chapter 1 - Introduction

This chapter introduced the study and the background of mobile van banking in Malawi and specifically at NBS Bank. The chapter further defined the objective of the study, the research problem, main objective and specific objectives of the study. Additionally, the chapter outlined significance and general contributions that are expected to be derived from the study.

Chapter 2 – Literature Review

This chapter reviews relevant past work that has been done on mobile van banking, financial inclusion and customer service. It explores on various theoretical and empirical evidences for the

assessment of service delivery of mobile van banking in different economies in order to provide an insight on the situation in Malawi.

Chapter 3 – Methodology

This chapter describes the research methods employed in the study, including a description of population, sampling technique, data collection and data analysis methods. Finally the chapter highlights ethical considerations and limitations of the study.

Chapter 4 – Findings and Discussion of the Results

This chapter presents the findings, opinions and results on customer service delivery of mobile van banking in rural areas, in accordance with research questions and objectives of the study.

Chapter 5 – Conclusions and Recommendations

This chapter summarizes the findings of the study and recommends areas for further study.

1.8 Chapter Summary

In Malawi, generally commercial banks have mostly concentrated most their operations in urban areas as compared to rural areas where there lack of adequate banking services. However, banks have come up with various initiatives such us mobile van banking mainly to reach out to rural and remote areas where the banks do not have physical branches. However, in today's highly competitive banking industry, delivering of superior customer service is crucial for survival banks. The study therefore mainly aims at assessing customer delivery of mobile van banking at NBS Bank Lilongwe Branch service centres.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter provides an overview of literature related to rural outreach by banks through initiatives such as mobile van banking and customer service in banking industry. The discussion is divided into four main parts namely: - need for bank services in rural areas, financial inclusion initiatives in Malawi, policy landscape on banking services in the rural areas and customer service as a driver of customer satisfaction.

2.2 Need for Bank Services in Rural Areas

Recent studies by Alberto (2010) have revealed that almost 2.5 billion of the world's adults do not use formal banks or semiformal microfinance institutions to save or borrow money. Nearly 2.2 billion of these unbanked adults live in Africa, Asia, Latin America, and the Middle East. Sixty seven percent of unbanked population is in Africa. Out of the unbanked population, majority are the rural people. It is worth noting that rural people form a majority of people in Africa, World Bank (2007). Table 2.1 indicates the state of financial exclusion in Malawi as compared to other neighboring countries.

Table 2.1: State of Financial Exclusion in Malawi Neighboring Countries

Country (%)	Formal Bank (%)	Formal Other (%)	Informal (%)	Financially Excluded (%)
RSA	63	2	11	24
Namibia	45	2	2	51
Botswana	44	5	5	46
Nigeria	21	2	24	53
Malawi	19	7	19	55
Uganda	18	3	17	62
Kenya	17	2	38	43
Zambia	15	12	11	62
Rwanda	14	7	27	52
Tanzania	9	2	35	54

Source: National Strategy for Financial Inclusion (2010)

Table 2.1 indicates that as at Malawi was one of the six African countries with a high financially excluded population in excess of 50 percent.

However, according to National Strategy for Financial Inclusion (2017), financially excluded population for Malawi dropped to 51 percent from 55 percent in 2010. The reduction in the financially excluded population was attributed to interventions such as mobile van banking, village savings groups and mobile money services.

World over the banking industry has shown tremendous improvements in the areas relating to financial viability, profitability and competitiveness but there are general concerns that banks have not been able to include vast segment of the population, especially the underprivileged sections of the society, into the fold of basic banking services (Leeladhar, 2015). It is therefore worthy noting that, internationally, efforts are being made to study the causes of financial exclusion and strategies are being designed to ensure uplifting of the financial condition and standards of life of the poor and the disadvantaged.

Rural areas need banking services more than imagined (World Bank, 2007). However, despite the need for banking services in the rural areas, high operating costs and poor infrastructure are the biggest constraint for banks to go rural, thus according to Luboyeski, Bagachi and Chawinga (2004). According to Finscope (2008) the majority of Malawians in rural areas do not have access to formal banking services and therefore initiatives such mobile van banking offer massive opportunity for commercial banks in Malawi to reach out to their rural customers and improve their customer base.

According to World Bank (2007), a relatively buoyant growth of the economy is expected to continue in most African countries presenting opportunities for the financial sector to expand its client base. However, other studies have argued that African countries' dependence on agriculture- a sector vulnerable to weather and other exogenous variable means that businesses and financial institutions will need to seek ways of mitigating risks and emerging opportunities. Oxford Policy Management and Kadale Consultants (2009), state that financial institutions and their clients operating in rural areas in Africa incur high transaction costs as opposed to operating in urban areas. Oxford Policy Management and Kadale Consultants (2009) further explain that in Sub Saharan Africa, the situation becomes even more complicated because of desert conditions and multitude of ways that producers succumb to the adversaries of weather, climate change and consequence of climate change. However, in the researcher's opinion, any business has some risks attached to it and therefore the risks associated with doing business in the rural areas cannot be a reason to deny the rural people of banking services as the risks can be mitigated by among other things proper strategic planning by institutions that are willing to offer their services in rural areas. In this regard, for banks operating mobile van banking in rural areas to succeed, they must address some of these operational and strategic challenges in their designated service areas.

In Malawi, a country with almost 90% of the individuals heavily depending on agriculture, there are significant risks associated with agricultural activities that drive the highly irregular patterns in production and income flows (Reserve Bank of Malawi, 2011). Malawi Government recognizes significant risks associated with providing financial services to rural areas where the majority of the population lives (Government of Malawi (GoM), 2012). According to Finscope Report (2014) and Oxford Policy Management and Kadale Consultants (2009), less than one in every five adults

has access to a bank account and those who are excluded tend to be rural based yet these are the people who grow crops not for their own food reserves and provide raw materials for urban industries, Therefore, it is undeniable fact that rural people also need banking services for them to fully participate in economic development of the country.

2.3 Mobile Van Banking's Role in Financial Inclusion

According to Stone et al. (2012), nearly 2.5 billion people in the world remain unbanked and majority of this population live in rural areas. However, it is vital to realize that being unbanked does not necessarily mean unbankable, hence the need for banks to consider extending their banking services to the rural and remote areas. Extension of banking services to rural areas has an important implication on financial inclusion which most governments are advocating for in order to allow their citizens participate in formal economical activities for their economic prosperity. Leeladhar (2015) defines financial inclusion as delivery of banking services at an affordable cost to the vast sections of disadvantaged and low-income groups.

The Government of Malawi has increasingly recognized that access to banking services can play an important role in poverty reduction and also in decreasing the vulnerability of the poor. According to Malawi Growth and Development Strategy (MGDS) (2012), 80 percent of Malawian population lives outside the main urban centers, and thus beyond the reach of most urban targeted services such as financial services. In order to bridge the gap between rural and urban areas, most banks in Malawi have gone rural either by establishing permanent branches or by operating mobile van banking services in rural areas. In this regard, commercial banks in Malawi are extending their banking services to rural areas in order to obtain a significant share of the unbanked population. NBS Bank introduced Mobile Van Banking facility to complement its diverse network of branches across the country in order to reach out to most rural areas where the bank has no physical branch facility. Banking Act (2010) defines mobile van as motor vehicle of a bank that takes banking facilities to customers living in a locality far from the centre of operation of the nearest branch, agency or kiosk.

Despite Malawi having twelve fully-fledged banks, most banks do their businesses mainly in cities and towns, with very limited outreach to the rural areas of the country. However, banks like NBS

Bank, Malawi Savings Bank and Opportunity Bank of Malawi have extended their rural outreach by opening physical branches and through operating mobile van banking service (Reserve Bank of Malawi, 2011). According to Leeladhar (2015), people in rural areas do save when given the opportunity, hence the need for banks to consider extending their banking services to the rural areas. Furthermore, Opportunity International (2009) highlighted that the unbanked rural society has untapped business potential due to the growing number of small and medium enterprises as well as the farmers who after selling their agriculture produce find it hard to travel long distances in order to access banking services. In view of this, NBS Bank has significantly extended its presence in rural areas through the use of mobile van banking services to designated locations at fixed days during the week.

2.4 Financial Inclusion Initiatives in Malawi

The government of Malawi is championing financial inclusion which is aimed at driving the financial service sector to open up access to financial services. In 2010, Malawi Government launched the Malawi National Strategy for Financial Inclusion 2010 – 2014 to encourage financial service players to take initiative that would improve financial inclusion status in Malawi especially among rural people. The Malawi Government also views the expansion of financial inclusion as an important tool for achieving the Millennium Development Goals (MDGs). However, the challenge has been to convince financial players such as banks to invest in brick and mortar in rural areas. Aggarwal and Klapper (2013) emphasized on the need for banks in Malawi to consider extending banking services to rural areas, where the non-banked population is very high, through rural banking initiatives.

In developing countries there is a general problem of avoiding making investments in rural areas due to lack of economic activities to justify such investments. In emphasizing this fact, Kablan (2010), states that sub-Saharan Africa banks shun the rural areas and operate in strategic spots where the level of economic activity is very high. However, in the case of Malawi, Banks are trying hard to reach out to more Malawians especially the rural people by coming up with several initiatives such as mobile van banking (Ferguson, 2011).

According to Malawi National Strategy for Financial Inclusion (2010), the agricultural sector overall contributes 85 percent of total employment, 90 percent of exports and between 35 and 40 percent of GDP, however, of the total financial sector lending, the outstanding loan portfolio channeled to the agricultural sector is estimated to be only 8.5%. This further indicates the lack of general financial services in rural areas where most of agricultural activities take place in Malawi.

According to World Bank (2007), there is high demand of banking services in rural areas hence the need for inclusive interventions like mobile van banking by commercial banks in Malawi. However, recent studies have revealed that low income households, especially those in areas, face numerous challenges in accessing financial services including high transaction costs and long distances to the nearest access points (Adelman & Nagarajan, 2009).

2.5 Policy Landscape on Banking Services in the Rural Areas

According to Luboyeski et al. (2004), the demand for banking and financial services in rural areas is three times the number of those rural people who are currently accessing the services by travelling to the nearest service point. This supports result of studies by Leeladhar (2015) that highlighted that the demand for banking services in rural areas is high. Luboyeski et al. (2004) observed that the use of formal financial services in Malawi is found to be limited and the researcher feels one of the major reasons is that although the majority of Malawian population lives in rural areas, most financial institutions are located in urban and semi urban areas, physically distant from rural households. According to Nagarajan and Adelman (2009), in rural areas, long distances to the nearest bank are reduced with the mobile van banking service delivery initiative. According to (World Bank 2007), there is high demand of banking services in the rural areas while at the same time there is evidence of high operating costs in the rural areas as such security costs and transportation costs. Leeladhar (2015) further advises that banking services are in the nature of public good and therefore it is essential that the availability of banking services to the entire nation is the primary objective of the public policy.

In India, in order to meet the gap that exists in meeting the banking needs of the rural masses, the Government intervened by appointing a committee whose recommendations led to the emerging of Regional Rural banks (Burgess & Pande, 2013). These banks were meant to take banking to the

rural communities particularly in areas without banking facilities in order to mobilise rural savings. Malawi Government is trying to improve the infrastructure in rural areas in order to attract more businesses such as banks to roll their services to the rural masses (GoM, 2012). Some projects funded by the World Bank and European Union such as Malawi Rural Electrification Project (MAREP) aims at bringing electricity to all rural areas of the country and roads are also being upgraded. According to RBM (2011) Malawi Government's efforts in the aforementioned infrastructure development aim at reducing operating costs for institutions that ply their trade in rural areas.

2.6 Customer Service as a Driver of Customer Satisfaction

Solomon, Marshall and Stuart (2012) explain that the customer service encounter is the meeting between a service provider and a customer and is sometimes referred to as the ‘‘moment of truth’’. According to Msosa (2015), customer service is evaluated by customer satisfaction and that if the drive to satisfy customers and create a positive image of an organisation is to be realised, customer service should be taken seriously. Msosa (2015) further argues that despite the importance of customer service, most organisations are not putting great effort to differentiate their services using customer service.

Customer service has been defined as the capacity of enlightened employees to be able to offer quality service in such a way that customers are satisfied and remain loyal (Lucas, 2012). Organisations that provide good customer service are progressing whereas poor service providers fumble and collapse. Well-informed organizations focus their energies on customer service and ways of improving service delivery. Furthermore, Dupas, Green, Keats and Robinson (2012) observed that the financial services industry is channeling most of its efforts into increasing service accessibility while paying little attention to improving quality of the financial services. In this regard, it is imperative to analyze how various interventions in financial services industry in impacting on service quality and customer satisfaction in general.

According to Saiwa (2008), the reality is that most organizations have strategies aimed at improving customer service. For example, most commercial banks in Malawi have invested in

technological advancements like Auto Teller Machines (ATMs) and Internet banking to help satisfy customer needs for banking services.

An investigation into customer care and service quality for commercial banks in Malawi by Nzima (2004) revealed that service quality and customer care have greatly improved as a result of banks providing personalized services in meeting customer specific needs.

2.6 Chapter Summary

As has been highlighted in this chapter, much research has focused on the importance of extending financial services through initiatives such as mobile van banking to rural areas, as a way of promoting financial inclusion, deposit mobilization and growth in customer base. However, customer service in the modern competitive banking industry remains a crucial factor which differentiates banks, at least in the eyes of the customer. The study therefore aims at assessing customer service delivery of mobile van banking in rural areas, the case of NBS Bank Lilongwe Branch.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This Chapter outlines methods used to carry out the study. The chapter emphasizes the following areas: research methods, survey instruments and sample characteristics, sampling techniques and sample size, data collection tools, data analysis techniques, ethical considerations and expectations from the study. Saunders, Lewis and Thornhill (2009) define methodology as a set of techniques and procedures used to obtain and analyze data or a theory of how the research should be undertaken. The methodology applied in this research assisted in acquiring of information and deducing relevant conclusions on the customer service delivery of mobile van banking in the designated rural areas by NBS Bank Lilongwe Branch.

3.1.1 Research Approach and Design

This study adopted both quantitative and qualitative approach by focusing on customer service delivery of mobile van banking in rural areas.

According to Aliaga and Gunderson (2000), quantitative research aims at explaining phenomena by collecting numerical data that are analyzed by use of mathematically based methods, in particular, statistics. Although the definition this definition of quantitative research implies that the main focus lies on data that is in numerical form, it is also possible to convert qualitative data to quantitative form, for example, through the use of frequencies and distribution techniques. This study took this approach because customer service attributes in the banking industry are generally divergent and qualitative in nature, hence the need to convert the data into quantitative form in order to come up with comprehensive results and conclusions.

Qualitative research methods, as argued by Saunders et al. (2009), focus on discovering and understanding experiences, perspectives and thoughts of participants; thus exploring meaning purpose or reality. This was achieved in the study by inclusion of open-ended questions in the study.

In order to address shortfalls associated with either quantitative or qualitative research, whilst also benefiting from benefiting from the strengths the two research methods, a mixed approach was therefore adopted in this study.

3.1.2 Data Sources

Sources of data are crucial for the success of any research. In this study, the researcher sourced data from primary and secondary sources.

3.1.3 Primary Data

Primary data was collected from face to face interviews and written questionnaires from the respondents. The results from primary data generally indicated the respondents' opinions, attitudes and perceptions towards mobile van banking.

3.1.4 Secondary Data

Secondary data was sourced from books, bank's annual reports, published and unpublished journal articles, Malawi Government Publications and internet. Data was collected from a diverse source in order to substantiate and contextualize the findings at both national and international level.

3.1.5 Survey Instrument and Sample Characteristics

The survey instrument that was used to gather data for the study was mainly questionnaire which was supplemented with face to face interviews, thus adopting a mixed research approach. According to Sekaran and Bougie (2013), because almost all data collection methods have some bias associated with them, collecting data through multi-methods lends rigor to the research. Mixed research technique is crucial to study because the research made use of the quantitative and qualitative data in the facilitation of relationship profiling between variables Saunders et al. (2009). Additionally, Bryman and Bell (2007) highlight that the use of mixed method approach provides a better understanding of a phenomenon than if just one method is used in a research.

3.1.6 Sampling Technique

According to Kumar (2005), sampling is the process of selecting a few samples from a bigger group – the sampling population; hence it becomes the basis for estimating or predicting the prevalence of an unknown piece of information, situation or outcome regarding the bigger group. Suitability of sampling technique provides a solid basis for the research hence the need to make such important decision at the early stage of the research.

In this study, the researcher used simple random sampling technique to obtain a representative sample. According to Saunders et al. (2009), simple random sampling technique involves a researcher selecting the sample randomly from the sampling frame cases using random numbers i.e. every nth member of the population until the actual sample size is reached. Simple random sampling technique ensures that every member of the population under the study has equal chance of being selected into the sample (Groebner, Shannon & Smith, 2005). In this study, the researcher was able to obtain a sufficient number of respondents by administering questionnaires and conducting face-to-face interviews to visiting customers at the designated mobile van service centres. The researcher adopted this sampling technique because the study targeted customers found at the trading centres where the mobile van bank serves its customers. This was done to minimize costs and time as most of the customers who utilize mobile van banking service reside in locations far away from the trading centres.

3.1.7 Population and Research Sample

The population of the research included all mobile van customers for NBS Bank Lilongwe service centres. According to the Bank's Mobile Van Quarterly Report as at 31st December 2016 (during the period which the study was conducted) NBS Lilongwe Branch mobile van had a customer base of 1,000.

In this study, a sample of 100 mobile van customers was targeted representing 10 percent of the population of 1,000 mobile van customers. The sample was selected from the two designated mobile van banking service centres for NBS Bank Lilongwe, i.e., Namitete and Nkhoma, thus 50 respondents from each service centres. The sample size was considered reasonable for the study and also in agreement with the views of Dillman (2000) and Hill, Brierley and Mac Dougall (2003)

who argue that a sample of 100 and above is considered sufficient to provide good representation of the population or organization or any subject investigated and provide a good concise research findings.

The samples for the study were determined by using a simple random sampling technique by choosing every *n*th customer being served at the mobile van service centres.

3.2 Data Collection Tools

Questionnaires and face-to-face interviews were used to collect data from the respondents. In view of the fact that the survey was done in rural areas, the questionnaires and face-to-face interviews were designed in both English and Chichewa in order to maximize response rate from the targeted respondents.

3.2.1 Questionnaires

The questionnaire structure adopted both closed and open-ended type of questions in order to allow for the researcher to collect specific information from the respondents while at the same time also allowing the respondents to highlight any significant issues associated with mobile van banking.

The first section of the questionnaire was designed to collect characteristics of the respondents in terms of distribution on age, gender, and level of education. Additionally, data on economic activities of the rural people in the designated mobile van centres was collected through targeted questions on sources of income of the respondents i.e. business ownership, farming or employed and respondents' preference for banking services. The second section of the questionnaire contained information on how customers rated the service delivery aspects of NBS Bank mobile van banking.

The questionnaire was tested through a pilot study in order to ensure that it collected the data required to properly address the research questions and ultimately meet the objectives of the study. Pilot study increases the validity and reliability of the questionnaire and the whole study itself (Cohen, Manion and Morrison, 2000).

3.2.2 Analysis of Data

Analysis of the data involved both quantitative and qualitative approaches because it incorporated attitudes, perceptions and motivations from both customers and bank employees on customer service offered through the mobile van banking. Additionally, the qualitative data which was collected through the questionnaire and face-to-face interviews was numerically coded to reduce errors during the capturing of data into the computer.

Statistical Package for Social Science (SSPS) descriptive analysis such as frequencies and percentages were used to categorize data into relevant themes in order to come up with comprehensive results, recommendations and conclusions that are in line with the issues on ground.

3.3 Ethical Considerations

Participants were assured, through the questionnaires, of their right to withdraw from the study at any point in time without any punishment or being subjected to any form of retributions.

Secondly, participants were assured that their personal information collected during the survey would be treated with a high level of confidentiality and that the information would not be revealed to third parties without the respondents' prior consent.

Additionally, apart from designing the questionnaire in English, a Chichewa version of the questionnaire was also administered in order to cater for respondents who were only conversant with the vernacular language. Therefore, setting questions in Chichewa was ethical as the respondents were free to express themselves in the vernacular language; unlike setting only English questions for rural people whose illiteracy level is very high in Malawi.

3.4 Limitations of the Study

The first limitation was that the study was conducted only in two rural locations in Lilongwe District i.e. Namitete and Nkhoma trading centres where the NBS Bank mobile van banking service operates. According to Johnston (1995), there may be factors such as culture, experience, education, exposure and tolerance levels of service quality that may differentiate the study sample

of the users of mobile van banking services from other parts of the country or regions. However, despite the fact that the study focused on NBS Bank only, the study assumes that findings would not deviate significantly from the possible results where similar customer service attributes are used in the study.

Secondly, obtaining customer information for the bank proved a massive challenge due to confidentiality issues, as banks are mandated not to disclose customer account information to third parties without obtaining prior approval from the customer. However, in addressing this challenge, the bank was assured of strict adherence to the requirements of treating customer information with confidentiality and that the information collected would only be used for the purpose of the research.

CHAPTER 4

PRESENTATION AND DISCUSSION OF RESULTS

4.1 Introduction

This chapter discusses results and findings from questionnaires and interviews on assessment of the customer service delivery of mobile van banking in rural areas at NBS Bank Lilongwe service centres. The study targeted mobile van banking service users who included both NBS Bank customers and non-bank customer users in the two designated service locations, i.e., Namitete and Nkhoma Trading Centres. The study further sought input from bank officials responsible for operating the mobile van banking service and the designated security personnel, in order seek relevant information and personal views on mobile van banking service at NBS Bank Lilongwe service centres.

The study defined demographic characteristics in terms of gender, level of education and source of income. The findings in this study are presented in the form of tables, figures and descriptive analysis.

4.2 Characteristics of Respondents

The respondents have been characterized in terms of gender, level of education and source of income.

4.2.1 Gender

The study involved a total respondent sample of 100 out of which 57 percent were men and 43 percent were female. The higher percentage of male respondents in this study was due to the high levels of male patronage in the two designated mobile van banking centres where the study was conducted. Figure 4.1 indicates the gender distribution of respondents in the study.

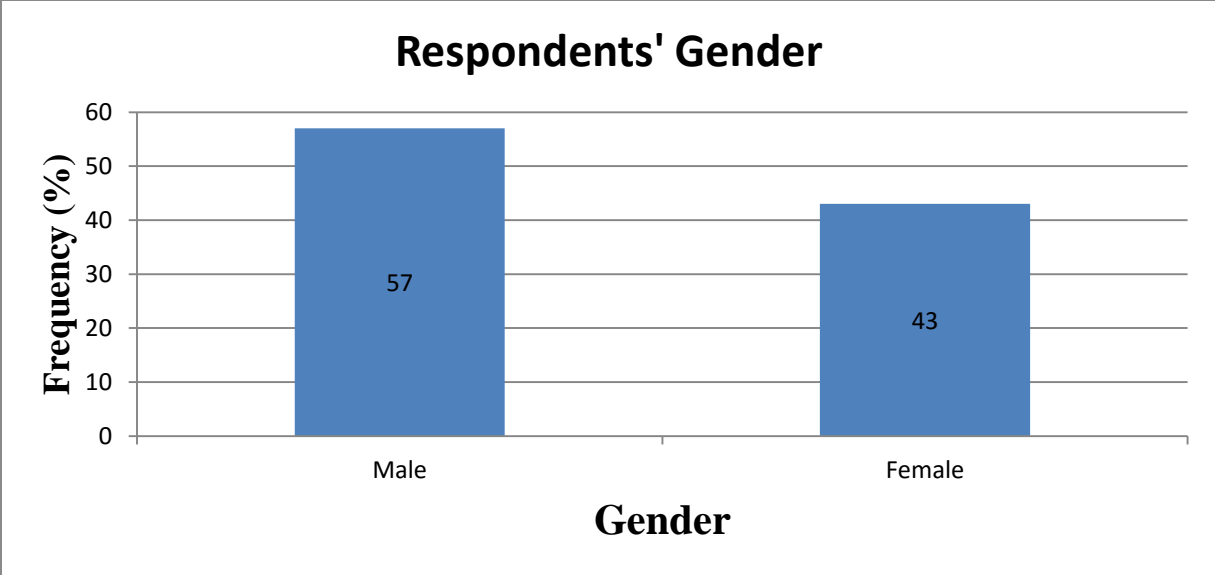


Figure 4.1: Gender Distribution of Respondents

Figure 4.1 indicates significant participation by male customers which overall was at 57 percent in the two designated trading centres under the study. This trend could be an indicator that NBS Bank has more male customers compared to female customers.

4.2.2 Level of Education

The level of education was important in the study because for customers to understand importance of carrying out banking transactions with a formal financial service provider they need a certain level of education. Additionally, customers generally do bank transactions through completion of various forms and such forms are mostly in English language, hence the need for customers to have a certain level of education. Most of the respondents indicated that they completed primary education, secondary education or tertiary education, as outlined in Table 4.1

Table 4.1: Level of Education

Location	Namitete Centre		Nkhoma Centre		Total Frequency	Total Percentage
	Frequency	Percentage	Frequency	Percentage		
None	6	6	5	5	11	11
Primary	13	13	15	15	28	28
Secondary	20	20	22	22	42	42
Tertiary	11	11	8	8	19	19

Table 4.1 indicates that the level of education among respondents is generally good among NBS Bank mobile van banking customers. Only 11 percent of the respondents have not attended school in their life while 89 percent of the respondents either attended primary, secondary or tertiary education. Therefore, in reference to the results on the level of education, it can be concluded that understanding of banking transactions by bank customers in the designated rural service centres could be simplified.

4.2.3 Sources of Income of Respondents

Source of income for bank customers is significant indicator of economic activities in the two designated NBS Bank mobile van centres under the study, i.e., Namitete and Nkhoma trading centres. It is very important to note that people demand banking services as a result of income generating activities that they undertake in their respective locations. In this study, it was generally observed that the main economic activities in the rural areas where NBS Bank mobile van is operating were mainly farming, employment and small-scale businesses. Table 4.2 indicates the main sources of income among the respondents in the designated NBS Bank mobile van centres.

Table 4.2: Sources of Income of Respondents

Location of Source of Income	Namitete Centre		Nkhoma Centre		Overall Percentage
	Frequency	Percentage	Frequency	Percentage	
Farming	16	32	9	18	25
Employment	18	36	11	22	29
Business	13	26	15	30	28
Other	3	6	15	30	18
Total	50	100	50	100	100

Table 4.2 shows that 29 percent of the respondents get their income through employment while small-scale businesses and farming contribute 28 percent and 25 percent respectively. Employment accounts for a significant proportion of the source of income mainly because the two centres are located close to salaried employees who work in hospitals and education institutions. The “Other” category is generally made up students whose main source of income is upkeep allowances received from their respective guardians. Therefore, Table 4.2 indicates that the main sources of income in the two designated rural areas generally are employment, small-scale businesses and farming.

4.3 Attractiveness of NBS Bank Mobile Vans

Attractiveness of NBS Bank mobile vans in terms of general ambiance to customers was tested to reveal on whether customers found the van more appealing and therefore happy to do bank transactions using the NBS Bank mobile van. The results have been presented in Figure 4.2.

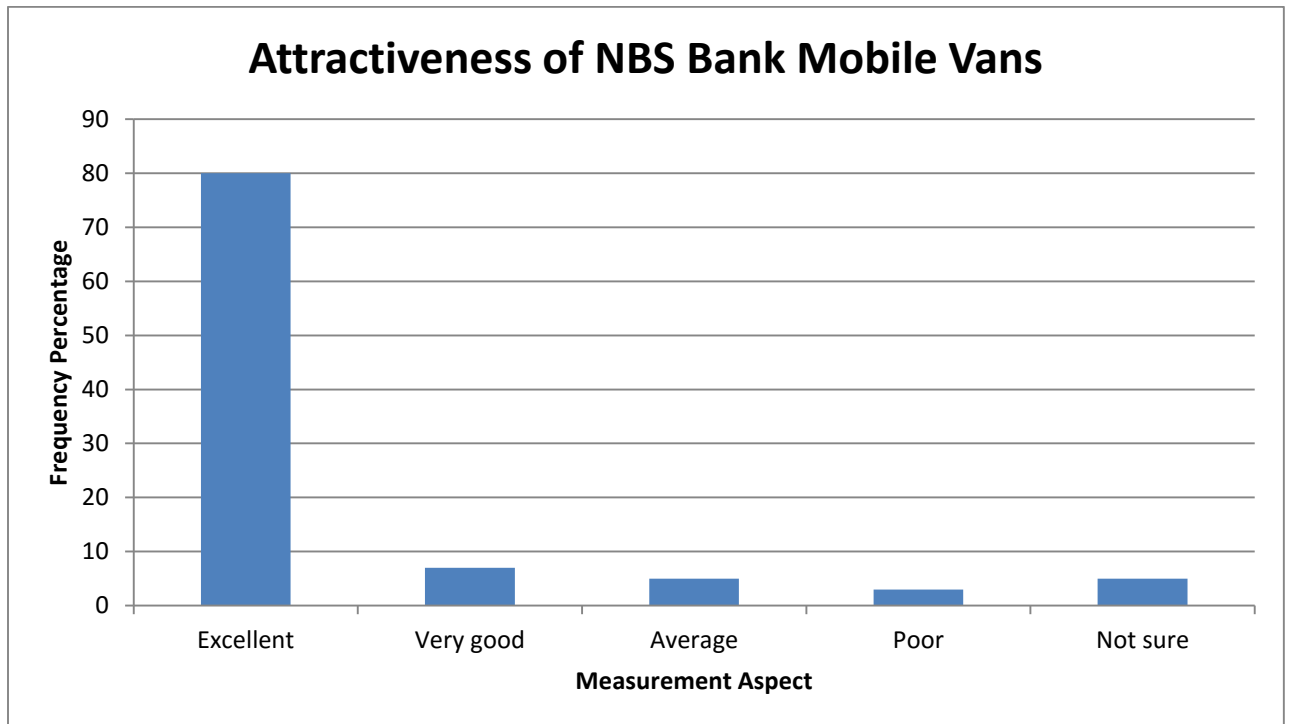


Figure 4.2: Attractiveness of NBS Bank Mobile Vans

Figure 4.2 indicates that customers strongly rate NBS Bank mobile vans as having a general attractive ambiance and appear to find it more appealing to do banking transactions at the mobile van centres. The results indicate that majority of respondents (80 percent) rate NBS Bank mobile vans as excellent in terms of general ambiance and attractiveness. A few customers who indicated that they were not sure of attractiveness of NBS Bank mobile van were mostly non-bank customer users of the mobile van banking service. Non-bank customer users showed lack of knowledge of banking products offered by NBS mobile van bank.

4.4 Employees' Customer Courteous and Respectful Treatment

Bank customers, like many service industry customers, value courteous and respectful treatment especially by front office officers of the service provider. In banking industry front office personnel provide the 'moment of truth' to the customers and therefore the impression given by front line employees of the bank is very crucial in customer service and customer retention. In the study, customers were requested to appraise NBS Bank mobile van banking personnel's treatment in terms of courteousness and respectfulness when serving them. According to the results in Table 4.3, generally customers find NBS Bank mobile van banking personnel more courteous and respectful when offering banking services.

Table 4.3 Employees' Customer Courteous and Respectful Treatment

Location	Namitete Centre		Nkhoma Centre		Overall Percentage
	Frequency	Percentage	Frequency	Percentage	
Excellent	36	72	34	68	70
Very good	6	12	7	14	13
Average	4	8	3	6	7
Poor	2	4	2	4	4
Not sure	2	4	4	8	6
Total	50	100	50	100	100

Table 4.3 indicates that generally respondents were satisfied with personnel's treatment of mobile van banking customers in terms of courteousness and respectfulness during service delivery, as shown by the excellent rating (68 percent) and very good rating (13 percent).

4.5 Display of Knowledge and Willingness to Assist Customers Timely

Additionally, the study also sought customers' appraisal of mobile van banking personnel's display of knowledge and willingness to timely assist customers during service delivery in the two designated mobile van banking centres. Figure 4.3 indicates the results of customer views on employees' display of relevant knowledge and their willingness to assist customers in the course of delivering mobile van banking service.

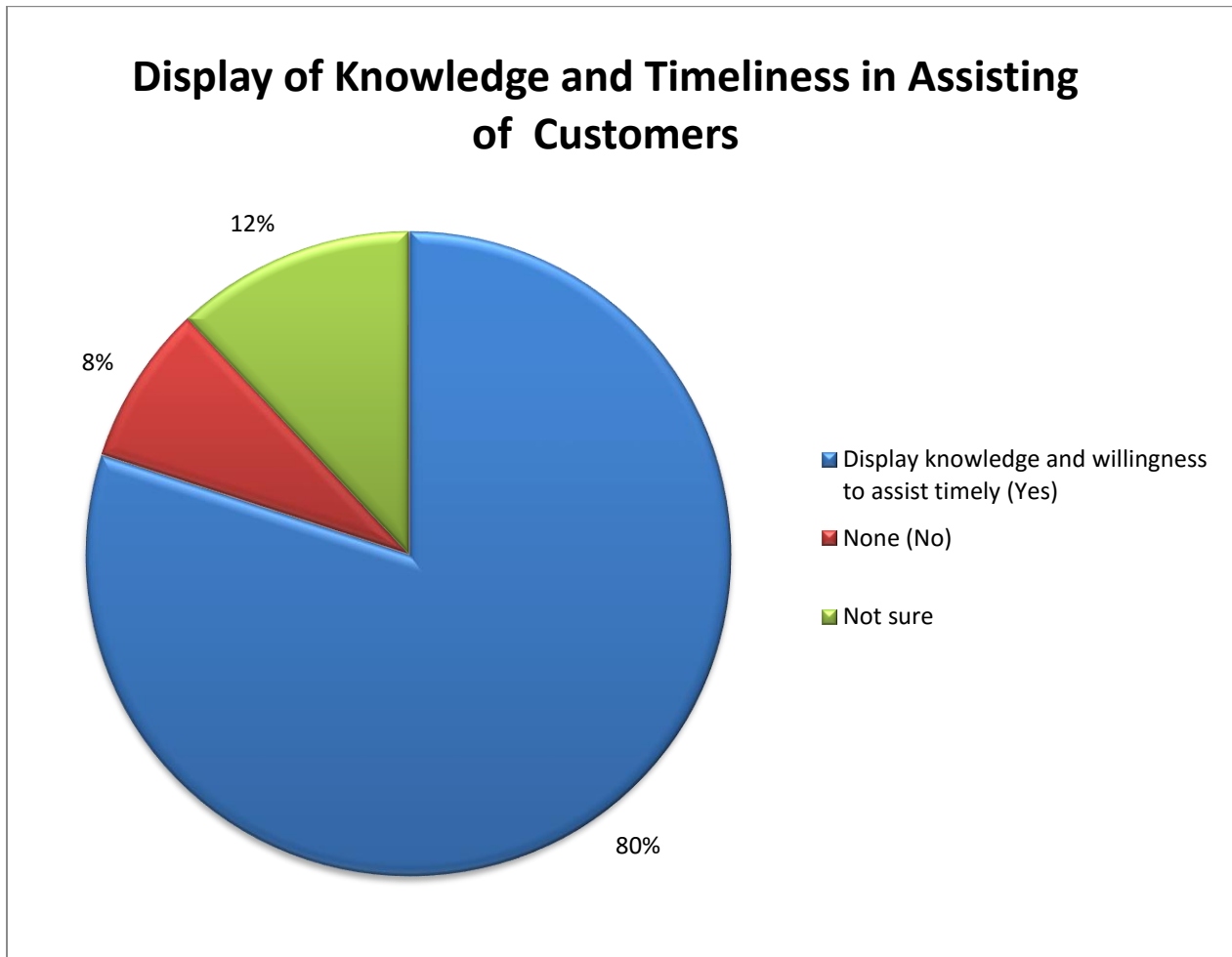


Figure 4.3: Display of Knowledge and Timeliness in Assisting Customers

Figure 4.3 shows that overall 80 percent of respondents are happy with responsible personnel's display of products knowledge and their willingness to assist customers in times of need during service delivery. It is important to note that timely processing of customer transactions assists in fostering of good customer relationship with the bank which results in customer retention.

4.6 Employees' Dressing and Conduct Depicting Professionalism

Banking industry requires responsible personnel to display professionalism through appearance and conduct in order to instill confidence to customers who use banking services. Professional outlook is particularly relevant to mobile van banking service because of lack of physical bank structures in the areas where the banking services are delivered as customers would normally need to trust bank personnel in the same way they do with physical branch set-up. In this study customers were requested to appraise professionalism of NBS Bank mobile van banking personnel in terms of their dressing and conduct and the results are shown on Table 4.4.

Table 4.4: Employees' Professionalism Display through Dressing and Conduct

Location	Namitete Centre		Nkhoma Centre		Overall Percentage
	Frequency	Percentage	Frequency	Percentage	
Professional Dressing and Conduct	45	90	47	94	92
None (No)	2	4	1	2	3
Not sure	3	8	2	4	5
Total	50	100	50	100	100

Table 4.4 indicates that a significant number of customers are happy with the professional conduct of mobile van banking personnel in the two designated service centres as demonstrated by 92 percent of respondents who indicated that they are satisfied and impressed with conduct and dressing of personnel which therefore assists in instilling of customer confidence and trust.

4.7 Timely Arrival and Departure as per Stipulated Schedules

Timely delivery of banking services in rural locations where mobile van banking operates is crucial because most customers come from very far places to the designated mobile van banking service centres. Customers who travel long distances to the designated mobile van banking locations in specified week days in order to access banking services might be alienated if they find no mobile van as stipulated in the bank's schedules. NBS Bank mobile van banking service starts operating at 9AM and closes operations at 2 PM to allow for travelling time, balancing and closure of transactions after operations. The study therefore sought the views of customers on whether NBS Bank mobile van is available in centres as per stipulated times and the results are shown in Figure 4.4.

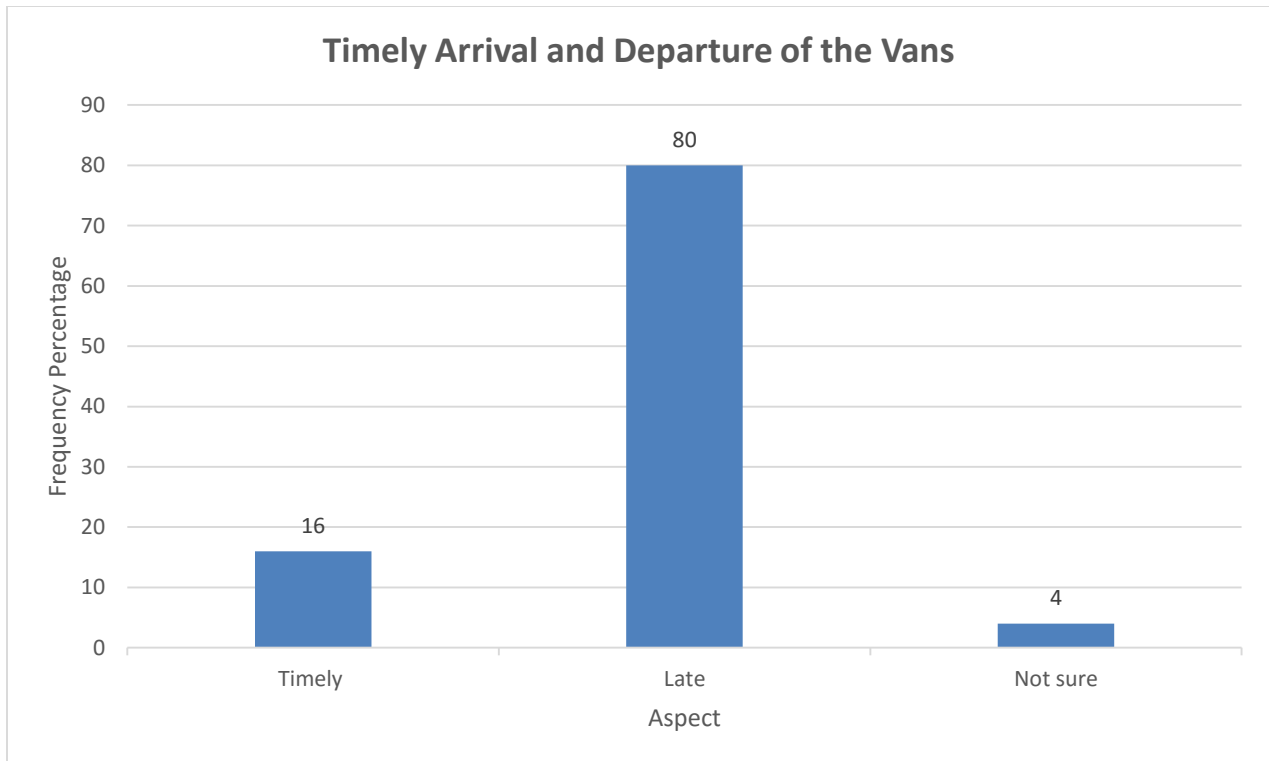


Figure 4.4: Timely Arrival and Departure of the Vans as per Stipulated Schedules

Figure 4.4 shows that majority of respondents (80 percent) complain of poor time management of the bank mobile van team in the designated service centres. The study further revealed that despite NBS Bank mobile van arriving late in the service centres, bank personnel insist on stopping serving

customers exactly at the dot of service closure time which therefore mean that some customers are not served by the time the service is stopped.

4.8 Customers' Satisfaction with Once a Week Service Delivery

The study undertook to find out customer views on whether they are satisfied with the number of times banking services are provided by NBS Bank mobile van per week thus; on Mondays in Namitete and on Fridays in Nkhoma. The results revealed two different points of views from customers i.e. those who are satisfied with once a week banking arrangement and those who are for extension of number of banking days in a week preferably physically established branches in the mobile van centres. Table 4.5 indicates the results on customers' satisfaction with the number of days mobile van bank operates in the designated service centres.

Table 4.5: Satisfaction level with once a week banking service delivery

Location	Namitete Centre		Nkhoma Centre		Overall Percentage
	Frequency	Percentage	Frequency	Percentage	
Satisfied with once a week service delivery	17	34	14	28	31
Not Satisfied	31	62	30	60	61
Not sure	2	4	6	12	8
Total	50	100	50	100	100

Table 4.5 indicates that overall 61 percent of the respondents are not satisfied with the once a week banking service arrangement but would rather have extended number of banking days in order to meet the demand for banking services in the designated service centres. Most customers claim that

mobile van is mostly absent at the designated centres and customers sometimes stay for two to three weeks without the service. A significant number of customers are therefore not satisfied with the once a week banking arrangement and would rather have physically established branches.

The customers opting for maintenance of the same number of days argue that economic activities in the areas around the service centres could not justify extension of some more banking service days or indeed establishment of fully fledged branches of the Bank in the two designated mobile van banking locations.

The study also revealed at least 50 percent of the respondents, mostly business people, at Nkhoma Trading Centre complain of the choice of Friday as the banking day for NBS Bank because it is not a market day for the trading centre, which happen to fall on Saturday and therefore customers fail to bank their business proceeds. The bank therefore needs to consider change of operational day at Nkhoma Trading Centre in order to take advantage of economic activities that take place during the market day.

4.9 Customers' Security Concerns with Mobile Van Banking

Security of the bank resources, premises and customers is another aspect which banks and customers rate highly in the industry because any breach of security can expose customers' and bank's resources to theft, damage or loss and worst still can lead to loss of life. The study sought the views of NBS Bank mobile van banking customers to rate various security aspects of mobile van service and the results are shown on Table 4.6.

Table 4.6: Customers' Security Concerns with Mobile Van Banking

Security Aspect	None	Yes	Not Sure	Total
Bank robbery instances	92	0	8	100
Availability of at least 2 armed police officers	0	97	3	100
General safety of customers' money with mobile van bank	18	70	12	100
Exposure to bad weather	15	83	2	100

Table 4.6 indicates that there has not been any incident of security breach through bank robbery in the two mobile van centres as shown by 92 percent respondents who indicated no instance of robbery and this can be attributed to availability of security personnel at banking premises, as indicated by 97 percent of the respondents. The study further sought customers' general views on security of banking transactions accessed at mobile vans and 70 percent of the respondents showed high confidence in doing banking transactions at NBS Bank mobile vans due to safety measures followed by the bank.

A major setback on customer security with mobile van banking is exposure to bad weather conditions to customers. The study indicates that 83 percent of customers complain of being exposed to bad weather when doing transactions with mobile van particularly because the bank operates at open places where in times of bad weather like heavy rains, windy or sunny conditions customers are indeed exposed.

4.10 Real Time Processing of Customer Account Transactions

Real time processing of bank customer transactions entails that the system is able to reflect all transactions immediately when they are effected regardless of the location the transactions take place. In the case of mobile van banking this is made possible by having a reliable network connective between the mobile van computers and the main NBS Bank servers at their head office. In the study customers and bank employees were requested to indicate as to whether bank transactions are able to reflect in their accounts in real time and any challenges in case of failure to achieve real time transaction processing. Figure 4.5 shows customer's experience with NBS Bank mobile van banking as far as real time processing of transactions is concerned.

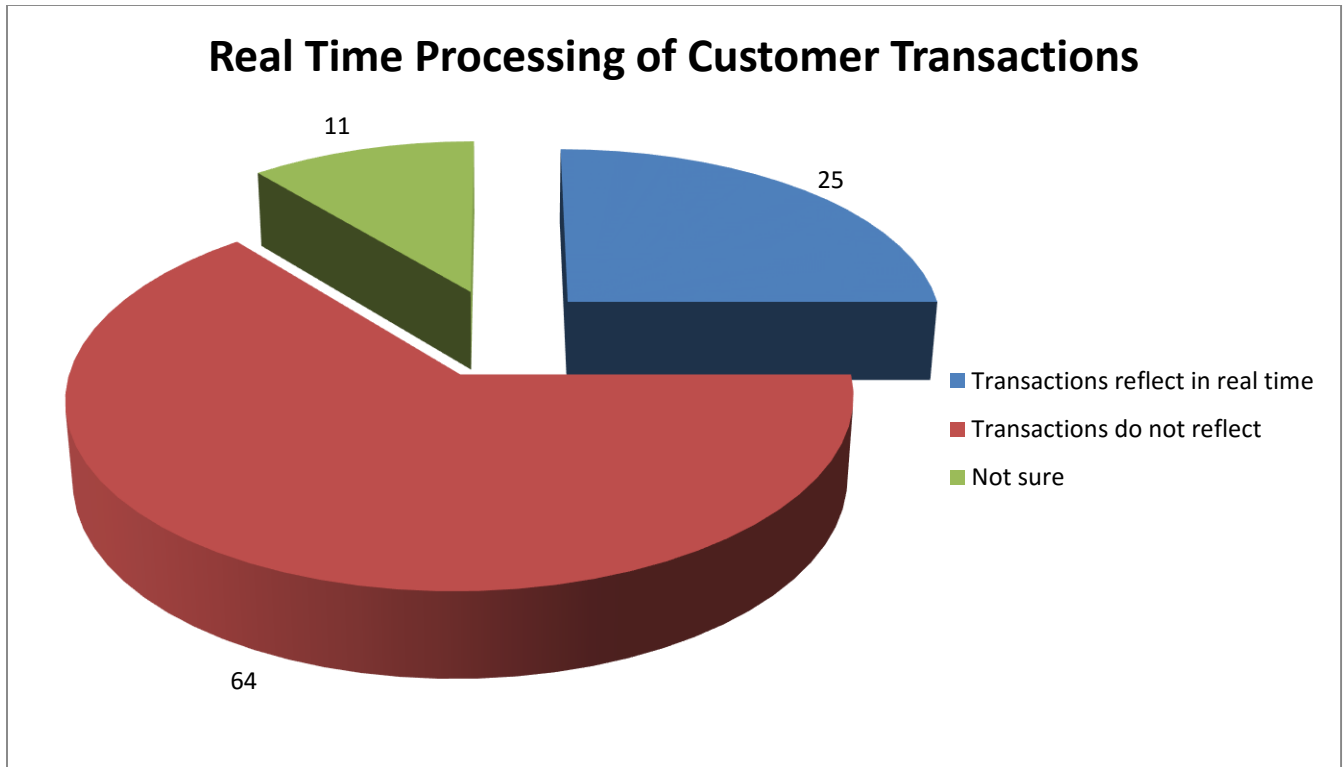


Figure 4.5: Real Time Processing of Customer Transactions

Figure 4.5 indicates that overall 64 percent of respondents complain of delays in reflection of customer transactions in their respective accounts generally due to network connectivity challenges in the designated locations. The poor network connectivity of the mobile centres to the main bank servers entails that customer transactions cannot update respective accounts in real time hence negatively affecting service delivery.

The study also revealed that consistent Electricity Supply Commission of Malawi (ESCOM) power outage is also affecting operations of mobile van banking. When there is no electricity supply mobile van banking operations are affected negatively. The electricity power supply challenge is also worsened by the fact that the bank does not a reliable generator to supply electricity in times when ESCOM power is not available.

4.11 Service Accessibility Frequency by Customers

NBS Bank mobile van bank provides a number of banking services to its rural based customers and the study sought to know the popularity of specific banking services to customers by asking customers the transactions they conduct at mobile vans and the results are indicated in Table 4.7.

Table 4.7: Service Accessibility Frequency Distribution

Service	Frequency	Percentage
Cash Withdrawals	88	26
Cash Deposits	68	21
Check Deposits	13	4
Account Opening	66	20
Account Enquiries	76	23
Auto Teller Machine (ATM)	21	6
Other Services	0	0
Total	330	100

Table 4.7 indicates that cash withdrawals and account enquiries, at 26 percent and 23 percent respectively, are the most popular banking services in the two mobile van banking service centres. At 6 percent of customer rating, Auto Teller Machine (ATM) service appear to be one of the least popular services among the rural customers. However, NBS Bank ATMs has potential for popularity growth if well marketed in the rural communities. The VISA platform of the ATMs allow customers from other banks to also access banking services from these ATMs and therefore with a good awareness and marketing campaigns the product has potential for growth which might contribute to income for the bank through ATM charges.

In addition to the banking services, as indicated in Table 4.7, 38 percent of the respondents also suggested that NBS Bank mobile van bank should provide additional services like business and agricultural loans, for the enhancement of economic activities among the rural communities. The bank therefore needs to conduct further research in order to determine the level of demand, feasibility and the implementation of such requirements for the additional banking services.

4.12 Statistical Testing of the Results

The researcher tested the results by using Pearson chi-square testing. A significant level of 5% was used to determine the association that exists between the **Dependent Variable** (customer satisfaction level with mobile van banking) and the **Independent Variables** (customer service attributes). Customer service attributes included the following:

- i. Attractiveness of NBS Bank mobile vans
- ii. Employee's customer courteous and respectful treatment
- iii. Display of knowledge and timeliness in assisting customers
- iv. Employee's professionalism display through dressing
- v. Conduct ,real time processing of customer transaction
- vi. Timely arrival and departure of the vans as per stipulated schedules

The formula for chi-square statistics is

$$\chi^2 = \sum \frac{(O_{ij} - E_{ij})^2}{E_{ij}} \text{ and follows a } \chi^2 \text{ with } (r-1)(c-1) \text{ degrees of freedom.}$$

Where O_{ij} is the observed counts in cell ij ; $i=1, 2, 3, \dots, r$ and $j=1, 2, 3, \dots, c$ where r is the number of rows and c is the number of columns in an $r \times c$ contingency table.

- E_{ij} the expected counts in cell ij : $i=1, 2, 3, \dots, r$ and $j=1, 2, \text{ and } 3, \dots, c$ where r is the number of rows and c is the number of columns in an $r \times c$ contingency table.

A p-value less than the given significance level (0.05) We reject the null hypothesis and conclude that a variable is statistically significant and vice versa.

Hypothesis

H₀: there is no relationship between (an) independent variable (s) and the dependent variable

H₁: there is a relationship between (an) independent variable (s) and the dependent variable

Table 4.8: Chi-square Tests of Association between Explanatory Variables and the Response Variable

VARIABLE	CHI-SQUARE VALUES	P-value	ASSOCIATION
Professionalism display through dressing and conduct	91.1322	< 0.001	ASSOCIATION
Attractiveness	107.6230	<0.001	ASSOCIATION
Real Time processing of customer Transaction	142.6963	<0.001	ASSOCIATION
Arrival and Departure time of banking the vans as per stipulated	86.3600	<0.001	ASSOCIATION
Display knowledge and Banking timeliness in assisting	69.9180	<0.001	ASSOCIATION
Customers' Security Concerns with Mobile Van Banking	140.5520	<0.001	ASSOCIATION

The results in Table 4.8 indicate that there is an association between all the customer service variables and customer satisfaction with respect to mobile van banking service.

4.13 Discussion of Findings

This section discusses the findings from the research and their implications on customer service delivery, mobile van banking service and extension of banking services to rural areas. The results are also discussed in relation to findings from other studies in order to provide relevant links and dissenting views where appropriate.

The study revealed that the introduction of mobile van banking service by NBS Bank has generally contributed to improved customer service especially in rural areas where most commercial banks

in Malawi have not reached out to due to accessibility challenges and knowledge gap among policy makers. This is shown by high customer ratings, generally in excess of 80 percent of the respondents, on customer service delivery aspects such as general attractiveness of mobile vans, and the display of relevant banking knowledge and professionalism by bank's employees in serving customers, as depicted Figures 4.2 and 4.3. This result is in agreement with the findings of Afrin (2012) who observed that banks who offer services close to their customers' locations excel in customer service and these banks are mostly successful.

The study also revealed that mobile van banking service unavailability in the designated locations at the specified dates, especially during poor weather conditions like in rainy season, is negatively affecting service delivery in rural areas, as per results shown on Section 4.7. This result is in line with findings of Ferguson (2011) who argued that commercial banks and other financial service providers have not reached out to rural areas mostly to due to accessibility challenges as a result of poor road infrastructure development in the rural areas. However, absenteeism by mobile van banking team at the designated locations in the specifically allocated days make the service unreliable and this negatively affects quality of banking service and customer satisfaction. For instance, customers who travel long distances to the designated banking locations are greatly inconvenienced when they cannot access the banking services due to absenteeism of the mobile van banking team.

The study also indicated that customers feel more secure doing their bank transactions at mobile van centres regardless of the fact that the operations are done at open places contrary to traditional branch banking set-up especially due to the presence of armed police officers who always accompany the bank vans. For instance, as shown on table 4.6, about 92 percent of respondents indicated that they did not experience any instance of robbery at the mobile van centres and additionally 97 percent of the respondents indicated that armed police officers are always present at the designated mobile van centres. According to Ferguson (2011), good physical security is significant especially due to the open-air nature of the mobile van banking service which generally causes some customers to question the adequacy of security at the designated service centres. However, the study revealed that the major physical security shortfall of mobile van banking is the exposure of customers to bad weather especially in times of bad weather conditions, as indicated

by 83 percent of the respondents. Customer satisfaction and retention can be enhanced as a result of good security conditions at the designated service locations, hence the need for the bank to maintain proper security procedures and address security challenges especially on bad weather conditions, as highlighted in this study.

The study further revealed that unreliable power supply due to consistent ESCOM power outage and unreliable NBS Bank generators, as indicated through the study results on Section 4.9 is causing network connectivity challenges in the rural areas where mobile van banking operates. This finding is in line with Lapukeni (2013) who argued that power or energy challenges are affecting network connectivity on which platforms for banks' operations are based.

Additionally, study indicated that poor network conditions in mobile van banking service locations is negatively affecting customer service delivery in the rural remote areas. Unavailability of bank network entails that there is delay in processing of customer transactions and therefore transactions cannot be processed in real time. This results in poor customer service and it further exposes the bank to the risk of fraud as some dishonesty customers might replicate banking transactions, through the use of the bank's other alternate delivery channels; thus taking undue advantage of the system's off-line status at the rural mobile van service centres.

The study further revealed lack of awareness campaigns in the rural areas by the bank in order to sell its products to the rural people, as shown by some respondents who indicated that they were not aware of banking products offered at NBS Bank mobile van centres, as per results on Section 4.10. The main focus for the bank in the mobile van banking centres has generally been customers under employment, however, agricultural activities remain the main economic driver in Malawi and more specifically in rural areas hence the need for the bank to focus on delivering banking services that target rural farmers.

Additionally, the study revealed that customers whose main source of income was business at Nkhoma Trading Centre preferred Saturday, which is the market day, instead of the operational day of Friday. However, through market campaigns, issues of lack of product knowledge and

dissenting views on mobile van banking business operational days might be cleared out and this might improve customer service delivery.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter concludes the study by presenting conclusions and recommendations based on the findings from the study. Finally, areas for further research, based on the research gap identified during the study, are highlighted.

5.2 Conclusions

The study mainly aimed at assessing customer service delivery of mobile van banking at NBS Bank Lilongwe in the rural designated service locations. The following are the main conclusions from the study.

5.2.1 Lack of Marketing and Brand Awareness Campaigns

The study further revealed that some customers were not aware of various banking services that NBS Bank mobile van offers in the designated locations. This was indicated by some customers who showed ignorance of services offered by the bank through the mobile van banking and this was generally attributed to lack of marketing campaigns in rural areas by the bank to sell its banking services.

5.2.2 Limited Targeted Customer Base

The study revealed most of the respondents earn their income through employment while small scale businesses and farming rank second and third, respectively. The study discovered that employment accounts for a significant proportion of the source of income mainly because the two centres are located close to salaried employees who work in hospitals and education institutions. However, undue focus by the bank on salary based customers result in high demand of banking services only in days when salaries are received and low customer turn out rates in the rest of the period during the month. Therefore, the bank needs to diversify in terms of customer base in order to target potential customers with various sources of income.

5.2.3 Adequate General Physical Security of Mobile Van Banking Premises

The study also revealed that customers are generally satisfied with security measures put into place by NBS Bank mobile bank as high percentage of the respondents indicated that there were no robbery instances. Generally, the respondents attributed the success on general physical security to the availability of security personnel at banking premises during the operating time.

5.2.4 Poor Time Management and Absenteeism

The study also indicated that most customers complain of poor time management on the part of NBS Bank mobile van banking team. However, despite NBS Bank mobile van arriving late in the service centres, banking services were stopped earlier than the normal 15:00pm closure time for most banks in Malawi. The study revealed that there was NBS Bank mobile van was mostly absent for some weeks in the designated service centres without any prior notice. As a result of late arrival of the mobile van, early hurting of operations and absenteeism, most customers were unable to access banking services and they had since registered their complaints with the bank.

5.2.5 Inadequate Operating Days

The study further revealed that a significant percentage of customers in the rural mobile van banking centres were not satisfied with the current once a week banking service arrangement but would rather have extended number of days that the bank operates in order to meet the demand for banking services in the designated service centres. Most of the customers who complained of the limited banking operation suggested that the bank should consider setting up permanent physical branches in the service centres. Furthermore, customers whose main source of income was business, specifically at Nkhoma Trading Centre, complained of the choice of Friday as the banking day for NBS Bank instead of Saturday, being the market day, and this meant that some customers failed to timely bank their business proceeds.

5.2.6 Delays in Processing of Customer Transactions

The study further showed that customers complained of failure by the bank to timely process their transactions in the bank's system. Most respondents complained of long time taken for customer transactions to reflect in their respective accounts due to consistent network connectivity failures and unreliable power supply in the service centres. However, failure to process bank transactions

in real time exposes the bank to the risk of fraud, as some dishonest customers might dubiously replicate transactions by using other alternate service delivery channels offered by the bank.

5.2.7 Customers' General Satisfaction with NBS Bank Mobile Van Banking

In general, the study indicated that mobile van banking service has contributed to rural bank customers cutting down on travel expenses and distances thereby encouraging rural communities to conveniently access banking services. The study revealed that customers are generally satisfied with the banking services delivered through mobile van bank, as indicated by high customer ratings in various customer service aspects such as mobile van attractiveness, employee's customer treatment and helpfulness and professional conduct of bank personnel.

5.3 Recommendations

The study recommends the following suggestions in order to address the shortfalls that the study has revealed with regards to mobile van banking and customer service in rural areas.

5.3.1 Need for Services and Products Awareness Campaigns

The study revealed that some mobile bank user, especially users of the service who do not have bank accounts with NBS Bank portrayed lack of knowledge of the bank's products offered through NBS mobile van. The research further revealed that NBS mobile bank focuses mostly on salaried employees in the two locations being near mission hospitals and education institutions.

NBS Bank needs to consider reaching out to local communities through marketing awareness campaigns in order to target farmers and small-scale business operators around the designated mobile van centres to open accounts and access other banking services. A shift in focus of the bank from salaries employees who in most cases only withdraw money to farmers and business people might result in the bank benefiting from improved deposit base and liquidity.

5.3.2 Reliable Alternative Sources of Power Supply

The results from this study revealed that persistent electricity power outage due to unreliable ESCOM power supply and the bank's generators is negatively affecting service delivery of NBS Bank mobile bank in the designated service centres. Malawi generally experiences erratic ESCOM

power failures; therefore, NBS Bank needs to consider investing in other sustainable power sources such as reliable generators and solar energy to ensure that operations are not interrupted especially during periods of ESCOM power failure in the service centres.

5.3.3 Negotiating with Network Service Providers to Increase Network Capacity

The study also revealed that there is a problem of poor network connectivity of service centres which is negatively affecting processing of customers' transactions in real time and service delivery in general. NBS Bank management should consider negotiating with network service providers to increase network capacity in areas where the bank operates its mobile van services. According to Saiwa (2008), branch networking for most commercial banks in Malawi is negatively affecting service delivery and there is urgent need for network service providers to consider investing in advanced network technologies in order to address network challenges.

5.3.4 Need to Target Market Day of the Week

According to results on the test of customers' views on the bank's choice of mobile bank operational day of the week, most customers, especially those whose main source of income is business suggested of a change of bank's business day from Friday to Saturday in order coincide with the market day at Nkhoma trading centre. The bank needs to consider change of operational day at Nkhoma trading centre in order to take advantage of economic activities that take place during the market day. This will help accord customers an opportunity to do bank transactions during the day they do most economic activities and this will result in improved customer satisfaction and loyalty.

5.3.5 Consider Opening of Physical Branches in Mobile Van Service Centres

The study further revealed that customers are complaining of limited operational time of mobile van bank in the centres due to logistical and other operational challenges. NBS Bank should consider opening of physical branches in the mobile van service centres in order to satisfy the demand for banking services and also to improve its visibility and presence in the rural areas. Establishing of physical branches in mobile van service centres would also address the problem of exposure of mobile van bank customers to bad weather.

5.4 Recommendations for Further Research

The study recommends that, for a more representative picture, further studies on effects of mobile van banking on customer service should be carried out on all the other commercial banks operating mobile van banking services in Malawi because this study focused only on NBS Bank Lilongwe Branch service centres.

Lastly, it is recommended that further studies should be on the evaluation of the impact of mobile van banking on profitability and success of commercial banks in Malawi. Most commercial banks in Malawi have made significant investment in mobile van banking service and therefore there is need to evaluate as to whether such a massive investment is indeed wealth while.

REFERENCES

- Afrin, T. (2012). Quality of customer service in the banking sector of Bangladesh. *Journal of Business and Social Studies*, 3(1), 75-84. Retrieved from http://dspace.ewubd.edu/bitstream/handle/123456789/393/Tasneema_Afrin.pdf?sequence=1
- Adelman, S. and Nagarajan, G. (2009). *Who does formal finance reach in rural Malawi? Assessing the impact of Innovation Grants in Financial Services Project*. College Park, MD: IRIS Center. Retrieved from <http://www.fsassessment.umd.edu/publications/pdfs/Malawi-Financial-Outreach/>
- Aggarwal, S. and Klapper, L. (2013). *Designing government policies to expand financial inclusion: Evidence from around the world* (unpublished working paper, online). World Bank. Retrieved from <http://people.ucsc.edu/~saggarw1/files/Aggarwal-Shilpa-Klapper-Leora-WBRO.pdf/>
- Alberto, C.O. (2010). Counting the world's unbanked. Data sourced from Patric Honohan "Cross-country variation in household access to financial services. *Journal of Banking and Finance*, 32(11), 493-500.
- Aliaga, M. and Gunderson, B. (2000). *Interactive statistics*. Upper Saddle River, New Jersey: Practice-Hall.
- Aslam, Z. and Naeem, H. (2016). Quality issues in branch banking operations. *Journal of Business and Management*, 18(5), 17-18.
- Bello, Y. A. (2005). Banking sector reforms and bank consolidation in Nigeria. *Bullion CBN Publication*, 29(2), 48.
- Bryman, A. and Bell, E. (2007). *Business research methods*. New York: Oxford University Press. Pp 642-658.
- Chirwa, E. W. (2003). Determinants of commercial bank's profitability in Malawi: A co-integration approach. *Applied Financial Economics*, 13(1), 565-571.
- Cohen, L., Manion, L. and Morrison, K. (2000). *Research methods in education* (5th ed.). New York: Routledge Falmer.
- Daikh, J. (2015). *The relationship between customer satisfaction and consumer loyalty*. Johnson & Wales University Scholars Archive.

- Dagar, C. and Khanna, P. (2011). *Customer service and brand image: A retrospective view of private banks in India*. *International Journal of Multidisciplinary*, 1(5), 1-11.
- Dillman, D. (2000). *Mail and internet surveys: The tailored design method* (2nd ed.). New York: John Willey and Sons.
- Dupas, P., Green, S., Keats, A. and Robinson, J. (2012). *Challenges in banking the rural poor: Evidence from Kenya's western province*. University of Cambridge. Cambridge, UK: National Bureau of Economic Research.
- Ferguson, M. (2011). *Branchless banking and rural outreach in Malawi: Opportunity* International Bank of Malawi's impact on the market, 1(1). 15-42. Available: <http://www.fsassessment.umd.edu/>
- FINSCOPE. (2008). *Consumer survey in Malawi*. Retrieved from <http://www.mw/2008-finscope-malawi-survey/>
- FINSCOPE. (2014). *Malawi financial markets work for the poor: Consumer survey*. Retrieved from <https://www.finmark.org.za/finscope-malawi-2014-survey-results/>
- Groebner, D. F., Shannon, P. C. and Smith, K. D. (2005). *Business statistics: A decision making approach*. Upper Saddle River, New Jersey: Pearson Education.
- Government of Malawi, Ministry of Finance, Financial Sector Development Unit Economic Affairs Division. (2010). *The Malawi National Strategy for Financial Inclusion (2010-2014)*. Lilongwe: Author.
- Government of Malawi, Ministry of Finance, Financial Sector Development Unit Economic Affairs Division (2017). *The Malawi National Strategy for Financial Inclusion (2016-2020)*. Lilongwe: Author.
- Government of Malawi. (2005), *Malawi Rural Electrification Project: A solution to deforestation*. Lilongwe: Department of Forestry.
- Government of Malawi. (2012). *Impact of fertilizer subsidy on crop production: A solution to food insecurity*. Lilongwe: Department of Agriculture, Malawi Government.
- Hill, N., Brierley, J., and Dougall, R. (2003). *How to measure customer satisfaction* (2nd ed.). United Kingdom: Croft Road. Gower.
- Johnston, R. (1995). The zone of tolerance: Exploring the relationship between service transactions and satisfaction with the overall service. *International Journal Service Industry Management*, 16(2), 46-61.

- Kablan, S. (2010). *Banking efficiency and financial development in sub-Saharan Africa*, Washington D.C.: International Monetary Fund.
- Kanojia, D. and Yadav, D. R. (2012). Customer satisfaction in commercial banks. *International Journal of Trade and Commerce-IIARTC*, 1(1), 90-99.
- Kumar, R. (2005). *Research methodology*. California: SAGE Publishing.
- Lapukeni, P. G. J. (2013). *Status of energy in Malawi: The Republic of Malawi country report*. Tokyo, Japan: Jica International Centre.
- Lau, M. M., Cheung, R., Lam, A. Y. C. and Chu Y. T. (2013). Measuring service quality in the banking industry: A Hong Kong based study. *Contemporary Management Research Journal*, 9(3), 263-282.
- Leeladhar, V. (2015). Taking banking services to the common man - financial inclusion. *Journal on Financial Inclusion*, 1(3), 1-2.
- Luboyeski, L., Bagachi, D. & Chawinga, M. (2004). *Microfinance sector assessment in Republic of Malawi: USAID DMS Project*. Retrieved from <http://www.microfinancegateway.com/redirect.php?mode/>
- Lucas, R. W. (2012). *Customer service skills for success* (5th ed.). New York: McGraw-Hill.
- Msosa, S. K. (2015). *Assessing customer service in the Malawian public postal service* (Masters Dissertation), University of Durban Development, 20(1), 57–68.
- Nagarajan, G. & Adelman, S. (2009). *Who does formal finance reach in rural Malawi?: Assessing the Impact of Innovation Grants in Financial Services Project*. College Park, MD: IRIS Center.
- NBS Bank Lilongwe Service Centre. (2016). *Mobile van quarterly operational report*. Lilongwe: NBS Bank.
- Nzima, T. M. (2004). *A critical evaluation of customer care and service quality in commercial banking industry of Malawi* (Executive MBA Thesis), University of Malawi, Malawi.
- Opportunity International (2009). *Extending financial services to the rural poor: Opportunity International rural manual*, 1(1), 4-91. Retrieved from: <https://opportunity.org/content/News/Publications/Knowledge Exchange/Rural Manual.pdf>.

- Oxford Policy Management and Kadale Consultants. (2009). *Supply side of financial inclusion in Malawi*: (n.p): Author.
- Reserve Bank of Malawi. (2011). Building an inclusive financial sector. *Reserve Bank of Malawi Quarterly Update*, June 2011.
- Saiwa, T. T. (2008). *An evaluation of the impact of banking technology on the performance of commercial banks: The case of National Bank of Malawi* (Executive MBA Thesis), University of Malawi, Malawi.
- Sanjuq, G. (2014). The impact of service quality delivery on customer satisfaction in the banking sector in Riyadh, Saudi Arabia. *International Journal of Business Administration*, 5(4), Retrieved from <http://www.sciedu.ca/ijba>
- Saunders, M., Lewis, P. and Thornhill, A. (2009). *Research methods for business students*. England: Pearson Education.
- Sekaran, U & Bougie, R. (2013). *Research methods for business: A skill-building approach*. Chechester, West Sussex, United Kingdom: John Wiley & Sons.
- Sharma, D & Nagarajan, G. (2011). *Rural finance outreach in Central Malawi: Implications for Opportunity Bank of Malawi*. Maryland: Iris Center, University of Maryland. Retrieved from: http://www.fsassessment.umd.edu/publications/pdfs/Outreach_1-31.pdf
- Stone R., Agar J., Cabello M. and Hayes J. (2012). Study of African and International innovations and best practices in increasing access to rural and agricultural finance. *Oxford Policy Management*. 185 pp. Retrieved from <http://www.opml.co.uk/sites/default/files/Agrifinance-innovations-final-report.pdf>
- Solomon, M. R., Marshall, G. W. and Stuart, E. W. (2012). *Marketing: Real people real choices* (7th ed.). Boston: Pearson.
- Tuyishime, R., Memba, F. and Mbera, Z. (2015). *International Journal of Small Business and Entrepreneurship Research*, 3(6), 44-71.
- Weatherill, J. (2007). *Customer service, good practice guide*. Government of South Korea. Retrieved from <http://publicsector.sa.gov.au/.../20070101-Good-practice-guide-Customer-service>
- Witkowska, J. (2011). Factors affecting customer of financial services satisfaction. *Management and Production Engineering Review*, 2(1), 55-60.

World Bank. (2007). *Finance for all: Policies and pitfalls in expanding access*. World Bank November 2007 database. Retrieved from <http://go.worldbank.org/S3EWEOI440>

APPENDICES

APPENDIX 1: QUESTIONNAIRE FOR CUSTOMERS

ASSESSING CUSTOMER SERVICE DELIVERY OF MOBILE VAN BANKING IN RURAL AREAS – THE CASE OF NBS BANK LILONGWE BRANCH SERVICE CENTRES

The objective of the study is to assess customer service delivery of mobile van banking in rural areas – a case of NBS Bank Lilongwe service centres. Respondents are free to withdrawal from the study without being subjected to any form of retributions. In addition, the information collected through the survey will be treated with the highest level of confidentiality it deserves. Your participation in the study will be highly appreciated.

General Questions:

1. Please indicate the following:

a. Your gender

- i. Male (M).....
- ii. Female (F).....

b. Your level of education (please tick where applicable)

- i. None
- ii. Primary
- iii. Secondary
- iv. Tertiary
- v. Others (please specify).....

c. Branch where account is held (if NBS Bank account is held)

.....

d. Type of account (if NBS Bank account is held)

- i. Savings
- ii. Current
- iii. Foreign Currency Denominated Account (FCDA)
- iv. Fixed Deposit
- v. Others (please specify).....

2. What is your source of income? (Please tick applicable option)

- i. Farming
- ii. Employment
- iii. Business
- iv. Others (please specify)

3. What is your estimated monthly gross income?

.....

Specific Questions:

4. How do you rate the following service delivery aspects with respect to NBS Bank Mobile Van Banking? (Please tick applicable option)

Service Aspect	Rating				
	Excellent	Very good	Average	Poor	Not Sure
i. NBS mobile van banking facilities look modern and attractive					

ii.	NBS Bank employees display courteousness and respect towards customers	Excellent	Very good	Average	Poor	Not Sure
iii.	NBS Bank employees show knowledge of bank services and willing to assist customers	Yes	No	Not Sure		
iv.	NBS Bank employees' dressing and conduct portrays bank professionalism	Yes	No	Not Sure		
v.	Customer transactions processed timely	Yes	No	Not Sure		
vi.	The van arrive at banking premise timely	Yes	No	Not Sure		
vii.	Customer satisfied with number of days banking services are offered i.e. only a day per week	Yes	No	Not Sure		
viii.	Security and safety issues at mobile van banking centres: a. Instances of exposure to robbery b. Two Police officers hired by the bank always present to ensure security within premises c. Exposure to bad weather d. Do you think your money is safe with mobile van?	Yes	No	Not Sure		

ix. Bank transaction errors not occurring frequently, and if they do occur, they are timely addressed	Yes	No	Not Sure
x. Customer transactions reflecting in respective accounts immediately after transacting (online processing of transactions)	Yes	No	Not Sure

5. What transactions do you conduct at NBS Bank mobile van?

- i. Cash withdrawal
- ii. Cash deposit
- iii. Check deposit
- iv. Account opening
- v. Enquiries
- vi. Auto Teller Machine (ATM) transactions
- (vii) Others (please specify).....

6. Do you get all banking services you require through the NBS Bank Mobile Van Banking service? (Please tick applicable option)

Yes **No**

7. If no to question 6, suggest additional services you would require to be introduced through NBS Bank mobile van bank?

- i.

- ii.
- iii.

8. What are the main challenges you face with NBS Bank mobile van banking service in your area?

- i.
- ii.
- iii.

9. What do you think are the advantages or successes that NBS Bank mobile van banking has brought you personally and the community in general?

- i.
- ii.
- iii.

Thank you for filling the questionnaire