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   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

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CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

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- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

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- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

AN ANALYSIS ON THE IMPACT OF QUALITY SERVICE PROVISION ON CUSTOMERS' SATISFACTION IN MICRO- FINANCE INSTITUTIONS IN RWANDA FROM THE CUSTOMER'S PERSPECTIVE - USING THE SERVQUAL MODEL

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ABSTRACT
Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining and measuring it with no overall consensus emerging on either. Customer satisfaction and service quality are often treated together as functions of customer's perceptions and expectations and research has shown that high service quality contributes significantly to profitability. Service quality is required to be the first measure in order to improve the quality of service in an organization. The aim of this study was to find the underpinning variables of quality service that contribute to customer satisfaction in the micro-finance institutions in Rwanda from the customers' perspective. The measurements used were based on the widely accepted SERVQUAL model which is the most common method for measuring service quality. Descriptive and co relational statistical analysis was used to evaluate the impact of service quality and its effect on customer satisfaction among the customers in the microfinance institutions in Rwanda. Data was collected through a self-constructed and statistically validated questionnaire, thus five commercial banks were used for the research. A sample size of 250 customers were used for the study. Convenience sampling technique was used to administer the questionnaires to the respondents. A total of 353 customers were approached to fill the questionnaires, out of which 250 were willing to give usable data for statistical analysis. The results of the study indicated that all of the service quality factors and all the customer satisfaction factors were important. The statistical results indicate that there was a significant relationship between quality service provision and customers satisfaction.

KEYWORDS
Expected service quality, perceived service quality, Service gap, SERVQUAL.

INTRODUCTION
Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either. Microfinance institutions are consequently put into a lot of pressure due to the immense increase in global competition. Various strategies are formulated to retain the customer and the key of it, is to increase the level of the quality of service provided (Mani, Kumar, & Prabhakaran, 2010). Research has shown that high quality service contribute significantly to profitability. Quality service is about ensuring customers, both internal and external, get what they want. Customer satisfaction is the feeling or attitude of a customer towards a product or service after it has been used. Satisfaction and quality of service are often treated together as functions of customer's perceptions and expectations. Customer satisfaction is determined by defining customer perceptions of quality, expectations, and preferences.

Prabhakaran, (2003) indicates that the customer is the king. Aggresti and Franklin, (2009), similarly indicate that the customer is an input resource for many service operations and thus not only do we need to know how to manage customers but also we need to understand what they expect from the operation. Most importantly, they are, in most cases the final judges as to how well the quality of the service matches up requirements and, by their continued support, determine its long- term success. This should be more than sufficient motivation for operations managers to ensure that there is a match between expectations and service delivery in order to satisfy or even delight customers.

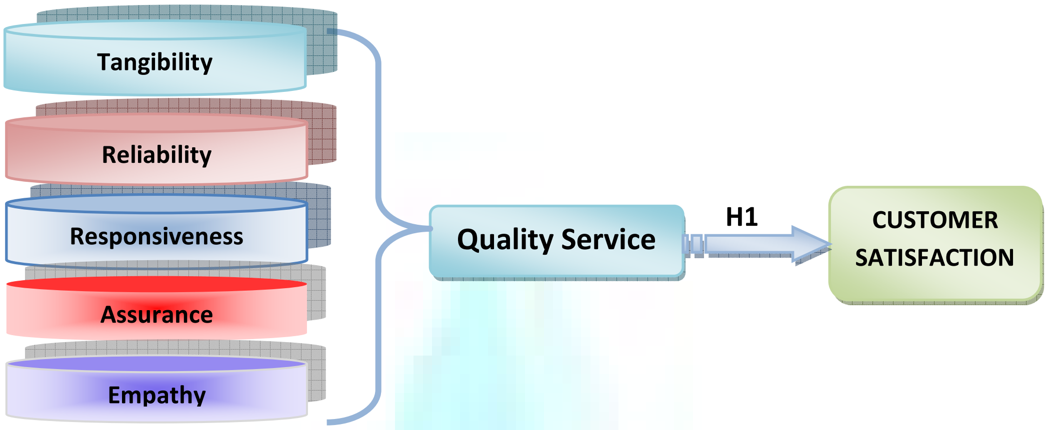
According to Prabhakaran (2003), high customer satisfaction is important in maintaining a loyal customer base. To link the quality of service, customer satisfaction and customer loyalty is important. Bowen and Chen, (2001) state that quality service is considered to be the main determinant of customers' satisfaction in both manufacturing and quality of service provision. Those firms expecting to create and sustain advantages over competitors should be seeking to deliver a superior quality service. In other words those firms must be paying to and invest considerable amount on programs that help to increase the quality of service just in case they want to survive with their customers (Sattari et al. 2010). Robert and David, Kurtz and Louis, (2006) define customer satisfaction as the result of customers' assessment of a service based on a comparison of their perceptions of the quality of service delivery with their expectations. If customers' perception of the service, the experience and outcomes match with their expectations, then they ultimately should be satisfied. If their perceptions of the service exceed their expectations, then they will be more than satisfied, even delighted. If, their perceptions of the service do not meet their expectations, then they may end up being dissatisfied, or even disgusted.

According to Kotler and Armstrong, (2008) satisfied customers buy again and tell others about their good experiences. Dissatisfied customers often switch to competitors and disparage the product to others, (Feurst 1999).

In the past decade, the financial institutions industry have undergone major drastic changes, which have resulted in creating market environment characterized with intense competition among the key players in the banking industry. The Government of Rwanda in its policy to attain vision 2020 target, it has moved to privatize and register a number of microfinance institutions, this has further aggravated the competition and complexity of operations among the key players in the industry. The institutions strive to survive by having a competitive advantage and providing quality services to the customers, which ultimately translate to their profitability and survival.. The main aim of this research is to assemble the underpinning elements of quality service delivery that ultimately influence customer satisfaction in the microfinance institutions in Rwanda.

The paper starts with the concept of service quality, customer satisfaction while focusing mostly on SERVQUAL approach, which is the most common method for measuring service quality. The purpose of the research is to find the most important service quality dimensions that affect customer satisfaction in the micro-finance institutions in Rwanda from the customers' perspective. The study employed the following conceptual model as illustrated in Figure 1.

FIGURE 1: RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION BASED ON SERVQUAL



THEORETICAL AND RELATED LITERATURE REVIEW

There has been numerous research on exploring consumers cognitive and affective responses to the perception of service attributes by providing what consumers need in an effective and efficient manner. Consumer satisfaction (Churchill & Surprenant, 1982,; Oliver, 1997) and perceived quality of service (Parasuraman et al, 1985, 1988,; Rust & Oliver, 1994,; Zeithaml et al, 1996) have been considered the primary intervening constructs in the area of service marketing because ultimately they lead to the development of consumer loyalty or re-patronization of a product or service (Mani, Kumar, & Prabhakaran, 2010). Much of the initial work in developing a model to define and assess the quality of service, was conducted by Parasuraman, Zeithaml, and Berry (1985) (referred to as PZB). According to Zeithaml, Parasuraman, and Berry,(1985) the measurement of service quality should be done with the purpose to identify the gaps between expectations and perceptions or the shortfalls in customers' perceptions of services' performance. In this respect they developed the SERVQUAL model, an approach that supposes the measurement of expectations and perceptions on five dimensions as follows: Assurance, Empathy, Reliability, Responsiveness and Tangibles. The SERVQUAL model is 'probably the best-known, universal scale designed to measure the perceived service quality' (Saxena, 2006). The model highlights the following five service quality gaps:

1. Gap1: Consumer expectations _management perceptions of consumer expectations.
2. Gap 2: Management perceptions of consumer expectations _ service quality specifications actually set.
3. Gap 3: Service quality specifications _ actual service delivery.
4. Gap 4: Actual service delivery _ external communications about service.
5. Gap 5: The final gap is the result of the four other gaps. (J. Cox and B.G. Dale, 2001)

The customer gap is the difference between customer expectations and perceptions. Customer expectations are standards of service that the customer has prior to the service situation and perceptions are assessments of the actual service experienced in the service situation.

Gap 1: "Not knowing what customers expect". This means there is a gap between the customer expectations and how the company understands those expectations. This gap results from lack of understanding the customers' needs and wants. If the company does not conduct customer satisfaction surveys or otherwise ask the customers of their wants and needs, it is likely that the company will experience this gap. Lack of communication between managers and customers is another cause for this gap. Managers need to ask questions about customer expectations. (Zeithaml et al. 2006)

Gap2: "Not having the right service quality designs and standards". Another requirement, in addition to understanding customer's needs and wants correctly, is that of having service designs and performance standards that reflect the existing customer expectations that are understood and enforced properly. Provider gap 2 is a result of the company having service designs that do not produce what the customers want. In addition to poor service design, the absence of customer-driven standards causes this gap. Thirdly, inappropriate physical evidence and services cape creates provider gap 2. Physical evidence refers to the physical tools that the service is provided with, such as business cards and other equipment. (Zeithaml et al. 2006)

Gap 3: "Not delivering to service designs and standards". After having designed and implemented the right service quality designs and standards; systems, processes and people are needed to ensure that the service delivered matches or exceeds the set standards. Provider gap 3 is inconsistency between development of customer-driven service standards and actual service performance of the company employees. Suitable resources and proper enforcement of the service standards need to be in place so that the service standard is delivered and the customer receives quality service. Poorly trained or poorly motivated workers can cause this gap to appear within the organization. Management needs to ensure that employees have the skills and the proper tools to perform their jobs. Employees need to know what the management expects of them. Ineffective recruiting, role ambiguity or conflict, poor appraisals and compensation, lack of empowerment and team work are reasons behind gap 3. (Zeithaml et al. 2006,)

Gap4: "Not matching performance to promises". Provider gap 4 is the difference between service delivery and service provider's the external communication; hence it is a communication gap. If a company makes promises through advertising and other means of communication, the customer expectations may grow and standard of quality expected to be provided by the company becomes higher in their eyes. In case the customer expectations are raised, it also affects the customer gap which is based on the customer expectations. When reality does not add up to the promised level, the customers perceive low service quality. Companies need to create realistic customer expectations through honest and accurate communication about what they can and will provide. (Zeithaml et al. 2006)

Kotler and Armstrong, (2008) noted that discrepancies existed between the firm's and the customer's perceptions of the service quality delivered. In investigating these discrepancies, PZB (1985) assert that service quality can be assessed by measuring the discrepancies or "gaps" between what the customer expects and what the consumer perceives he receives. In conceptualizing the basic service quality model PZB (1985) identified ten key determinants of service quality as perceived by the company and: the consumer reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the customer and tangibility. They noted that discrepancies existed between the firm's and the customer's perceptions of the service quality delivered. In investigating these discrepancies, PZB (1985) assert that service quality can be assessed by measuring the discrepancies or "gaps" between what the customer expects and what the consumer perceives he receives.

Based on their review of the literature, PZB (1985) developed the SERVQUAL scale. The scale was designed to uncover broad areas of good or bad service quality and can be used to show service quality trends over time, especially when used with other service quality techniques. The SERVQUAL scale is based on a difference score between customer expectations of service and their perceptions after receiving the service. Initially PZB (1985) focused on the ten determinants of service quality. However, after two stages of scale purification, they reduced the ten determinants to five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy (PZB 1988).

Service quality is undoubtedly an important input for customer satisfaction which in turn influences customers' behavior in terms of loyalty (it is expressed in customers' repurchase intentions, positive word of mouth or an increase in the number of performed banking operations), and thus enhance a bank's image and performance. Kotler and Armstrong (2009), define quality as the overall experience which a customer perceives through the interaction with the product and services; Evans (2005) defined quality as the totality of features and characteristics of a product or service that bears on its ability to satisfy given needs. The view of quality as the satisfaction of customer needs is often called fitness for use. Evans (2005) has captured the definition of quality as taken as a whole judgment. Service quality has been described as a form of attitude, related but not equivalent to satisfaction that results from the comparison of expectations with performance (Solomon, Marshall & Stuart, 2009).

Quality had a long term impact on the satisfaction of customers (Omachanu *et al.* 2008). Atalik and Arslan (2009) found that creating value and offering quality of service offered to customer creates loyal customers. Service quality is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Kotler & Keller, 2009). If the expectation is greater than the service performance, perceived quality is less than satisfactory and hence, customer dissatisfaction occurs. If perceived performance is equal or greater than expectations, the customer is satisfied (Michael, Greg and Elnora, 2009). Customer expectation means uncontrollable factors including past experience, personal needs, word of mouth, and external communication about service (Kotler & Armstrong, 2009). Service is defined as an act of performance that one party can offer to another, that is essentially intangible and does not result in the ownership of anything (Kotler & Keller, 2009).

Kotler and Keller, (2006), indicate that reliability is the ability to perform the promised service dependably and accurately. Foster, (2010) further indicates that reliability is the company's ability to perform the service dependably, accurately, and consistently keeping given promises on delivery, service provision, problem resolution and pricing. Keeping promises about service outcomes and core service attributes is the most significant factor in the eyes of the customers. Reliability is performing the service right the first time, as promised (Zeithaml et al. 2006). Kotler and Keller (2006), Foster, (2010) approve that reliable Service Quality dimension refers to how the company is performing and completing their promised service, quality and accuracy within the given set requirements between the company and the customer.

Bowersox and Cooper, (2008), evaluate responsiveness as being the willingness and ability to provide prompt service. They further indicate that it's the willingness of the service provider to be helpful and prompt in providing service. Foster, (2010) analyses responsiveness as being the willingness to help customers and to provide prompt service. From the customer's view responsiveness is seen to mean how attentive the company personnel are to customer requests, questions, complaints and problems. The level of responsiveness is judged based on the time these issues are dealt with. If the customers feel they have to wait a long time, the perception of responsiveness is weakened. This dimension of service also includes flexibility and ability for customizing particular customers needs (Zeithaml et al. 2006).

Saxena, (2006), refers to assurance as the competence of the firm in delivering the promised service, courtesy extended to the customer, firm's credibility, and the extent to which the customer feels secure. Foster, (2010), analyses assurance to refers to the knowledge and courtesy of employees and their ability to inspire tust and confidence. Assurance dimension is seen to be important to high-risk services such as banking, medical or insurance. The employees need to have a certain level of knowledge and skill to treat customers with respect and make them feel that they can trust their business to the company (Zeithaml et al. 2006). Assurance refers to the knowledge and courtesy of employees and their ability to convey trust and confidence including competence, courtesy, credibility and security. (Johnston & Clark, 2008). It also refers to means though which employees instill confidence in customers, making customers feel safe in their transactions, employees who are consistently courteous**,** employees who have the knowledge to answer customer questions (Kotler & Keller, 2006). The assurance Service Quality Dimension refers to the company's employees skilled workers who are able to gain the trust and confidence of the customers (Foster, 2010) .

According to Saxena, (2006), empathy is the degree of caring and individual attention customers receive. In other words, the customer desires caring, individualized attention (Foster, 2010). Empathy refers to the provision of care, individualized attention to customers. Proving individual and personal attention to specific customers portrays empathy and lets the customers know that their needs are understood. Companies that provide this personal service are able to have a competitive edge against other companies that do not treat the customers as individuals **(**Zeithaml et al. 2006).

Kotler and Keller, (2006), indicates that empathy involves giving customers individual and personal attention, the employees need to deal with customers in a caring fashion, having the customer's best interest at heart, and understanding the needs of their customers. The empathy Service Quality Dimension refers to how the company cares and gives individualized attention to their customers, to make the customers feeling extra valued and special. The fifth dimension is actually combining the second, third and fourth dimension to a higher level. If the customers feel they are individualized and given quality attention there will be a very big chance that they will reciprocate by returning to the company to do business, and further authoritatively promote the image of the organization (Foster, 2010).

Zeithaml et al,(2006) argue that tangibles refer to the appearance of physical facilities, equipment, personnel, and communication materials, which may physically represent the service quality that customers evaluate. This dimension is especially important when it comes to new customers. Tangibles might be used to enhance the company image, provide continuity and signal quality to the customers but often tangibles have to be paired with another service dimension. For example, if no attention is paid to the appearance of tangibles such as the physical facilities, the responsiveness factor will have little effect on the customer's perceptions A company should want all their customers to get a unique positive and never forgetting first hand impression, this would make them more likely to return in the future. (Kotler & Keller, 2006)

Repeat purchases have been recognized to be the indicator of satisfied customers because unsatisfied customers switch to competitors. Henkel *et al.* (2006) found satisfied customers to have higher extent of usage and intentions to repurchase in future. The greater the level of satisfaction of customers the greater will the be repurchase chances and reduced customer whip (Iqbal *et al.* 2008).

Customer loyalty as expounded by Saxena, (2006) is when a customer over time engage one company to satisfy entirely, or a significant part, of her needs by using the company's products or services". Loyalty is an outcome of the customer's faith or confidence in the company's offer. According to Kotler and Keller (2006), customer loyalty is a deeply held commitment to re-buy or re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behavior. Customer loyalty means that the customer is loyal to the company and only turns to a competitor in exceptional cases. Customer loyalty is not a permanent thing. If the customer value decreases to such a level that it becomes obvious to customers that offers from competitors are better, customers will engage in the others instead; According to Saxena (2006), customer loyalty is created only when customers perceive fairness, equity, and transparency in their relationship with the seller.

As further suggested by Saxena (2006), there are three stages in the development of customer loyalty in any organization: Customer acquisition, customer retention, and strategic customer care. In the acquisition stage the focus of the company is on transactions and product mix sold to each customer account, in the retention phase loyalty is assessed through tools like customer satisfaction surveys and development of satisfaction indices, while the strategic stage calls for integration of customer needs, aspirations and expectations in the product development, up gradation, and distribution changes (Saxena, 2006)

Customer retention which is one of the underlying factors for quality service provision is seen as an act of implementing certain strategies which allows current customers to keep using the brand and potential customers to turn into regular consumers. In order to sustain in the tough market competitions, businesses have to follow customer retention strategies right from the time they get a new customer till throughout the period the person uses the product. Customer retention is not just a matter of offering quality products, but also how the company gives proper services and creates a dependable goodwill in the market (Kotler & Keller, 2009). Customer retention strategies have assumed a great deal of significance in the modern world. Good customer retention strategies most importantly include techniques that exceed the expectations of customers, leading to utmost customer satisfaction. First of all, the seller should make it a point to provide the best customer service, be it to any type of customer. In order to generate loyalty in consumers regarding the brand, marketers and salesmen should create good personal relations with consumers.

On the other hand customer commitment is the intention of a customer to maintain a long-term relationship with a supplier. There are two types of customer commitment conceptualizations: affective and calculative or continuance commitment, as seen by Ruyter (1998). Calculative commitment is the way that the customer is forced to remain loyal against his/her desire. In calculative commitment customers can be committed to a selling organization because they feel that ending the relationship involves an economic or social sacrifice (Fullerton, 2005). Affective commitment reflects a consumer's sense of belonging and involvement with a service provider akin to emotional bonding (Rhoades et al., 2001; Fullerton, 2003). The definition of customer commitment in the present investigation is based on its affective aspect, in view of its larger effect on loyalty compared to satisfaction (Johnson et al., 2001).

THE STUDY

Given the importance of the provision of quality service and its influence of the satisfaction of customers, the purpose of this study was therefore to find the underpinning elements through the variables discussed above, that contribute to the provision of quality service and how those element impact on the satisfaction of the customers. The study put in focus the following questions so as to be able to unearth and carry out a deeper investigation into the study.

1. What is the demographic profile of the respondents based on the gender, age, academic qualification and occupation?
2. What is the perception of the respondents towards the independent variables: tangibility, reliability, responsiveness, assurance and empathy as they relate to the dependent variable?
3. What is the perception of the respondents towards the dependent variables: customer turnover, customer loyalty, and customer trust and customer commitment as they relate to the independent variables?
4. Is there a significant relationship between the independent and the dependent variables?

RESEARCH METHODOLOGY

The theoretical architecture was bridged with methodological design towards deepening the scientific or philosophical undertone of the research. The research employed and utilized descriptive and correctional research design. The choice of these designs was informed by the ability of descriptive method to profile respondents categorically (Greener, 2008) and the correlation was to examine the relationship between variables (Wallace and Wray, 2006). Collectively, these designs formed the background upon which the statistical analysis is based. Evidence from Adams, Khan, Raeside and White (2007), Remenyi (2002 & 2005), and Pallant (2005) have demonstrated that survey-based research which required grouping is best organized and analyzed with descriptive approach. Primary data was used for the research. This was collected through a self-constructed questionnaire. The questionnaire was constructed on a likert-scale. The face, content, and construct validity (Greener, 2008) were established through experts' intervention from the field of management. The researcher employed convenience sampling method in the distribution of the research instrument to the bank customers. The research approached customers who walked into the banking hall for three consecutive days. The researcher approached 353 customers out of which 250 were willing to fill the questionnaire.

The questionnaire was divided into three parts. The first part was used to capture the demographic information of respondents: age, sex, occupation, education background, and frequency of respondents transacting with the bank. The second part gathered the respondents perception on the SERVQUAL five dimensions; tangibles, reliability, responsiveness, assurance and empathy. The third parts collected information regarding the respondent's perception on their degree of satisfaction on the quality of services provided. The respondents' participation was solicited through a consent letter and the data gathered are for academic purposes only.

DATA ANALYSIS, INTERPRETATIONS AND DISCUSSIONS

The profile of the respondents was analyzed through descriptive statistics as presented in Table 1.1 and it indicates that out of 250 respondents, 180 respondents representing (64.3%), were male while 70 respondents representing (25%), were female. This proportional difference only reflects the number of respondents surveyed.

TABLE 1.1: DISTRIBUTION OF THE RESPONDENTS BY DEMOGRAPHIC FACTORS

Demographic Variables	Categories	Frequency	Percentage
Gender	*Male*	*180*	*64.3*
	Female	*70*	*25.0*
Educational Level	*Diploma/Certificate*	*87*	*31.1*
	Bachelors	*156*	*55.7*
	Masters	*3*	*1.1*
	PhD	*0*	*0*
	Others	*2*	*7*
Frequency of Accessing the bank	*Daily*	*76*	*27.1*
	Once to twice a Week	*38*	*13.6*
	Once in two weeks	*34*	*12.1*
	Once in 3 weeks	*35*	*12.5*
	Once a Month	*63*	*22.5*

Table 1.1 further indicates that out of the 250 respondents, 87 respondents, representing (31.1%) had a certificate or Diploma, 156 respondents (55.7%) had a Bachelors Degree, 3 respondents (1.1%) with Masters Degree, PhD has 0 (0%) respondents, and 2 respondents hold other academic qualifications represented by 0.7% of the total respondents. However, four of the respondents representing 1.5% did not indicate their academic qualifications. Table 1.1 also indicates the frequency of the respondents access to the bank. Of the total 250 respondents, 76 (27.1%) access the bank on the daily basis, 38 respondents (13.6%), access the bank once to twice a week, 34 respondents (12.1%), access the bank once in two weeks, 35 respondents (12.5%), access the bank once in 3 weeks and 63 respondents (22.5%), access the bank once in a month. From the statistical results, clients that access the bank daily had the highest percentage, followed by those that access the bank once in a month, followed by those who access the bank once to twice in a week, then those that access the bank once in three weeks and finally those that access the bank once in two weeks.

From the categorization of the respondents, it becomes explicit that , educational qualification and frequency of accessing the bank appeared robust to authenticate the quality of the information provided by the respondents. As such, the perception of the respondents with reference to the quality of service provision and customer satisfaction were investigated. This aspect was approached with descriptive statistics. Table 1.2 below indicates that ICT complexity, cognitive dissonance, familiarity, and ambiguity affected the respondents' decision to adopt/use. The perceived ease of use was investigated through three questions requiring the respondents to assert to the degree to which they subscribed to a question.

TABLE 1.2: RESPONDENT'S PERCEPTION ON THE INDEPENDET VARIABLE (QUALITY SERVICE PROVISION)

Independent Variables	Mean	Std. Deviation
Tangibles	3.3450	.71363
Reliability	3.4413	.74288
Responsiveness	3.6160	.62530
Assurance	3.6587	.48991
Empathy	3.5987	.64441

From the statistical report in table 1.2, all the variables tested under the independent variable using the SERVQUAL Model are instrumental to the quality provision of services.

TABLE 1.3: PREDICTORS OF CUSTOMER SATISFACTION

	Overal satisfaction	Tangibles	Reliability	Responsiveness	Assurance	Empathy
Overall Satisfaction	1					
Tangibles	0.932**	1				
Reliability	0.954**	0.923**	1			
Responsiveness	0.925**	0.883**	0.943**	1		
Assurance	0.927**	0.881**	0.940**	0.934**	1	
Empathy	0.922**	0.860**	0.948**	0.918**	0.887**	1

Table 1.3 shows the predictors of five dimensions and their level of significance in relation to customer satisfaction. The results indicate that all the five dimensitons have a signigicant relationship with customer satisfaction.

TABLE 1.4 RELATIONSHIP BETWEEN QUALITY OF SERVICE PROVISION AND CUSTOMER SATISFACTION

		Quality of Service Provision	Customer Satisfactont
Quality of Service Provision	Pearson Correlation	1	.966**
Customer Satisfacton	Pearson Correlation	.966**	1
**. Correlation is significant at the 0.01 level (2-tailed).			

The depth of relationship between the indepenent and the dependet variable was established to substantiate the documented perception of the surveyed respondents. In light of this, the correlation analysis was conducted to authenticate the presumed proposition of a relationship. As evident in Table 1.4, a strong positive statistical significant relationship between quality of service delivery and customer satisfaction was found with a Pearson Correlation Coefficient of *0.966* at 1% (0.000) level of significance. This implies that cutomer satisfaction is dependent on the perception of the respondents aggregate quality of service provided by the micro finance institutions. With the aforementioned outcome the null hypothesis (there is no significant relationship between quality of service provision and customer satisfaction) is rejected and therefore a conclusive outcome of this is that, customer satisfaction (dependent variable) is positively (largely) related to service quality (independent variable) variables in micro finance institutions of Rwanda.

The aforementioned results are supported by Lai (2004), who found positive relationship between tangibles, empathy and assurance and customers' satisfaction. The strong positive correlation of customer satisfaction and service quality means that the customers will out rightly recommend other customers to and uphold a positive image of the micro finance institutions. Cohen *et al.* (2007) in his research found out that a loyal customer takes less of the company's time during transactions and are less sensitive to price changes. Reichheld (2006) stated that companies with the highest customer loyalty typically grew revenues at more than twice the rate of their competitors. Chen (2008) says that perceived value of service and satisfaction with the service has significant positive effect on behavioral intentions of usage in future. Akbar & Parvez (2009) found that there is positive relation between customer satisfaction and loyalty of customer leading to a more favorable disposition of commitment to re-patronize.

Based on these findings, this research is an added value to existing knowledge on the debate about the depths to which quality serive provision in the micro finance institutions can influence customer satisfaction. Therefore, the respondents from the financial institutions in Rwanda assert that the quality of service provided positively influence the satisfaction of the customers Hence, the paper suggests that in order to maintain and increase the customer base in the financial institutions the management need to ensure that there is quality service provided at all times so as to have a competitive edge in the industry.

CONCLUSION

This research contributes to the wealth of existing documentation through the identification of the factors that enhance customer satisfaction in the micro finance institutions in Rwandan. The research is perceptual and relationship based. Therefore, bank managers would be well advised to emphasize the employee training programmes so that they can offer personalized service. The main aim should be to develop a long-term relationship with the customers. The current study demonstrates that there is a large positive correlation between customer satisfaction and quality service, meaning that if the customers are satisfied then they will become loyal. This calls for improving the staff related aspects on offering quality services which ultimately will increase customer satisfaction. This implies that staff must be trained in the skills of handling the customers well

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