



# **A Study on Factors Affecting Customer Satisfaction on Electronic Payments System, with Special Reference to Sana Mega Stores, Lilongwe City Centre, Malawi, Central Africa**

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## **ABSTRACT**

This study looked into the relationship between customer happiness and electronic payments at Sana Mega stores, Lilongwe city Centre. The objectives of the study were to determine the impact of perceived risk associated with electronic payments on customer satisfaction at Sana Mega stores, Lilongwe city Centre, as well as to evaluate the relationship between electronic payment usability and customer satisfaction. The triangulation approach was applied along with a cross-sectional study design. The 108 responders comprised the study population. There was use of both purposive and basic random sampling methods. Regression analysis, correlation coefficients, one way analysis of variance, and independent sample tests were used in the analysis for the quantitative results. Thematic and content analyses were used for qualitative analysis. Results showed that customer happiness and electronic parking use are positively correlated. Customer satisfaction has a favorable connection with trust. Finally, there is a negative association between perceived risk and consumer satisfaction. Based on the results, it can be concluded that customer happiness and perceived risk are related. Some customers are prone to disregard using the service when they believe the risks are significant, and vice versa. The onus is consequently on the appropriate authorities to guarantee that risk management strategies are implemented in order to guarantee client satisfaction.

**KEY WORDS:** LCC: Lilongwe City Council

## **INTRODUCTION**

The key question of this study is if electronic payments and customer happiness are related. In the context of this research, customer satisfaction is positioned as the dependent variable, and electronic payment is the independent variable. This strategic segmentation allows for a more in-depth investigation of the ways in which the adoption and effectiveness of electronic payment methods affect consumers' overall satisfaction levels, specifically in relation to Sana Mega Stores located in Lilongwe City Centre, Malawi, Central Africa.

Three essential features of electronic payment are examined as the main focus of the investigation: perceived risk, trust, and usability. These factors were selected because they play crucial roles in determining how customers perceive their experiences and how satisfied they are. The term "usability" refers to how simple and effective it is for customers to use electronic payment platforms in a retail environment. Customers' level of reliance and confidence in the security and integrity of Sana Mega Stores' electronic payment systems is embodied in their trust. Customers' subjective evaluation of the possible risks or weaknesses connected to electronic payments, such as fraud or technical malfunctions, is referred to as perceived risk.

This chapter lays forth the research's goals, objectives, and underlying logic, acting as the framework for the study. The study's background offers a contextual backdrop that clarifies how the retail industry is changing and how electronic payment technologies are becoming more and more common in facilitating transactions. In light of this, the issue statement establishes the foundation for the significance and applicability of the research by outlining the knowledge gap that currently exists about the relationship between electronic payment and consumer happiness.

The overall goal and particular aims sought by this research endeavor are encapsulated in the study's purpose and objectives. The study intends to provide useful insights for retail industry stakeholders by providing a systematic investigation of the relationship between electronic payment characteristics and consumer happiness through the establishment of well-defined objectives. Simultaneously, the research questions and hypotheses outline the specific questions and preliminary claims that direct the empirical investigation, offering a formal framework for gathering and evaluating evidence.

The study's scope establishes the parameters that govern its operations, outlining the geographical, sectoral, and conceptual bounds of the inquiry. The study recognizes the distinct socio-economic and cultural dynamics present in this setting, which may have an impact on the conclusions and implications drawn from the research, by concentrating on Sana Mega Stores in Lilongwe City Centre, Malawi.

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## LITERATURE REVIEW

This chapter reviewed the related literature on the research objectives which are to determine how electronic payment affects customer satisfaction while identifying knowledge gaps that seek to help in designing primary data collection tools for collecting data to bridge these gaps

### Theoretical Review

The disconfirmation model and the DeLone & McLean Information Success model are the models that are being examined in this study. A strategic framework for evaluating the influence felt within technology systems is provided by the DeLone & McLean Information Success model (DeLone & McLean, 2003). Electronic payments have gradually replaced traditional payment methods in recent decades, reflecting both changing consumer tastes and advances in technology. Customers are motivated by specific requirements or perceived benefits when they interact with products, services, or operational outputs. Every operation in an organization serves a unique function and serves a distinctive clientele (Brinkerhoff & Dressler, 1998).

In today's corporate environments, customer satisfaction is a key component of the operating models of manufacturing and service-oriented companies alike. Customer satisfaction evaluations are becoming a crucial component of organizational progress measurements, and their use is trending rising. Beyond local markets, this emphasis on customer care and happiness has developed into a worldwide rivalry where companies compete to excel in meeting and exceeding customer expectations. Interestingly, in famous awards like the Malcolm Baldrige National Quality Award, a sizeable percentage of the evaluation criteria—roughly thirty percent—are related to the degree of customer satisfaction reached. This emphasizes how important customer satisfaction is to the success and recognition of an organization. Additionally, as a fundamental component of operational performance, the concepts of Total Quality Management (TQM) emphasize how important it is to attend to customer demands and expectations (Mallat, 2008).

Individuals' perceptions of customer satisfaction are frequently influenced by their own experiences and viewpoints. Industrialists, managers, and researchers must reevaluate and improve their understanding of customer satisfaction if they are to guide markets towards increased profitability and operational efficiency through effective client retention. As a result, more research is required to fully understand this concept's meaning and practical applications in the context of university research. Through a thorough examination and definition of customer satisfaction, stakeholders can acquire a more sophisticated comprehension of its dynamics and consequences in various organizational contexts.

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## RESEARCH METHODOLOGY

### Research Design

A cross-sectional strategy was selected as the research design for this study in order to simplify data collecting from a specified sample within a certain demographic. Because of its descriptive capacity and how easily the data could be presented, this design was judged appropriate (Sekaran, 2003). The principal strategy used by the researcher was a triangulation approach, with an emphasis on quantitative methodologies. Descriptive and inferential statistics were the main focus of quantitative data analysis, which provided results in tabular form for easy reading and understanding. This inclination is a result of the accessibility and clarity that tabular format provides.

Nevertheless, the study also included qualitative approaches, acknowledging their effectiveness in terms of time and money. Because qualitative data might offer thorough and perceptive answers to the study questions addressed, they were especially prized. These qualitative discoveries served as the cornerstone for a more thorough comprehension of the topic under study. Thus, the study sought to provide a comprehensive and nuanced exploration of the research topic by combining quantitative and qualitative methodologies.

### Study Population

Burns (2000) observes that a population is the total number items that share one or more denominators. This characteristic may be a residential area, a profession, an economic activity, and so on. The study population comprised of 175 respondents. These included members of the general public that use Sana Mega Stores and employees of Sana Mega Stores Malawi. These categories include; employees of Sana Mega stores Malawi, top management, middle management, lower staff and their customers. The population was studied because they have experience with electronic payment management and how they feel about the service. These provided information for service improvement which is one of the justifications for this study. The senior staff members were studied as key informants from Sana Mega stores control management to seek their views on the subject matter.

### Sample Size and Selection

This was determined basing on statistical tables of Krejci and Morgan (1970) in appendix 4. The total sample size for this study comprised of 50 employees of Sana Mega stores, Malawi distributed as shown in Table 3.1 below. The sample contains 5 Top Management members, 10 Middle management members, 35 Lower Management staff and 125 Sana Mega store City Centre customers.

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## RESULTS AND DISCUSSIONS

### Response rate

The response rate was computed using a formula of the number of actual responses divided by the target response and the findings below.

**Table 4.1: Response rate**

Method	Target Response	Actual response	Response rate
Interview	25	22	80
Questionnaire	150	138	90
<b>Total</b>	<b>175</b>	<b>160</b>	<b>88.8</b>

Source: Primary data

Table 4.1 above describes that 138 of the 150 questionnaires that were distributed were returned, meaning that 90% of the questions were answered. Only 22 of the 25 people slated for interviews actually took place, indicating an 80% response rate. Consequently, 88.8% was the study's average response rate. Given that 70% of responders are sufficient for the study, the 88.8% study response rate was deemed sufficient by Amin (2005).

**Table 4.2: Age of respondents**

	Age bracket	Frequency	Valid Percent
Valid	18 – 27	20	14.5
	28- 37	30	21.4
	38 – 47		29.0
	48 – 57	40	25.4
	58 and above	35	9.7
	<b>Total</b>		<b>100.0</b>
		13	
		<b>138</b>	

Source: Primary data

From the above table 4.2, majority were between 38-47 years representing 29.0%. This was followed by 48-57 represented by 25.4%. Those who were in the category of 28-37 constituted 21.4%, 18-27years had 14.5% and those who were above 58yrs were identified with 9.7%. The finding implies that since a big majority of respondents (29.0%) were at least 30 years of age, they were mature enough to understand and appreciate study.

**Table 4.3: Level of Education**

	Level	Frequency	Valid Percent
Valid	None	20	14.5
	Primary	30	21.4
	Secondary	35	25.4
	Degree		
	Others	40	29.0
	<b>Total</b>		<b>100.0</b>
		13	9.7
		<b>138</b>	

Source: Primary data

Table 4.3 indicates a majority, with 29.0% holding a bachelor's degree. With 25.4%, education at the secondary level came in second. While 21.4% of the respondents had just completed their primary schooling, 14.8% had no education at all and 9.7% held further degrees such certificates and diplomas.

These results show that the majority of participants understood the fundamentals of the study. Their familiarity with electronic payments and consumer happiness is evident

**Table 4.4: Experience on using electronic payment system**

Experience in payment system	Frequency	Valid Percent
Valid 1 year and less	29	21.0
2 – 3	48	34.8
4 – 5	39	28.2
Above 5	22	16.0
<b>Total</b>	<b>138</b>	<b>100.0</b>

Table 4.4 above shows that majority were already used to the electronic payment system working from 4-5 years represented by 28.2%. 1 year and below was reflected by 21.0%. 34.8% % of the respondents had spent 2-3years and the last category of that had more than five years of experience was reflected by 16.0%. Meaning that the study was carried out with a population that had some experience dealing with the electronic payment system.

## MAJOR FINDINGS

The study results showed that using electronic payment machines positively influenced customer satisfaction in the City Centre of Lilongwe. According to Rogers et al. (2011), there has been a consistent positive correlation between how individuals use electronic payment systems and the satisfaction they derive from the experience. In this study, respondents were surveyed in their usual environments, such as Mega spaces and payment machine spots, ensuring that the evaluation maintained ecological validity. This means that the usability of the electronic payment systems was assessed in real-world conditions, providing a more accurate reflection of their effectiveness and user satisfaction.

Research has demonstrated that the implementation of electronic payment systems offers customers greater flexibility, freeing them from being confined to specific rules and functions. As a result, many people prefer to make their payments either through automated handheld machines, due to the mobility of the machine operators, or through fixed automated machines located near their Mega spots. This preference for different types of payment systems highlights the importance of accessibility and convenience, which are key factors in customer satisfaction. Polatoglu and Ekin (2001) also illustrated this point, showing that the relative advantage of having easy access to payment options significantly enhances user experience.

The flexibility offered by electronic payment systems allows customers to choose the method that best suits their needs and circumstances. For instance, drivers can quickly and conveniently make payments without leaving their vehicles, whether through a mobile operator with a handheld machine or at a nearby fixed machine. This convenience reduces the time and effort required to complete transactions, contributing to higher satisfaction levels. The study's findings align with previous research, suggesting that when customers find the payment process easy and accessible, their overall satisfaction with the service increases.

## SUGGESTIONS AND RECOMMENDATIONS

The researcher recommends that a similar study be conducted in the greater Lilongwe area to obtain a more comprehensive understanding of the topic. The initial study focused solely on two variables: electronic payment and customer satisfaction. However, it is important to investigate additional factors that may influence customer satisfaction in City Centre, Lilongwe City. These factors could include, but are not limited to, the clustering of defaulting vehicles.

Furthermore, since the original study was cross-sectional, the researcher suggests that future research should consider employing a longitudinal cohort study design. This approach would provide deeper insights and allow for the observation of changes and trends over time, thereby enhancing the robustness of the findings

## CONCLUSION

Based on the discussion of the study findings, the study concluded that the adoption of electronic payment systems for street Mega in Lilongwe's City Centre is crucial for maintaining smooth traffic flow. Electronic payments were found to save time and reduce human errors associated with cash handling, thereby promoting efficient traffic management. Without embracing electronic payment methods, the study suggests that traffic congestion in the City Centre will continue to be negatively affected.

Electronic payment systems facilitate quicker transactions and minimize the need for physical cash exchanges, which can contribute to a smoother flow of vehicles and pedestrians in busy urban areas. By reducing the time spent on transactions and eliminating errors, these systems help alleviate congestion points around payment zones, such as parking areas or payment kiosks.

To ensure the continuous improvement of traffic flow in Lilongwe's City Centre, the study recommends increasing the installation of electronic payment machines. This expansion would enhance accessibility and reduce queue times, enabling drivers and pedestrians to make payments swiftly and efficiently. By strategically placing these machines in convenient locations, such as near popular Mega spots or along major traffic routes, operators like Sana can further optimize traffic management efforts.

Additionally, the study concluded that the usability of electronic payment systems hinges on their flexibility and user-friendliness. Customers derive satisfaction when payment methods are intuitive and adaptable to different preferences and needs. Therefore, Sana should prioritize user-friendly designs and interfaces across their payment platforms. This approach ensures that customers can easily navigate and use the electronic payment systems without unnecessary complications.

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