

## **The fall of Tangibles in Financial Services Marketing: Are Commercial Banks in Zimbabwe Affected?**

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**Abstract:** *The increasing use of on-line banking and remote transactions between bank customers and commercial banks led to the question of whether (tangibles) physical evidence is still critical in a bank's competitive strategy. Though service marketing generally encourage the tangibilising of service offerings, this study focussed on evaluating customer's perceptions on the importance of various physical evidence (tangibles) variables of commercial banks in Zimbabwe. The study used a quota sample of 200 bank clients represented by 98 men and 102 women from the Harare commercial banking market. The study established that exterior and interior decor, image of websites and employee appearance were still regarded as relevant physical evidence factors by customers. Negative relationships were established between aesthetic factors and information factors, and between structural variables and atmospheric variables. Some association was also found between demographic variables and some physical evidence dimensions. The overall analysis concluded that there was poor value perception of banks' physical evidence dimensions by customers in Zimbabwe. The study recommended banks to make a follow up on customers by designing electronic and on-line physical evidence variables.*

**Key Words:** *Physical evidence, intangibility, service quality, commercial banks, on-line banking.*

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### **I. Background to the Study**

While markets are evolving and consumer needs becoming complex day by day, and with commercial banks being defined by the complex regulatory requirements that include capital adequacy and provisioning (German, 2000; Worthington and Welch, 2011), they are now forced to adopt various marketing techniques and approaches to cope with stiff competition (Oldenboom and Abratt, 2000; Klaas, 2006). There has been a heated debate on whether Zimbabwe is over or under-banked, with more views inclined towards the overbanked case, calling for players to be aggressive in market penetration and consolidation approaches (Vutete, 2014; Clarke, Gardener, Molyneux and Feeney, 1988).

Since the banking and financial services industry plays an important role in the commercial life of a country by providing checking, credit and debit card services, personal and commercial loans and savings accounts, its marketing strategy is more open to the public eye (Trivedi, 2006; Clarke et al, 1988). The question that arises is how best banks can implement their marketing mix (7Ps) model of the overall marketing strategy in light of a cut throat competitive environment and changing customer needs coupled with technological advancements (Yavas, Bilgin and Shemwell, 1997; Cruz, Neto, Munoz-Gallego and Laukkanen, 2010; Petridou, Spathis, Glaveli and Liassides, 2007) and be able to retain and increase customers as well as sustain profitability?

Since the full marketing mix in form of price, promotion, product, physical evidence, process and design, people and place (Loveloock and Wirtz, 2011; Peatie and Peatie, 1995) give too a long list for positioning their service offering, there could be need to use only tangibles (physical evidence) for a bank's positioning strategy. Booms and Bitner (1981) talked of the 'Three Ps' (people, physical evidence and process) that assist to solve the major weaknesses of services, namely; intangibility, inventorylessness, inseparability, inconsistency and lack of ownership. Previously, Shostack (1977) had given the service continuum that divide services and goods mainly on the tangibility and intangibility construct.

A further debate on which elements of the 'Three Ps' is critical for effective service delivery of the banking products could be relevant in the same situation where customer expectations are changing and unpredictable (Zeithmal and Bitner, 2004). One option available to commercial banks is positioning their banking products by sprucing up the physical evidence elements of their banking halls and operations (Clapp, 2005). Though services marketing theory gives firms options of using physical dimensions for tangibilising the service offering, it is noble to find out whether customers in a specific industry are still valuing them or not (Zeithmal and Bitner, 2004).

As the technology is increasing most banking services are now distributed in the customer's home (Jenkins, 2007; Chen, 2013). The three basic ways of distributing services include where the customer goes to the service firm, where the service firm goes to the customer and, where customer and service firm transact remotely. With the growth in the mobile banking platforms there is likely to be a shift of attention and expectations by bank customers on their use of physical evidence elements for evaluating and deciding on the bank products and transactions (Joseph and Stone, 2003; Strandberg, Wahlberg and Ohman, 2012). The most common ways of distributing banking services through use of the recent technological advances include the mobile phone platforms, websites, point of sale purchases and other online transactions (Acharya, Kagan and Lingam, 2007). Major reasons for adopting online banking technology by businesses include lowering costs, increasing market reach and appealing to the internet savvy customers of this age (Acharya et al, 2007; Hussein and El Aziz, 2013; Klaas, 2006). As an increasing proportion of customers begin to use the internet banking services and websites, the role of physical evidence in influencing service perception becomes an area that needs further investigation and analysis (Acharya, Kagan and Lingam, 2007; Chen, 2013). Singh (2004) and Weeldreyer (2002) had already confirmed that internet banking is not living up to the hype that surrounded it a few years ago. They found out that customers' adoption rates and interest in internet banking is waning and hence contradictory to the notion of dominating remote technology based transactions. This could be caused by running away from the physical evidence dimensions that used to dominate the brick- and- mortar banking walls. The personal touch of tangibility could have been forfeited by going on the network banking platform (Polatoglu and Ekin, 2001). Are customers still having the nostalgic memories of brick-and-mortar type of physical evidence? The commercial banking sector participants could be questioning whether there is logic to continue investing their funds, time and effort in building physical evidence dimensions for attracting and retaining customers as competitive rivalry is unfolding.

## **II. Statement of The Problem**

Given a tightly competed market for banking services, with dynamic clients' needs and the need to stay profitable and grow, on the background of a significant move towards internet and mobile banking products, Zimbabwean commercial banking institutions are faced with a challenge to design effective marketing and positioning strategies to attract and retain customers along the 'Three Ps'. One of these three ways of attracting customers in service businesses is the use of a captivating physical evidence mix. This study aims at analysing whether the physical elements used by commercial banks in Zimbabwe are still relevant in the customer's mind.

## **III. Research Hypothesis**

- H<sub>1</sub>: There is association between gender and perception on employee uniforms and professional appearance.
- H<sub>2</sub>: There is association between gender and perception on clean and spacious halls with sitting space.
- H<sub>3</sub>: There is association between income and perception on clean and spacious halls with sitting space.
- H<sub>4</sub>: There is association between income and perception on ATMs, computers and television
- H<sub>5</sub>: There is association between income and perception on structure and image of websites
- H<sub>6</sub>: There is association between income and perception on pamphlets, charts and magazines related to banking industry.
- H<sub>7</sub>: There is association between number of banks and perception on logos, flags and colours
- H<sub>8</sub>: There is association between number of banks and perception on smell, music and lighting.
- H<sub>9</sub>: There is association between qualifications and perception on direction, time and information notices.
- H<sub>10</sub>: There is association between qualifications and perception on pamphlets, charts and magazines related to the banking industry.
- H<sub>11</sub>: The physical evidence variables were rated as highly important by the bank customers.

## **IV. Literature**

### **4.1 The Role of Physical Evidence in Services Marketing**

Mittal, Gera and Batra (2015) on their service quality evaluation study in India established that service quality was mainly influenced by physical evidence (tangibles).

Using the standardized regression coefficient, Mittal et al (2015) ranked tangibles as most important with 0.941, competence with 0.891, service delivery with 0.891, reliability with 0.876 and core service with 0.502. Guo, Duff and Hair (2008) also used the tangible variables in their study for evaluating service quality by corporate bank customers in China. Most services marketing writers like Lovelock and Wirtz (2011), Muddie and Pirrie (2006) and Zeithaml and Bitner (2004) pointed out that service marketing is made unique on the basis of intangibility and proposed use of tangibles as a key solution.

This differs, however, from Wong, Rexha and Phau (2008)'s assertion that the ServQual scale put the reliability, responsiveness, assurance, empathy first and ended last with tangibles, in order of importance. Given this lower ranking of tangibility by Wong et al (2008), the study became necessary to test whether these

elements are still relevant in an environment of new technology characterized by mobile and internet banking. Though tangibility was rated as last in overall importance, it is number 2 in terms of perceived performance ranking (Wong et al, 2008)

Arasli, Katrcioglu and Mehtap-Smad (2005) in their study of banking industry service quality in Cyprus, identified the assurance dimension as the greatest variable that influenced customer satisfaction far ahead of the tangibles. In a similar study by Ahmad and Kamal (2003) on factors influencing satisfaction with retail banking services in Pakistan, the results indicated that tangibles had no influence and relationship to satisfaction levels.

If tangibles are not valued by customers then efforts of tangibilising will become unnecessary to bankers and other service providers. This is so since the tangibility question is a critical dimension for differentiating goods and services marketing (Shostack, 1977; Karunakaran, 2008).

In a study by Petridou, Glavelin, Liassides and Spathis (2007) on the service quality evaluation in five Balkan countries, the physical evidence aspects used were the number of ATMs per branch, modern equipment, sufficient number of open tellers, queues that move rapidly, cleanliness of facilities, decoration of facilities and efficacious work environment. In the same research Petridou et al (2007), established that significance of tangibles was lowest in Greece, Albania and Serbia, and were, on the other hand, rated as important in Bulgaria and FYROM.

Hussian and El Aziz (2013) indicated that key challenges of the internet as a service delivery channel and part of tangibles is on how to manage e-service quality which holds customer satisfaction in this environment. Chen (2013) noted that, though mobile banking became widely popular in the world by 2012, its adoption was generally limited due to lack of more concrete physical evidence aspects. This contradicts with Reinares and Garcia (2012) who said the increase in physical dimensions of a bank and the new technology of on-line banking are complementary. Reinares and Garcia (2012) asserted that the growth of virtual banking made more consumers to be sensitive and interested with physical offices. This also makes the physical evidence be broadly defined to include interaction with the bank's physical environment, bank employees and the procedures. Gounaris, Stathakopoulos and Athansopoulos (2003) considered frontline employees' conduct during the service encounter and the interaction of the user with technology employed as part of physical aspects of service quality.

Retail service quality was conceptualized by Dabholkar, Thorpe and Tenz (1996) as including physical aspects, reliability, personal interaction, problem solving, and policy. The physical aspects covered the appearance and convenience. The convenience aspect indirectly implies that bank branch location is part of the key tangibles (Mittal et al, 2015). The items used by Mittal et al (2015)'s research included employees that instill confidence in customers by proper behavior, having adequate facilities for good customer service, bank having good ambience in terms of atmospherics, bank having visually appealing materials in line with the service offered, bank employees having a professional appearance, physical layout of equipment being comfortable for customers to interact, bank house keeping that has a priority for higher order organization and enhanced technological capability in bank. This study considered security doors, employee uniforms and professional appearance, cleanliness and space of banking halls, logos, flags and colours, and ATMs, computers and lighting, and exterior and interior décor, and structure and images of websites, and pamphlets, charts and magazines about banking. The use of these variables are in line with the comprehensive model of the servicescape by Mary Jo Bitner, that considers customers' cognitive, emotional and psychological responses to the service environment (Lovelock and Wirtz, 2011). The physical evidence element, according to Trivedi (2006), dwells on where the service offered is being delivered. Physical evidence (tangibles) is the element of the service mix which allows the consumer to make judgments on the organisation (moment of truth). Physical evidence is an essential ingredient of the service mix and consumers will make perceptions based on their sight of the service provision which will have an impact on the organisations' perceptual plan of the service (Lovelock and Wirtz, 2011).

As said before, services are intangible in nature. However, to create a better customer experience, tangible elements are also delivered with the service (Trivedi, 2006). The convenience of getting access to cash in a bank after working hours, is made tangible by way of an ATM card. Lovelock and Wirtz (2011) argued that physical evidence is used as a differentiator in service marketing and is the material part of a service. Since there are no physical attributes to a pure service, a consumer will always have to rely on material cues. Trivedi (2006) noted examples of physical evidence in a bank which include internet/web pages, paperwork (such as transaction forms), brochures, furnishings, signage (such as those on aircraft and vehicles), uniforms, business cards and the building itself (such as prestigious offices or scenic headquarters). The consumer responses to the physical features of a bank will generally position that customers' conscious and unconscious perception in a way that give them their overall service quality evaluation (Dabholkar, Shepherd and Thorpe, 2000). Service firm employees might need to be considered the leading physical features since failure of machinery and other gadgets is usually relayed to front line employees as complaints and queries. The coming of more transactions

on the websites and other on-line operations is suspected to have caused the waning of tangibles' power in influencing effectiveness of service delivery in commercial banks and hence the need for this research.

### V. Research Methodology

The study on the perceptions of customers on physical evidence variables was influenced by the positivism research paradigm taking the quantitative research approaches. With the major thrust being to give a conclusion on the overall taste of respondents on the banking industry practice, a cross sectional survey was used for soliciting responses from a 200 people quota sample comprising of 98 men and 102 women. The study also ensured that each of the 14 commercial banks was represented by a minimum of 10 clients. The key features of these customers was covered by their occupation, age, qualifications, income groups and number of banks used. Non managerial employees were 87, self employed were 60 and managers were 53. The 31 to 50 years age group constituted 62% majority of respondents, while those below 31 years were 24% and those above 51 years were 14%. In terms of qualifications, those with A-Level and below were 32.5%, diploma holders were 37.5% and those with a minimum of first degrees represented 30% of the sample. The majority of respondents(80%) had incomes below \$1000.00 and the other 20% had incomes above \$1000.00. Those holding one account with one bank constituted the 49.5%, while those holding accounts with 2 banks were 30.5% and the remaining 20% used three or more banks. A 5-point Likert scaled questionnaire with a Strongly Agree to Strongly Disagree continuum was used for evaluating the acceptability of the physical evidence dimensions. The questionnaire items were generally valid and reliable as they were pilot tested and improved before the full study. The analysis of data was done using the SPSS version 19 and produced mean values, percentages, inter-item correlation values(correlation matrix), chi-square test values and student t- test values. The mean values that were above 3.00 were considered as positive perceptions and those below the benchmark of 3.00 were rated as poor responses. Hypothesis testing was applied to test the relationships and associations of physical evidence(tangibles) variables and demographic profiles and also for overall acceptability of the tangibles dimension as a basis for achieving competitive advantage in the banking sector. Discussion of research results were related to the research problem and the theoretical propositions of service quality and services marketing in the banking industry.

### VI. Data Analysis, Presentation and Discussion

The discussion of major findings were covered by rank order analysis of means, the correlation matrix, one sample mean test and the Chi-square test. A mean value above 3.00 showed a positive consideration of a physical evidence factor, while that below 3.00 showed a general disagreement on the importance of the factor. The 3.00 is the benchmark mean value. Hypotheses were stated and tested in the chi-square and t test analyses.

#### 6.1 Mean and Percentages Analysis

**Table I: Ranked Mean and Percentages of Physical Evidence Elements**

	Mean	Strongly Agree	Agree	Not Sure	Dis-Agree	Strongly Disagree
Outlook of Exterior and Interior Decor	<b>3.38</b>	14.5	30.5	37.0	14.5	3.5
Structure and Images of Website	<b>3.36</b>	16.5	31.0	30.0	16.5	6.0
Clean and Spacious Halls with sitting Space	<b>3.24</b>	16.0	27.50	29.50	18.00	11.0
Employee Uniforms and Professional Appearance	<b>3.00</b>	10.0	28.0	25.0	26.0	11.0
Smell, Music and Lighting	<b>2.97</b>	9.5	27.5	24.0	28.5	10.50
Features of the Security Doors	<b>2.93</b>	10.5	22.5	28.0	27.0	12.0
Logos, Flags and colours	<b>2.91</b>	11.0	25.0	24.0	23.5	16.5
ATMs, Computers and Television	<b>2.82</b>	8.0	28.5	21.0	21.5	20.5
Pamphlets, Charts and Magazines about banking	<b>2.61</b>	9.50	18.5	20.5	26.5	25.0
Direction, time and information notices	<b>2.59</b>	8.0	20.0	23.0	20.5	28.5
<b>Overall Mean (Estimates)</b>	<b>2.98</b>	<b>11.4%</b>	<b>25.9%</b>	<b>26.2%</b>	<b>22.3%</b>	<b>14.5%</b>

Table I shows the ranking of the banking industry physical evidence variables. The top five(5) highly valued dimensions include the exterior and interior(m=3.38), structure and image of website(m=3.36), clean and spacious halls(m=3.24), employee uniforms and professional appearance(m=3.00) and smell, music and lighting(m=2.97). The bank customers' appearance of physical surrounding of the bank's location as given by the vegetation, flowers, sign posts, colours and tallness of the building were considered critical under exterior decor. The floors, furniture position, internal colours and layout of serving points(tills) were considered critical under internal decor. In relation to this, clean and spacious halls were also considered as important physical dimensions of the bank's service offering. With more clients now frequently visiting the website of banks, the structure and image features of websites were still being considered significant physical evidence variables. This requires bankers to continuously review and upgrade their face book pages, main websites and other on-

line interaction platforms. The study also established that employees were still important physical evidence in terms of their verbal comments, uniforms, facial expression and overall presentation. Since customers may view bank employee within and outside the bank, their memories of banking experiences become attached more closely to employees.

Though below the 3.00 benchmark, the bank’s smell, music and lighting was also rated as critical enough to influence service quality experiences. Attractive scent, cool music and bright lights were said to cause a live and captivating banking experience to customers. The descending order of the last five factors start with features of security doors(m=2.93), logos, flags and colours(m=2.82), ATMs, computers and television(m=2.82), pamphlets, charts and magazines about banking(m=2.61) and the last facto is direction, time and information notices(m=2.59). Though spacious and convenient security doors was said to be a good point of reference for a bank service offering, some banks seemed to have poor quality security doors, leading to a lower rating by the respondents. Logos, flags and colours were rated relatively less important since some banks forget to replace their worn out flags. The other elements like ATMs, computers and television were not valued since most banks abuse television screens for detaining customers in long queues. Since computers are no longer unique gadgets, they got a lower rating. Pamphlets, charts and magazines about banking are usually not there hence customers did not see their importance. Direction, time and information notices were said to be of little significance in this banking environment since most customers could have been knowledgeable about the banking operations. These poorly rated variables might need to be revisited when a bank is redesigning its servicescape. The positive and negative perceptions of customers gave the overall mean of 2.98. The figure is highly close to the 3.00 benchmark. This might be reflecting an average acceptance of the physical evidence variables as determinants of the service quality experiences in commercial banks.

6.2 Correlation Matrix Analysis

Table II: Correlation Matrix of Physical Evidence ElementsCorrelation Matrix(a)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(i)	(j)	(k)
(a)Features of the security doors	1.000	-	-	-	-	-	-	-	-	-
(b)Employee uniforms and professional appearance	-0.014	1.000	-	-	-	-	-	-	-	-
(c) Clean and spacious halls with sitting space	+0.077	+0.097	1.000	-	-	-	-	-	-	-
(d)Logos, flags and colours	-0.143	-0.044	-0.005	1.000	-	-	-	-	-	-
(e)Direction, Time and information notices	-0.033	-0.007	+0.041	+0.010	1.000	-	-	-	-	-
(f) ATMs, Computers and Television	+0.188	-0.097	-0.198	-0.133	+0.021	1.000	-	-	-	-
(g) Smell, Music and Lighting	+0.067	+0.088	+0.078	-0.029	+0.005	+0.020	1.000	-	-	-
(i)Outlook of the exterior and interior decor	+0.007	+0.050	+0.001	+0.028	+0.048	-0.013	-0.037	1.000	-	-
(j)Structure and images of Websites	-0.249	-0.034	-0.120	+0.110	+0.074	-0.064	-0.072	+0.049	1.000	-
(k)Pamphlets, Charts and Magazines about banking	-0.065	-0.118	-0.035	+0.014	+0.284	-0.021	-0.193	-0.013	+0.054	1.00

a Determinant = .665

The correlation analysis in this matrix measures some consistency of respondents in their perception of variables. Those with large correlations include ‘features of security doors’ and ‘ATMs, computers and television’(r=+0.188), ‘employee uniforms and professional appearance’ and ‘clean and spacious halls with sitting space’(r=+0.097), ‘Structure and images of websites’ and ‘logos, flags and colours’(r=+0.11), and ‘pamphlets, charts magazines about banking’ and ‘direction, time and information notices’(r=+0.284). Security doors and ATMs were rated similarly as they are pure physical gadgets of the bank. Since employees are also rated for their ability to clean the environment, they got a consistent rating by the respondents. The aesthetic part of physical evidence of website images and the logo and flag colours also got a similar response from the bank customers. The information dimensions of pamphlets and charts, and time and information notices were consistently viewed by the respondents as they had a highest correlation value(r=+0.284). Those with neutral relationships included ‘outlook of the exterior and interior decor’ and features of the security doors’(r=+0.007), ‘direction, time information notices’ and ‘employee uniforms and professional appearance’(r=-0.007), ‘outlook of the exterior and interior decor’ and ‘clean and spacious halls with sitting space’(r=+0.001), and ‘smell, music and lighting’ and ‘direction, time and information notices’(r=0.005). Such middle of the road, ‘not sure’ and neutral relationships could have been caused by respondents’ feelings of duplicating their perceptions and lack of interest in responding to one variable. Those with significant negative relationships include ‘structure and image of websites’ and ‘features of the security doors’(r=-0.249), ‘logos, flags and colours’ and ‘features of the

security doors'(r=-0.143), 'ATMs, computers and television' and 'clean and spacious halls with sitting space'(r=-0.198), and 'pamphlets, charts and magazines about banking' and 'smell, music and lighting'(r=-0.193). The negative correlations are mainly caused by differences in factor features. Those factors to do with beauty like logos, flags and colours, were negatively related to the security door features. Those to do with information like magazines and charts were negatively related to those to do with smell, music and lighting(those that appeal differently to our senses).

**6.3 Chi-Square Test Analysis**

The study carried out some tests on measuring association between selected demographic variables and selected physical evidence dimensions. The demographic variables include gender, income, number of banks used and educational qualification of respondents. The following hypotheses were tested and their results are presented in Table III below.

**H<sub>1</sub>: There is association between gender and perception on employee uniforms and professional appearance.**

**H<sub>2</sub> : There is association between gender and perception on clean and spacious halls with sitting space.**

**H<sub>3</sub>: There is association between income and perception on 'clean and spacious halls with sitting space'.**

**H<sub>4</sub>: There is association between income and perception on 'ATMs, computers and television'**

**H<sub>5</sub>: There is association between income and perception on 'structure and image of websites'**

**H<sub>6</sub>: There si association between income and perception on 'pamphlets, charts and magazines related to banking industry'.**

**H<sub>7</sub>: There is association between number of banks and perception on 'logos, flags and colours'**

**H<sub>8</sub>: There is association between number of banks and perception on 'smell, music and lighting'.**

**H<sub>9</sub>: There is association between qualifications and perception on 'direction, time and information notices'.**

**H<sub>10</sub>: There is association between qualifications and perception on 'pamphlets, charts and magazines related to the banking industry'.**

**Table III: Chi-Square Analysis of Demographic Variables and Perception of Selected Physical Evidence Elements.**

		Accept H <sub>0</sub> if :	P-Value (Cal.)	Decision
H <sub>1</sub>	Gender X Employee Uniforms and Professional Appearance	p< 0.05	0.000	Accept H <sub>0</sub> . There is association. Females more influenced by the factor.
H <sub>2</sub>	Gender X Clean and Spacious Halls	p< 0.05	0.020	Accept H <sub>0</sub> . There is association. Females more influenced by the factor.
H <sub>3</sub>	Income X Clean and Spacious Halls	p< 0.05	0.025	Accept H <sub>0</sub> . There is association. Low income more influenced by the factor.
H <sub>4</sub>	Income X ATMs, Computers and Television	p< 0.05	0.000	Accept H <sub>0</sub> . There is association. High income more influenced by the factor.
H <sub>5</sub>	Income X Structure and Images of Websites	p< 0.05	0.025	Accept H <sub>0</sub> . There is association. More income more influenced by the factor.
H <sub>6</sub>	Income X Pamphlets, Charts and Magazines	p< 0.05	0.042	Accept H <sub>0</sub> . There is association. Low income more influenced by the factor.
H <sub>7</sub>	Number of Banks X Logos, Flags and Colours	p< 0.05	0.003	Accept H <sub>0</sub> . There is association. Those with more banks were more influenced by the factor.
H <sub>8</sub>	Number of Banks X Smell, Music and Lighting	p< 0.05	0.099	Reject H <sub>0</sub> . No association. No difference.
H <sub>9</sub>	Qualifications X Direction, Time and Information notices	p< 0.05	0.000	Accept H <sub>0</sub> . There is association. Higher qualifications more influenced by the factor.
H <sub>10</sub>	Qualifications and Pamphlets, Charts and Magazines	p< 0.05	0.000	Accept H <sub>0</sub> . There is association. Higher qualifications more influenced by the factor.

The test results and decisions are summarised on Table III above. Hypothesis I(H<sub>1</sub>) was accepted and female customers were found to be more influenced by the employees' uniforms and professional appearance than the male customers. Hypothesis(H<sub>2</sub>) also confirmed that female respondents were more influenced by presence of clean and spacious halls than their male counterparts. Income was also related to some physical evidence variables in Hypothesis III(H<sub>3</sub>), Hypothesis IV(H<sub>4</sub>), Hypothesis V(H<sub>5</sub>) and Hypothesis VI(H<sub>6</sub>). Income was found to be associated with some physical evidence variables, with low income groups more influenced by clean and spacious hall(H<sub>3</sub>), and pamphlets, charts and magazines(H<sub>6</sub>). High income groups were found to be more associated by ATMs, computers and television(H<sub>4</sub>) and structure and images of websites(H<sub>5</sub>). Number of banks used by the respondents was found to be associated with perception of logos, flags and colours(H<sub>7</sub>), with those using more banks being highly influenced by the factor. This could be caused by their wider cross bank shopping experience. Number of banks used were, however, found to have no association with

perception of smell, music and lighting(H<sub>8</sub>). The null hypothesis was rejected. Qualifications were found to be associated with direction, time and information notices(H<sub>9</sub>), and also with pamphlets, charts and magazines(H<sub>10</sub>). In both cases those with higher qualifications valued the two variables as more important than those with low qualifications. The chi-square analysis generally indicated that demographic variables had influence over customers' perceptions of some bank physical evidence dimensions.

**6.4 One Sample Mean Test**

To test the overall relevance of the physical evidence factors in today's banking sector, a t-test was carried out with 3.00 as the benchmark mean value. The test results are shown on Table IV below.

**Table IV One-Sample Test Results**  
**(a) T test results**

Test Value = 3.00						
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Physical Evidence	-.216	9	.834	-.01900	-.2177	.1797

**(b) One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
Physical Evidence	10	2.9810	.27779	.08784

**H<sub>11</sub>: The physical evidence variables were rated as highly important by the bank customers.**

The study indicated that the t-calculated value of -0.216 is slightly below the -0.218(lower limit) critical value at a p-value of 0.834. We rejected the null hypothesis and concluded that the physical evidence was not highly important to bank customers in Zimbabwe. Though the statistical variables indicate a lower rating, there could, however, be some practical significance on using physical evidence(tangibles) based on how each bank can mix the variables. This test indicates that physical evidence are no longer as strong as they used to be during the pure brick and mortar banking operations. This could be pointing to some fall of tangibles in the financial services sector.

**VII. Conclusions**

The critical physical evidence variables in the current banking environment include the exterior and interior decor, structure and image of website, clean and spacious halls, employee uniforms and professional appearance. Those lowly considered were pamphlets, charts and magazines about banking, and direction, time and information notices. The study established a positive correlation on factors with similar tangibility like structural components(ATMs and security doors), information variables(magazines and information notices) and aesthetic variables(website images and logos). There was negative relationship in perception of aesthetic variables and information variables, and between structural variables and atmospheric variables. The established some association between demographic variables and some physical evidence features of a bank. Females were more influenced by employee uniforms and their professional appearance. Those who bank with 2 or more banks were more concerned with logos, flags and colours than those using one bank. Income and qualifications were also associated with some physical evidence variables. Though some aspects of physical evidence were rated as important in service evaluation, the overall analysis indicated that physical evidence variables were regarded as unimportant to bank customers in Zimbabwe.

**VIII. Recommendations**

The study recommends the commercial banks to continuously upgrade their interior and exterior designs as customers are still valuing the internal and external surroundings. Employee uniforms need to be smart and in line with the bank colours. The professional appearance of employees need to be improved for customers to have confidence with the banking sector. Specific research for each bank's servicescape need to be done for the bank for all physical evidence factors. A proper combination and co-ordination is needed for the tangibles to produce a unique image for each bank. The website need to be upgraded since the existing generation of customers are now visiting the on-line platforms for making inquiries and executing electronic transactions.

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