



Satisfaction as a Determinant of Customers' Patronage of Commercial 'POS' Operators in Awka, Anambra State, Nigeria

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ABSTRACT

Background: The rapid growth of digital payment systems in Nigeria has led to an increase in the adoption of Point of Sale (POS) services, particularly in urban areas like Awka, Anambra State. Commercial POS operators have become a crucial part of the payment ecosystem, providing convenient and accessible financial services to customers. However, the success of these operators depends on their ability to attract and retain customers. Customer satisfaction is a key factor that influences patronage decisions, yet there is limited research on its impact on POS operators in Awka, Anambra State, Nigeria.

Objective: This study evaluated satisfaction as a determinant of customers' patronage of commercial 'POS' operators in Awka, Anambra State, Nigeria

Method: This study was anchored on technological determinism theory and perception theory. Also, descriptive survey research design was adopted, using online questionnaire for data collection. A sample size of 399 was obtained from a population of 430,200 residents of Awka metropolis. Data were obtained and analysed on a frequency table of 4 points Likert scale, using mean deviation and percentages.

Result: The study found that Awka residents derive satisfaction from the services rendered to them by commercial POS operators. Also, it was found that the satisfaction derived by Awka residents influences their high patronage of commercial POS operators.

Conclusion: The study concluded that the level of the respondents' patronage of commercial POS operators in Awka metropolis is very high. This was necessitated by the high level of Awka residents' satisfaction with the services rendered to them by commercial POS operators. It is this perceived satisfaction derived by Awka residents that influences their high patronage of commercial POS operators.

Unique Contribution: The study highlighted the fact that POS operation filled a huge economic hole created by the exponential increase in Bank customers and the recent implementation of the central bank of Nigeria's (CBN) cashless policy. From the positive result earned by this initiative, CBN, other government agencies and the private sector will be encouraged to create similar alternatives in other facets of our socio-economic life.

Key Recommendation: The study recommends that government should encourage the commercial POS operators through appropriate incentives and zero or little taxes to assist in providing them with the ease of doing business.

Keywords: Satisfaction, Customer Patronage, Awka Residents, Perception, POS Operators



INTRODUCTION

The role of POS terminals in facilitating transactions around the country cannot be overemphasized. With Automated Teller Machines (ATM) always having issues and bank branches miles away, accessing cash and making payments have become a herculean task. As a result, POS terminals serve as bridge that provide useful support in closing up this widening transactional chasm. Needless to say that this channel saves lives, it is convenient and time saving . Data curled from NIBSS indicates that those terminals successfully processed N4.6 trillion (\$7.6 billion) in the first seven months of 2022 as opposed to N3.56 trillion (\$5.93 billion) recorded in the same months in 2021. This represents about a 30% increase in the total number of transactions processed by the channels (Muoto,2022).

According to Aina, (2024), Point of Sale transactions in Nigeria totaled N6.23tn between January and July 2024, according to data from the Nigeria Inter-Bank Settlement System. This marks a 7.4 per cent decline compared to the N6.79tn recorded in the same period in 2023, reflecting changes in consumer behaviour and spending patterns. A breakdown of the NIBSS data shows that POS transactions increased by 5.3 per cent in January to N850.09bn, up from N807.16bn in the corresponding month of 2023. This volume of transactions passing through POS affirms Nigerians' belief and embrace of POS as a channel for transacting their businesses.

Many Nigerians today, rely on POS operators for their day-to-day financial transactions in both urban and rural areas of the country. It is common knowledge that commercial banks are operated under strict compliance with the usual bureaucracy associated with commercial banking in Nigeria. This bottleneck no doubt creates unnecessary delay in conducting financial transactions in our banks. These banks have stipulated working days (Monday to Friday) in a week. Their opening time is 8am, while their official closing time is 4pm or earlier, depending on the day of the week or part of the country where they are operating. Weekends and public holidays observed in Nigeria also contribute to lost banking hours that would have benefited bank customers in need of banking services.

Convenience, availability and accessibility are not the only advantages inherent in embarking on financial transaction through commercial POS operators, risk of armed robbery attack in the process of transferring or withdrawing money at Bank ATM galleries are also averted. As the day goes by, many more commercial POS operators spring up in all streets and available spaces in most public places in Anambra state, and Nigeria at large. This proliferation is attributable to the patronage enjoyed by these operators. Sadly, these advantages do not come without its attendant negativities like; insecurity of bank information, untrained operators, security of customers, among others.

Commercial POS service is a relatively new form of banking in Nigeria, and South East in particular. As such, there seem to be paucity of literature on customer satisfaction and patronage of the operators of commercial POS services, especially in the south eastern city of Awka. This study will not only avail CBN and Commercial Banks with accurate information for taking informed decisions, it will also equip south eastern state governments in the area of economic planning. These issues necessitated this study, satisfaction as a determinant of customers' patronage of commercial POS operators in Awka, Anambra state, Nigeria.



OBJECTIVES OF THE STUDY

The broad objective of the study is to ascertain Awka residents' satisfaction with commercial P.O.S. operation in Awka, Anambra state, Nigeria. Specifically to:

1. investigate the level of patronage of commercial POS services among residents of Awka ,Anambra state.
2. determine the level of satisfaction derived from the services of commercial POS operators by Awka residents.
3. determine the level at which Awka residents' satisfaction influence their patronage of commercial POS services.

LITERATURE REVIEW

Customer Patronage

Customer patronage is a combination of psychological factors that influence purchase behavior and these factors are considered important by consumers as yardsticks in determining which firm to patronize. It has been measured by various authors in different dimensions, including store traffic flow; willingness, word of mouth, repeat purchase, customer retention and customer referrals, customer satisfaction and referrals (Orji-Egwu, & Nwafor, 2015). Today's highly competitive environment requires firms to focus primarily on customer satisfaction, if they seek to win and retain customers' patronage (Nwulu & Asiegbu, 2015 cited in Anyadighibe, et al.2023).

Customer patronage is an essential condition for a firm to maintain business continuity, basis for stability and market share. This concept has different dimensions, in that customers that patronize a product are those who refuse the preferential price provided by a competitor of the company and continue to buy the product or service of the company hence, promoting it free of charge by obligation. With customer patronage, there would be customer retention, word of mouth, referrals, increased sales volume and a high-profit level (Udo,et al,2024).

Firms crave customers' patronage because patronage is the bedrock of the continued existence and success of a business (Nwiepe & Ateke, 2016cited in Anyadighibe, et al.2023). Firms are thus always challenged to contrive initiatives that elicit customers' patronage. It has also been established that caring for current customers is key to securing their continued patronage. Consumers make decisions daily. Sometimes less thought is given to the decision making process, nonetheless, every decision is affected by basic rational and emotional states of being. Consumers initiate and conclude purchase based on the perceived value of the products. Thus, patronage is influenced by psychological principles developed to harness an understanding of needs.

Customer Satisfaction: An Overview

Satisfaction, as defined by Oliver (2019) cited in Sa'adah,et al.(2023), is a person's feelings after comparing his perceived performance or results with expectations, with satisfaction being proportional to the gap between actual performance and what was expected. Past experiences can



influence consumers' expectations, relatives' viewpoints, and marketers' insights. Customer satisfaction can have an impact on customer loyalty. Customers who are pleased with the product or service of the company will likely purchase or use it again. Customer satisfaction is the oil that lubricates the growth of every business venture. Big Business organizations attained their respective heights because they did not only succeed in attracting customers, they met their expectations, and their satisfaction birthed their retention.

Customer satisfaction can strengthen the relationship between customer satisfaction and customer loyalty. Customer satisfaction can increase when companies effectively implement relationship marketing strategies, such as providing excellent service, fostering effective communication, and paying close attention to customers. High levels of customer satisfaction will strengthen the company-customer relationship and, as a result, increase customer loyalty (Wibowo, 2009; Prabowo, 2008, cited in Sa'adah, et al. 2023).

Gibson (2005) put forward that satisfied customers are likely to become loyal customers, and that means that they are also likely to spread positive word of mouth. Understanding which factors that influence customer satisfaction makes it easier to design and deliver service offers that corresponds to the market demands. Swan and Oliver (1989) cited in Chien-Hsieung (2009) posits that most dissatisfied customers did not complain. Nevertheless, when those customers who turned to purchase in other stores expressed their dissatisfaction to their relatives and friends, or complained to a third party, the enterprise did not only lose the profits from re-visit, but the enterprise image being damaged would be more severe for businesses.

Meeting customer expectation metamorphoses into customer satisfaction, while customer satisfaction breed customer loyalty which is the major objective of every customer based organization, and this is a source of competitive edge for the organization (Ekweonu, Ihechu & Benson-Eluwa, 2025). The need to create and maintain customer satisfaction has been emphasized by researchers and academicians. This is because the realization of other business objectives leans on the level and degree of satisfaction received by the target market. This is the reason why organizations are focusing on customer satisfaction and customers retention (Ibojo, 2015).

Customer Retention

Buttle (2008, cited in Oguntuase, et al. 2023) defined customer retention as the number of customers undertaking business with a firm at the end of a financial year expressed as a percentage of customers that were active at the beginning of the year. Based on this definition, it can be deduced that customer retention is centered on maintaining long-term relationship to create a re-purchase behaviour. According to Hume (2006, cited in Kabasinguzi, et al. 2024), customer retention can be defined as the decision of consumers to engage in future interactions with a service provider as well as the nature of such interactions. Hume also believes that customer retention is the result of consumer attitudes or behaviors towards the quality of the services they consume. Therefore, it can be said that customer retention is the longing of patrons to purchase from or go back to the same organization.



According to Ranaweera and Prabhu (2003) the more satisfied customers are, the greater is their retention, the positive word of mouth generated through them and the financial benefits to the firms who serve them. It is not surprising therefore that the fundamental aim of firms is to seek to manage and increase customer satisfaction at least in this era of competitive global marketing.

Perception Process

Perception is a process that involves the entry of messages or information into the human brain that continuously makes contact with the environment. This connection is done through vision, hearing, touch, taste, and smell, Slameto, (2003) cited in Nupus (2019). According to Rahmat, (2000) cited in Arigoh (2021), perception is the experience of object, event, and relationship acquired by receiving information and interpreting message. It gives a meaning toward stimulus-response in receiving information and predicting message which involves attention, hope, motivation, and memory. Perception is a process that involves the entry of messages or information into the human brain that continuously makes contact with the environment. This connection is done through vision, hearing, touch, taste, and smell, Slameto, (2003) cited in Nupus (2019). According to Rahmat, (2000) cited in Arigoh (2021), perception is the experience of object, event, and relationship acquired by receiving information and interpreting message. It gives a meaning toward stimulus-response in receiving information and predicting message which involves attention, hope, motivation, and memory.

Also, Anggraini (2021) view perception as our experience of information content, which we can compare to previous experiences, as well as how we see or understand something using one of our senses. Perception is the experience of an object, an event, or a relationship obtained through data realignment and message interpretation. This gives meaning to the response stimulus system, which includes attention, hope, motivation, and memory (Lindawati, et al, 2022). To Wood (2015), perception is the active process of meaning creation through the selection, organization, and interpretation of people, objects, events, situations, and other phenomena. According to Walgito (1990), cited in Lindawati, et.al (2022), perception is an impression of an object obtained through the process of conversion, organization, and interpretation of the object received by the individual, giving it a meaningful and passive activity inside the individual.

Walgito (2001) cited in Runtuwene, & Lumettu,(2019),argues that perception is a process of social organization- an interpretation towards stimuli received by organisms or individuals. Further, he states that perception is the process of giving cognitive meaning that is used by an individual to interpret and understand the world around him. Perception is related to efforts to obtain special knowledge that includes the interpretation of people, objects or signs in a point of view based on someone's experience that can influence behavior or shapes a person's attitude. It can be controlled through various stimulus factors and influences of past experiences of motivation and attitudes. In addition, it's a process of one's activities in giving your message and assessment and opinion, understanding, minimizing and interpretation that allows individuals to assess an object of an event situation.



THEORETICAL FRAMEWORK

This study is anchored on two theories; technological determinism theory and perception theory. Technological determinism is a theory that suggests that technology shapes and controls society and human behaviour. This theory argues that technology is the driving force behind social and economic change, and that society adapts to the technology that is available to it. One of the main assumptions of technological determinism theory is that technology is an autonomous force, meaning that it has a life of its own and is not shaped by social or economic factors. According to this view, technology shapes society and culture, rather than the other way around (Researchcage.com,2024).

In terms of the theory of perception, its proponents, Berelson and Steiner (1964) cited in Umoren(2022) state that it is a complex process by which people select, organize and interpret sensory stimulation into meaningful and coherent picture of the world. Such thinking infers that there are levels of perception which could enable one interpret messages which could be complex goals that may be difficult to achieve. According to Akurega,et al,(2024),the theory establishes the paradigm that sensory information processing in human cognition, such as perception, recognition, memory and comprehension, are organised and shaped by our previous experience, expectations, as well as meaningful context.

METHODOLOGY

The research design employed in the study was the descriptive survey method. This method was adopted because it is suitable for examining studies that involve a large population and for eliciting appropriate responses needed to achieve the objectives of this study. Descriptive survey research was therefore essential in collecting data for a population too large to be observed directly. Also, the study adopted the questionnaire as the instrument for data collection. The study was limited to adults that patronize commercial POS operators within Awka metropolis, while the obtained data was presented on a frequency table of 4 points Likert scale, using mean deviation and percentages.

The population for this study comprised all adult residents in Awka metropolis, which consists of Awka North and Awka South L.G.A(s). According to Census 2006 projected population figures of 2022, Awka North is 159,900 while Awka South is 270,300 totaling 430,200. A sample size of 399 was used for this study and was calculated using Taro Yamane formula for determination of sample size thus;

$$n = N/(1+N(e)^2)$$

Where ; 'n' signifies the sample size

'N' signifies the population of study

'e' signifies the margin of error(in this case,0.05)



DATA PRESENTATION AND ANALYSIS

Out of 399 copies of questionnaire administered to respondents in Awka metropolis 389(97%) were returned and found useful for data analysis, thus giving the questionnaire the mortality rate of 10(3%).

1. **Table 1. Awka residents’ extent of patronage of commercial POS operators in Anambra state**

OPTIONS	SCORE(X)	FREQUENCY(F)	FX	%
VERY HIGH	4	171	684	44
HIGH	3	150	450	39
LOW	2	64	128	16
VERY LOW	1	4	4	1
		389	1266	100

Source: Field Survey,2024

From Table 1 above, the analysis shows that the extent of Awka residents’ patronage of commercial POS operators is very high. The result shows a mean score of 3.2 on a 4-point scale. This goes further to show 80% level of the respondents’ patronage of commercial POS operators in Anambra state.

Table 2.Level of satisfaction derived from the services of commercial POS operators by Awka residents.

Options	Score(x)	Frequency(f)	FX	%
Very High	4	108	432	23
High	3	131	134	31
Very Low	2	95	190	32
Low	1	55	4	14
		389	760	100

Source: Field Study, 2024

From Table 2 above, the analysis shows that the level of satisfaction derived from the services of commercial POS operators by Awka residents is very high. The result shows a mean score of 2.9 on a 4-point scale. This goes further to show 74% level of the respondents’ satisfaction with the services rendered by commercial POS operators in Anambra state.



Table 3. Level at which Awka residents' satisfaction influence their patronage of commercial POS services

Options	Score(X)	Frequency(F)	FX(X)	%
Very High	4	97	388	25
High	3	129	387	33
Very Low	2	65	130	17
Low	1	98	98	25
		389	1003	100

Source: Field Study, 2024

From Table 3 above, the analysis shows that the level at which Awka residents' satisfaction influence their patronage of commercial POS services is high. The result shows a mean score of 2.6 on a 4-point scale. This goes further to show that the satisfaction of Awka residents influences the patronage of commercial POS operators by 65%.

CONCLUSION

The study concluded that the level of the respondents' patronage of commercial POS operators in Awka metropolis is very high. This was necessitated by the high level of Awka residents' satisfaction with the services rendered to them by commercial POS operators. It is this perceived satisfaction derived by Awka residents that influences their high patronage of commercial POS operators. Irrespective of the inherent risks in patronizing commercial POS operators found in this study, like exposition of bank information, lack of formal training of the operators and the unregulated nature of commercial POS business, it affords Awka residents the opportunity to access cash wherever and whenever they need it. Accessibility, availability and timeliness were found to be major characteristics of POS operation that endears it to Awka residents. The study recommends that government should encourage the commercial POS operators through appropriate incentives and zero or little taxes to assist in providing them with the ease of doing business.

Ethical clearance

Ethical consent was sought and obtained from the participants used in this study. They were made to understand that the exercise was purely for academic purposes, and their participation was voluntary.

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Conflict of Interest

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Authors' Contributions.

Dr. Chinedu Ekweonu and Dr. Chinwe Okoyeocha conceived the study, including the design, collated the data, and handled the analysis and interpretation, and also the initial manuscript. All authors have critically reviewed and approved the final draft, and are responsible for the content and similarity index of the manuscript.

Availability of data and materials.

The datasets on which conclusions were made for this study are available on reasonable request.

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