

## **Executive summary**

Today, Micro-finance industry is affected by strong competition leading to customers' switching across MFIS. Thus, MFIs are concerned about customer satisfaction and must pay attention to understand their customers' preferences to survive in a competitive environment. This study focuses on Women and Association for Gain both Economic and Social (WAGES)'s customers in Togo and intends to assess three main questions: (1) what are the main items/dimensions of WAGES' customers satisfaction? (2) What is the current level of satisfaction of WAGES' customers? , (3) Is the current WAGES' customer satisfaction influenced by customers' characteristics?

Three hypotheses related to those questions have been formulated and tested through three principal methods: (1) Factorial analysis, (2) Customer Satisfaction Index and (3) ANOVA test. Applying factorial analysis on a scale model with 32 item-scales and six principal dimensions, we recurred to an iterative process using structural coefficients, communalities, Eigen values, explained variance and Cronbach's Alpha as main decisions rules for optimal solution. We applied Customer satisfaction Index for determining WAGES' actual customer satisfaction level based on both customers' expectations (importance) and perceptions (perceived quality). Anova test has been used to assess the influence of customers' characteristics on customer' satisfaction. Data used in the study have been collected in three stages and processed by SPSS and E-Views. First stage was a focus group interviews. 11 focus groups with 118 customers from eight branches in mixed groups have been conducted enabling us to identify 15 attributes and a new dimension of services quality: price, costs and conditions of services. Second stage was a pre-survey on 30 clients proportionally extracted from six branches for determining the sample's size and testing the questionnaire. Pre-survey's results led to the sample's size of 369 customers and to the modification of items' syntax. Third stage was the survey.

Surveyed customers have been chosen both on proportionally stratified and reasoning sample basis. Data have been collected by 24 pre-trained loans officers through a questionnaire with three parts adapted from previous studies, existing questionnaire at Wages and focus interviews.

Collected data are related to customer's characteristics, customers' expectations and perceptions and WAGES specific products and are extracted from 353 well completed questionnaires. Data indicate that surveyed customers are in majority women and adults customers. Surveyed customers are generally involved in a commercial activity and have been MFI's clients since 3 years and four months; the MFI is now mostly focused on individual clients. Data show that the average expectation score is 4.55 for all customers whereas the average perception score is 3.74 for. Connecting customers' expectations and perceptions, we note that for all dimensions perceptions average scores are below expectations average notes indicating that current services are not meeting customers' expectations. Data showed that WAGES offers four kinds of savings products: (1) cash deposit, (2) term deposit, (3) mandatory savings, and (4) Roscas savings; and four kinds of loans: ordinary credit (1) direct credit (2), special credit (3) and Rosca credit (4). Those financial products target different clients and are provided with different conditions.

Results from this study led to a refined scale with 20 items represented by 5 principal dimensions: a) responsiveness, b) tangibles, c) conditions, d) costs and (e) empathy confirming that responsiveness remain the most important dimension in microfinance sector. Results indicate that the actual customer satisfaction level of WAGES' customers, depending on specific financial services and employees is high equals to 71.2%. Results also revealed that customer's branch, customer's revenue and number of services accessed by customers positively influence customer's satisfaction. Although this study provided sound results, it has some limitations which are sources for future research. In fact, customers surveyed in this study are coming from one MFI. Thus, results do not allow any comparison. One way for improving our results might be to built on a large survey of two, three, or more MFIs, test the variability of results and validity of the scale measurement enabling to move towards a scale measurement for the microfinance sector in general.