



**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

**THE IMPACT OF SERVICE QUALITY ON CUSTOMER  
SATISFACTION AND LOYALTY IN CREDIT DELIVERY SERVICE  
(THE CASE OF NIB INTERNATIONAL BANK S.C.)**

**BY:**

**SEBLE LEMMA**

**JUNE, 2015**

**ADDIS ABABA, ETHIOPIA**

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**Approved by Board of Examiners**

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Examiner

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Examiner

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## **DEDICATION**

I dedicate this thesis to my mother, my husband, my two children and our little prince. Mom it has been just six month we depart and my heart is broken and I am in unspeakable grave, but you know very well my endurance miss you mom and R.I.P. Yohannes, without your support nothing would happen thank you for your love, encouragement, patience, and unconditional support. My little blessing you were everywhere when I done my study at my womb and this is the result love you forever.

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*“A journey is easier when you travel together”*

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## **ABSTRACT**

*Customer satisfaction is a significant subject for most bankers as well as customer service is the primary end of any bank. A customer always wants something and expects that the bank should come up with the level to fulfill those needs. Considering this situation, the study was intended to assess the impact of service quality and customer satisfaction in the credit service delivery services of Nib International Bank S.C Addis Ababa Branches. For this purpose, the study was used descriptive approach focusing on both primary and secondary data. Besides, the study targeted 337 credit service customers (borrowers) of Nib International Bank S.C Addis Ababa Branches in order to collect primary data. The respondents were selected by using simple sampling random sampling technique by assuming that only those customers were contacted to take part in the study those experienced at six month and above with the Bank's credit services. The primary data for the study was collected through structured questionnaire and were taken from SERVQUAL and modified to fit in the context of bank credit services. Moreover, for the analysis primary data, descriptive statistics were applied to identify the level of Credit service customer (borrower) customers' satisfaction with the service quality of Nib International Bank S.C Addis Ababa branches. Pearsons' Correlation analysis is carried out to examine the impact of individual service quality dimensions over customer satisfaction, in line with stated hypotheses. Multiple regression analysis is also done to carry out the relationship between a single dependent (criterion) variable and several independent (predictor) variables. The findings of the study shows that up on the multiple regression produced among the five SERVQUAL dimensions tangibility has no any relationship with customer satisfaction that p value is grater than 0.05. Based on the findings of the study valid recommendations forwarded; the Bank should make conscious efforts to be reliable and especial emphasis should be on the tangibility of the Bank's service such as uses of modern equipments, physical facilities and to develop loan delivery time procedure manual and introduce different types of products to retain its customers.*

*Key words: Service quality dimensions (Reliability, Tangibility, Responsiveness, Empathy and assurance), Customer Satisfaction and loyalty*

# CHAPTER - ONE

## 1. INTRODUCTION

This chapter consists of background of the study, statement of the problem, research questions, general and specific objective of the study, research hypothesis, significance of the study, limitation of the study, scope of the study and organization of the paper.

### 1.1. Background of the Study

In service industries, globally, the subject of service quality remains critical as businesses strive to maintain a comparative advantage in the marketplace. Since financial services, particularly banks compete in the marketplace with generally undifferentiated products, and service quality becomes a primary competitive weapon.

It is true that structural changes have resulted in banks being allowed a greater range of activities, enabling them to become more competitive with non-bank financial institutions (Shirley, 2009). Faraz (2005) as cited in Ebssa (2012) stated that customer satisfaction is the situation when customer expectations have been fulfilled to the fullest capacity when using the product or service. The capacity to fulfill customer expectation consequently brings about strong loyalty to the product or services of a company.

The financial services industry is changing rapidly (Firdaus Abdullah, Rosita Suhaimi, Gluma Saban and Jamil Hamali, 2011). Technology, government regulation, and increasing customer sophistication are forcing financial service institutions to re-evaluate their current business practices. Banks that excel in quality service can have a distinct marketing edge since improved levels of service quality are related to higher revenues, increased cross-sell ratios, and higher customer retention and expanded market shares.

The Ethiopian government promulgated the Monetary and Banking proclamation No.83/1994 to liberalize the financial sector through reforms by bestowed banking laws that encourage the entry of private banks into the financial system in order to stimulate competition with the public banks which significantly promoted the, the development of the banking sector is tremendous.

Accordingly, many private banks have already been established and their number is increasing from year to year. Currently, there are 3 public and 16 private banks in operation. Banks provide various types of loans to their customers. NIB may indulge in any sector of the economy upon assessment of performance/potential of the sector and related government policies to this effect. The Bank presently extends credit facilities for the following economic sector: Agricultural, Building and Construction, Domestic Trade and Service (DTS), Import & Export, Manufacturing or industry, Hotels and Tourism, Transport, Financial institution, Mines, power and water and Staff Benefit facilities.

NIB provides the following two types of Credit Products. i.e loans and advances and guarantee products. Loans & Advances include overdrafts, overdrawal, merchandise loans, term loans, advance on export and import etc. Loans and advances are further classified into:

- Short term facilities that include overdraft facilities, temporary overdraft facilities, overdrawals, merchandise loans, all types of import and export advances and term loans with maturities of less than two years.
- Medium term facilities that are term loans with maturities greater than two years and up to five years.
- Long term facilities that are term loans with maturities greater than five years
- Guarantee Products are contingent liabilities which include all types of guarantees such as advance payment guarantees, bid bond guarantees, performance guarantees, retention money guarantees, customs bond etc.

Setting competitive loan delivery time in line with effective credit processing mechanism is believed to be one component of effective credit management and retain customer's satisfaction. Setting of loan delivery time is aimed at improving the quality of the main product of the Bank that is loan, by making the partakers in the loan processing activities including customers aware of the wide array of tasks involved from the loan application until loan disbursement; and by improving the customer orientation of all officers engaged in the credit operation of the Bank.

The most widely used model to measure perceived service quality is known as SERVQUAL was developed by Parasuraman et al. (1985, 1988). Therefore, this study will focus on the model's dimensions i.e. reliability, tangibility, responsiveness, assurance and empathy and their impact on Customers' satisfaction in Credit service delivery and customer's loyalty which is given by Nib International Bank S.c.

## **1.2. Statement of the Problem**

In today's world of intense competition, a firm's ability to deliver high quality service those results in satisfied customers is the key to a sustainable competitive advantage (Shemwell et al. 1998). Mainly, in highly competitive industry like banking, customer satisfaction is the key for the survival. While marketing is essential in business, banks must realize that customer satisfaction is far more important. Customer satisfaction and customer loyalty are two crucial criteria to help banks to gain competitive advantage and sustainability barring. In current circumstances following economic growth and political stability, banks and financial institutions in Ethiopia flourish like mushroom after rains. Undoubtedly, the industry become booming, the opening of branches at proximity, the product offered nearly identical and the advent of electronic banking.

Despite many researches were conducted in Ethiopia in the area such as Yonatan (2010), Merga (2011), Belay (2012), Hussien (2012) and Tamirate (2012) most of the studies reviewed were using overall service quality of the banks like perception of service quality, customer satisfaction towards service quality, service quality and customer satisfaction, measurement of service quality and customer satisfaction and loyalty and factors explaining service quality. On top of that, Shanmugapriya G., and Sethuraman R (2014), has done their research on Customer's satisfaction towards services provided by Commercial Bank of Ethiopia- Axum Branch; results were showed that there are a number of problems hindering the smooth delivery of one of the service of bank's i.e. loan. Pre and post approval for instance are the major obstacle in the credit service delivery operations. Besides, the untimely presentation of full document by customers is also contributing for the dalliance of the service.

Therefore, understanding of the matters subsequently offering personalized and differentiated services can be critical to a bank success. On top of that, it is well know that core competence of most of the Banks' service is credit (loan). Annual report of the cited bank for the fiscal year ended June 30, 2014, show that the number of borrowers decreased for the last three quarter and the following reasons were explained in the report. National Bank of Ethiopia credit cup(limit), liquidity position of the bank, joining of new banks in the industry and the like. However, credit service quality and customer satisfaction weren't discussed and has no any researches were done on customers satisfaction regarding the quality of the credit service given by the Bank as far as researcher knowledge. That is why the researcher, is interested to assess the impact of service quality on customer satisfaction and loyalty in credit delivery service of Nib International Bank S.C.

As far as the researcher knowledge there are no any researches conducted on the impact of service quality on customer satisfaction and loyalty in credit delivery service of the cited Bank. Therefore, the intention of this project is, to assess the impact of service quality on customer satisfaction and loyalty on credit delivery service of Nib International Bank.

Investigation is used the SERVQUAL dimensions model (tangibility, responsiveness, empathy, reliability and assurance) are factors affecting customer satisfaction in the credit delivery (Parasuraman et al. 1988, 1985). Keeping in mind the significance of service quality and customer satisfaction, a study is designed to examine the impact of service quality as an independent variable on dependent variable i.e. customer satisfaction and loyalty.

### **1.3. Research Questions**

1. Does Reliability has an impact on customer satisfaction in credit delivery service?
2. Does Responsiveness impact customer satisfaction in credit delivery service?
3. Does Tangibility has an impact on customer satisfaction in credit delivery service?
4. Does Empathy impact customer satisfaction in credit delivery service?
5. Does Assurance impact customer satisfaction in credit delivery service?
6. Does customer satisfaction has an impact on customer loyalty in credit delivery service?

## **1.4. Objectives of the Study**

### **1.4.1. General Objectives**

The general objective of this study is to assess the impact of service quality on customer satisfaction and loyalty in credit delivery service of Nib International Bank S.C

### **1.4.2. Specific Objectives**

Two specific study objectives are established to answer the research questions in earlier section and they are the followings:

1. To measure the impact of credit service delivery (quality) dimensions in terms of (Reliability, Responsiveness, Tangibility, Empathy and Assurance) towards customers satisfaction in NIB International Bank S.C.
2. To examine the interrelationship between customer satisfaction and loyalty in NIB International Bank S.C.

## **1.5. Research Hypotheses**

Based on the theoretical framework established, service quality i.e. reliability, responsiveness, tangibility, empathy and assurance are deemed contributing to higher customer satisfaction. In addition, customers' satisfaction may have positive relationship with customer loyalty.

The following hypotheses were formulated:

**H1:** There is a positive association between tangibility and borrowers (customer) satisfaction in the credit service of NIB.

**H2:** There is a positive association between reliability and customer satisfaction in the credit service of NIB.

**H3:** There is a positive association between responsiveness and customer satisfaction in the Credit service of NIB.

**H4:** There is a positive association between empathy and customer satisfaction in the credit service of NIB.

**H5:** There is a positive association between assurance and customer satisfaction in the credit service of NIB.

**H6:** There is a positive association between customer satisfaction and customer loyalty in the credit service of NIB.

## **1.6. Definition of Terms**

**Service quality:** means the difference between the customer's expectation of service and their perceived service. In this study, the assessment standards of Zeithaml, Parasuraman & Berry (1990) will be used, which consist of five dimensions: tangibility, reliability, responsiveness, assurance, and empathy.

**Servqual:** is an instrument for measuring service quality, in terms of the discrepancy between customers' expectation regarding service offered and the perception of the service received; respondents are required to answer questions about both their expectation and their perception.

**Independent variables:** the five service quality dimensional namely (Responsiveness, Reliability/Service quality, Tangibility/Physical design and Appearance, Empathy, and Assurance. Dependent Variable: customer satisfaction and customer loyalty (Parasuraman et al., 1990)

**Credit Facilities:** the credit product the bank's currently offered such as Term loan (short, medium), overdraft, pre-shipment, Letter of Credit, guarantee (advance payment, performance and retention), construction loan, transport loan, Agriculture Loan and personal loan. (Credit Policy of Nib, 2014)

The definitions of the following five dimensions are as follows (Parasuraman et al., 1988):

**Tangibility:** physical facilities, equipment, and appearance of personnel

**Reliability:** ability to perform the promised service dependably and accurately

**Responsiveness:** willingness to help customers and provide prompt service



**Assurance:** knowledge and courtesy of employees and their ability to inspire trust and confidence

**Empathy:** caring individualized attention the firm provides to its customers

**Customer satisfaction:** (Che-Ha & Hashim, 2007) as cited Loh Chih Wei (2013) Customer satisfaction is defined as customers' response to the perceived gap between prior expectations or experiences and actual performance of products or services consumed. Customer satisfaction is an affective state or feeling towards the products or services.

**Customer's loyalty:** Loyalty is defined as an attitude and observed behavior in service context. It is a desire to maintain relationship with an organization (Bontis, Booker & Serenko, 2007) as cited Loh Chih Wei (2013). Loyalty is defined as a deeply held commitment to repurchase a preferred products or services consistently in future.

### **1.7. Significance of the Study**

The study can be a practical guideline for the bank's management regarding the quality of its service in its credit area. The outcome of the study is developing the credit service delivery quality of the bank in order to meet the customers' needs and their satisfaction. Hence, it also identifying important bank service quality dimensions as rated by customers (borrowers) of the Bank and how customers reacted to their present credit service delivery performance. If the result shows the high score, the bank owners would be happy with the service.

In contrast, if the result shows the low score, the bank owners would improve quality of the credit service delivery and take the necessary actions. Besides, the current study could contributes much for future researchers who wish to conduct research on credit service quality in particular and service quality in general. Since, the research has indicated important future research directions and also, could be used as an important source of secondary data.

### **1.8. Limitation of the Study**

The limitation for the current research is the exclusion of customers of outlying branches from the sample survey which could have a negative impact in inferring conclusion on the bank's credit service quality throughout the country. The rationale behind the selection of participants is due to constraints of time to survey outlying branch's respondents and limited budget of the researcher.

## **1.9. Scope of the Study**

The study is limited to Nib International Bank S.c in Addis Ababa Branches to assess the impact of credit service delivery (quality) dimensions in terms of (Reliability, Responsiveness, Tangibility, Empathy and Assurance) towards customer's satisfaction and loyalty. Moreover, the sample frame was restricted to Addis Ababa branches. Samples were selected from the banks list of customers maintained in T24 software who have got credit service for the last six months and above.

## **1.10. Organization of the Paper**

The paper is organized in to five chapters. The first chapter contains background of the study, statement of the problem, objective of the study, Research questions, significance of the study, limitation of the study, scope of the study and organization of the paper. The second chapter presents review of related literature which is about the relationship of service quality and customer satisfaction. The third chapter deals with the methodology of the research and fourth chapter presents data analysis, findings and discussion of the data gathered. Finally the fifth chapter presents summary of the study, conclusion and recommendation forwarded.

## CHAPTER -TWO

### 2. REVIEW OF RELATED LITERATURE

This chapter gives an overview of literature that is related to the research problem presented in the previous chapter. Definition of service, quality, definition of service quality, customer loyalty, customer satisfaction, financial service, characteristics of service, meaning of customer service and the conceptual framework.

#### 2.1. Definition of Service

Service had been studied by multi-academic disciplines including operations management, marketing, human resource management, and organizational behavior. From the economic perspective, Haksever, Render, Russell, and Murdick as cited in Yeamdao Narangajavana (2007) defined service as “economic activity that produces time, place, form, or psychological utilities”. They described further that services could save customers’ time (e.g. maid service), provide convenient outlets (e.g. department stores), provide more usable form of information (e.g. database service), and provide psychological refreshment (e.g. holiday service). A service is any act or performance that one party can offer to another that is essentially intangible does not result in the ownership of anything (Kotler p., 2003).

From an operational perspective, service was viewed as a process where input was processed to output. Morris and Johnston as cited in Lovelock (2001) specified three types of inputs: customers, materials, and information. Lovelock (2001) proposed that services has three components - people processing, possession processing, and information processing - and later added mental stimulus processing.

#### 2.2. Quality

In an attempt to cover quality in all sectors, Garvin (1988) as cited in Yeamdao Narangajavana (2007) brought together the definitions of quality described by scholars from fields as diverse as philosophy, economics, marketing, and operations management. He classified the quality definitions into five categorized perspectives. First, *Transcendent* perspective viewed quality as an innate excellence, which could be recognized only through experience. It could not be defined precisely, and thus it offered little practical guidance. Second, *Product-based* perspective viewed quality as precise and measurable quantities.

It was highly effective on an objective nature, but failed in measuring subjective attributes. Third, *User-based* perspective considered quality from an individual customer's perspective which was highly subjective. Fourth, *Manufacturing-based* perspective viewed quality from production process or supply side by setting up a specification and considering product conformance. However, it recognized consumer's interest rather than simplifying the production process. Fifth, *Value-based* perspective viewed quality as the result of a balance between service performance and price or "affordable excellence".

### **2.3 Definition of Service Quality**

According to the previous section, this study reviews the service quality from the user-based approach which focuses on satisfying the customers' quality need. Scholars have recognized and discussed service quality during the past few decades. Numerous service quality literatures have studied conceptualization, measurement, implementation, and management of the service quality. In this research, only the service quality concept and measurement are examined. The concept of service quality was established after there had been a growing interest in the quality of goods served.

Service quality was originally cultivated in the marketing context in which the customer was the focal point of the movement. As previously mentioned, Garvin (1988) cited in Yeamdao Narangajavana (2007) explained the perceived quality as the subjective perception of quality through indirect measures of quality comparison. Investigating the service quality development, Gronroos (1993) cited in Yeamdao Narangajavana (2007) stated service quality had been developed based on the confirmation/ disconfirmation concept of service quality he introduced in the "perceived service quality" model in 1982. The notion of the model explained that the perceived service quality was the result of comparing the real experience with the expectation of a customer before consuming the service. Based on the perceived service quality concept Parasuraman et al. (1985) applied premises from other previous studies to form their model of service quality.

The ideas included a consumer had difficulty in evaluating service quality rather than goods quality, that a perception of service quality was developed from a comparison of consumer expectation with actual service performance, also quality evaluation involved the evaluation of both the process and outcome of service delivery (Gronroos, 1982; Lehtinen and Lehtinen, 1982; Lewis and Boom, 1983; Sasser, Olsen, and Wyckoff, 1978 as cited in Parasuraman et al., 1985).

Consequently, the conceptual model study of Parasuraman et al. (1985) presented 10 original determinants which included reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the customer, and tangibles. In their succeeding study, using the SERVQUAL measured some of these determinants were combined and only five dimensions remained (Parasuraman et al., 1988). The five dimensions consisted of reliability, responsiveness, assurance, empathy, and tangibles. The definitions of these five dimensions are as follows (Parasuraman et al., 1988):

- **Reliability** is defined as the ability to perform the promised service dependably and accurately.
- **Responsiveness** is defined as the willingness to help customers and provide prompt service.
- **Assurance** is defined as the knowledge and courtesy of employees and their ability to inspire trust and confidence.
- **Empathy** is defined as caring, individualized attention the firm provides its customers.
- **Tangibles** concerns physical facilities, equipment, and appearance of personnel.

## 2.4. Customer loyalty

Customer retention improves profitability principally by reducing costs incurred in acquiring new customers. A prime objective of retention strategies must therefore be “zero defections of profitable customers” (Reichheld, 1996). There is, however, a distinction between customers who are simply retained and those who are loyal. The concept of consumer inertia implies that some customers are only being retained, rather than expressing loyalty.

Truly loyal customers are usually portrayed as being less price-sensitive and more inclined to increase the number and/or frequency of purchases. They may become advocates of the organization concerned and play a role in the decision making of their peers or family. Satisfaction with a bank's products and services thus also plays a role in generating loyalty that might be absent in the retention situation. Customer loyalty is therefore not the same as customer retention, as loyalty is distinct from simple repurchase behavior. Loyalty is only a valid concept in situations where customers can choose other providers. Companies thus need to understand the nature of their consumers' reasons for staying and must not assume that it is a positive, conscious choice (Colgate et al., 1996).

## **2.5. Customer satisfaction**

Abdullah and Rozario (2009) emphasize that the level of customer satisfaction may be influenced by various internal and external factors. This suggests that the determination of satisfaction is very difficult. Veloutsu et al (2005) indicate that overall customer satisfaction is not a static process but keeps on changing when the customer gets an experience with the service provider. Jamal and Nazer (2002) contend that customer satisfaction is not linked with only the view of customers regarding the reliability of the service delivered but also based on the experience of the customer with the service delivery process. Kolter (2003) posit that high customer retention is an indicator for customer satisfaction. Reichheld (1993) opines that customer satisfaction alone is not enough and cannot guarantee loyalty to organization as between 65% to 85% of customers who switch to other organizations are satisfied customers. What is needed is a full customer satisfaction to ensure customer loyalty and improvement in performance of organizations, (Jones and Sasser, 1995).

In businesses where the underlying products have become commodity-like, quality of service depends heavily on the quality of its personnel. This is well documented in a study by Leeds (1992), who documented that approximately 40 percent of customers switched banks because of what they considered to be poor service. Leeds further argued that nearly three-quarters of the banking customers mentioned teller courtesy as a prime consideration in choosing a bank.

The study also showed that increased use of service quality/sales and professional behaviors (such as formal greetings) improved customer satisfaction and reduced customer attrition.

Indeed, customer satisfaction has for many years been perceived as key in determining why customers leave or stay with an organization. Organizations need to know how to keep their customers, even if they appear to be satisfied. Reichheld (1996) suggests that unsatisfied customers may choose not to defect, because they do not expect to receive better service elsewhere. Additionally, satisfied customers may look for other providers because they believe they might receive better service elsewhere. However, keeping customers is also dependent on a number of other factors. These include a wider range of product choices, greater convenience, better prices, and enhanced income (Storbacka et al., 1994). Fornell (1992), in his study of Ethiopia customers, notes that although customer satisfaction and quality appear to be important for all firms, satisfaction is more important for loyalty in industries such as banks, insurance, mail order, and automobiles.

Ioanna (2002) further proposed that product differentiation is impossible in a competitive environment like the banking industry. Banks everywhere are delivering the same products. For example, there is usually only minimal variation in interest rates charged or the range of products available to customers. Bank prices are fixed and driven by the marketplace. Thus, bank management tends to differentiate their firm from competitors through service quality. Service quality is an imperative element impacting customers' satisfaction level in the banking industry. In banking, quality is a multi-variable concept, which includes differing types of convenience, reliability, services portfolio, and critically, the staff delivering the service.

## **2.6. Financial service**

A service is any act or performance that one party can offer to another that is essentially intangible does not result in the ownership of anything (Kotler and Keller, 2006). The insight of service marketing focuses on selling the services in the best interest of user's or customers (Potluri and Magnale, 2011). Services have many typical features.

This includes the following:

- Services are ephemeral and heterogeneous
- The production, distribution and consumption needs simultaneous processes
- They are essentially activities or processes
- They represent a core value that is created in buyer seller interactions
- Customers participate in their production
- They cannot be kept in stock

The tremendous growth and economic contributions of the services sector have drawn increasing attention to the issues and problems of the service sector industries worldwide (Zeithamal and Bitner, 2003).

Before dealing with services quality and its effect on customers' satisfaction, service providing organization should understand whom they are serving. This because knowing their customer helps services delivering organization to deal with questions like what customers require, what are their problems /needs/ wants, what determines their satisfaction etc. Kotler (2003) define customer at a person or organization that buys a product or service either for use or resale.

According to Nash and Susan (2003) there are two types of customer: internal and external.

Internal customers are employees of the organization where as external customers are those paying customers. Accordingly there are two types of customer service: internal and external.

Internal customer services are those services provided for employees of the organization such as selection, training, support and incentives. Therefore, services giving organizations must give due attention for internal marketing as external customer service are direct reflection of internal customer service.

In 1988, Parasuraman et al. developed a definition of service quality as being “the overall evaluation of a specific service firm that results from comparing the firm's performance with the customer's generally expectations of how firms in that industry should perform”.



They further developed a multidimensional service quality assessment tool based on this definition. The tool, SERVQUAL, has been since widely accepted and used to assess service quality marketing, retailing, health care, education, etc.

## **2.7. Characteristics of Services**

Services are characterized by four distinctive features which may differentiate it from products. These features are intangibility, inseparability, variability and perishability. Due to its **intangible** nature, pure services cannot be defined in terms of the physical dimensions: services cannot be seen or felt before purchase. Intangibility makes inventorying, patenting, pricing and communicating of the services very difficult task. **Inseparability** shows simultaneous production and consumption of services. Customers' interaction in services production process, the employees act and the behaviors of other customers may affect services quality due to its inseparability character. This character may also make attaining economies of scale through mass and centralized production of services difficult task. **Variability** refers to dependability of the services on who provides them, and when and where they are provided: the same services may be perceived differently by different customers due to its variable nature. In this regard service quality and responsiveness of employees determines customers' satisfaction. **Perishability** deals with difficulty of the services to be inventoried: services cannot be saved, stored, resold or returned right after use. It is difficult to balance demand and supply with services and recovering it from failure is also difficult task (Kotler et al., 2003).

## **2.8. Meaning of Customer Service**

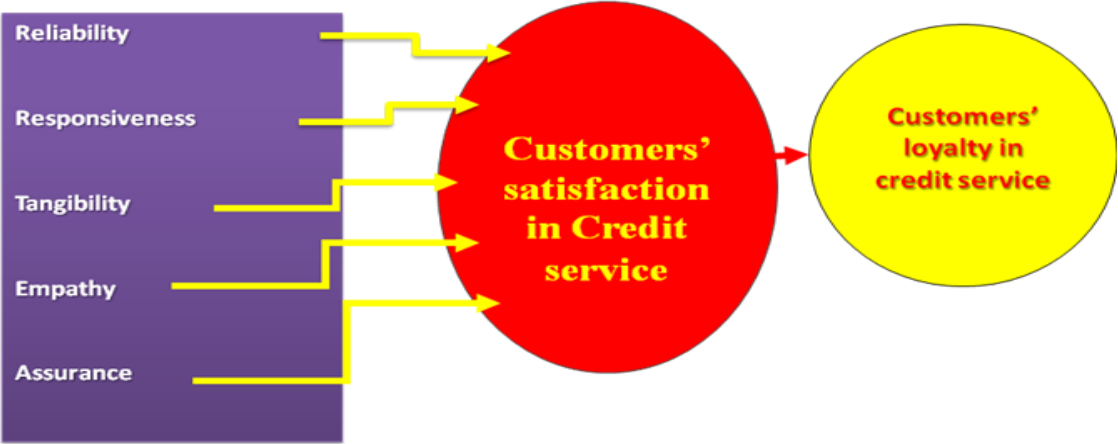
Customer service is defined as the ability of knowledge, capable and enthusiastic employees to deliver products/service to their internal and external customers in a manner that satisfies identified and unidentified needs and ultimately results in positive word of mouth publicity and return business.

Customer service is the set of activities an organization uses to win and retain customer satisfaction it can be provided before, during or after the sale of the services or exist on its own element of customer service are : Organization, Customer care, Communication, Front-line people and Leadership.

### 2.9. The Conceptual Framework

The theoretical model guiding the investigation is depicted in figure below, adapted from Agus et al. 2007 and Caruana, 2002 (cited in Olle Stromgren, 2007).

Figure 1: Proposed Conceptual Framework



## **CHAPTER -THREE**

### **3. RESEARCH DESIGN AND METHODOLOGY**

The primary aim of this study is to assess the impact of service quality on customer satisfaction and loyalty in credit service delivery of Nib International Bank S.C at Addis Ababa Branches, the research design and methodology section was clearly define the research design, the study area and period, study population, sampling design, target population, sample size, sampling technique, study data source, data collection instrument and reliability analysis for pilot test.

#### **3.1. Research Design**

In this study, quantitative research design is employed to assess the impact of service quality on customer satisfaction and loyalty in credit service delivery of Nib International Bank S.C at Addis Ababa branches.

#### **3.2. Study area and period**

The study is conducted in 52 Branches which are found in Addis Ababa city. This study is conducted for June 2-10, 2015.

#### **3.3. Study population**

This study has a total of 2640 population, which means all borrowers of the Bank which are found in Addis Ababa City branches.

#### **3.4. Sampling Design**

##### **3.4.1. Target population**

In this study the sampling units are credit service customers (borrowers) of the bank who are found in Addis Ababa city branches and registered on customer data base in the T24 system. Also study unit are customers who uses all types of the bank's credit products with a minimum of 6 months experience and above. The reason is that the researcher believes that since those borrowers uses the credit product of the bank they know or experience the service of the organization and easily evaluate the credit service delivery of the bank.

A sampling frame is a representation of the elements of the target population. It consists of a list of target population. Many commercial organizations provide a database consisting of names, addresses, and telephone numbers of potential sampling frame for various studies. The sources of sampling frame for this study is registered number of lists of borrowers from the bank's T24 database which are found in Addis Ababa City Branches. In addition these sources contain names, addresses and telephone numbers of the customers.

### 3.4.2. Sample Size

In this study a total of 2640 study population found in a study area, from this, a representative sample size enrolled with the assumption: 50% proportion of credit service customers (borrows) perception regarding Nib International Bank Service quality with unknown population and 1.96 C.I to get representative sample size. It is calculated using  $n = (1.96)^2 * .05(1 - 0.5) / (0.05)^2$  formula. Thus the calculated simple size for large population (>10,000) is 384. The service quality taken as proportion because it is a stronger predictor of customer satisfaction (Loh Chih Wei (2013).

Since this study total population is < 10,000 the sample size is calculated and adjusted for small number of study population by using the formula as follows:

- *Sample size is  $= n / (1 + (n/N)) = (384 / (1 + (384/2640))) = 336.84 = 337$*
- *$n = (384)$  calculated sample size for large population (50 % proportion and 1.96 C.I)*
- *$N =$  study population (2640)*

This is therefore the calculated sample size of this study is 337 credit service customer which got the credit service in Addis Ababa braches.

### 3.4.3. Sampling technique

The required sample size was selected from the sampling frame which has a list of all credit service customers (borrowers); a simple random sampling technique is used a number given in a sampling frame. Those customers who have 6 months and above experience in the Bank were taken as a study unit. Then, the required sample size is selected by lottery method since each branch has an equal chance.

### **3.5. Study data source**

The Primary data of the study is collected from all 52 Branches which are found in Addis Ababa city. Six data collectors and one supervisor are selected from other banks, which have diploma in banking. They are involved in data collection after training is given how to collect the questionnaires.

### **3.6. Data Collection Instrument**

The research instrument is consisted of structured questioners. Thus, a written 28 structured questioners: (22Q) service quality, (3Q) Customer Satisfaction and (3Q) Customer Loyalty representing the five SERVQUAL dimensions which were employed. Each question response composed of five-point Likert-type scale ranging from “strongly disagree” (1) to “strongly agree” (5) structured questionnaire is developed to measure the impact of service quality on customer satisfaction and loyalty in credit service delivery of the Bank at Addis Ababa branches. The main theme of this study instrument is concerning to assess the impact of service quality on customer satisfaction and loyalty in credit service delivery. The questionnaires are prepared in English language then translated to Amharic for data collector.

Even if this study instrument are taken and reviewed from the standard questioners source such as (Wong, 2011), ( Parasuraman et al., 1985); Wong, 2011) (Che Ha & Hashim, 2007) and (Toelle, 2006), this structured questionnaire is pre-tested.

### **3.7. Reliability analysis for pilot test**

In this research, Cronbach’s Alpha of reliability test was used to assess the reliability of the five independent variables of service quality and dependent variables: (1) customer satisfaction and (2) customer loyalty. If Cronbach’s Alpha is less than 0.6, the instrument used has low reliability whereas for alpha value 0.7 and above, the instrument is considered acceptable. The closer is Cronbach’s Alpha to value of 1, the higher the internal consistency and the more reliable the measurement (1).

The structured questionnaire format were tested on 10% (34 respondent) sample of a credit service customers of NIB and those were pre tested excluded from main research. This was for the purpose to minimize possible error.

Thus a Reliability Test or Analysis was conducted in the pilot test to determine the extent to which the variables in the questionnaires were related to each others. The Cornbach's Alpha for service quality, customer satisfaction and customer loyalty is above 0.8 as shown in Table 1. The results indicate that the inter-item correlations are high and are of evidence that the questions are testing on the same underlying construct. Thus these results reveal that there was no need to remove items.

**Table 1: Reliability Analysis of variables**

Variables	Cronbach's Alpha	No of items
Reliability	.897	5
Responsiveness	.862	4
Tangibility	.885	4
Empathy	.833	5
Assurance	.833	4
Customer satisfaction	.803	3
Customer loyalty	.935	3

### **3.8. Data Collection Method**

A total of six data collectors were selected from other bank staff, which had diploma in accounting and financing. They were involved in data collection after orientation had been given for 1 days on techniques of self-administered interview, the contents of the structured interview formats, and confidentiality of information and how to ask consent from the respondents. Prior to any data collection-using interview, a brief explanation was given to each subject by interviewers then the questioner given to the interviewee to fill and submit within two hours.

One supervisor was assigned to supervise data collectors during field data collection. This was additionally supervised by principal investigator in field and after the data collection.

### **3.9. Data analysis**

Quantitative data is collected, checked, cleaned, coded and entered in to SPSS-20 version. Later the datas are organized, analyzed, and presented by using tables and frequencies. Finally the data is used by using Pearson's Correlation Analysis and multiple regression analysis to understand the strength of relationship between independent and dependent variables. Further using mean score and p-value as cut of point.

## CHAPTER - FOUR

### 4. RESULT AND DISCUSSION

This chapter focuses on the analysis of the data gathered from the 337 credit service customers (borrowers) of Nib International Bank S.c. in Addis Ababa branches. The data is presented in tables and diagram as well as analyzed and discussed in brief.

#### 4.1. Socio Demographic Data

**Table. 2: Background of respondents**

<b>Variables</b>	<b>Frequency</b>	<b>Percent</b>
<b><u>Gender</u></b>		
Male	208	61.7
Female	129	38.3
<b><u>Age</u></b>		
20-29	103	30.6
30-49	233	69.1
Above 50	1	.3
<b><u>Status of respondents</u></b>		
Sole Property	121	35.9
Managing Director	67	19.9
Finance Manager	60	17.8
Operation Manager	35	10.4
Others	54	16.0
<b><u>Educational qualification</u></b>		
High School Completed	86	25.5
Diploma	48	14.2
Degree	150	44.5
Master	53	15.7

*Source: survey finding 2015*



The questionnaire (survey) was designed to seek information about the respondents, age, gender, education, and their status within their organization. Present analysis shows that 61.7% of the respondents are male and 38.3% are female. It is seen from the Table 2 that 69.1% of respondents are in the age group of 30-49 years. The next largest group of the respondents is in age group of 20-29 years (30.6%). Only .3% respondents are in age group of 50 and above. In terms of qualification, there is a wide variation, High School Completed (25.5%), Diploma (14.2%), Degree (44.5%) and Masters (15.7%). Among the 337 respondents, the highest numbers of the respondents are running their own business (35.9%). However, Managing Director, Finance Manager, Operation Manager and other service providers in their organization represents 19.9%, 17.8%, 10.4% and 16% respectively.

**Table 3: Annual profit of respondents**

<b>Annual Profit</b>	<b>Frequency</b>	<b>Percent</b>
<or=10,000	47	13.9
10,001 -50,000	83	19.6
50,001-100,000	80	23.7
100,001 -250,000	61	18.1
>250,001	66	24.6
Total	337	100.0

*Source: Survey findings, 2015*

As indicated on the above table no. 3, the majority of the respondents' Annual profit grouped >250,001 covering 24.6%. The rest of the respondents were categorized under annual profit of ETB less than or equal to 10,000, between ETB 10,001 – 50,000, ETB 50,001-100,000 and ETB 100,001-250,000 with covering 13.9%, 19.6%, 23.7% and 18.1% respondents respectively. The implication of this assessment was the majority of the respondents businesses were health businesses.

**Table 4: Marital Status of respondents**

<b>Marital Status</b>	<b>Frequency</b>	<b>Percent</b>
Married	261	77.4
Single	76	22.6
Total	337	100.0

*Source: Survey findings, 2015*

It can be seen from the above table no.4, among the total respondents which constitute 77.4% were married whereas the rest respondents covering 22.6% were claimed to be as single.

**Table 5: Business line of the respondents**

<b>Business Line</b>	<b>Frequency</b>	<b>Percent</b>
Agriculture	18	5.3
Industry	58	17.2
Domestic Trade	137	40.7
International Trade	52	15.4
Transport	11	3.3
Hotel & Tourism	17	5.0
Building & Construction	34	10.1
Mining & Water Resources	10	3.0
Total	337	100.0

*Source: Survey finding 2015*

As indicated on the above table no.5, majority of the respondents engaged on Domestic trade businesses which cover from the total respondents 40.7% while the rest of the respondents categorized business sector Agriculture, Industry, International Trade, Transport, Hotel and Tourism, Building and Construction and Mining & Water resource with covering 5.3%, 17.2%, 15.4%, 3.3%, 5%, 10.1% and 3% respondents respectively.

**Table 6: Type of business entity of the respondents**

<b>Business Line</b>	<b>Frequency</b>	<b>Percent</b>
Sole Proprietor	182	54.0
Partnership	32	9.5
Limited Liability	123	36.5
Total	337	100.0

*Source: Survey finding 2015*

From the above table no.6, more of the respondents were grouped under the business entity of Sole Proprietor which covering 54% from the total respondents. The rest of the respondents were categorized under Partnership and Limited Liability business entity which covering 9.5% and 36.5% respectively.

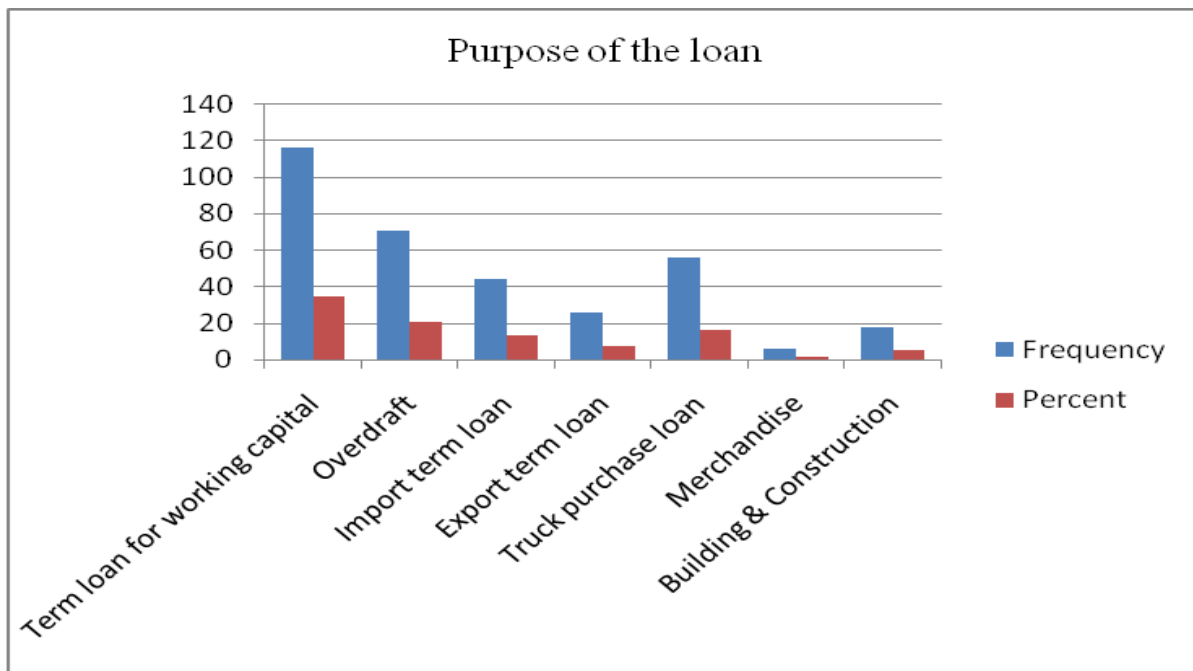
**Table 7: Respondents duration in the Bank**

Business Line	Frequency	Percent
>6 month	48	14.2
1-2 years	124	36.8
>2 years	165	49.0
Total	337	100.0

*Source: Survey finding 2015*

From the above table no. 7, the majority of the respondents begin relationship prior to 2 years cover 49% from the total respondents. The rest of the repondenst greaterthan 6 month and 1upto2 year(s) covering 14.2% and 36.8% respondents respectively.

**Figure 2: Purpose of the loan**



*Source: Survey finding 2015*

As indicated on the above figure 2 the majority of the respondents took the loan for working capital purpose which covers 34.4%. The rest of the respondents take the loan for the purpose of overdraft, import term loan, export term loan, truck purchase loan, merchandise and building & construction cover 21.1%, 13.1%, 7.7%, 16.6%, 1.8% and 5.3% respondents respectively.

## **4.2. Reliability Analysis**

Reliability refers to an indicator of a measure's internal consistency. A measurement is regarded as reliable if different attempts at measuring something bring to the same result (Zikmund, Babin, Carr & Griffin, 2010 as cited in Loh Chih Wei (2013)). Reliability Analysis is used to study the properties of measurement scales and the items that make them up. The analysis procedure calculates a number of commonly used measures of scale reliability (Sekaran, 2003 as cited in Loh Chih Wei (2013)).

In this research, Cronbach's Alpha of reliability test was used to assess the reliability of the five independent variables: (1) Reliability, (2) Assurance, (3) Responsiveness, (4) Empathy and (5) tangibility, and dependent variables: (1) customer satisfaction and (2) customer loyalty. If Cronbach's Alpha is less than 0.6, the instrument used has low reliability whereas for alpha value 0.7 and above, the instrument is considered acceptable. The closer is Cronbach's Alpha to value of 1, the higher the internal consistency and the more reliable the measurement (Sekaran, 2003 as cited in Loh Chih Wei 2013). The reading of composite reliability of the latent variables is above 0.70. Therefore, all latent variables have good reliability.

## **4.3 Descriptive Analysis**

As tried to discuss in the literature part of the study, Parasuraman et al. 1988 developed SERVQUAL instrument to measure the dimensions service quality that is frequently used by researchers to investigate customer satisfaction. It consists of 22 items that are compiled into five dimensions namely Reliability, Tangibility, Responsiveness, Assurance and Empathy.

### **A. Reliability**

Reliability is the ability to perform services dependably and accurately in a consistent manner. It contains five elements to assess the accuracy and credibility of bank services.

This dimension of service quality evaluates the promises of banks and its execution from customers' point of view.

Reliability is an important determine of product quality besides good personal service, staff attitude, knowledge and skills. It is found that service reliability is the service "core" to most customers and managers should use every opportunity to build a "do-it-right-first" attitude.

### **B. Empathy**

It shows the magnitude of caring and individual attention given to customers. It is imply that employees' commitment to deliver quality services.

### **C. Assurance**

It indicates the employees' knowledge, courtesy and their ability to convey trust and confidence. Assurance is an essential dimension of service quality after reliability and Empathy towards satisfaction (Parasuraman et al., 1988)..

Bank can create credit service customer (borrower) satisfaction by ensuring trustworthy behavior and reflection of genuine commitments to service provision. It is found that trust and commitment are crucial factors for credit service customer (borrower) satisfaction.

### **D. Responsiveness**

This dimension reflects the willingness of employees to provide immediate services to credit service customer(borrower)s. Customers are very sensitive to employees' working environment in service organizations. It was found that correct match between staff skills and customers' expectation resulted in better service quality towards customers. Service recovery and problem solving are recognized as important parts of service quality. An accurate communication, proper service delivery and effective conflict handling resulted into overall credit service customer (borrower) satisfaction regarding bank services.

## E. Tangibility

This dimension shows that the physical aspects of the services such physical facilities, appearance of personal and tools used for the provision of services. It is more concerned with aesthetic part of the banks. It is reported that customers prefer tangible dimension of service quality in the banking sector. Bank could create customer relationships by delivering added tangible and intangible elements of the core products.

**Table 8: Descriptive Measurement Items**

Considering the results for the individual question of variables are presented in below Table 8 the details are discussed and presented individually below item by item.

### A. Reliability dimension of quality

Measurement Items		*Respondents response (%)					
Variables		SD	D	N	A	SA	Average mean Score
R1	Promise to do something by a certain time when present credit service	15.7	32.6	24.9	26.7	0	2.62
R2	Show genuine interest in solving problems	24.9	2.7	33.8	35.9	2.7	2.8872
R3	Perform credit services dependably	5.6	27.9	21.7	35.9	8.9	3.1454
R4	Provide credit services at time promised	7.1	51.3	28.5	13.1	0	2.4748
R5	Insist on error free credit services	7.1	11.6	25.5	54.0	1.8	3.3175

\*N = 337(100 %); Source: survey finding 2015

### **Re1: Promise to do something by a certain time**

According analysis made the promise to do something by a certain time as shown on the below table indicates. Respondents mainly chose *Disagree (D)* when they were asked to form opinion based on the given statements. The highest percentage is up to 48.3% for both *Strongly Disagree (SD)* and *Disagree (D)* cumulatively for Re1. The mean of their responses is 2.62 which imply that it is below the average mean score and respondents are dissatisfied by Nib International Bank.

### **Re2: Show genuine interest in solving problems**

Regarding the show genuine interest in solving problems of the customers shown employees of the bank 38.6% of the respondents for both *Agree* and *Strongly Agree* cumulatively for Re2. The cumulative for *Strongly Disagree* and *Disagree* constitutes 27.6% and 33.8% of the respondents optioned *Neutral* for the statement. As a result, the mean of this statement is 2.88 this implies that most of the respondents disagree on the statement.

### **Re3: Perform credit services dependably**

Upon the responses of the respondents, the percentage for *agree (A)* and *Strongly Agree (SA)* is 35.9% and 8.9% respectively. The mean result of perform credit services dependably of the employees of the bank is 3.14. This imply that the consistency of service of the bank positive impact on the borrowers' satisfaction.

### **Re4: Provide credit services at time promised**

In Re4, majority of the respondents *Disagree* that the bank's credit service at time promised. The percentage of *Strongly Disagree (SD)* and *Disagree (D)* is 7.1% and 51.3% respectively. The mean result of provide credit services at time promised is below average mean score 2.47. This below mean score average result shows that the credit service given by the bank for borrowers is not amicable

### Re5: Insist on error free credit services

The majority of the respondents agreed with the error free services the percentage of Agree (A) and Strongly Agree is 54% and 1.8% respectively. Of all the respondents response regarding the statement “Insist on error free credit services” 25.5% optioned Neutral and the cumulative Strongly Disagree (SD) and Disagree (D) 18.7%. The mean result of their responses is 3.31 which entail that it has positive impact on the level of borrowers’ satisfaction towards service quality of Nib International Bank S.C

#### B. Assurance

Measurement Item		*Respondents response (%)					Average mean Score
Assurance		SD	D	N	A	SA	
A1	Trust to employees of the bank in the credit services	0	13.4	33.2	24.6	28.8	3.6884
A2	There is Safe credit services transaction	0	16.0	17.8	49.9	16.3	3.6647
A3	Employees politeness in credit services	0	20.2	15.4	54.0	10.4	3.5460
A4	Adequate support from the Bank in credit services	3.0	18.1	21.1	57.9	0	3.3383

\*N = 337(100 %); *Source: survey finding 2015*

#### A1: Trust to employees of the bank in the credit service

Regarding the trust to employees who served borrowers’ of the bank, majority of the respondents agree that borrower’s have much trust to employees of the bank in the credit service. The cumulative percentage for Agree (A) and Strongly Agree (SA) is 53.4%. the average mean score for this question is 3.68 and it indicates that participants generally tend to the positive response.



## A2: Safe credit service transaction

In A2, approximately 66.2% of the respondents agreed or strongly agreed that the bank gives safe credit service transaction. However, 16% and 17.8% disagree and neutral responses. The average mean score for this question is 3.66 which indicates that majority of the respondents agreed on the statement. On top of that, it creates a great opportunity for the bank on its reputation.

## A3: Employees politeness in the credit service

As shown in the below table about 64.4% of the respondents agreed or strongly agreed on employees politeness in the service. The average mean score of 3.54 shows respondents relatively confident on politeness of the employee regarding the credit service.

## A4: Adequate support from the bank

Majority of the respondents i.e 57.9% of the respondents agreed on the statement. The rest 42.1% is equally shared for Disagree (D) and Neutral (N). According to the average mean score, the result is 3.3 which stated on the below table and it implies that borrowers are agreed in getting adequate support from the bank when required.

### C. Responsiveness

Measurement Items		*Respondents response (%)					Average mean Score
Responsiveness		SD	D	N	A	SA	
RES1	Staff able to tell customers exactly when credit service would be performed	8.6	28.8	18.4	31.2	13.1	3.1128
RES2	Staff give prompt credit services to customers	.9	6.8	42.7	42.1	7.4	3.4837
RES3	Staff always willing to help customers	.9	13.1	22.6	44.8	18.7	3.6736
RES4	Staff never too busy to respond to customers regarding credit service provided	3.3	15.4	10.1	62.3	8.9	3.5816

\*N = 337(100 %); Source: survey finding 2015

**RES1: Staff able to tell customers exactly when credit service would be performed**

44.3% of the respondents agreed on the statement that the bank employees have capable to alert when the credit service carried out. Up on this scenario the dimension staff able to tell customers exactly when services perform has a mean score value of 3.11 which imply that positive impact on the respondents.

**RES2: Staff gives prompt credit services to customers**

It is an act of the bank employees to deliver service timely. Regarding staff give prompt services to customers; about 49.5% respondents cumulatively agreed or strongly agreed that the services of the bank are considered to be good deal. However, 42.7% of the respondents responses neutral. The average mean score of 3.48 shows that generally respondents perceive agreed on the subject as well as positive impact on them.

**RES3: Staff always willing to help customers**

In R3, the average mean score is 3.67 when respondents are required to indicate staffs are always willing to help customers .63.5% respondents agreed with the mentioned statement while 14% & 22.6% of the respondents chose disagree and neutral. Therefore, this proves that the helping nature of employees of Nib International Bank may have input to borrowers satisfaction

**RES4: Staff never too busy to respond to customers regarding credit service provided**

The average mean score result of the respondents indicate that more of the resoondents agreed with the staff never too busy to respond to customers. For this statements, the percentage of respondents who agreed or strongly agreed is approximately 71.2%. In contrast, the percentage of respondents who disagreed or strongly disagreed is approximately 18.7%. only 10.1% of the respondents are neutral.

## D. Empathy

Measurement Items		*Respondents response (%)					
Empathy		SD	D	N	A	SA	Average mean Score
E1	Give borrowers individualized attention	0	35.0	22.3	41.2	1.5	3.0920
E2	credit Services are convenient to customers	1.8	27.9	29.1	41.2	0	3.0979
E3	Staff gives borrowers personalized attention	9.2	34.4	32.9	18.7	4.7	2.7537
E4	Convenient time operating hours	13.1	26.7	20.2	23.17	16.3	3.0356
E5	Staff understand the specific needs of their credit customers	3.9	29.7	17.8	46.9	1.8	3.1306

\*N = 337(100 %); *Source: survey finding 2015*

### E1: Give borrowers individualized attention

It is an act of the bank employees to give individual attention. Regarding staff give individual attention to customers, 43.7%, 35% and 22.3% of the respondents are agreed, disagree and neutral on the matter. The average mean score is 3.09. This implies that the majority of the respondents were agreed on the subject as well as positive impact on them.

### E2: Credit Services are convenient to customers

According to the responses of the respondents, as stated on the below table, the mean is 3.09. This also implies that 41.2% of the respondents agreed with services are convenient to customers. Therefore, this shows that the helping nature of employees of Ni International Bank may have input to borrower satisfaction.

### **E3: Staff gives borrowers personalized attention**

From the below table majority of the respondents 43.6% are disagree on the matter. Only 23.4% are agreed. The mean score result of staff gives customers personalized attention is also 2.75. Therefore, staffs' aren't give borrowers personalized attention.

### **E4: Convenient time operating hours**

Approximately 40%, 39.8% and 20.2% of the respondents agreed, disagreed and neutral respectively whether the bank has convenient operating hours for borrowers. The mean result of respondents point out that, the majority of the respondents agree with the operating time of the bank. The mean score is 3.03 this implies has the positive impact on the bank service. On top of that, it creates a great opportunity for the bank on its reputation

### **E5: Staff understands the specific needs of their credit customers**

As the name of statement clarified that, 48.7% of the respondents response is that the employees of the bank have able to recognize the specific needs of the credit customers. However, 33.6% shows their disagreement on the matter. Under this dimension staff able to understand the customers need exactly what they desire is a mean value of 3.13 which imply that positive impact on borrower's satisfaction.

### **E. Tangibility**

<b>Measurement Items</b>		<b>*Respondents response (%)</b>					
<b>Tangibility</b>		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>Average mean Score</b>
TAN1	Modern Looking equipments in context of credit service	6.5	59.1	9.8	23.1	1.5	2.5401
TAN2	Physical facilities	20.2	50.1	13.1	16.6	0	2.2611
TAN3	Neat appearance of credit service staff	10.1	25.8	19.3	35.6	9.2	3.0801
TAN4	Materials associated with the credit service giving by the Bank	8.6	28.5	24.3	34.4	4.2	2.9703

\*N = 337(100 %); *Source: survey finding 2015*

### **Tan1: Modern looking equipments**

Based on the below table, 65.6% of the respondents disagree regarding the modern equipment of the bank. However, 24.6% of the respondents agreed on the matter and only 9.8% of the respondents are neutral. The mean value for this statement is 2.54 which is below the mean score value i.e. 3. Therefore, the mean of this statement implies that most of the respondents disagree on the modern equipments of the bank.

### **Tan2: Physical facilities**

Concerning the physical facilities used by the borrowers' of the bank, majority of the respondents disagree and share the percentage of 70.3%. the mean result for this statement appeared to be as 2.26. On top of this, only 16.6% of the respondents agree on the matter. Therefore, majority of the respondents disagree on the physical facilities of the bank.

### **Tan3: Neat appearance of credit staff**

Upon the responses of the respondents, 44.8%, 35.9% and 19.3% responses agreed, disagree and neutral respectively the neat appearance of credit staff. The mean result of neat appearance of the employees of the bank is 3.08. This implies that the neat appearance of staff of the bank is positive impact on borrower' satisfaction.

### **Tan4: Materials associated with service**

The majority of the respondents i.e 38.6% disagree with the materials associated with services of the bank and 37.1% of the respondents agree on the matter. The mean of the data collected proves this fact. The mean of their responses is 2.97 which engaged that borrowers were disagreeing on the matter.

## F. Customer Satisfaction

Measurement items		*Respondents response (%)					
Customer Satisfaction		SD	D	N	A	SA	Average mean Score
CS1	I am pleased to have credit relation with the bank.	10.1	14.8	37.4	37.7	0	3.02
CS2	Overall, credit services of the bank is able to satisfy my wants and needs	2.4	14.8	50.7	32.0	0	3.12
CS3	I consider the bank to be my first choice for banking purpose in the future regarding credit services	1.5	28.2	48.1	20.5	1.8	2.92

\*N = 337(100 %); *Source: survey finding 2015*

### **CS1: I am pleased to have credit relation with the bank.**

In this statement, the respondents who agreed or strongly agreed that they are pleased to be associated with the banks and they feel good on the decision to do business with the banks cumulatively account for 37.7%. However, 24.9% of the respondents respond disagree on the matter and 37.4% of the respondents response neutral. The mean of the result is also approved borrowers agreement on the matter i.e. 3.02.

### **CS2: Overall, credit services of the bank is able to satisfy my wants and needs**

In CS2, the average mean score for the respondents overall, credit services of the bank is able to satisfy borrower wants and needs is 3.12. Majority of the respondents 50.7% response neutral. And 32% of the respondents agreed on the matter.

**CS3: I consider the bank to be my first choice for banking purpose in the future regarding credit services**

When respondents are asked the bank is their first choice for banking purpose in the future regarding credit service, 22.3% of the respondents agreed, 48.1% of the respondents response neutral and the remaining 29.7% disagree on the matter. The average mean score of 2.92. Respondents who response neutral regarding the matter is highly contribute the lower mean score in this statement.

**G. Customer Loyalty**

Measurement Items		*Respondents response					
Customer Loyalty		SD	D	N	A	SA	Average mean Score
CL1	I will say positive things about the bank to other people regarding the credit service that we have	7.1	9.2	69.1	12.8	1.8	2.9288
CL2	I will recommend the bank credit services to my friends.	8.6	5.6	54.3	29.7	1.8	3.1039
CL3	I will continue to do business transactions via the bank for the foreseeable future.	10.1	7.4	62.6	19.0	.9	2.9318

\*N = 337(100 %); *Source: survey finding 2015*

**CL1: I will say positive things about the bank to other people regarding the credit service that we have**

Approximately 61.9% respondents responses neutral, while, 14.6% agreed or strongly agreed that they will say positive things about the banks credit service and only 15.3% of the respondents disagree or strongly disagree regarding the matter. The mean score result for this statement is 2.92. Neutrality of the respondents may also contribute the decrease of the mean value.

**CL2: I will recommend the bank credit services to my friends.**

In this statement respondents who indicated that they will recommend the banks to friends make up to 62%. However, majority of the respondents response 54.3% and the rest 14.2% disagree on the matter. The mean score value is 3.10. which implies that borrowers will recommend the bank’s credit service to their friends.

**CL3: I will continue to do business transactions via the bank for the foreseeable future.**

For CL3, the respondents are requested to give ranking on whether they will continue to do business transactions via the banks for the foreseeable future. The average mean score of 2.93 for this item is considered relatively low. Overall, it could be observed that majority of the respondents response neutral i.e 62.6%. However, 19.9% are loyal to the banks and willing to stick to the banks they used to patronize and the rest 17.5% disagree on the matter.

**4.4. Pearson Correlation**

**Table 9: Pearson Correlation between variables**

Variables		Customer Satisfaction	reliab1	assur2	respon3	Empa4	Tang5
Customer satisfaction	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	337					
Reliability -1	Pearson Correlation	.187**	1				
	Sig. (2-tailed)	0.001					
	N	337	337				
Assurance – 2	Pearson Correlation	.259**	.574**	1			
	Sig. (2-tailed)	.000	.000				
	N	337	337	337			
Responsibility -3	Pearson Correlation	.655**	.519**	.512**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	337	337	337	337		
Empathy -4	Pearson Correlation	.330**	.166**	.604**	.231**	1	
	Sig. (2-tailed)	.000	.002	.000	.000		
	N	337	337	337	337	337	
Tangibility – 5	Pearson Correlation	.363**	.558**	.387**	.316**	.477**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	337	337	337	337	337	337

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Survey finding 2015



As table 9 in the above presents the output of correlation matrix for independent and dependent variables. As for the strength of the relationship classification, most of the variables show weak and strong correlations (r) ranging from 0.187 to .655. Relatively strong correlation (r=0.655) is found between responsiveness and customer satisfaction. Thus customer satisfaction has strong positive correlation with reliability.

In contrast, among the variables which reveal relatively weak correlations are between customer satisfaction and other variables quality of service variables which include (r= Reliability (r=.187), Assurance (r=0.259), Empathy (r=0.330) and Tangibility (r=0.363).If further supports the results of reliability analysis that these variables are reliable and valid.

Overall, all the variables indicate positive correlation. P-value indicates the significance of the relationship between variables. Since associated p-value of all variables are 0.000 which is smaller than the level of significance, =0.05, therefore it shows that there are significant relationship between the variables.

## 4.5 Multiple Regression Analysis

**Table 10: Regression analysis**

Item	B	S.E.	Wald	df	Sig.	Exp(B)
Reliability	.776	.227	11.678	1	.001	2.17
Responsiveness	1.158	.249	21.672	1	.000	3.18
Tangibility	7.581	36.06	.000	1	<b>.295</b>	36.79
Empathy	1.386	.233	35.271	1	.000	4.00
Assurance	1.922	.312	37.872	1	.000	6.83
Customer satisfaction	.319	.236	1.826	1	<b>.177</b>	1.37

*Source: survey findings 2015*

Based on the above table 10, p-value of responsiveness versus customer satisfaction ( $p=0.000$ ) is less than level of significance p-value 0.05, thus Rejecting  $H_0$ . The results signify that there is significant evidence that relationship exists between individual reliability and customer satisfaction in NIB credit service in Addis Ababa branches. The relationship between these variables and customer satisfaction are positive as the beta (1.158) value. As it shown in the above table the p-value of Tangibility ( $p=0.2953$ ) is greater than level of significance, equal to or less than  $p.0.05$ , thus rejecting  $H_1$ . There is no significant evidence that relationship exists between tangibility and customer satisfaction in NIB International Bank S.c Addis Ababa branches. The relationship between tangibility and customer satisfaction is negative as the beta (17.581) value is negative.

Based on table 10 p-value Empathy versus customer satisfaction ( $p=0.000$ ) is less than level of significance p-value 0.05, thus Rejecting  $H_0$ . The results signify that there is significant evidence that relationship exists between individual Empathy and customer satisfaction in NIB credit service in Addis Ababa branches. The relationship between these Empathy and customer satisfaction are positive as the beta (1.386) value is positive. As it is clearly indicated in table 10 p-value of Assurance versus customer satisfaction ( $p=0.000$ ) is less than level of significance p-value 0.05, thus Rejecting  $H_0$ . The results signify that there is significant evidence that relationship exists between individual Assurance and customer satisfaction in NIB credit service in Addis Ababa branches. The relationship between these Assurance and customer satisfaction are positive as the beta (1.922) value is positive.

## **4.6. Hypothesis Discussion**

### **Hypothesis 1**

$H_0$ : There is negative association between tangibility and customer satisfaction in credit service of NIB International Bank in Addis Ababa branches.

$H_1$ : There is a positive association between tangibility and borrowers (customer) satisfaction in the credit service of NIB International Bank in Addis Ababa branches.

Findings:  $p=0.2953 >$  than 0.05, thus accepted  $H_0$

## **Hypothesis 2**

H<sub>0</sub>: There is a negative relationship between reliability and customer satisfaction in NIB credit service in Addis Ababa branches.

H<sub>1</sub>: There is a positive association between reliability and customer satisfaction in the credit service of NIB in Addis Ababa branches

Findings:  $p=0.001 < \alpha=0.05$ , rejecting H<sub>0</sub>

## **Hypothesis 3**

H<sub>0</sub>: There is a negative relationship between Responsiveness and customer satisfaction in NIB credit service in Addis Ababa branches.

H<sub>1</sub>: There is a positive association between responsiveness and customer satisfaction in the Credit service of NIB in Addis Ababa branches.

Findings:  $p=0.000 < \alpha=0.05$ , rejecting H<sub>0</sub>

## **Hypothesis 4**

H<sub>0</sub>: There is a negative relationship between Empathy and customer satisfaction in NIB credit service in Addis Ababa branches.

H<sub>1</sub>: There is a positive association between empathy and customer satisfaction in the credit service of NIB in AA Branches

Findings:  $p=0.000 < \alpha=0.05$ , rejecting H<sub>0</sub>

## **Hypothesis 5**

H<sub>0</sub>: There is a negative relationship between Assurance and customer satisfaction in NIB credit service in Addis Ababa branches

H<sub>1</sub>- There is a positive relationship between Assurance and customer satisfaction in NIB credit service in Addis Ababa branches

Findings:  $p=0.000 < \alpha=0.05$ , rejecting H<sub>0</sub>

## **Hypothesis-6**

H<sub>0</sub>: There is a negative relationship between customer satisfaction and customer loyalty in NIB International Bank S.c. credit service in Addis Ababa branches

H<sub>1</sub>: There is a positive association between customer satisfaction and customer loyalty in the credit service of NIB in AA branches.

Findings:  $p=0.177 > 0.05$ , Accepted H<sub>0</sub>

## **4.7. Discussion**

The research objective is to assess the impact of service quality on customer satisfaction and loyalty in credit delivery service of Nib International Bank S.C and answer the research questions which is stated in chapter one of this study.

In addition, this study also attempts to examine whether customer satisfaction affects customer loyalty in credit service delivery of the Bank. This research also tests the validity of the conceptual frame work research model. Overall, all the hypotheses were supported except tangibility with customer satisfaction and customer satisfaction with customer loyalty.

A comparison is made between this research outcome and hypothesis development in the above paragraph. In testing of hypothesis expect tangibility in the five dimensions of service quality all are proved to have significant positive relationship with customer satisfaction in the credit delivery service of the bank. The result is in line with the study done by Parasuraman, Zeithaml and Berry (1988) which established the relationship between service quality and customer satisfaction. However, the study shows that there is no significant relationship in customer satisfaction and customer loyalty even though Parasuraman, Zeithmal and Berry support the idea.

With reference to Table 8, the highest percentage for disagree (D) or strongly disagree (SD) in reliability dimension is 48.3% for statement “Promise to do something by a certain time when present credit service”. The untimely response of the bank for the credit request would create customer dissatisfaction. Surprisingly only 13% of the respondent agree (A) for the statement “Provide credit services at time promised”.

Besides, 33.8% and 27.6% of the respondents response neutral and disagree respectively for the statement “Show genuine interest in solving problems”. As it shows the cumulative result i.e. 61.4% negatively contributed for the reliability dimension the low level of the average mean score (2.88).

A comparison is made between this research outcome and hypothesis development in this chapter. There is a positive association between reliability and customer satisfaction in the credit service of NIB International Bank S.C Addis Ababa branches.

Also the second dimension in the service quality in the assurance, 21.3% of the respondents cumulatively response disagree about the statement “Adequate support from the Bank in credit services” Based on the literature (Parasuraman et al., 1988) assurance is an essential dimension of service quality after reliability and Empathy towards satisfaction. Also this quality variable hypothesized and the more the assurance is shown to the borrowers (customers), greater the level of customer satisfaction.

The third dimension in the service quality is Responsiveness. As the definition implies dimension reflects the willingness of employees to provide immediate services to credit service customer(borrower)s. On top of that 37.2% respondents cumulatively disagree for the variable “Staff able to tell customers exactly when credit service would be performed”. The approval of the credit service at Head Office level may contribute for this factor. However, as a comparison made in the hypothesis indicated that there is a positive association between responsiveness and customer satisfaction in the credit service of the Bank.

Again for the empathy dimension, 38.2% and 43.4% of the respondents disagree for the statement “Staff gives borrowers personalized attention” and “Convenient time operating hours” respectively. This is also supported by the hypothesis test indicated that there is a positive association between empathy and customer satisfaction in the credit service of NIB International Bank S.C Addis Ababa Branches.

From the tangibility service quality dimension, 65.6% and 70.3% of the respondents disagree and neutral for the statement “Modern Looking equipments in context of credit service” and “Physical facilities” respectively. Based on the comparison made between the assumed hypothesis and the tested one, there is a negative relationship between tangibility and customer satisfaction.

Furthermore, when we look at customer satisfaction the study reveals that majority of the respondents response neutral i.e 50.1% and 48.7 for the statement “Overall, credit services of the bank is able to satisfy my wants and needs” and “Consider the bank to be my first choice for banking purpose in the future regarding credit services” respectively. As indicated above, majority of the respondents aren’t decided their level of satisfaction. Also result indicated again 69% , 54% and 63% of the respondents response neutral for the given statements “Will say positive things about the bank to other people regarding the credit service that we have”, “Will recommend the bank credit services to my friends” and “Will continue to do business transactions via the bank for the foreseeable future” respectively. Hence, the hypothesis test result implies surprisingly there is no any positive association between customer satisfaction and loyalty.

## **CHAPTER -FIVE**

### **5. SUMMARY, CONCLUSION AND RECOMMANDATION**

This chapter deals with the summary of findings, conclusion drawn from the findings and the recommendation forwarded for the improvement of credit service quality of Nib International Bank Addis Ababa Branches.

#### **5.1. Summary**

In services industries, globally, the subject of service quality remains a main issue of business strive to maintain a comparative advantage in the market position by improving customer satisfaction at the current competitive environment ever before. Through the service quality model (SERVQUAL of Parasuraman et al, 1988) the study was undertaken to assess to assess the impact of service quality on customer satisfaction and loyalty in credit delivery service of Nib International Bank S.C

The study's results proved that there is a problem that influences credit customer (borrowers) satisfaction towards the service quality in the bank. Since the key objective of the research was to assess the impact of service quality and customer satisfaction and loyalty in the credit delivery service of the bank, the findings showed us all dimensions scored positive results except the variable tangibility and customer satisfaction and customer loyalty.

In summary, this study indicates credit customers' (borrowers) satisfaction in Nib International Bank S.c Addis Ababa Branches. Even if service of the bank has positive impact on credit service (borrowers) customer satisfaction relatively still it what needs high effort from the bank specifically on tangibles dimension such as: physical facilities of visual appealing and modern equipment followed by Responsiveness such as staff able to tell customers exactly when services perform and finally in the customer satisfaction and customer loyalty category majority of the respondents response neutral. Hence, the bank should intervene another mechanism to know the level of customer satisfaction.

## 5.2. Conclusion

The main aim of this study is to assess the impact of service quality and customer satisfaction in the credit delivery service of Nib International Bank S.c in terms of its credit service offered. With the number of bank branches growing across Ethiopia leading to more price competition, there are increasingly urgent needs for bankers to meet customer expectations for faster and better service.

The study reveals that credit service customers (borrowers) satisfaction less on the dimension of tangibility dimension. In this case, tangibility dimensions are the worst service quality dimensions than others because as the p value is greater than 0.05. The second dimension that evaluated is reliability dimension even though the result positive outcome still needs improvement for statement “Promise to do something by a certain time when present credit service”. The untimely response of the bank for the credit request would create customer dissatisfaction. On the other word, the assurance dimension the statement “Adequate support from the Bank in credit service” is the weak component. So it shows that still there is a problem on the service.

The third dimension which needs improvement in the service quality is Responsiveness “Staff able to tell customers exactly when credit service would be performed” is the weak component. The last dimension the bank also needs to improve its service for the empathy dimension, “Staff gives borrowers personalized attention” and “Convenient time operating hours” even if it’s supported by the hypothesis test which indicate that there is a positive association between empathy and customer satisfaction in the credit service.

Finally, the bank should assess the level customer satisfaction and customer loyalty to shorten the gap created between the two variables.



### **5.3. Recommendations**

The findings of the research indicate that the five SERVQUAL model dimensions except tangibility are significant contributions on credit service customers (borrowers) of Nib International Bank S.c Addis Ababa Branches. On top of this, understanding of the main factors that will create an impact on credit service customers (borrows) should be useful in guiding shareholders and management to design and deliver the right offerings. Up on this, the following recommendations are forwarded for Nib International Bank by the researcher:

- The bank should set competitive loan delivery time in line with the newly approved credit processing mechanism to have effective credit management to make the partakers in the loan processing activities including customers aware of the wide array of tasks involved from the loan application until loan disbursement; and by improving the customer orientation of all officers engaged in the credit operation of the Bank.
- The bank should raise its discretionary lending limits for branches and in order to fill the gap staffs able to tell customers the exact time that credit service would perform and improve its ability of performing the promised service dependably and accurately.
- The bank should also introduce different types credit products like credit card, Islamic banking and so on to retain the existing customer and to have the new one.
- The bank should pay special attention to convenience by providing the customers with modern electronic banking service at points which can easily be accessible for borrowers. For instance, mobile banking service that borrowers easily see their loan statement and to be aware any loan disbursement and repayment.
- The Bank should improve its physical facilities like sufficient parking for borrowers vehicles and appropriate security custody and filing system.
- The Bank should develop Interpersonal communication with Head office and Branches should be strong to tell customers the exact time that the credit service approved.

- Reliability has an impact for credit service (borrower) customers' satisfaction in Nib International Bank S.c Addis Ababa Branches. So, the bank should emphasize in order to make their service to be distinguishable from other banks.
- Empathy is also the other factor that has an impact in customers' satisfaction in Nib International Bank S.c Addis Ababa Branches. As a result the institution should offer trainings for its employees about how to treat credit customers (borrowers) and give them individualized attention.
- Assurance is again another feature to have an impact on credit service customers' satisfaction in Nib International Bank. In view of this factor that determines credit service customers' satisfaction of the bank such as: trust to employees of the bank, safe transaction, employees politeness and adequate support for the customer.
- Responsiveness being emerged to be as another important factor that has an impact in credit service customers (borrowers) satisfaction, and states the attentiveness and promptness of the employees along with knowledge and courteous behavior in understanding customer needs. So, it is important to develop appropriate programs and provide ongoing training on the various attributes responsiveness to strength employees' ability to improve customer service.

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## APPENDIX “A”-

### Questionnaire English Version



## SCHOOL OF GRADUATE STUDIES

### MASTER OF BUSINESS ADMINISTRATION - GENERAL

The questionnaire is a part of a study for a Master of Business Administration- General at St. Mary's University School of Graduate Study. The objective of the research is to assess the impact of service quality on customer satisfaction and loyalty in credit service delivery of NIB International Bank Share Company.

This questionnaire is to be filled by customers (borrowers) and its objective is to get accurate information in the assessment of the impact of service quality in credit delivery of Nib International Bank Share Company on customer satisfaction. Therefore, your genuine answer to the questions in the questionnaire has an immense value to the completion of this study.

#### Instruction

- No need of writing your name
- Your confidentiality maintained sincerely.
- Use √ up on given choices alternatives.

#### I. Demographic questions

1. Gender : Male  Female
2. Age : -----
3. The status of the respondent: Sole property  Managing Director  Finance Manager  Operation Manager  other
4. Educational level: 1/ Below high school 2/ High school completed 3/ Diploma 4/ Degree 5/ Master 6/ PhD
5. Annual profit: 1/ ≤10,000 2/ 10,001-50,000 3/ 50,001-100,000 4/ 100,001-250,000  >250,001

6. Marital status: Married  Single  Divorced  Widowed
7. Business Engaged: 1/ Agriculture  2/Industry  3/Domestic Trade  4/International Trade   
5/Transport  6/Hotel & Tourism  7/Building & Construction  8/Mining and Water Resource   
9/  other specified
8. Type of Business Entity: 1/ sole proprietor  2/partnership  3/Limited liability company   
4/Cooperative  6/Corporation  7/other specified
9. Duration with the credit service of the NIB: 1/  $\geq 6$   2/ 1-2years  3/ > 2 years
10. Types of loans maintain: Term loan for working capital  Overdraft  Import term loan   
Export term loan  Truck purchase  Merchandise  Building & Construction  other specified

## II. Credit Service Quality Related Questions

S/N	Dimensions	Scale of Measurement					Average mean
		(1) Strongly Disagree	(2) Disagree	(3) Neutral	(4) Agree	(5) Strongly Agree	
11	Promise to do something by a certain time when present credit service						
12	Show genuine interest in solving problems						
13	Perform credit services dependably						
14	Provide credit services at time promised						
15	Insist on error free credit services						
	<b>II. Assurance</b>						
16	Trust to employees of the bank in the credit services						
17	There is Safe credit services transaction						



18.	Employees politeness in credit services						
	Adequate support from the Bank in credit services						
	<b>III. Responsiveness</b>						
19.	Staff able to tell customers exactly when credit service would be performed						
20	Staff give prompt credit services to customers						
21.	Staff always willing to help customers						
22.	Staff never too busy to respond to customers regarding credit service provided						
	<b>IV. Empathy</b>						
23	Give borrowers individualized attention						
24	credit Services are convenient to customers						
25	Staff gives borrowers personalized attention						
26.	Convenient time operating hours						
27.	Staff understand the specific needs of their credit customers						
28.	<b>V. Tangibility</b>						
29	Modern Looking equipments in context of credit service						
30	Physical facilities						

31	Neat appearance of credit service staff						
32	Materials associated with the credit service giving by the Bank						
<b>III. Customer Satisfaction Related Questions</b>							
33.	I am pleased to have credit relation with the bank.						
34.	Overall, credit services of the bank is able to satisfy my wants and needs						
35.	I consider the bank to be my first choice for banking purpose in the future regarding credit services						
<b>IV. Customer Loyalty Related Questions</b>							
36.	I will say positive things about the bank to other people regarding the credit service that we have						
37.	I will recommend the bank credit services to my friends.						
38.	I will continue to do business transactions via the bank for the foreseeable future.						

**Thank you!!!**

# APPENDIX "B" -

## Questionnaire Amharic Version



### ቅድስት ማርያም ዩኒቨርሲቲ

ህረ ምረቃ  ሮግራም

በቢዝነስ አስተዳደር- አጠቃላይ ድህረ-ምረቃ  ሮግራም

ይህ መጠይቅ የተዘጋጀው ለቢዝነስ አስተዳደር ጠቅላላ ድህረ ምረቃ ትምህርት (Master of Business Administration- General) ከፊል ማሟያነት በንብ ኢንተርናሽናል ባንክ አ.ማ ጥራት ያለው የብድር አገልግሎት አሰጣጥ በደንበኞች እርካታና ከባንኩ ጋር ያላቸውን ቆይታ የሚኖረውን ተጽዕኖ (the impact of service quality on customer satisfaction and loyalty in credit service delivery) ምርመራ ጥናት ላይ ያተኮረ ነው።

ስለዚህም የተከበራችሁ ደንበኞች በዕርስዎ አመለካከት የባንኩ የብድር አገልግሎት ጥራትና ተዛማጅ ዎች ላይ ያልዎትን አስተያየት በመስጠት ለጥናቱ ስኬተማነት የበኩልዎን ሚና ይጫወቱ ዘንድ በአክብሮት እየጠየኩ ከዚህ ጋር በተያያዘ ማንኛውም የምትሰጡት ምላሽ በተገቢው ሁኔታ በሚስጧል ተጠብቆ የሚቀመጥ ከመሆኑ ባሻገር ለጥናቱ አገልግሎት ብቻ የሚውል መሆኑን ላረጋግጥልዎ እጠይቃለሁ። ለምታደርጉልኝ ትብብር በቅድሚያ አመሰግናለሁ።

ትዕዛዝ:-  እባክዎ ለጥያቄዎቹ በመልስነት ከቀረቡት አማራጮች ውስጥ (✓) በማድረግ ምላሽዎን ሰጡ።

#### ክፍል አንድ

1. ያታ ወንድ  ሴት
2. እድሜ - -----
3. የመላሹ የሥራ መደብ: የግል ሥራ ተዳዳሪ  የአስተዳደር ዳይሬክተር   
የሂሳብ መምሪያ ሥራ አስኪያጅ  የኦፕሬሽን ሥራ አስኪያጅ  ሌላ:-----
4. የትምህርት ደረጃ:- ከሁለተኛ  በታች  ሁለተኛ ደረጃ ያጠናቀቀ  ዲፕሎማ   
 ሮግራም  ሁለተኛ ዲግሪ  ዶክተሬት ዲግሪ

5. ዓመተዊ ትርፍ <10,000  10,001-50,000  50,001-100,000  100,001-250,000  >250,001
6. የትዳር ሁኔታ ያገባ  ያላገባ  አግብቶ የፈታ  ባል/ሚስት የሞተበት/ታ
7. የተሰማራበት የሥራ ዘርፍ: ግብርና  ኢንዱስትሪ  የአገር ውስጥ ንግድ   
 ዓለም አቀፍ ንግድ  ትራንስፖርት  ሆቴልና ቱሪዝም  ሕንፃ ግንብታና  
 ኮንስትራክሽን  የማዕድንና ውሃ ቁፋሮ  ሌላ -----
8. የድርጅቱ ዓይነት: ኃላፊነቱ የተወሰነ  ፓርትነርሺፕ  ሊሚትድ ሊያቢሊቲ ካምፓኒ   
 ኮፍ ሬቲቭ  ኮርፖሬሽን  ሌላ
9. ከንብ ኢንተርናሽናል ባንክ አ.ማ. ጋር ያለዎት ብብር ላይ ያተኮረ የደንበኝነት ቆይታ:  $\geq 6$  ወራት   
 1-2 ዓመት  > 2 ዓመት
10. በባንኩ ያለዎት የብድር ዓይነት:- በተወሰነ ጊዜ የሚከፈል ለሥራ ማስኬጃ የሚውል   
 ፍት ብድር /Overdraft/  ለአስመጪነት የሚውል ብድር  ላኪነት ሥራ የሚውል   
 ለመኪና መግዣ የሚውል  መርቻንዳይዝ  ሕንፃና ኮንስትራክሽን  ሌ-----

**ክፍል ሁለት**

ከዚህ በመቀጠል የቀረቡ ዓርፍተ ነገሮች በንብ ኢንተርናሽናል ባንክ አ.ማ ጥራት ያለው የብድር አገልግሎት አሰጣጥ በደንበኞች እርካታና ከባንኩ ጋር ያላቸውን ቆይታ የሚኖረውን ተጽዕኖ (the impact of service quality on customer satisfaction and loyalty in credit service delivery) ላይ ያለዎትን ስሜት ያመለክታሉ፡ ስለዚህ ስለ ባንኩ የብድር አገልግሎት ጥራት በርስዎ አመለካከት ትክክለኛ ብለው የሚያስበትን ከ1-5 ከቀረበት አሜሪካኛ መካከል በመቀበብ ምላሽ ይሰጡ፡ ‘1’ በጣም አልሰማም ‘2’ አልሰማም ‘3’ ገለልተኛ ‘4’ እስማማለሁ እና ‘5’ በጣም እስማማለሁ፡፡

ተ.ቁ	ዓረፍተ ነገሮች	በጣም እስማማለሁ				
		1	2	3	4	5
11	ንብ ኢንተርናሽናል ባንክ አ.ማ. በተወሰነ ጊዜ ወስጥ የብድር አገልግሎት እንደሚገኝ ቃል ከገባ ይህንን ቃል ኪዳኑን ይፈፀማል					
12	እርስዎ በብድር ዙሪያ ችግር ሲኖርዎት ባንኩ ችግሩን ለመፍታት ከፍተኛ ፍላጎት ያሳያል					
13	የባንኩ ሠራተኞች የብድር አገልግሎትን በታማኝነት ያከናውናሉ					

14	ንብ ኢንተርናሽናል ባንክ አ.ማ. እፈጽሟሁ ብሎ ቃል በገባው ጊዜ ወስጥ የብድር አገልግሎቶቹን ያቀርባል				
15	ንብ ኢንተርናሽናል ባንክ አ.ማ. ከስህተት የጸዱ የብድር አገልግሎቶች እንዲኖሩ ያበረታታል				
16	የባንኩ ሠራተኞች ለሚከተሉት የብድር አገልግሎት ላይ እምነት አለዎት				
17	ባንኩ አስተማማኝ የሆነ የብድር ግብይት አለው				
18	የንብ ኢንተርናሽናል ባንክ አ.ማ. ሠራተኞች በብድር አሰጣጥ ትህትና ሰው አክባሪዎች ናቸው				
19	በብድር አገልግሎቱ ዘራያ ባንኩ በቂ የሆነ ድጋፍ ይሰጣል				
20	የንብ ኢንተርናሽናል ባንክ አ.ማ. ሠራተኞች የብድር አገልግሎቱ በትክክል መቼ እንደሚከናወን ይነግሩዎታል				
21	የንብ ኢንተርናሽናል ባንክ አ.ማ. ሠራተኞች በብድር አገልግሎቱ ዘራያ ቀልጣፍ ፈጣን አገልግሎት ይሰጥዎታል				
22	የንብ ኢንተርናሽናል ባንክ አ.ማ. ሠራተኞች እርስዎን ለመርዳት ሀላጊዜ ፈቃደኛ ናቸው				
23	የባንኩ ሠራተኞች ለእርስዎ በብድር ዘራያ ለማድረግ ማንኛቸውም ጥያቄዎች ምላሽ ለመስጠት መቼም አይበዝኩም				
24	ንብ ኢንተርናሽናል ባንክ አ.ማ. ለእርስዎ በግል ትኩረት ይሰጥዎታል				
25	የባንኩ የብድር አሰራር ለደንበኞች ምቹ ነው				
26	የንብ ኢንተርናሽናል ባንክ አ.ማ. ሰራተኞች የእርስዎን የተለዩ ፍላጎቶች ይገነዘባሉ				
27	ንብ ኢንተርናሽናል ባንክ አ.ማ. ለተበዳሪዎቹ ደንበኞች አመቺ የሆነ የሥራ ሰዓት አለው				
28	የንብ ኢንተርናሽናል ባንክ አ.ማ. ሰራተኞች የእርስዎን የተለዩ ፍላጎቶች ይገነዘባሉ				
29	ንብ ኢንተርናሽናል ባንክ አ.ማ. ዘመናዊ እይታ ያለው መሣሪያ አለው				
30	የንብ ኢንተርናሽናል ባንክ አ.ማ. የመልገያ ቁሳቁሶች ሲታዩ የሚከቡ ናቸው				
31	የንብ ኢንተርናሽናል ባንክ አ.ማ. የብድር አገልግሎት የሚከተሉት ሠራተኞች ፕሮቶላላቸውን/ንጽህናቸውን የጠበቁ ናቸው				

32	ከብድር አገልግሎት ጋር በተያያዙ ቁሳቁሶች /አንደ በራሪ ወረቀቶች ወይም ማበራሪያዎች የመሰሉ/ የንብ ኢንተርናሽናል ባንክ አ.ማ. በአይን አሲታዩ ሰው ይሰባሉ					
33	ከባንኩ ጋር ባለኝ የብድር ግንኙነት ደስተኛ ነኝ					
34	በአጠቃላይ በንብ ኢንተርናሽናል ባንክ አ.ማ. በሚሰጡ የብድር አገልግሎቶች አረክቻለሁ					
35	ንብ ኢንተርናሽናል ባንክ አ.ማ. ሀልጊዜ የእኔ የመጀመሪያ ምርጫ ነው					
36	ለተለያዩ ሰዎች በባንኩ የብድር አሰጣጥ ዘራያ መልካም ነገሮችን እነግራለሁ					
37	የባንኩን የብድር አገልግሎት ለሌሎች ሰዎች እጠቁማለሁ					
38	ባለት ቀጣይ ጊዜያቶች ከባንኩ ጋር የብድር ግንኙነቴን እቀጥላለሁ					

**አመሰግናለሁ!!**

# DECLARATION

I, the undersigned, declare that the contents of this project constitute my own original work, which has not been previously presented to another institution, either in part or whole for the purpose of obtaining a degree.

.....  
**Seble Lemma**

.....  
**Date**

## **ENDORSEMENT**

This work entitled The Impact of Service Quality on Customer Satisfaction and Loyalty in Credit Delivery Service (The Case of Nib International Bank S.C). Submitted by Seble Lemma for award of Masters of Business Administration – General was done under my supervision.

Temesgen Belayneh (PhD)

Project Advisor:

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Signature and Date