ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES

ASSESEMENT ON LEVEL OF CUSTOMERS SATISFACTION WITH THE
QUALITY OF SERVICES AT COMMERCIAL BANK OF ETHIOPIA

BY
YOSEPH TEKLU

February 2012
ADDIS ABABA, ETHIOPIA

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A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY COLLEGE, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (HRM CONCENTRATION)

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of my advisor. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University College, School of

Graduate Studies for examination with my approval as a university advisor.

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ACKNOWLEDGMENTS

ABSTRACT

This study tries to asses' customers' satisfaction with quality of services at Commercial Bank of Ethiopia (CBE). Currently with the competition of commercial banks, banks are recognized the importance of customer centered philosophies. One of the key challenges of them is how they manage service quality, which seizes an immense significance to customer satisfaction. The purpose of this research was to increase a better understanding of the service quality dimensions that affect customer satisfaction in case of CBE. Based on literatures, customers' perceptions were analyzed. The research was mainly based on data, collected from CBE customers in Addis Ababa city branches. Required data was collected through likert scale based questionnaire and interview. Collected data was analyzed by using SPSS 16.0. A result indicates that, there is moderate customer's satisfaction with the service of CBE. Findings and conclusions were drawn with the appropriate recommendations by answering the research questions.

Keywords: Service quality, Satisfaction, SERVQUAL,

LIST OF ACRONYMS

SERVQUAL	Service Quality Measurement Tool
CBE	Commercial Bank of Ethiopia
SRS	Simple Random Sampling
ATM	Automatic Teller Machine

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Chapter One

1. Introduction

1.1   Background of the study

Banking Industry is into lot of pressures due to the increase in number of commercial banks in the Ethiopian market and technological competition due to enforceable law of National Bank of Ethiopia. Different strategies have been are developed to retain the customer by enhancing the service quality. In general, customers perceive very little difference or no difference in the banking products offered by all commercial banks in Ethiopia. A service as any bank is the same as that of competitors. Parasuraman et. Al (1985) and Zeithaml et, al (1990) noted that the key strategy for the success and survival of any business institution is the deliverance of quality services to customers. The quality of services offered will determine customer satisfaction and attitudinal loyalty.

Customer satisfaction is a long-term strategy. It is difficult to fundamentally alter perceptions of product quality over a short time horizon. So it's difficult to quickly cultivate a reputation for superior customer service. Consequently customer satisfaction is as competitive advantage that is sustainable over the long term (Schnaars, 1991). Engel & Blackwell (1982) defined satisfaction as an evaluation that the chosen alternative is consistent with prior beliefs with respect to that option. Satisfaction implies a conscious and deliberate evaluation of outcome (Engel & Blackwell, 1982). Service quality is desirable for generating customer satisfaction and service quality is associated to customer observation and customer outlook. Oliver (1997) argues that service quality can be described as the result from customer comparisons between their expectations about the service they will use and their perceptions about the service company. That means that if the perceptions would be higher than the expectations the service will be considered excellent, if the expectations equal

the perceptions the service is considered good and if the expectations are not met the service will be considered bad.

There are many ways to improve customer satisfaction. Some strategies are: building relationships with customers, superior customer service, unconditional guarantees, efficient complaint handling. Customer satisfaction leads to competitive advantage in market place by differentiation, product quality, speed, unified corporate purpose etc. (Schnaars, 1991)

The service management literature argues that customer satisfaction is the effect of a customer's understanding of the value received in a transaction or relationship where value equals perceived service quality relative to price and customer acquisition costs relative to the value estimated from contact or relationships with challenging vendors.

There are a number of different "definitions" as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations.

Always there exists an important question: why should service quality be measured? Measurement allows for comparison before and after changes, for the location of quality related problems and for the establishment of clear standards for service delivery. Edvardsen et al. (1994) state that, in their experience, the starting point in developing quality in services is analysis and measurement. The SERVQUAL approach, which will be considered in this research, is the most common method for assessing service quality.

Commercial banks beaten by the complicatedness of globalization, competition from nonbanking financial institutions, and uneven market dynamics are constantly seeking new ways to add value to their services because financial services try to win in the marketplace with generally undetached products, service quality becomes a primary competitive weapon (Stafford, 1996).

Technological changes are causing banks to rethink their strategies for services offered to both commercial and individual customers (unpublished documents). Moreover, 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, higher customer retention (Bennett and Higgins, 1988), and expanded market share (Bowen and Hedges, 1993). Therefore, banks should focus on service quality as a core competitive strategy (Chaoprasert and Elsey, 2004).

Within this background customer satisfaction and service quality are compelling the attention of all banking institutions and it is assumed that service quality is a critical measure of firm performance (Lasser 2000). Therefore, the objective of the paper is to assess the level of the customers satisfaction in Commercial Bank of Ethiopia.

Oliver (1997) argues that customer satisfaction can be described as a conclusion that a product or service feature, or the product or service itself, provides satisfying consumption. Satisfaction can also be described as a realization response of service and an attitude change as a result of the consumption. Gibson (2005) put forward that satisfied customers are likely to become loyal customers and that means that they are also likely to spread positive word of mouth. Understanding which factors that influence customer satisfaction makes it easier to design and deliver service offers that corresponds to the market demands.

Furthermore, the need for research in customer satisfaction has been stressed by the increasing demand for the long-term profitability of companies (Pather, Erwin & Remenyi, 2002).

1.2   Statement of the Problem

One of the benefits of banks resulting from its services delivery is enhancing efficiency and effectiveness of their operations so that more transactions can be processed quickly and easily, which will have a fundamental impact on the overall performance of the banks. The customers on the other hand, stand to enjoy the benefit of quick service delivery, reduced frequency of going to banks physically and reduced cash handling, which will give rise to higher volume of turnover. However, these developments in the Commercial Bank of Ethiopia seem not to have achieved their aims. Wait in lines (Queues), network failure, power interruptions and low accessibility of ATM machines, are still seen in the branches of Commercial Bank of Ethiopia.

The problem here is: are customers really enjoying efficient and effective services? Therefore, the main problem of this study will be: How satisfied are customers with the service quality in Commercial Bank of Ethiopia?

Related to this problem, experiential support implies that customers' support for and response to a particular product depend on their level of understanding of what the product can do and what they stand to benefit there from (Balachandher et al.,, 2001). In this relation, it is relevant to find out the perception of customers on its service delivery of Commercial Bank of Ethiopia.

In line with this the problem statement this study will try to identify to services offered by the CBE.

1.3 Basic research questions

This study tried to look at the level of customers' satisfaction towards different service quality dimension interims of (Reliability, Responsiveness, tangibility, Empathy and Assurance) of services at Commercial Bank of Ethiopia, and the study tried to answer the following questions

➢ What is the overall level of customer satisfaction with the service delivery of Commercial Bank of Ethiopia?

➢ How customers are satisfied with banking service at commercial Bank of Ethiopia?

1.4 Objectives of the study

The main objective of this study is to evaluate customer satisfaction with the quality of services offered by the Commercial Bank of Ethiopia. Specifically, the objectives for this study are

➢ To assess the level of customer satisfaction/dissatisfaction regarding service quality of Commercial Bank of Ethiopia

➢ To measure customers' satisfaction level towards service quality measurement of Reliability, Responsiveness, tangibility, Empathy and Assurance and perception on service quality

➢ To recommend different constructive suggestions to enhance the service quality and customer satisfaction.

1.5 Significance of the Study

It will be useful to management of the Commercial Bank of Ethiopia and other banks to meet the needs and expectations of their customers and to maintain customer loyalty.

This paper will provide relevant input about customers' perception of service quality in the Commercial Bank of Ethiopia. It will also serve as a reference paper for other researchers to make further enquiry in to the matter.

1.6 Scope of the study

The scope of this study was to focus on customers' satisfaction with quality of service at Commercial Bank of Ethiopia. Thus; the study examines CBE's service quality only from customers' perspective in Addis Ababa city.

1.7 Limitations of the Study

The potential limitation of the study is that due time and monetary constraints the study population was restricted to those that branches that are located in Addis Ababa. If the study includes those out of Addis Ababa the conclusion of the study might change.

The customers' desire is hot-tempered particularly now a days than ever before, and the basics of satisfaction differ from one to another, it will be complex to conclude the exact picture rather than showing indicator.

The respondents for the study are limited to 40 branches of CBE located in Addis Ababa city. This may assumed to be a severe limitation caused by small sample size and sampling approach (purposive) while generating the findings of the study. Another limitation is that the interview was conducted with five customers of CBE. Therefore, interested researchers should undertake a study by taking larger samples as well as the branch offices operating outside Addis Ababa.

1.8   Organization of the research Paper

The paper is organized into five chapters. The first chapter deals with introductory part consisting of introduction/background of the study, statement of the problem and objectives of the study

The second chapter reviews literatures related to the study. In this chapter various theoretical concepts that relates with service quality and its measurement and dimension of service quality and issues related with quality service will be discussed.

The third chapter tells the research methods, Analysis of collected data, interpretation of the analyzed data is presented in the forth chapter and finally, the fifth chapter presents summaries of major findings, the conclusions and the possible recommendations

Chapter Two
Literature review
2.1   Introduction

This chapter will have the literature review on Service, Service Quality, improvement of service quality, Customers expectation and perception and SERVQUAL models. The study also examines the influence of different dimensions of service quality on the customer's feelings of satisfaction. SERVQUAL model of service quality, customer satisfaction and bank performance is reviewed in the light of literature to measure the performance of Commercial Bank of Ethiopia.

2.2   SERVICE CONCEPT

Service is an area up activity to fulfill some one's need in the marketplace. Service is something, which can be skilled but cannot be touched or seen. Services presented by service sources cannot be seen & touched, as they are intangible activities. Service marketing literatures define service as follows. Services include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and that are essentially intangible.

According to (Kotler, P and Keller, K. L, 2009), "service is any act or performance one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product. Increasingly, however, manufacturers, distributors, and retailers are providing value added services, or simply excellent customer service, to differentiate themselves" page 346

They also noted that, Services have four unique characteristics that greatly affect the design of marketing programs:

➢ **Intangibility: -** unlike physical products, services cannot be seen, inventoried, or displayed before they are bought.

➢ **Inseparability: -** services are typically produced and consumed simultaneously.

➢ **Variability: -** the value of services depends on who give them, when and where, and to whom, services are highly variable or heterogeneity and

➢ **Perishability: -** Services cannot be stored, resold or returned

In service industries, customer satisfaction is always influenced by the quality of interactions between customers and the personnel involved in the contact services. In principle, the two main things closely related to services are expected quality and experienced or perceived quality. The first is the customers' expectations of service quality and the latter is the customers' perceptions of service quality. The customers will always assess the services they experienced by comparing them with whatever they expected or wished to receive.

The basic difference between service & product is that services are intangible but products are tangible and are required to follow some standardized procedures. Service user can specify about that particular service satisfaction only after availing it for some period of time. Some of the common service areas are: Retailing, Transportation, Banking, Insurance, Education, Health & hospitality Services and many more.

2.3   Service Quality

Different authors define service quality in different ways:- Parasuraman et al. (1985, 1988) defined service quality as customers' evaluation between service expectation and service performance. They compared customers' responses regarding their perceived quality of services and their pre-purchase expectations.

It is also known that service quality represents the answers for some questions like, what is expected by customers, delivered, and the deviations between the expectation and delivery.

Asubonteng et al. (1996): Service quality can be defined as "the difference between customers' expectations for service performance prior to the service encounter and their perceptions of the service received".

Service quality is a focused evaluation that reflects the customer's perception of essentials of service such as relations quality, physical environment quality, and outcome quality. These elements are in turn assessed based on the specific service quality dimensions: reliability, Assurance, Responsiveness, Empathy and Tangibles. Satisfaction is influenced by perception of service quality, product quality, and price as well as situational factors and personal factors. (Zeithaml and Bitner, 2004).

Service can be defined in many ways depending on which area the term is being used. Service is defined as "any intangible act or performance that one party offers to another that does not result in the ownership of anything" (Kotler, P and Keller, K. L, 2009). Service can also be defined as an intangible offer by one party to another in exchange of money for pleasure. Quality also is defined as the whole of features and characteristics of a product or services that bear on its ability to satisfy stated or implied needs (Kotler et al., 2009). It is evident that quality is also related to the value of an offer, which could evoke satisfaction or dissatisfaction on the part of the user.

Service quality is the extent to which customers' perceptions of service meet and/or exceed their expectations for example as defined by Zeithaml et al. (1990), cited in (Janet M Agbor and Jessica Erricson, 2011) Thus service quality can intend to be the way in which customers are served in an organization which could be good or poor. Parasuraman defines service quality as "the differences between customer expectations and perceptions of service". They argued that measuring service quality as the difference between perceived and expected service was a valid way and could make management to identify gaps to what they offer as services.

The aim of providing quality services is to satisfy customers. Measuring service quality is a better way to dictate whether the services are good or bad and whether the customers will or are satisfied with it.

One of the most helpful measurements of service quality is the dimensions from the SERVQUAL model. The SERVQUAL scale which is also known as the gap model by Parasuraman, et al. (1988) has been proven to be one of the best ways to measure the quality of services provided to customers. This service evaluation method has been proven consistent and reliable by some authors (Brown 1993, cited by (Janet M Agbor and Jessica Erricson, 2011)). They held that, when perceived or experienced service is less than the expected service; it implies less than satisfactory service quality; and when perceived service is more than expected service, the obvious inference is that service quality is more than satisfactory. From the theory presented, it seems the idea of SERVQUAL best fits the evaluation of service quality form the customer perspective. This is because when it is stated "perceived" and "expected" service, it is very clear that this goes to the person, who is going to or is consuming the service; who definitely is the consumer/customer.

The original study of Parasuraman et al.'s (1985) identified 10 detailed determinant of service quality i.e. Tangibles, reliability, responsiveness, communication, access, competence, courtesy, credibility, security,

understanding/Knowledge of customer. Then these ten dimensions purified and reduced in to the following five dimensions.

- ➢ **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

2.4   Improvement of Service Quality

According to (Kotler, P and Keller, K. L, 2009) page 126, "for customer centered companies, customer satisfaction is both a goal and a marketing tool. Companies need to be especially concerned today with their customer satisfaction level because the Internet provides a tool for consumers to quickly spread bad word of mouth-as well as good word of mouth-to the rest of the world."

In order to downside of having an unhappy customer, it's critical that marketers and managers must deal with the negative experience properly. Beyond that, the actions like toll-free call service to receive and act on customer complaints, Contact the complaining customer as quickly as possible, accept responsibility for the customer's disappointment and don't blame the customer and Resolve the complaint swiftly and to the customer's satisfaction can help to recover customer goodwill.

2.5　　Customers Expectation and Perception Towards Service

As per the gap model given by Persuraman & Zeithaml there exists a gap between the customer perception & customer expectation. This gap is called as the customer gap.

Customer Expectation represents the actual expected service & Customer Perception revel the actual received service.

Customer expectations are the standards against which the perceived services are checked in order to assess the quality of a service. This basically gives what is expected & what is actually received. If any difference exists between the expected service and actually received service then that difference is called as a gap, which needs to be reduced. (Cited unpublished document)

2.6　　Types of Customers Expectation

Comparing expectations with perceptions when developing customer satisfaction evaluations sounds fairly straightforward, Expectations serve as benchmarks against which present and future service encounters are compared. However, this relatively simple scenario becomes a bit more confusing when you realize that there exist at least three different types of expectations. (k. Hoffman and Batteson, 2011)

Predicted service is a probability expectation that reflects the level of service customers believe is likely to occur. For example, bank customers tend to conduct their banking business at the same location. Customers become accustomed to dealing with the same bank personnel and, over time, begin to anticipate certain performance levels. It is generally agreed that customer satisfaction evaluations are developed by comparing predicted service to perceived service received.

Desired service is an ideal expectation that reflects what customers actually want compared with predicted service, which is what is likely to occur. Hence,

in most instances, desired service reflects a higher expectation than predicted service. For example, our bank customer's desired service is that he not only receive his predicted service but that the tellers call him by his first name and enthusiastically greet him as he enters the bank. Comparing desired service expectations to perceive service received results in a measure of perceived service superiority.

Adequate service is a minimum tolerable expectation and reflects the level of service the customer is willing to accept. Adequate service is based on experiences or norms that develop over time. For example, most adult consumers have dined at hundreds, if not thousands, of restaurants throughout their lives. Through these experiences, norms develop that consumers expect to occur. Hence, one factor that influences adequate service is predicted service. Encounters that fall below expected norms fall below adequate service expectations. Comparing adequate service with perceived service produces a measure of perceived service adequacy

2.7   Factors that Influence Customer Satisfaction

There are many factors that affect customer satisfaction. Such factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service (Hokanson, 1995). From the studies carried out in many countries, factors like: service quality, and perceived value, are the key constructs affecting the customer's satisfaction. Studies also point out that customer satisfaction results ultimately in trust, price tolerance, and customer loyalty. Therefore, building customer relationship is a backbone for all organizations in general, and companies in service industries in particular. Issues like: customer satisfaction, service quality, customer perception, customer loyalty, are the main concerns of the nowadays service companies, which improves organization's performance and translates into more profits. Cited by (IJARIBSS, 2011)

2.8   SERVQUAL

Service quality can be categorized into two broad components: those dimensions that directly affect the results that customers want and those concerned with the process customers have to put themselves through to get those results (process quality). (Steve Brown, Operations anagement Policy, Practice and Performance Improvrmrnt, 2001)

One of the best tools in understanding how perceptions of quality differ between customers and producers is the 'gaps model', which was developed by Parasuraman and his colleagues in 1985. This 'gaps' model shows different points where the service that is designed and delivered by the producer and the service actually needed, expected and perceived by the customer differ.

Upper case provides a structured approach to measuring customer satisfaction through measuring the gap between what customers expect and what they perceive of the service provided in a service encounter. Customers fill out questionnaires that ask about their perceptions and expectations, and the gap (or difference) between the two is measured.

Based on Figure 2, Parasuraman and his colleagues (1985) identified five gaps that can lead to service quality failures:

Parasuraman et al. (1985) proposed service quality to be a function of pre-purchase customer expectations, perceived process quality, and perceived output quality. They defined service quality as the gap between customers' expectations of service and their perceptions of the service experience, ultimately deriving the now-standard SERVQUAL multiple-item survey instrument (Parasuraman et al., 1988).
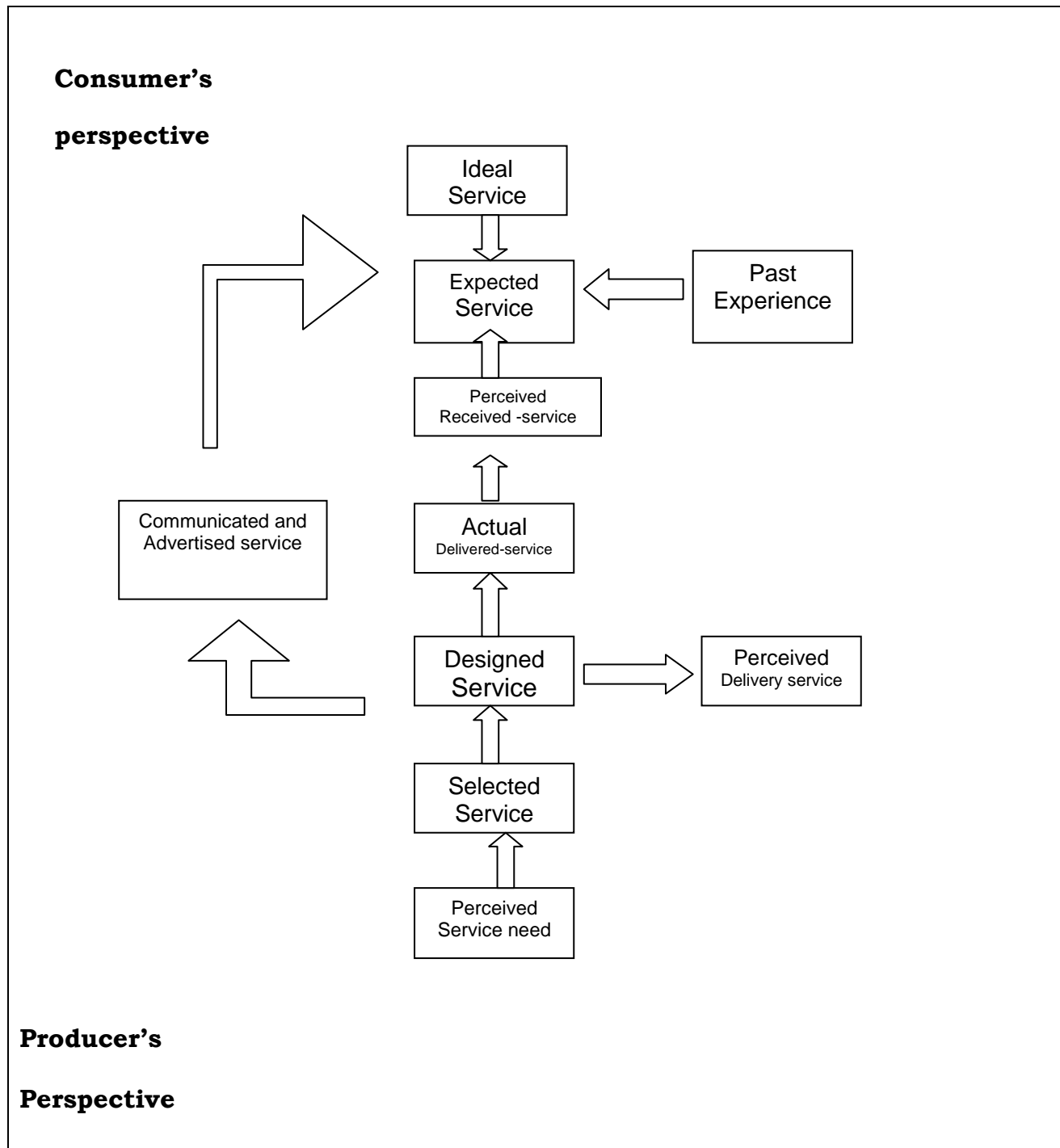
Consumer's

perspective

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  ┌──────────────────┐        ┌──────────────┐
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  │ Advertised service│       │Delivered-service│
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                              │ Service need │
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Producer's

Perspective

Figure 2 The 'gaps' model of service quality.

Source: Adapted from steve Brown k.B. (2001). Operations Management Policy, Practice and Performance improvement. Oxford: Butterworth- Heinemann, Reed Educational and Professional Publishing ltd. pp 291

The SERVQUAL scale is a principal instrument for assessing quality (Parasuraman 1988). This instrument has been widely utilized by both managers and academics to assess customer perceptions of service quality for a variety of services (e.g. banks, credit card companies, repair and maintenance companies, and long-distance telephone companies). Based on Parasuraman et al.'s (1988) conceptualization of service quality (noted above), the original SERVQUAL instrument included two 22-item sections that intended to measure Customer expectations for various aspects of service quality, and customer perceptions of the service they actually received from the focal service organization (Parasuraman et al., 1988). In short, the SERVQUAL instrument is based on the gap theory (Parasuraman et al., 1985) and suggests that a consumer's perception of service quality is a function of the difference between his/her expectations about the performance of a general class of service providers and his/her assessment of the actual performance of a specific firm within that class (Cronin, J. J. & Taylor, S.A. , 1992).

Five dimensions; the results of the initial published application of the SERVQUAL instrument indicated that five dimensions of service quality emerged across a variety of services (Parasuraman et al., 1988). These dimensions include tangibles, reliability, responsiveness, assurance, and empathy tangibles are the physical evidence of the service (e.g. physical facilities, appearance of personnel, or tools or equipment used to provide the service), reliability involves consistency of performance and dependability (i.e. a firm performs the service right the first time and honors its promises), responsiveness concerns the willingness or readiness of employees to provide service (e.g. timeliness of service), assurance corresponds to the knowledge and courtesy of employees and their ability to inspire trust and confidence, and, finally, empathy pertains to caring, individualized attention that a firm provides its customers.

2.9   Customer Satisfaction

"Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectation". (Kotler, P and Keller, K. L, 2009)

Some researchers and authors have defined satisfaction as a post choice evaluative judgment concerning a specific purchase decision (Oliver 1980).Most researchers agree that satisfaction is an attitude or evaluation that is formed by the customer comparing their pre-purchase expectations of what they would receive from the product to their subjective perceptions of the performance they actually did receive (Oliver, 1980).

2.10   The Importance of Customer Satisfaction

"Without customers, the service firm has no reason to exist. Every service business needs to proactively define and measure customer satisfaction. Waiting for customers to complain in order to identify problems in the service delivery system or gauge the firm's progress in customer satisfaction based on the number of complaints received is naïve" (k. Hoffman and Batteson, 2011). They also cited the figures gathered by the Technical Assistance Research Program (TARP) and presenting the following facts about customers

➢ The average business does not hear from 96 percent of its unhappy customers.
➢ For every complaint received, 26 customers actually have the same problem.
➢ The average person with a problem tells nine or 10 people. Thirteen percent will tell more than 20.
➢ Customers who have their complaints satisfactorily resolved tell an average of five people about the treatment they received.

> ➢ Complainers are more likely to do business with you again than non complainers: 54-70 percent if resolved at all, and 95 percent if handled quickly.

The TARP figures demonstrate that customers do not actively complain to service firms themselves. Instead, consumers voice their dissatisfaction with their feet, by defecting to competitors, and with their mouths by telling your existing and potential customers exactly how they were mistreated by your firm. Based on the TARP figures, a firm that serves 100 customers per week and boasts a 90 percent customer satisfaction rating will be the object of thousands of negative stories by the end of a year. For example, if 10 dissatisfied customers per week tell 10 of their friends of the poor service received, by the end of the year (52 weeks), 5,200 negative word-of-mouth communications will have been generated. The TARP figures are not all bad news. Firms that effectively respond to customer complaints generate positive word-of-mouth communications. Although positive news travels at half the rate of negative news, the positive stories can ultimately translate into customer loyalty and new customers. Finally, a firm should also learn from the TARP figures that complainers are the firm's friends. Complainers are a free source of market information, and the complaints themselves should be viewed as opportunities for the firm to improve its delivery systems, not as a source of irritation.

According to Kotler (Kotler, P and Keller, K. L, 2009) customers' satisfaction is measured on after purchase depends on the offer's performance in relationship to the buyer's expectations, and whether the buyer interprets any deviations between the expectation and actual performance. In general, satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to their expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the

performance exceeds expectations, the customer is highly satisfied or delighted. Customer assessments of product performance depend on many factors, especially the type of loyalty relationship the customer has with the brand. Consumers often form more favorable perceptions of a product with a brand they already feel positive about.

Although the customer-centered firm seeks to create high customer satisfaction, that is not its ultimate goal. If the company increases customer satisfaction by lowering its price or increasing its services, the result may be lower profits. The company might be able to increase its profitability by means other than increased satisfaction (for example, by improving manufacturing processes or investing more in R&D), Also, the company has many stakeholders, including employees, dealers, suppliers, and stockholders, Spending more to increase customer satisfaction might divert funds from increasing the satisfaction of other "partners." Ultimately, the company must operate on the philosophy that it is trying to deliver a high level of customer satisfaction subject to delivering acceptable levels of satisfaction to the other stakeholders, given its total resources.

How do buyers form their expectations? Expectations result from past buying experience; friends' and associates' advice; and marketers' and competitors' information and promises. If marketers raise expectations too high, the buyer is likely to be disappointed. However, if the company sets expectations too low, it won't attract enough buyers (although it will satisfy those who do buy). Some of today's most successful companies are raising expectations and delivering performances to match.

2.11 What Is Customer Satisfaction/Dissatisfaction?

Comparing customer expectations with their perceptions is based on what marketers refer to as the expectancy disconfirmation model. Simply stated, if customer perceptions meet expectations, the expectations are said to be confirmed and the customer is satisfied. If perceptions and expectations are not equal, then the expectation is said to be disconfirmed.

Although the term disconfirmation sounds like a negative experience, it is not necessarily so. There are two types of disconfirmations. If actual perceptions were less than what was expected, the result is a negative disconfirmation, which results in customer dissatisfaction and may lead to negative word-of-mouth publicity and/or customer defection. In contrast, a positive disconfirmation exists when perceptions exceed expectations, thereby resulting in customer satisfaction, positive word-of-mouth publicity, and customer retention. Every day, consumers utilize the disconfirmation paradigm by comparing their expectations with perceptions. (k. Hoffman and Batteson, 2011)

2.12   Customers Satisfaction in case of Ethiopian Commercial Banks

Yonatan Gebre (June 2010), under his Master's Thesis found that, the unweighted SERVQUAL scores for the Commercial Bank of Ethiopia, Awash International Bank and United Bank had a negative gap in all dimensions. This implies that the customers' perceptions falls short of their expectations. These banks should strive promptly to close these gaps by identifying the causes. In order to close these gaps the banks should consider the following steps with regard to their staff and management.

The author also recommends that the banks should develop training programs to improve the Staffs skill, friendliness and courtesy, in addition to that Banks should introduce improved communication flow that would enable staff to deliver what customers expect more promptly and to provide information to management about customers' expectations so that necessary changes would be made.

Maintaining a good Management information system by assembling as much pertinent information as necessary about the customers and their expectations this helps to increase competency and customer retention. And Banks also reconsider their banking service hours and install Automatic Teller Machines (ATM) at various locations to provide round the clock access to customers.

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Chapter Three

Research Design and Methodology

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In this chapter, Research Design and Methodology of the study consisted of five sections which were research design, Population and Sampling Techniques, types of data and tools of data collection and methods data analysis.

3.1 Research Design

According to Malhotra and Birks (2007), a research design is a frame work or blueprint for conducting a research. It details all the necessary information needed to structure and solve the research problems. Even though a broad approach to the problem has already been developed, the research designs specify the details. The research design is the foundation on which the research project is built. A good research design seeks to ensure that the research project is conducted effectively and efficiently.

The information needed in the research was to assess and analyze customer satisfaction on service quality. The research design is the overall diagram for concerning the theoretical research problem to relevant and practicable empirical research which means it provides a plan or a framework for data collection and analysis. The rationale therefore in this research is to explore and give explanation to the research questions posed.

The researcher used the survey method. This method was used because it provided the researchers with the desired data. The questionnaire related to service quality elements such as efficiency, reliability, responsiveness, politeness, professionalism and attitude of staff towards customers among others.

3.2 Population and Sampling Techniques

The population for the study consisted of individuals' customers of the bank who transact in Addis Ababa City Branches. The research focused on individuals because they form a critical mass of the bank's business.

The sample for the study was made up of 341 customers. The questionnaires were to be distributed to individual customers to get a good response rate. The simple random sampling (SRS) method was used to select 341 customers within the individual segment of customers from the forty branches located in East Addis Ababa District. The overall response rate achieved in the study was 97.4 %.

Custom insight software (http://www.custominsight.com/articles/random-sample-calculator.asp) was used to select sample size with 5% tolerable error level, with 90% of confidence level requires 272 samples but the sample was taken more than that i.e. 350 questionnaires was distributed in order to get more accurate result and 341 were collected.

The questionnaire was distributed randomly to customers'. According to the banks repost as at June 30, 2012 the number of accounts in the four district of Addis Ababa reached 1.6 million customers of which 534,000 in north Addis Ababa District, 351,000 in West Addis Ababa District 414,000 in South Addis Ababa District and 285,000 in East Addis Ababa District. 30 Branches under north Addis Ababa district retains 300,000 customers of the district. Sample sizes of 350 respondents were selected from these 30 branches located in North Addis Ababa city were selected due to cost and time constraints. The 350 respondents were selected randomly to assess the level of customers' satisfaction on service quality and 341 questionnaires were collected.

3.3 Types of Data and Tools of Data Collection

In this study qualitative and quantitative data include data from primary data sources in order to answer the research questions objectively. Primary data source is what the researcher originally collects from the sample or target population. In this study the primary data used are those responses of customers accessed via a questionnaire survey and customers observation.

A questionnaire was used as an instrument for data collection. The questionnaire instrument consisted of two parts as follows;

The first part contained demographic questions which included gender, experience with CBE, and educational level.

The second and third parts included 5 factors according to service quality dimensions of the SERVQUAL system: tangibility, reliability, responsiveness, assurance, and empathy based on Parasuraman et al. (1988). The questionnaire was distributed to 350 customers on after their arrival at the Bank' Branches. These customers were requested to complete the questionnaire at the queue. In the section, the degree of satisfaction towards service quality of front office staff is set from 1 to 5 (5 is from the highest satisfaction, whereas, 1 is the lowest satisfaction).

3.4 Procedures of Data Collection

The research conducted on semi structured interviews with five respondents on a one-on-one basis for testing of the relevance of items in the questionnaire. Furthermore on the five factors the questionnaires were distributed to customers based on SERVQUAL scale with slight modification on some statements.

3.5 Method of Data analysis

After the questionnaires were collected, the researcher explored the level of customers' satisfaction towards service quality of CBE in five areas: tangibility, reliability, responsiveness, assurance, and empathy. The frequencies and percentages are used for calculating and analyzing the data to the personal data in part 1. Besides using descriptive statistics of means and standard deviations, comparing means between statements were analyzed using SPSS16 program (Statistical software package). Moreover, the results were discussed and summarized with some suggestions for further studies

3.6 Reliability test

The questions reliability for its slight modification was tested under cron bach reliability and its result shows 0.942.

Reliability Statistics

Cronbach's Alpha	No. of Items
.942	22

3.7 Validity

Susana William & Susana (2011) cited Robson (2002) under their master's thesis as cited in Research method for Business Student by Saunders, Lewis and Thornhill forth edition. Validity is concerned with whether the findings are really about what they appear to be (Saunders et al, 2003).

"Validity is defined as the extent to which data collection method or methods accurately measure what they are intended to measure (Saunder et al., 2003). Literatures states that there is no single source has a complete advantage over all others. The different sources are highly complementary, and a good case study should use as many sources as possible. The validity of scientific study increases by using various sources of evidence (Yin, 2003)." The following steps were taken to ensure the validity of the study:

> ➢ Data was collected using SERVQUAL 'as is' with closed-ended questions
> ➢ Data was collected from retail customers who operated regular and active accounts.
> ➢ Interview questions were made based on literature review and frame of reference to validate the results.

3.8 Ethical Issues

Any information provided from the survey is treated with the strictest confidence it deserves.

Chapter Four

Results & Discussion

4.1   Result

This chapter presents on the breakdown of the data gathered from the customers' of Commercial Bank of Ethiopia and the data is presented in tables and diagram and analyzed.

4.1.1   Demographic Information of the Respondents

A total of three hundred fifty (350) questionnaires were distributed to fifteen branches of CBE located in Addis Ababa. A total of 341 questionnaires were returned i.e. 97.4% of the total distributed questionnaires used for the analysis.

Table 4.1 symbolizes the gender distribution of the respondents. Accordingly about 54.8% of the respondents are males and the rest are feminine (45.2%). This shows that majority of the respondents are male

Table 4.1 gender distribution of the respondents

	Frequency	Percent
Male	187	54.8
Female	154	45.2
Total	341	100.0

Source: Survey findings

In order to understand the Customers' experience with the banking service the responses collected and presented figure 4.2 next page. It can be noted that 129 (37.8%) of the respondents have used the bank for less than 5 years and

59 (17.3%) of respondents have relationship with CBE for five to ten years, 123 (36.1%) respondents have used the bank between 10-15 years, whereas 12(3.5%) of respondents have relationship with the bank between 16-20 years and among the respondents 18 (5.3%) have relationship with CBE for more than 20 years.

Table 4.2 Respondents relationship with CBE

	Frequency	Percent
<5 years	129	37.8
5-10years	59	17.3
10-15 years	123	36.1
16-20 years	12	3.5
above 20 years	18	5.3
Total	341	100.0

Source: Survey findings

From the table 4.3, the majority of the respondents were grouped under the educational level of First Degree covering 54.8% of the total respondents. The rest of the respondents were categorized under the educational level of less than 10th grade completed, grade 10 or grade 12 completed, Diploma holders and second Degree and above 12.9%, 6.2%, 10.9%, and 15.2% respondents respectively

Table 4.3 respondents Educational Qualification

	Frequency	Percent
< 10th grade complete	44	12.9
10th grade or 12th grade complete	21	6.2
Diploma	37	10.9
first degree	187	54.8
second degree and above	52	15.2

Source: Survey findings

4.1.2   Summary of Findings

Table 4.4 below shows the summary of the findings in five dimensions of SERVQUAL model and summarized as follows.

Table 4.4 summary of finding

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
TANGIBILITY	17.92%	12.38%	17.02%	22.88%	29.80%
Convenience Location of Branches	12.30%	6.30%	7.90%	12.30%	61.20%
Modern looking equipment	4.60%	16.60%	22.20%	39.80%	16.80%
ATM's accessibility	53.10%	20.00%	7.30%	7.50%	12.10%
Materials associated with the service are visually appealing	12.30%	11.30%	35.40%	26.10%	14.90%
Neat appearance of staff	7.30%	7.70%	12.30%	28.70%	44.00%
RELIABLITY	10.24%	14.18%	28.42%	30.34%	16.82%
Sincere interest in solving customers' problems	7.90%	14.30%	31.00%	34.30%	12.50%
Insists on error free records	15.00%	10.70%	18.40%	42.40%	13.50%
Provide services at the time they promise to do so	10.90%	19.40%	20.60%	39.20%	9.90%
Perform services dependably	13.00%	14.30%	41.80%	16.40%	14.50%
Staff performing service right the first time	4.40%	12.20%	30.30%	19.40%	33.70%
RESPONSIVNESS	10.55%	14.43%	25.30%	34.18%	15.55%
quick service to Customers	12.30%	14.00%	17.80%	42.00%	13.90%
Staff willingness to help	3.60%	13.00%	21.40%	40.40%	21.60%
Never be too busy to respond to customers' requests	10.30%	14.30%	20.40%	40.00%	15.00%
Staff telling customers exactly when services will be performed	16.00%	16.40%	41.60%	14.30%	11.70%
ASSURANCE	14.68%	11.15%	22.03%	25.70%	26.45%
Friendliness and courtesy of staff	16.20%	2.40%	20.00%	44.80%	16.60%
Customers feel safe in their transactions	19.60%	7.50%	13.30%	18.20%	41.40%
Behaviors of staff instill confidence in customers	9.90%	31.10%	16.40%	18.80%	23.80%
Staff having knowledge to answer questions	13.00%	3.60%	38.40%	21.00%	24.00%
EMPATHY	11.25%	11.30%	29.50%	27.35%	20.60%
Convenient operating hours	13.10%	5.10%	17.60%	27.70%	36.60%
Individual attention given by staff	13.50%	19.80%	35.40%	18.80%	12.50%
Staff giving customers best interest at heart	7.30%	11.80%	23.20%	43.00%	14.70%
Understand the specific needs of customers	11.10%	8.50%	41.80%	20.00%	18.60%

Source: Survey findings

Regarding the reliability statement 10.24% of respondents strongly disagree on the reliable service of CBE, 14.8% disagree on this statement and 28.42% have shown neutral ideas on it. The remaining 47.6% splits in to Agree and strongly agree 30.34% and 16.82% respectively. Among the reliability statements, insist error free records shows that large number of respondents reply that 15% strongly disagree and 19.4% agree on error free record of the bank personnel.

The survey result shows that the weight of Assurance statements shows that 14.68%, 11.15%, 20.23%, 25.70% and 26.45% on strongly disagree, disagree, neutral, agree and strongly agree respectively. The overall rate shows that 25.83% disagree, and 52.15% of respondents are agreeing on it. The remaining 22.03% have neutral idea on the statements.

Concerning responsiveness the average percentage of statements shows that 10.55% strongly disagree, 14.43% disagree, 25.3% neutral, 34.18% agree and 15.55% strongly agree on the statements. Among the individual statements the score of "staff willingness to help customers" shows the least from all the statements i.e. 3.6% of the respondents' reply that they are strongly disagree on staffs collaborative nature where as 42% of staffs strongly agree on the quick service of the staffs which is the largest value from the responsiveness statements.

On the topic of empathy the average of the statements shows that, 11.25% of respondents strongly disagree, 11.3% of the respondents disagree, 29.5% of respondents disagree which is large respondents, 27.35% respondents agree and the remaining 20.6% strongly agree.

The average score of respondents on the subject of tangibility shows that 17.92% strongly disagree, 12.38% disagree, 17.02% neutral where as 22.88% agree and 29.8% strongly agree on the statements of tangibility.

4.2   Discussion of the results

It had been 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.

4.2.1   Reliability

Reliability is the ability to perform services consistently and correctly 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

Table 4.4 Reliability of CBE

	N	Mean	Standard Deviation
Sincere interest in solving customers' problems	341	3.3167	1.10852
Insists on error free records	341	3.2581	1.27336
Provide services at the time they promise to do so	341	3.1232	1.21368
Perform services dependably	341	3.0968	1.16796
Staff performing service right the first time	341	3.6891	1.20178
Average reliability		3.29678	

Source: Survey findings

Concerning the show legitimate interest in solving problems of the customers shown employees of the bank is positive impact on the service of the bank. As a result, the mean of this statement is 3.3167 this implies that most of the respondents agree on the problem solving of the bank.

The respondents agreed with the error free services and the mean of the data collected shows this fact. The mean of their responses is 3.2581which lead to that it has positive impact on the level of customers' satisfaction towards service quality of the Bank.

The mean result of provide services at time promised to do so is 3.1232. As the result, of this mean shown majority of the reactions of the respondents agree on the reliability of the bank service.

Upon the answer of the respondents, the mean result of execute services dependably of the employees of the bank is 3.0968. This imply that the consistency of service of the bank positive impact on the banks customers' satisfaction.

The mean result of staff performance service right the first time is 3.6891. This entails that most respondents agree on the reliable service of the bank.

The average reliability mean is 3.29678. This shows that CBE is reliable on its service.

4.2.2   Assurance

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

Commercial Bank can form customer satisfaction by guarantee trustworthy behavior and reflection of genuine commitments to service provision.

Table 4.5 Assurance of CBE

	N	Mean	Std. Deviation
Friendliness and courtesy of staff	341	3.4663	1.25659
Customers feel safe in their transactions	341	4.0469	1.17229
Behaviors of staff instill confidence in customers	341	3.1848	1.35404
Staff having knowledge to answer questions	341	3.4809	1.24985
		3.5447	

Source: Survey findings

The mean result of employees' politeness is 3.4663. Based on the interpretation given the outcome of employees' politeness of the bank is positive.

The mean result of respondents regarding safe transaction point out that, the majority of the respondents agree with the safe transaction of the bank. The mean score is 4.0469; this implies that customers feeling regarding safe transaction lead the bank to have the positive impact on the bank service.

As the name of statement explained that, is that the bank employees have capable to alert when the service carried out. Up on this scenario the dimension staff able to tell customers exactly when services perform is a great mean value of 3.1848 which imply that positive impact on the respondents.

Regarding the knowledge of staffs to answer the customer's request, the mean result appeared to be as 3.4809. Up on this view, the interpretation mentioned above to measure the dimensions, score tells us that most of the respondents stated employees of the bank have sufficient knowledge about their job. Considering the stated background, staffs knowledge to answer customer's questions has positive implication for the bank customers' satisfaction.

4.2.3   Responsiveness

This dimension reflects the willingness of employees to provide immediate services to corporate customers. 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 corporate customer satisfaction regarding bank services.

Table 4.6 Responsiveness of CBE employees

	N	Mean	Std. Deviation
quick service to Customers	341	3.3812	1.23484
Staff willingness to help	341	3.6862	1.06194
Never be too busy to respond to customers' requests	341	3.3724	1.17786
Staff telling customers exactly when services will be performed	341	2.9413	1.17927

Source: Survey findings

It is an action of the bank employees to carry out service timely. Regarding staff give in good quality services to customers, the mean result is 3.3812. This implies that the majority of the respondents were agreed on the topic as well as positive impact on them.

As per the responses of the respondents, as stated on the table 4.6, the mean value is 3.6862. This is the highest mean among the responsiveness of CBE employees. This implies that the majority of respondents approved with staff willingness to help customers. Therefore, this attests that the helping nature of employees of CBE may have contribution to customer's satisfaction

According to the mean results of the respondents regarding Staffs busy to respond customers request indicate that, more of the respondents approved with the staff never too busy to respond to customers. The mean result of these

respondents is 3.3724. As a consequence, staff of CBE never too busy to respond to customers, it has encouraging impact on the customer happiness.

As the name of statement give explanation that, is that the bank employees have skilled to aware when the service carried out. The mean result of the respondents shows that 2.9413, although which is above average, but it's the smallest quantity of mean among the responsiveness criteria's. This condition shows that the dimension staff able to tell customers exactly when services perform is tiny mean values which imply that unconstructive impact on the respondents.

4.2.4   Empathy

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

Empathy is the ability to understanding another's feelings as one's own. Empathetic firms have not lost handle of what it is like to be a customer of their own firm. As such, empathetic firms recognize their customers' needs and make their services accessible to their customers. In contrast, firms that do not provide their customers individualized attention when requested and offer operating hours convenient for the firm and not its customers fail to demonstrate empathetic behaviors. The SERVQUAL empathy dimension addresses the empathy gap. (k. Hoffman and Batteson, 2011)

Table 4.7 Empathy of CBE

	N	Mean	Std. Deviation
Convenient operating hours	341	3.6804	1.38071
Individual attention given by staff	341	3.0235	1.22931
Staff giving customers best interest at heart	341	3.4927	1.07817
Understand the specific needs of customers	341	3.3109	1.18700
		3.3769	

Source: Survey findings

As per to the responses of the respondents, as stated on the exceeding table, the mean is 3.6804. This also entail that the mass of respondents agreed with services have convenient operating hours to customers. Hence, this gives an idea about that the convenient operating hours of the bank. This may have input to CBE's customers satisfaction.

It is an act of the bank staffs to give individual attention. Regarding staff offer individual attention to customers, the mean result is 3.0235. This means that the greater part of the respondents was decided on the issue as well as positive impact on them.

As revealed in the table 4.7 the mean result of respondents point out that, the majority of the respondents agree with the Staff giving customers best interest at heart. This shows that the mean score is 3.4927 this entails that, it has the positive impact on the bank service towards customer's satisfaction.

Seeing that the name of statement explains that the employees of the bank have able to recognize the specific needs of the corporate customers. Under this measurement staff able to be aware of the customers need precisely what they

desire. The mean value is 3.3109 which imply that it has a positive impact on the customer satisfaction of the bank.

4.2.5   Tangibility

This measurement shows the physical aspects of the services as physical facilities, appearance of personnel and tools used for the provision of services. It is more concerned with visual part of the banks. Considering the above explanations the mean value of each dimension with detail analysis as follows

Table 4.8 Tangibility of CBE

	N	Mean	Std. Deviation
Convenience Location of Branches	341	4.0352	1.41169
Modern looking equipment	341	3.4780	1.14415
ATM's accessibility	341	2.0616	1.43865
Materials associated with the service are visually appealing	341	3.2522	1.20332
Neat appearance of staff	341	3.9296	1.22512
Total mean value		**3.3513**	

Source: Survey findings

Table 4.8 shows that Convenience Location of Branches is at a high level with a mean value of 4.0352.This shows that CBE branches are accessible for the majority of its customers and most respondents are happy on availability of CBE branches everywhere. Whereas neat appearance of staff is followed by the mean value of 3.9296 when CBE staffs are clean and well dressed, their appearance impresses customers who feel more confident with the bank

services. This can be a major source of customer's satisfaction for the customers of CBE.

Modern looking equipment has the third mean value among the Tangibility measurements with a mean value of 3.4780 followed by materials associated with the service are visually appealing is the next with a mean value of 3.2522. These are directly related with the measurement of Tangibility, which are appearance of Physical facilities and equipment. ATM's accessibility is the least with a mean value of 2.0616. This shows that CBE is lagging behind on ATM which has been ranked the most important banking service. It is the worst mean value in this survey.

4.3   Interview results

This chapter will present data that has been collected through in interview with five Customers of Commercial Bank of Ethiopia and summarized as follows.

The interview with first respondent was conducted through a face-to-face in-depth interview with five customers the experience with CBE ranges from five years to 20 years. Before starting the interview, the participant was informed about the purpose of the study and how the interview would be conducted, also before the interview the customers got informed of the general goals of the interview orally.

When we discussed the issue regarding the tangibly of the CBE services, the respondent mentioned that CBE's facilities and equipments are not as such attractive. The organization's physical facilities, equipments and appearance of their personnel and communication materials are not such attractive and used to promote their services. As the respondents mentioned specially the new branches are not fully equipment and the existing ones are operating with outdated office furniture's for instance type writers are still operational in CBE.

The branches are more near to the general public in the respondents view and CBE is lagged to install ATM machines.

Regarding reliability of Services, the interviewee mentioned that CBE services are not reliable at all and extremely bad, the speed of service delivery is too low due to network failure. The respondent mentioned that, the respondent is not comfortable with deletions on the saving passbook and usually the customer service officers are not updating interest and the related taxes.

Regarding the issue of responsiveness, respondent is happy with collaborative nature of employees. The staffs are trying to help customers and provide them with prompt service.

Concerning the issue of Assurance, the customer believed that the employees have adequate recognition to handle customers, they have courtesy to respect to their customers thus the respondent are not suspicious about their competence.

Based on the dimension of Empathy, the respondent fairly satisfied with CBE, whenever someone contacts the staffs, they answer politely or ignoring the customer's request. The general comment of the respondent is that, the interviwee is not in a position to comment on employees' commitment to deliver quality services.

Finally all the interviewers mentioned that they are happy and they will continue their relationship with the bank because CBE is in a rapid change.

Chapter Five
Conclusions & Recommendations

5.1 Conclusions

The main intend of this study is to evaluate the general customers satisfaction in Addis Ababa area towards the current performance of CBE in terms of its services offered. By way of the number of bank branches increasing across the country the service must also be quality. There are increasingly vital needs for bankers to meet customer opportunity for faster and better service. The study tells that generally customers' satisfaction in five dimensions is above 2.5 mean values. This shows that customers are satisfied with all dimensions' large number of respondents tells that CBE's ATM is not accessible which shows that CBE lagged behind on the distribution of ATM machines.

The result also shows great efforts need for the improvement of reliability and empathy, implying that the customers are not well satisfied with insist on error free records, perform service dependability, and as well as individual attention given by the staffs. This sets that the bank needs to be give attention to change their services towards customer's satisfaction.

5.2 Recommendations

The results of the research point out that the five SERVPERF model dimensions have a significant contribution to the customers' satisfaction of Commercial Bank of Ethiopia. The following recommendations are forwarded:

➢ The bank should pay particular attention to ease by providing the customers ATM accessibility.

➢ Recommend staffs to update interest and the related taxes on the passbooks in order to assure that the bank performs error free records.

➢ Empathy which is caring and personalized attention that the firm provides to its customers has also been found to be important to customers of CBE. It is therefore recommended that CBE to integrate this into the service strategies will help the bank in the service delivery.

➢ The tangibility of the banks also poor especially the new branches are not fully equipped. Working in this regard it can satisfy customers need as well as recruit and retain customers.

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