



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION;IN CASE
OF COMMERCIAL BANK OF ETHIOPIA.**

BY

TSION BITSAT

JUNE, 2021

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTERS OF BUSINESS
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DECLARATION

I hereby declare that this study entitled —The effect of service quality on customer satisfaction: The Case of commercial bank of Ethiopia || is my original work prepared under the guidance e of my advisor, Tewodros Mesfin (Dr.). This paper is submitted in partial fulfillment of the requirement for the Award of Master of Arts Degree in General Business Administration and it has not been previously submitted to any diploma or degree in a college or university. I would like also to confirm that all the sources of materials used in this study are duly acknowledged.

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June, 2021

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TABLE OF CONTENTS

ACKNOWLEDGEMENT	I
TABLE OF CONTENTS.....	II
LIST OF TABLES.....	V
LIST OF FIGURES	VI
LIST OF ABBREVIATION.....	VII
ABSTRACT.....	VIII
CHAPTER ONE.....	1
INTRODUCTION	1
1.1. Background of the study	1
1.2. Statement of the problem.....	3
1.3. Research Question	4
1.4. Research Objective	5
1.4.1. General objective.....	5
1.4.2. Specific Objective.....	5
1.5. Research Hypothesis.....	5
1.6. Definition of Basic Terms.....	5
1.7. Significance of the study.....	6
1.8. Scope and Delimitation of The Study.....	6
1.9 Limitations Of The Study.....	6
1.10 Organization Of The Paper.....	7
CHAPTER TWO	8
2. REVIEW OF RELATED LITERATURE.....	8
2.1. Introduction.....	8
2.2. Conceptual Definitions	8
2.2.1. Service.....	8
2.2.2. Quality.....	8
2.2.3. Service Quality.....	10
2.2.4. Customer Satisfaction	11

2.2.5.	Dimensions of Service Quality	13
2.3.	Critical Review of Supporting Theories or Theoretical Analysis.....	14
2.3.1.	Service quality Model (SERVQUAL)	14
2.4.	Empirical Literature Review.....	18
2.4.1.	Effect of service quality on customer satisfaction	18
2.4.2.	Relationship between Service Quality Dimension and Customer Satisfaction.....	20
2.5.	Conceptual Framework.....	23
CHAPTER THREE		25
3.	RESEARCH DESIGN AND METHODOLOGY	25
3.1.	Research Approach	25
3.2.	Research Design.....	25
3.3.	Sampling Method and size.....	25
3.4.	Procedure for data collection	26
Table.3.2 Sample Proportion Taken from Branches.....		27
3.5.	Data Sources and Collection Method	27
3.6.	Reliability and Validity Test.....	28
3.6.1.	Reliability Test.....	28
3.6.2.	Validity.....	29
3.8.	Ethical Consideration.....	30
CHAPTER FOUR.....		31
RESEARCH FINDINGS AND DISCUSSION.....		31
4.	Introduction.....	31
4.1.	Response Rate.....	31
4.2.	General information of respondent	31
4.3.	Descriptive analysis of study variables.....	33
4.3.1.	Descriptive Analysis of Service quality.....	33
4.3.2.	Level of customer satisfaction	42
4.4.	Assumptions/diagnostic test for multiple linear regressions	43
4.4.1.	Assumption one: Assumption on variables and Sample size.....	43
4.4.2.	Assumption two: Outlier, leverage and influential points	44
4.4.3.	Assumption three: Multicollinearity	45

4.4.4.	Assumption four: Homoscedasticity.....	46
4.4.5.	Assumption five: Linearity	47
4.4.6.	Assumption six: Autocorrelation	48
4.4.7.	Assumption six: Normality	48
4.5.	Inferential Statistical Analysis	49
4.5.1.	Correlation Results.....	49
4.5.2.	Analysis of Regression Results.....	52
4.6	Hypothesis test	54
CHAPTER FIVE		57
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....		57
5.	Introduction.....	57
5.1.	Summary of Findings.....	57
5.2.	Conclusion	59
5.3.	Recommendation	62
REFERENCES		63
Annex.....		67

LIST OF TABLES

Table 3.1 how the sample proportion calculated.....	26
Table 3.2 sample proportion taken from branches.....	26
Table 3.3 Reliability test the reliability coefficient Cronbach's alpha	28
Table 4.1: Response Rate.....	31
Table 4.2 General Information of the respondent.....	32
Table 4.3: Respondents view on the service quality interims of tangibility.....	34
Table 4.4: Respondents view on the service quality interims of Reliability	36
Table 4.5: Respondents view on the service quality interims of Responsiveness	38
Table 4.6: Respondents view on the service quality interims of Empathy.....	40
Table 4.7: Respondents view on the service quality interims of Assurance.....	41
Table 4.8: Respondents level of satisfaction on the organization service quality	42
Table 4.9. Residuals Statistics ^a	44
Table 4.10: Multicollinearity test for the Study Variables	46
Table 4.11: Breusch-Pagan for Heteroscedasticity.....	47
Table 4.12: Durbin-Watson Test for Autocorrelation.....	48
Table 4.13: Pearson Correlation Service quality dimensions and customers satisfaction.....	51
Table 4.14: Model Summary for service quality and the customers' satisfaction ^b	52
Table 4.15: ANOVA for service quality and the customers' satisfaction ^a	53
Table 4.16: Coefficients for service quality and the customers' satisfaction ^a	54

LIST OF FIGURES

Figure 2. 1. Conceptual Frame Work.....	24	Error! Bookmark not defined.
Figure 4.1: Standearized residual scatter plot dependent variables	47	
Figure 4.2: Normal P-P Plot of residual for dependent variables	49	

LIST OF ABBREVIATION

- WAAD** West Addis Ababa district
- SPSS** Statistical Package for the Social Sciences
- CBE** Commercial Bank of Ethiopia
- ATM** Automated Teller Machine
- COVID** Corona Virus Diseases

ABSTRACT

Banks are extremely crucial in a country's economic life. Although the banking business is expanding and providing a variety of financial services to the general people, their sheer existence is meaningless unless they provide excellent service. The aim of this study is to assess the effect of service quality on customer satisfaction Commercial Bank of Ethiopia west Addis Ababa district. SERVQUAL model Parasuraman et al., (1988) with five dimensions was used by this research to evaluate the effect of service quality on customer satisfaction of CBE specifically in west Addis district. Quantitative means of data collection method is employed to collect the data through questionnaire. This study used descriptive and explanatory design. Proportionate and disproportionate stratified sampling technique is used to select the sample size and a sample of 399 bank customers are taken to undertake the study. Structure questionnaire are used in the process of data collection from the respondent. The data collected from the questionnaire were analyzed using statistical tools such as mean, standard deviation, correlation, and regression analysis VIA SPSS Version 21. The findings of the study indicate from correlation analysis all service quality dimensions (Assurance, Responsiveness, Tangibility, Empathy, & Reliability) have a strong and statistically significant relationship with customer satisfaction. When we see the regression analysis (Empathy, Responsiveness, Assurance and Reliability) has significance effect on customer satisfaction respectively. Furthermore, 73.8%% of the variations in customer satisfaction is explained by service quality dimensions in CBE. The quality of service offered by CBE doesn't meets with the expectation of customer. So, the bank needs to improve the quality of service to satisfy and attract the unsatisfied customers. Based on the analysis and results of the survey, recommendations are made to the bank.

Key words: *service quality and customer satisfaction*

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Service quality: is defined as a post-consumption assessment of services by customers or consumers (Holdford & Reinders, 2001). Service quality has special meaning in the services field. Kotler & Keller (2009) defines service as, “any intangible act or performance that one party offers to any other that does not result in the ownership of anything.” In short, we can say that service is an intangible offer by one party to another in exchange of money for pleasure and convenience. However according to Ford, Sturman & Heaton (2012) service quality is the difference between the service that the consumer expects to receive and the service that the consumer actually gets.

Customer satisfaction: Philip Kotler (2000) defined satisfaction as: “a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations”. It is very significant that wants essential consideration for an organization to do better than their competitors. Quality is the deviation from standard; such delineation can yield a high proportion of consumer's financial success or failure. Kotler & Keller (2012).

Today, business dynamics is rapidly changing in terms of competition and quality of services. Due to stiff competition and increasing pressure of globalization, organizations are revisiting the process of their products and services to make it more Competitive and better quality driven. Basically it is the quality of products as well as services defined by the customer who assesses the image of company's brand in real terms (Kenyon and Sen, 2015). The role of customer services is becoming vital in every facet of the industry, as customer is the key to changing the future of any organization. Recent advancement in technology has redefined the relations of customer with its service provider. Due to service intangibility, in most of the services organizations, it is very hard to define the characteristics of good service quality and customer satisfaction; hence, it becomes challenging for service organizations to deliver superior quality

(Marić, Marinković & Dimitrovski, 2016). Services are intangible in nature, and that is why it is extremely difficult for organizations to assess how its customer is evaluating and perceiving the end results of service quality. Services are intangible in nature, and that is why it is extremely difficult for organizations to assess how its customer is evaluating and perceiving the end results of service quality.

Considering financial sector as the backbone for the economic soundness of any country, it can be argued that there exists a significant relationship between financial sector of a country and its economic performance. Countries having a strong financial sector have more tendencies for economic growth. That is, the higher the growth of the banking sector, the higher will be the financial and economic stability in the economy up to the threshold (Law & Singh, 2014).

In Ethiopia, banking sector is one of the major factors of economic growth. Here, financial sector development took place in an entirely different manner as compared to the banks in the modern world. The evolution of banking industry that started from having a single government bank, but now Ethiopian banking industry comprised of sixteen domestic private banks along with Development and commercial Bank of Ethiopia. Serving million account holders, So we can see there is high competition now, but before the introduction of free economy in our country there were no private banks there is only Government Banks so whatever the quality of the service is the customer is satisfied but now customers have option and the only thing the banks differ is based on the quality of the service they serve. So in order to maintain their customer satisfied they must serve their service with high quality.

Commercial bank of Ethiopia was established in 1942 which is now a day's commercial bank of Ethiopia is the leading bank in Ethiopia. It is pioneer to introduce modern banking to Ethiopia. Commercial bank of Ethiopia has around more than 1,587 branches stretched across the country with employee more than thirty thousand and has assets of more than half a trillion. At this time commercial bank of Ethiopia is updating its process of working as well as system in order to increase its profit and customer base among this changes the main change was using online system and producing different accounts which can include all type of customers as a result of this system commercial bank of Ethiopia Currently has more than 22 million account holders and 2.5 million mobile and internet users and 8 million ATM card holders June 30th 2019. The bank gives different services like ATM service for local users, SWIFT relations with more than 700

correspondent banks, foreign money transfer working with 20 agents, local money transfer, internet banking, and mobile banking, credit service, government bond sales and other services. From these all service credit service one of the profitable services.

Customer service is a basic element in the financial institution to contend in the market driven condition. Estimation of service quality is not an easy task in banking, due to intangibility of services in nature. Nowadays, service quality is being utilized as a vital device by different market players to position them adequately in the market. Further, a satisfied customer is probably going to be a loyal customer who will reuse the bank. The cost of holding current customers by improving product and services is fundamentally lower than the cost of winning new customers. Because of the significance of the service quality, customer satisfaction and loyalty are profit driven instruments in banking. The delivery of high service quality is an absolute necessity to accomplish consumer satisfaction and loyalty, and various other attractive behavioral results.

This study assessed the effect of service quality on customer satisfaction; it tried to see the relationship between service qualities with customer satisfaction in Commercial Bank of Ethiopia.

1.2. Statement of the problem

In the world of competition, service quality is the most important parameter that needs critical attention for an organization to exceed its competitor. This is especially true in the service sector where there is frequent interaction with customers which hold the highest stakes in ensuring the organization exceeds its competitors, it is obvious that customer satisfaction is a critical issue as it is highly correlated with the quality of service provided by competing organizations.

Normally the Customers are regarded as the vital figure at any circumstances where the business is run, example in banking industry. Most of banks facing the problem of service quality feedback, from their customers ending up to be unfair from the service been provided by the banking industry, that is why this study needs to investigate the effect of service quality on customer satisfaction in the banking industry, that means that, exploring at what extent do the service quality of certain Organization can result to Customer satisfaction.

Even though the bank aggressively working in branch expansions, human resource development, introducing new modern technology and striving to realize its vision of becoming world class commercial bank, the bank does not have the action plan concerning improving customer satisfaction. So many critics were forwarded from different customers on the banks way of operation and problems which were identified in order to take remedial actions. The bank acknowledges all the complaints and benefited from this to have and insight about the issues around customer satisfaction and to fix the problems as much as possible. Retaining the profitable customers has become increasingly difficult in a competitive environment where other financial institutions specialize in offering attractive services and prices to this rewarding segment. (CBE Customer and Employee Survey, 2009).

The quality of service offered by CBE doesn't meet with the expectation of customer. So, the bank needs to improve the quality of service to satisfy and attract the unsatisfied customers. (Takele Zerihun, 2018)

The bank willingness to help customers and provide prompt services is low. Managers should train employees, improve visually attractive facilities and coordinate all people, departments and organizations involved with the services. Generally; this study described the relationship between service quality dimensions and customer satisfaction and identifies the most important dimension of service quality for CBE policy makers. Also, it shows the gaps between customer's expectation and perception on the quality of service delivery system in the bank. (Meskele Tetema,2018).

In CBE, many customer voice concerns about inefficiency and lack of quality excellence in the service. But, there is no research made on West Addis Ababa district. Therefore the main interest of this study is to assess the effect of service quality on customer satisfaction in commercial bank of Ethiopia in the area of West Addis Ababa district.

1.3. Research Question

- i. Which Dimensions of service quality most affect customer satisfaction?
- ii. What is the effect of service quality on customer satisfaction?
- iii. What is the relationship between service quality and customer satisfaction?

1.4. Research Objective

1.4.1. General objective

The objective of the study assessed the effect of Service quality on customers Satisfaction in CBE.

1.4.2. Specific Objective

- i. To analyze service quality dimensions most affect customer satisfaction.
- ii. To examine the effect of service quality on customer satisfaction.
- iii. To analyze the relationship between service quality and customer satisfaction
- iv. To forward a possible recommendations

1.5. Research Hypothesis

Hypothesis 1: There is a positive and significant effect between tangibility of services on customer satisfaction in CBE.

Hypothesis 2: There is a positive and significant effect between reliability of services on customer satisfaction in CBE.

Hypothesis 3: There is a positive and significant effect between responsiveness of services on customer satisfaction in CBE.

Hypothesis 4: There is a positive and significant effect between empathy of services on customer satisfaction in CBE.

Hypothesis 5: There is a positive and significant effect between assurance of services on customer satisfaction in CBE.

1.6. Definition of Basic Terms

Service Quality

According to Parasuraman, Zeithaml and Berry (1988) service quality is “a form of attitude, related but not equivalent to satisfaction, and results from a comparison of expectations with perceptions of performance”. Service quality can be defined as “the extent of discrepancy between the perceived expectations of the guests and their perceptions pertaining to actual delivery”.

Customer Satisfaction

Customer satisfaction is feeling of contentment when the customer “has or achieves what one needs or desires”, according to the Oxford Advanced learner’ dictionary (1991:403).Customer satisfaction “is a direct result of firm and environmental variables rather than solely of individual transaction” Emerson and Grimm (1999:403).

1.7. Significance of the study

The service provided by CBE and its effect on customer satisfaction is explored in this study. Provide sufficient information on the bank's existing service and assist it in identifying areas that require improvement and developing a plan to address them so that its customer's receive quality service. It also gives stakeholders insight into where the bank stands in the eyes of its customers. Furthermore, because employees are a stakeholder, it will assist them in evaluating their service delivery from the perspective of the customers. It encourages other researchers to conduct in-depth research in this field.

1.8. Scope and Delimitation of The Study

The aim of the research is to assess the effect of service quality on customer satisfaction. To measure the service quality the study delimited the variables on Tangibility, Reliability, Empathy, Assurance and Responsiveness. The area of the study is delimited the target population in west Addis Ababa district .The researcher used both descriptive and explanatory type design. and also quantitative approach . And delimited to a population of 2,137,110 a population sample of 399 was recruited from the target area WAAD customers.

1.9 Limitations Of The Study

The finding of the research cannot be generalized since the researcher conducted Customer and branches found in west Addis Ababa district. It will have been more effective if the research is conducted in all over the country. But Due to time and financial constraint the study is limited in WAAD specifically in Addis Ababa city. Even COVID 19 has its effect on customers lack of cooperation on the filing of questioners.

1.10 Organization Of The Paper

The paper is organized into five chapters. The first chapter contains background of the study, statement of the problem, objective of the study, Basic research questions, research hypothesis, definition of basic terms, significance of the study, scope, delimitation and limitation of the study and organization of the paper. And the second chapter presents review of related literature which is about relationship service quality and customer satisfaction. The third chapter deals with the methodology of the research and the fourth chapter presents data analysis, findings and discussion of the data gathered. The fifth chapter presents the conclusion and recommendations.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. Introduction

This chapter contains the number of definitions of concepts as , Service, Quality, Service quality, Customer satisfaction, and Service quality dimensions, theoretical literature reviews and Empirical literature review.

2.2. Conceptual Definitions

2.2.1. Service

Services are economic movements that create value and convey profits to the customer at a particular point with respect to what the customer's desire or expect .Lovelock& Wirtz(2010). Other researchers gave different meanings of what a service is all about. Looking at another definition of a service by Meirelles (2006), a service is basically intangible and only measured when combined with other functions. For instance, since a service is not something that one can touch to either evaluate its features before judgments, it can only be measured through the person providing the service. A service is intangible as confirmed by (Ladhari, 2009). Intangibility simply put describes something that has no physical appearance and therefore untouchable. The intangibility nature of services could make consumers find it difficult to evaluate what they are paying for before completing payment for what they actually will receive in return same thing applies to service providers who will find it tough to make valuation before a sale or delivery the overall notion of the relative inferiority or superiority of the organizations services”.

2.2.2. Quality

According to Reid and Sanders, there is no sole definition for quality. For some quality is Performance to standards while for others it is meeting or satisfying the customer's needs. The Quality of a product or service is the fitness of that product or service for meeting or exceeding its intended use as required by the customer, S.Anil Kumar and N.Suresh(2009). Dr. Ram Naresh Roy(2005) defined quality as the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. The definition of quality depends on the

point of view of the people defining it. Most consumers have a difficult time defining quality, but they know it when they see it.

Some definitions of Quality according to Reid and Sanders:

Conformance to specifications: How well a product or service meets the targets and tolerances determined by its designers?

Fitness for use: A definition of quality that evaluates how well the product performs for its Intended use.

Value for price paid: Quality defined in terms of product or service usefulness for the price paid.

Support services: Quality defined in terms of the support provided after the product or service is purchased.

Psychological criteria: a way of defining quality that focuses on judgmental evaluations of what constitutes product or service excellence.

Defining quality for service organization is difficult because of the intangible nature of the product. Since a service is experienced, perceptions can be highly subjective. In addition to tangible factors, quality of services is often defined by perceptual factors. In most cases, defining quality in services can be especially challenging. (Reid and Sanders, operation mgt 4th edition). Some of the terms used to define quality in the service industry according to Reid and Sanders are:

Consistency: ability to provide same level of good quality repeatedly.

Responsiveness to Customer needs: willingness of service providers to help customers in unusual situations and to deal with problems.

Courtesy: the way employees treat customers. Time: the amount of time a customer has to wait for the service. Reliability: the ability to perform dependably, consistently and accurately.

Convenience: the accessibility of service provider to its customers.

2.2.3. Service Quality

Today, with increased competition, service quality has become a popular area for academic studies and has been recognized as a competitive advantage and supportive relationship with satisfied customers (Zeithmal, 2000). Also, quality of service has become an important tool in the service industry. According to Saghier, and Nathan (2013), service quality is an important concept in the service industry and is more important for financial service providers who have difficulty in showing their customers product differentiation. Moreover, several studies have been pursuing quality of service, and a number of theories and models have been developed to address this issue and highlight the importance of implementation and different dimensions. Furthermore, there are numerous definitions and measures of service quality, but there is no consensus on a single definition. Quality of service has been defined as an overall evaluation done by the customer service (Eshghi et al, 2008), while other researchers have defined the customer service as the extent to which services meet customers' needs or expectations.

Firm that results from comparing that firm's performance with the customer's general expectations of how firms in that industry should perform (Chidambaram, & Ramachandvan, 2012). More specifically, In order to develop a marketing strategy, services- marketing individuals, particularly bank marketers, need to understand the attributes of the services used by customers in choosing a bank. For example, users will use the name of the bank, the reliability of the bank, bank guarantees, bank and physical facilities in selecting the bank services. If marketers can understand the attributes used to assess the service, they will be better able to manage and influence the assessment and perception of customer presentations (Toelle, 2006). Quality of service is likely observed to play an important role in the high involvement industries such as banking services. Banks have traditionally placed a high value on customer relationships with both commercial and retail customers. Five dimensions of SERVQUAL have been developed for the service sector: tangibility, reliability, responsiveness, empathy and security (Ananth et al., 2011). Tangibility represents physical facilities, equipment and appearance staff. Examples of factors are significantly associated with banks including comfortable shop design, up-to-date equipment for customer use, and adequate staffing to provide service .These aspects are important for banks because there are a lot of face-to-face relationship between customers and employees. Therefore, maintaining a professional environment and convenient stores can improve customer satisfaction.

Fogli (2006) described service quality as a global judgment or attitude that has a link to a particular services".

Service quality is considered an important tool for a firms struggle to differentiate itself from its competitors (Ladhari, 2008).Service quality has received a great deal of attention from both academicians and practitioners (Negi, 2009) and service marketing literature defined service quality as the overall assessment of a service by the customer (Eshghi et al., 2007). Duff et al., (2008) pointed out that by defining service quality, companies will be able to deliver service with higher quality level presumably resulting in increased customer satisfaction.

According to Zeithamal (2006), service quality is described as SERVQUAL by five dimensions constructs namely reliability, responsiveness, assurance, empathy and tangibles. Basically these dimensions represent consumers' criteria of judging service quality.

2.2.4. Customer Satisfaction

Customer satisfaction a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or exceed customer expectation. Customer satisfaction is defined as the number of customers or percentage of total customers, whose reported experience with a firm, its products, or its services to be better to them and thus it meets customer demands. According to Ghalib (2014) Customer satisfaction is the kind of products and services a company provide in order to meet and exceed its customers' expectations. Organizations within the same market sector must assess the quality of their services if they are to attract and retain customers. It appears as though many researchers have conceptualized customer satisfaction as the feeling of pleasure or disappointment that an individual gains from comparing a perceived performance or outcome against.

Banking is a customer oriented service industry. A bank depends upon the customers for their survival in the market. The customer is the focus and customer service is the differentiating factors (Guo et al., 2008). A bank can differentiate itself from competitors by providing high quality customer service (Naeen & Sait, 2009).

Customer satisfaction has a great significance for the future of an institution and it is seen as a basis for securing market position and achieving other objectives of the institution. Therefore,

achieving high levels of service is one method to keep customers both satisfied and loyal (Perng, 2007). Dissatisfaction results when consumer expectations are not met. Such disconfirmation of expectations is likely to lead to negative brand attitudes and lessens the likelihood that the consumer will buy the same brand again. As customer feel more satisfied with services, they will be more likely to remain loyal thus leading to retention, repurchase and encourage others to use the products or services by word of mouth.

To protect market share / profit, organizations need to overcome competitors through offering high quality products or services to ensure customer satisfaction (Tsoukatos & Rand, 2006). When performance matches or exceeds customer expectations for service, they are satisfied. If not, they are not satisfied (Munusamy, 2006). Moreover, several studies generally define customer satisfaction and dissatisfaction as the customer's judgments concerning a business's success or failure in meeting expectations (Chidambaram, & Ramachandran, 2012, Kheng et al., 2010). When expectations are met, satisfaction results and unmet expectations lead to dissatisfaction (Oliver, 1980). Lau, and Cheung (2013) indicate that the attitude of customer satisfaction resulting from what customers believe should happen (anticipation) compared with the situation when what they believe is not the case (perceived performance). In addition; satisfaction strengthens quality perception and leads repeat purchases. More specifically, in the banking industry, a main element of customer satisfaction is the nature of the relationship among customers and suppliers of products and services. Therefore, both product and service quality usually are observed as an important condition and valuable factor for retaining customer satisfaction (Muslim & Isa, 2005). It is true that the delivery of high quality services to the company customers offers an opportunity to differentiate them in the competitive market (Karatepe et al., 2005). Additionally, Zaim, Bayyurt, and Zaim (2010) found that tangibility, reliability and empathy are significant for customer satisfaction, but Mengi (2009) indicated that responsiveness and assurance are more significant. Additionally, Siddiqi (2010) examined the applicability of service quality of retail banking industry in Bangladesh and found that the quality service is positively correlated with customer satisfaction where empathy had the highest positive correlation with customer satisfaction followed by assurance and tangibility. On the other hand, Lo, Osman, Ramayah and Rahim (2010) found that empathy and assurance had the highest influence on customer satisfaction in the Malaysian retail banking industry. Arasli, Smadi and Katircioglu (2005) found that reliability had the highest impact on customer

satisfaction. Finally, a number of studies have identified the dimensions of service quality as the antecedents of customer satisfaction (Lau et al., 2013, Saghier, & Nathan, 2013). Relatively few studies have investigated service quality in the retail banking sector in Jordan. Also, Bank administrators recognize the significance of customer satisfaction and have developed a strategy to improve the quality of service satisfaction and loyalty (Awan et al., 2011). Customer places on services significantly affect satisfaction, and customer satisfaction is a result of loyalty (Awan et al., 2011).

2.2.5. Dimensions of Service Quality

A. Reliability

Parasuraman et al (1988) found that reliability means organizations perform a service correctly the first time. Moreover, it shows that organizations strive to fulfill promises and pay attention to the results.

B. Assurance

Assurance has been defined as employees' courtesy and knowledge, and their capacity to transfer confidence and trust to customers Parasuraman al (1988), and also states that assurance indicates the attitudes of the employees and their behavior, and the staff's ability to provide friendly, confidential, courteous, and competent services.

C. Responsiveness

Parasuraman et al. (1988) highlighted that the responsiveness of willing employees involves telling customers exactly when things will be done, giving them undivided attention, promoting services, and responding in accordance with their requests.

D. Tangibles

Parasuraman et al. (1988) identify tangibles as physical facilities (equipment, personnel, and communications materials). It is the physical image of the service that customers will use to assess quality. Tangibles are associated with the physical facilities, tools, and machines used in order to provide the service, as well as representations of the services, such as statements, cards (debit and credit), speed, and efficiency of transactions. Several privileges are included in

tangibles such as; external appearance, counters in the bank, overdraft facilities, opening hours, and speed and efficiency of transactions. Parasuraman et al. (1988) stated that tangibles have the same importance as empathy. The authors argued that it is advisable to consider including opening hours of operations under the empathy dimension; furthermore, the reliability dimension may include overdraft privileges ,Sharmin et al (2016).

E. Empathy

Customers need to feel that they are made priority by the organization providing services. Empathy means caring, paying personal attention, and providing services to customers Parasuraman et al (1988). The core of empathy is conveying the feeling that the customer is unique and special. Parasuraman et al (1988). Stated that quantitative studies that have identified service quality model dimensions have used security, credibility, and access to measure empathy.

2.3. Critical Review of Supporting Theories or Theoretical Analysis

2.3.1. Service quality Model (SERVQUAL)

Most of the researchers have recognized and used the service quality measuring model in a variety of industries such as the service quality model improved by Parasuraman et al (1988). The service quality model (SERVQUAL) of Parasuraman et al. (1988) suggested a five dimensional structure of perceived service quality tangibles, reliability, responsiveness, empathy and security as the instruments for measuring the service quality (Parasuraman et al., 1988).

A. Tangibles as a SERVQUAL dimension

The tangibles involve the firms' representatives, physical facilities, materials, and equipment as well as communication materials. Furthermore, Physical environmental conditions appeared as a clear evidence of the care and attention paid for the details offered by the service provider (Fitzsimmons & Fitzsimmons, 2001). Davis et al. (2003) summarize tangibles like the physical confirmation of the service.

B. Reliability as a SERVQUAL dimension

Reliability depends on handling customer service issues, performs the services right the first time; offers services on time, and maintain a record of error-free. Moreover, they define

reliability as the most significant factor in conventional service (Parasuraman et al., 1988). Reliability also consists of the right order fulfillment; accurate records; accurate quote; right in the bill; Results are more accurate than commissions; keep the promise of service. He also mentions that reliability is the most significant factor in banking services (Yang et al., 2004). More specifically, in a study by Parasuraman et al. (1985), SERVQUAL was applied to gather data in four different companies, including banks, credit card companies, the company's maintenance services, and long-distance phone company. He found high reliability in all four of these companies, with the possible exception of some of the values associated with significant dimensions (Parasuraman et al., 1985, p. 24). Finally, reliability is defined as the “ability to perform the promised service dependably and accurately” (Parasuraman et al., 1988, p. 23).

C. Responsiveness as a SERVQUAL dimension

Responsiveness is defined as "the willingness to help customers and provide prompt service"(Parasuraman et al., 1988). Furthermore, Johnston (1997) defines responsiveness such as speed and timeliness of service delivery. This consists of processing speed and service capabilities to respond promptly to customer service requests, and wait a short and queuing time. More specifically, responsiveness is defined as the willingness or readiness of employees to provide services. It contains the timeliness of service (Parasuraman et al., 1985). It also contains understanding the needs and requirements of the customer, easy operation time, individual attention provided by the staff, attention to the problem and customers' safety in their dealings (Kumar et al., 2009).

D. Empathy as a SERVQUAL dimension

Parasuraman et al. (1985) defined empathy as a caring and individual attention that the firm provides to its clients. It contains giving individual attention to employees who understand the needs of their customers and customer facilities during business hours. Furthermore, Ananth et al. (2011) demonstrates empathy in their research of private sector banks, provide individual attention and easy operation time; give personal attention, and understand the specific needs of customers. Fitzsimmons and Fitzsimmons (2001) suggest that empathy contains approachability, sensitivity, and efforts to understand customer needs. Also, Johnston (1997) defined empathy as the ability to make customers feel welcome, especially by staff contacts. Additionally, the

SERVQUAL model indicates that satisfaction is related to the size and direction of disconfirmation of a person's experience when he/she faces his/her initial expectations (Churchill & Surprenant, 1982; Parasuraman, Zeithaml & Berry, 1985; Smith & Houston, 1982).

E. Assurance as a SERVQUAL dimension

Assurance has been defined as employees' courtesy and knowledge, and their capacity to transfer confidence and trust to customers Field & Meile (2008). The opinion of researchers on the ranking of assurance among service quality dimensions is varied. Assurance is ranked first according to Gronroos (1988), while the author Field & Meile (2008) ranked it in fourth place. Assurance means keeping customers informed in their native language and listening to them, regardless of their educational level, age, and nationality. Parasuraman et al (1991) states that assurance indicates the attitudes of the employees and their behavior, and the staff's ability to provide friendly, confidential, courteous, and competent services.

According to Ladhari (2009), SERVEQUAL model is a respectable scale to use when measuring service quality in different Organizations. So in this case this model was reflected and this because it bring justification to customer's expectation of a service given as well as perceptions of the service which is superior way to measure service quality in service sector.

According to Gilbert et al (2004, p.372) there are various ways in which the SERVQUAL Model can be measured and these involves,

- i. The expectancy-disconfirmation approach which is associated with the identifying of customer expectation versus what they actually experienced. It focuses on the comparison of the service performance with the customer's expectations. The customer's expectations could be assessed after the service encounter by asking him/her to recall them.
- ii. Performance-only approach merely assesses service quality by merely asking customers about their level of satisfaction with various service features following a service encounter.
- iii. Technical and functional dichotomy approaches identify two service components that lead to customer satisfaction namely, the technical quality of the product which is based on product characteristics such as durability, security, physical features while functional quality is

concerned with the relationships between service provider and customer such as courtesy, speed of delivery, helpfulness.

- iv. Service quality versus service satisfaction approach which mainly focuses on two components that are interrelated; the transition-specific assessment which evaluates specific features of quality and the overall assessment which evaluates overall quality. This approach links perceived quality at the time of the service encounter or immediately after it and overall satisfaction with the service. Perceived quality is based on attributes of the service over which the company has control and it is a measure of the consumer's assessments of the services value without comparison to consumer's expectation.
- v. Attribute importance approach focuses on the relative weight on the importance the consumer places on attributes found to be linked with service satisfaction".

2.3.2. Model of Service Quality Gaps

There are seven major gaps in the service quality concept, which are shown in Figure 1. The model is an extension of Parasuraman et al. (1985). According to the following explanation (ASI Quality Systems, 1992; Curry, 1999; Luk and Layton, 2002), the three important gaps, which are more associated with the external customers are Gap1, Gap5 and Gap6; since they have a direct relationship with customers.

Gap1: Customers' expectations versus management perceptions: as a result of the lack of a marketing research orientation, inadequate upward communication and too many layers of management.

Gap2: Management perceptions versus service specifications: as a result of inadequate commitment to service quality, a perception of unfeasibility, inadequate task standardization and an absence of goal setting.

Gap3: Service specifications versus service delivery: as a result of role ambiguity and conflict, poor employee-job fit and poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork.

Gap4: Service delivery versus external communication: as a result of inadequate horizontal communications and propensity to over-promise.

Gap5: The discrepancy between customer expectations and their perceptions of the service delivered: as a result of the influences exerted from the customer side and the shortfalls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.

Gap6: The discrepancy between customer expectations and employees' perceptions: as a result of the differences in the understanding of customer expectations by front-line service providers.

Gap7: The discrepancy between employee's perceptions and management perceptions: as a result of the differences in the understanding of customer expectations between managers and service providers.

2.4. Empirical Literature Review

2.4.1. Effect of service quality on customer satisfaction

According to Morgan (2014), the impact of service quality to customer's satisfaction in banking industry: A case study of CRDB bank in Njombe and Iringa regions. The study surely reveal that, It is necessary to know the demands of the customers about the services they are being provided, what is the expectation of the customer and what type of services are provided to him or her, and should focus on the communication with their customer to increase the satisfaction and expectation of their customers.

Also the bank can connect their customers, Also For the management of the AKIBA they should look into the customer claims like shortage of branches and ATMs machines in a positive way of success and improving their services toward their customer by implementing and working on all needs and wants of customers. What the customers claim is in order to maintain, win and retain of their customer's loyalty. This is because market perception and customer expectation can change rapidly from time to time, for example from long queue in the front desk up to now is the internet banking, perhaps there was a new trend in the near future.

According to Tran and Taikoo (2015), *Service Quality Effects on Customer Satisfaction in Banking Industry in Vietnam* The study shows that association between the Service quality and Customers According to the effects of the study, customer fulfillment with deposit services of banks depended on then exit issues: Tangibility had the highest result that Services and equipment also affected operations of banks, suggesting that banks that lag behind or are less developed are less likely to customers. Empathy hierarchical second factor telling that, to invite customers, banks must not single recover the excellence of their usefulness services and products but also make better use of a manual commercial values such as buyer relationship with bank staffs.

Assurance graded third, which may clarify the appeal by the State Bank of Vietnam (SBV) for credit organizations and bank divisions to reinforce the security and security of their figures technology systems. Responsiveness graded fourth, whereby this may be described by the point that customers increasingly, prefer attention that linked to the series of services and the suitability of budgets. Reliability ordered last and this telling that, in order to invite capital, banks trust deeply on consumer trust. The correctness of this trust is contingent on the excellence of information offered by the bank. In terms of client behavior in their fulfillment with deposit services of VCBs, simply the gender variable showed an alteration in the level.

Also the study shows in order to reduce the space between banks and clients, banks must upgrading the skilled level of staff memberships in bringing services directly to clients. Those workers should clearly realize and controlling their products as well as usefulness to ensure a suitable level of their recommended capacity and skill to accommodate consumers. In addition, they should be equipped with the strong "soft" skills in the provision of services to customers, together with communication, negotiation, and sales skills. According to Pak (2014), *Impact of Service Quality on Customer Satisfaction and Customer Loyalty: Evidence from Banking Sector in Pakistan*. The study shows that, Service quality has been admired by the organizational researchers all around the globe as a competitive weapon which differentiates the organization from its rivals in a much positive way by enabling the service organizations to delight the customers through the provision of premium quality services on consistent basis and subsequently enhance their satisfaction and loyalty to the organization, also the study shows on the important of the Five dimension of service quality that should be applicable in banking

industry sector, that is Tangibility, Assurance, Empathy, Responsiveness and Reliability as the key tools for the relations between Customers service quality and customers satisfying According to Msoka and Elizabeth (2014).Determinants of Customer Retention in Commercial Banks in Tanzania.

The intention of the study was to observe the determinants of customer retention in Commercial bank of Tanzania. In this study the researcher try to pin out the determinants factors for retaining customers which initially mentions as Tangibility, Reliability, Empathy, Responsiveness and Assurance. Also before developing their products, they should at least consider customers for their inputs on what they really want so that the products and services should be easily obtainable and convenient. Banks should review their database to update customers' information and the financial status for easy monitoring of customers' transactions." For the purpose of retaining customers, then it is commanding for the banks to do Know Your Customer (KYC) check repeatedly so that the Administration were aware on the number of customers.

Another study revealed that the human related factors of service quality (reliability, responsiveness, assurance and empathy), have a greater impact on customer satisfaction than that of the non-human related factors of perceived service quality (tangibles) on Customer Satisfaction. It was further established that Reliability and Responsiveness are the most influential determinants on customer satisfaction in retail banking. According to the Regression analysis, customer satisfaction is influenced by service quality by 35.1% (.351*100). Finally, service quality influences to customer satisfaction. So, finally it could conclude that service quality has an impact on customer satisfaction, Yashodhara (2017).Impact of Service Quality on Customer Satisfaction of Public Sector Commercial Banks: A Study on Rural Economic Context.

2.4.2. Relationship between Service Quality Dimension and Customer Satisfaction

authors are convinced of the intimate relationship between service quality and customer satisfaction, and they point out that the higher the service quality, the higher the levels of customer satisfaction, especially in the banking sector, Parasuraman et al.(1988) argued that service quality and customer satisfaction are two diverse notions but closely related to each other in the service sector. In recent years, several authors have discussed and emphasized the

relationship between these two common constructs in banking sectors and have found a positive and predictive relationship between service quality and customer satisfaction. Ultimately, service quality dimensions tangibility, reliability, assurance, responsiveness, empathy and employee competences are used to assess the effect of the quality of the banking service on customer satisfaction.

A. The relationship between tangibility and customer satisfaction

In the banking sector, the tangibility dimension becomes intrinsic in service quality, according to the tangible facets of the servicescape, such as equipment, physical facilities, and visual appeal. Subsequently, in the banking sector, it can be said that there is a significant influence of tangibility on customer satisfaction. Similarly, many researchers have found a meaningful influence in this sense. Parasuraman et al. (1988) have defined tangibility as the appearance of physical facilities, equipment, personnel, and communication materials. It may also be defined as the clear visibility of resources. Necessary for providing a service to customer's the appearance of the management team and professional employees, brochures and booklets, which will have an effect on customer satisfaction. Ananth et al.(2010) found that attractiveness, physical facility, and visual appeal could be considered positive indicators of tangibility on customer satisfaction in the banking sector. Furthermore, various researchers have found that there is a positive effect on the relationship between customer satisfaction and tangibility in the banking sector. Moreover, Krishnamurthy et al. (2010) and Selvakumar(2015). Emphasized that tangibility has a positive impact on customer satisfaction in banking services. Ananth et al.(2010)showed that in the banking sector sophisticated equipment and an attractive ambiance is viewed as the impact of tangibility on customer satisfaction.

B. The relationship between reliability and customer satisfaction

Researchers have demonstrated that the reliability dimension of service quality has a positive impact on customer satisfaction. Ennew et al. (2013) revealed that reliability could be considered the extent to which customers can rely on the service promised by the organization. Parasuraman et al(1991) has defined reliability as the organization's capability to tool up the service, dependently and independently. As a standard of service quality, reliability has a significant impact on customer satisfaction. Ennew et al.(2013) defined reliability as the ability to do and

perform the required service for customers dependably, accurately and as promised, and the capacity to treat problems faced by customers. Taking actions to solve problems, performing the required services right from the first occasion, or providing services at the proper time are critical. Maintaining an error-free record is the paradigm of reliability in terms of service quality, and has an important impact on customer satisfaction .Peng and Moghavvemi (2015) contend that the most important factors in retaining customers in banking services are accuracy in completing orders, maintaining precise records and quotations, accuracy in billing, and fulfilling promised services. These are the basic aspects of reliability. The extant literature has also revealed that reliability has a positive relationship with customer satisfaction in the banking sector.

C. The relationship between assurance and customer satisfaction

The assurance dimension of service quality indicates employees' competence, knowledge and courtesy, and the ability to build bridges of trust with customers Parasuraman et al(1991). Assurance is defined as the knowledge and good manners or courtesy of employees. Further, it is defined as the ability of employees, with the help of the knowledge they possess, to inspire the trust and confidence that will strongly influence the level of customer satisfaction. There is a positive relationship between assurance and customer satisfaction, Parasuraman et al(1991) . In the banking sector, assurance is related to the security that a customer feels when conducting his banking transactions. Providing customer assistance in a courteous manner, accuracy in completing orders, easy access to account details, convenience within the bank, maintaining precise records and quotations, employing an experienced professional team, and fulfilling promised services will have a positive impact on customer satisfaction.

D. The relationship between responsiveness and customer satisfaction

The responsiveness dimension of service quality is related to the organization's willingness and ability to help customers, and to provide quick service with proper timeliness Parasuraman et al.(1994). The willingness of employees to provide the required service at any time without any inconvenience will have an impact on customer satisfaction. Responsiveness is primarily concerned with how service firms respond to customers via their personnel. Individual attention will increase the customer's satisfaction and so will the attention paid by employees to the

problems that face customers; when this happens, a radical shift occurs in their satisfaction. Arguably, banking sector responsiveness has a direct relationship with customer satisfaction. Based on the above statements, we can state that the responsiveness dimension of service quality will strongly influence customer satisfaction in banking.

E. The relationship between empathy and customer satisfaction

Ennew et al. (2013) point out that the empathy dimension of service quality means being attentive in communicative situations, understanding customer needs, showing friendly behavior, and taking care of a customer's needs individually. Navaratnaseel and Periyathampy (2014) defined empathy as the ability to take care of customers and pay attention to them individually, especially while providing services. Moreover, Parasuraman et al.(1991) argued that understanding customer expectations better than competitors and the provision of care and customized attention to customers strongly influences the level of customer satisfaction. Ananth et al. (2010) revealed that a positive impact on customer satisfaction is brought about by convenient working hours, individualized attention, a better understanding of customer's specific needs in the banking sector and the empathy dimension, all of which play a crucial role in customer satisfaction.

Tangibles, assurance, responsiveness, reliability and empathy are five features of the model and in empathy is positively and strongly correlated with customer satisfaction reliability, assurance and Tangibility are positively and moderately correlated with customer satisfaction and responsiveness is positively and weakly correlated with customer satisfaction.(Almaz Tsehaye,2015)

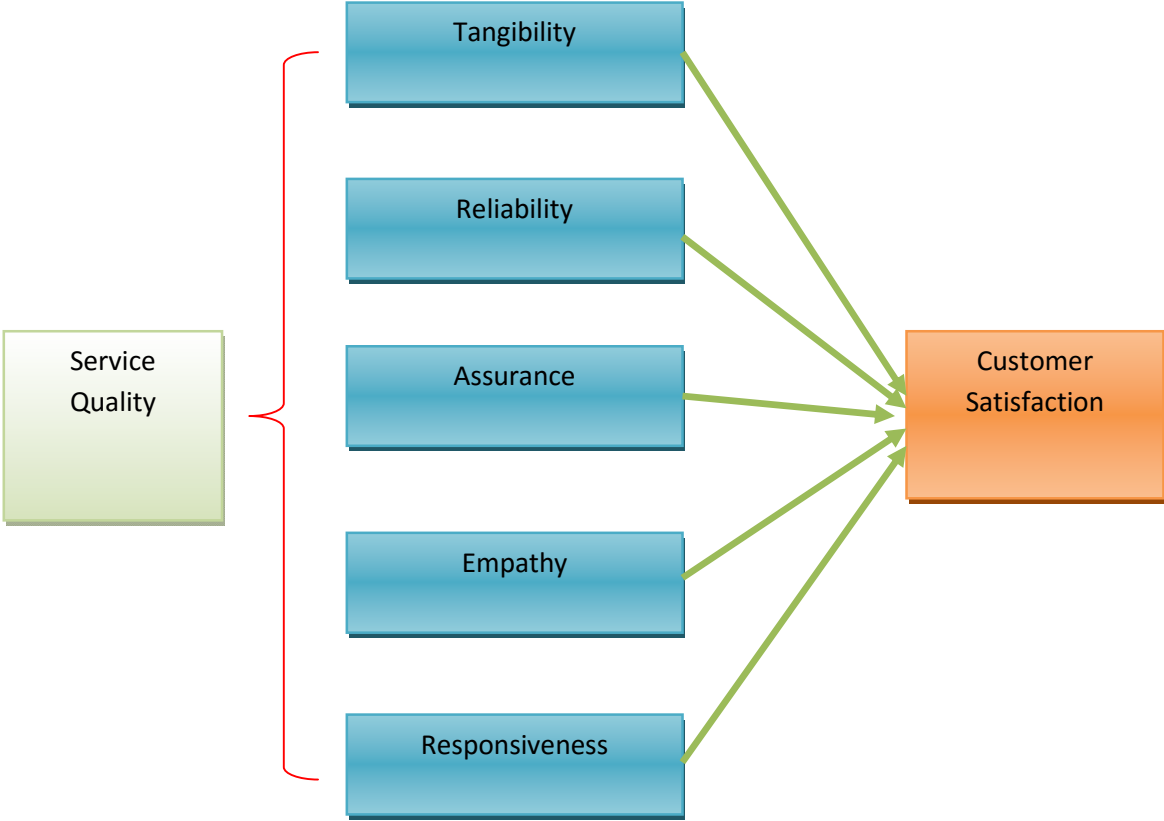
2.5. Conceptual Framework

The conceptual framework brings out the picture of the existing theories that will be used in this study. This study is about service quality and Customer satisfaction and this has been in a continuous research trend with researcher trying to come out with appropriate instrument to measure service quality and customer satisfaction in service sector. It is justified by different research bodies the issue on how service quality could be measured accurately unlike product quality where the features of the product are rightly spelled on it making it easier for consumers to know what they are actually going to consume. This gave birth to different instruments that

could be used to measure service quality. The SERVQUAL model as previously explained is an apt instrument to measure service quality and customer satisfaction in health care service sector and this has also been backed by different researchers who used the SERVQUAL model to measure service quality in health care service sectors in different times, places and different samples.

This study used the modified SERVQUAL model with the five refined dimensions which include Tangibility, Reliability, Responsiveness, Assurance and Empathy to guide the study. These dimensions were used to measure service quality and customers satisfaction.

Figure 2.1 Conceptual frameworks on the effect of the service quality on customer satisfaction
Source: Parasuraman et al., 1988



CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

This chapter of the study deals with the research design and methodology of the study. It includes the research approach, research design, sampling method and size, procedure for data collection methods, Data Sources and Collection Method and methods of data analysis.

3.1. Research Approach

The researcher used quantitative approach because the the study requires an analysis of the service quality dimensions which has effect on customer Satisfaction in CBE. The relationships among variables statistically tested, which required a quantitative approach and also used hypothesis testing to determine the relationship.

3.2. Research Design

The study employed both descriptive and explanatory type of research design through survey questionnaire. Descriptive statistics to demonstrate the profile of respondent and to see the perception of customer about the quality of service by using (mean, standard deviation and percentage). Explanatory study is used to explain the relationship between the independent variables, (service quality dimensions) and the dependent variable (customer satisfaction).

3.3. Sampling Method and size

The main focus of this study is to identify the service quality provided by CBE and its impact on customer satisfaction using SERVQUAL Model and the target population of the study will be customer of CBE which found in west Addis Ababa district. West Addis Ababa district has 2,137,110 customers as of Nov. 30, 2020. The sample size of this study is determined by using the formula developed by Taro Yamane(1967).

The sample size of the formula is:

$$n = \frac{N}{1 + N(e)^2}$$

Where, n is the sample size

N is the population size,

E is the level of precision or sampling error = (0.05)

$$n = \frac{2,137,110}{1 + 2,137,110(0.05)^2} = 399$$

Thus, sample size of 399 customers is selected from the population of 2,137,110

3.4. Procedure for data collection

The branches are classified according to the branch performance starting from grade 1 up to 4. a disproportionate stratified sampling technique was used to select the branches and proportionate stratified sampling technique had been used to select the customers from each grade. In west Addis Ababa, there are 2,137,110 customers as of Nov 30, 2020. i.e. 14 grade IV branches, 16 grades III, 45 grade II and 62 grades I. Thus 20 branches are selected from total of 137 branches and 5 branches are selected from each grade accordingly. A total of 399 questionnaires were distributed to potential respondents and 294 usable questionnaires were obtained. The table below represents list of branches the questionnaire is distributed to.

In order to calculate the number of sample in each strata,

Table 3.1 How the sample proportion calculated

Grade	Number of customer in each grades	Number of customers in Sample
Grade I	371,877	$399/2,137,110 * 371,877 = 69$
Grade II	523,830	$399/2,137,110 * 523,830 = 98$
Grade III	475,876	$399/2,137,110 * 475,876 = 89$
Grade IV	765,527	$399/2,137,110 * 765,527 = 143$
Total.		399

Table.3.2 Sample Proportion Taken from Branches.

S.no	Name of branch	Branch grade	Number of customers in each branch grade	Number of sample distributed to each grade
1	Alem bank Ayer tena Betel Torhayloch Arena tera	4	765,527	143
2	Addisu Michael Bomb tera Tesfa dirjit Keranyo Habtegiorgis	3	475,876	89
3	Tabot maderiya Weyra Zenebwerk Eyesus gedam Sositkutir mazoriya	2	523,830	98
4	Betel Michael Mobil akababi Coca mazoriya Weyrasefer adebaby Shinkurt tera	1	371,877	69
Total				399

3.5. Data Sources and Collection Method

Primary data gathered from respondents at commercial bank of Ethiopia who are assumed to give first-hand information on the subject under study. The researcher collect primary data survey questionnaire from Customers in west Addis district. Questionnaires titled “customer satisfaction survey” used in the process of collecting data. The questionnaire is prepared in three parts. The first part of the questionnaire consists of issues related to the personal information of the respondent. It included the age, gender, and educational background. The second part was

concerned with the questions used to assess service quality of CBE. The research instrument designed is based on the five dimensions of service quality and the 22 item instrument of the SERVQUAL model. The developed questionnaire includes four items which correspond to the tangibles dimension, four items which correspond to the reliability dimension, four items to the responsiveness dimension, three items to empathy dimension and four items which correspond to the assurance dimensions. Respondents were asked to indicate their degree of agreement with each of the items on five point likert scale. The variables are measured using Likert scale with five response categories (strongly agree, agree, neutral, disagree and strongly disagree) The third part of the questionnaire measures the level of customer satisfaction using a five point Likert sale which ranges from ‘highly satisfied’ to ‘highly dissatisfied’.

3.6. Reliability and Validity Test

3.6.1. Reliability Test

The level of reliability of the instrument that is the consistency of the variables is checked with the Cronbach’s alpha statistics. Cronbach’s alpha is an index of reliability associated with the variation accounted for by the true score of the underlying construct (Nunnaly, 1978).Cronbach’s Alpha’s can only be measured for variables which have more than one measurement question. Nunnaly (1978) has stated that 0.5 is a sufficient value, while 0.7 is a more reasonable Cronbach’s alpha. For the study Cronbach alpha used to determine the consistency of the variables. The results were extracted as Table 3.3 and according to this theory the result is more than 0.7.

Table 3.3 Reliability test the reliability coefficient Cronbach’s alpha

Construct	Cronbach’sAlpha	Number of items	InternalConsistency
Tangeblity	0.829	4	acceptable
Reliability	0.826	4	acceptable
Responsiveness	0.776	4	acceptable
Emphaty	0.881	3	acceptable
Assurance	0.76	4	acceptable

3.6.2. Validity

Validity represents how well a variable measure what it is supposed to measure. Validity is concerned with whether the findings are really about what they appear to be about. Kazi (2010) defined the validity as “the degree to which a measure accurately represents what it is supposed to”. Validity is concerned with how well the concept is defined by the measure(s). Validity refers to the issue of whether an indicator (or set of indicators) that is devised to measure a concept really measures that concept. The researcher used standardized questionnaire, so, the instrument is already valid and tested.

3.7. Data Analysis

After collecting all the necessary data, the data's coded and edited, analyzed and rephrased to eliminate errors and ensure consistency. It involve categorizing, discussing, classifying and summarizing of the responses to each question in coding frames, based on the various responses. This is intended to ease the tabulation work. It will also help to remove unwanted responses which will be considered insignificant. Data collected from the field with the use of study instruments is classified into meaningful categories. Questionnaire data is entered into a computer and analyzed using statistical packages for social science (SPSS).

Data processing include coding and editing all the responses that are going to be collected from the field which is going to be edited with the view of checking for completeness and accuracy to ensure that the data is accurate and consistent.

The researcher used both descriptive and inferential statistics which uses to analyze and interpret the findings. Demographic variables of the respondents frequency and percentage for service quality dimensions mean scores and standard deviation of the repondents are interpreted using descriptive statistics whereas inferential statistics is used to find out the relationship between service quality dimensions and customer satisfaction using correlation and regression analysis via SPSS Version 21 for easy interpretation. Finally, a research report written from the analyzed data in which conclusions and recommendations are made.

3.8. Ethical Consideration

The researcher is planning to maintain scientific objectivity throughout the study. Every person involved in the study was given to the right of privacy and dignity of treatment, and no personal harm was caused to subjects in the research. Information obtained was held in strict confidentiality by the researcher. All assistance, collaboration and other sources from which information were drawn is acknowledged.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4. Introduction

This chapter deals with organization, analysis and presentation of data collected from respondents using questionnaires. The data collected was analyzed and interpreted in line with the objective of the study which was; the effect of service quality on customer satisfaction in case of commercial banks in Ethiopia. It gives the empirical findings and results following the application of these variables using the techniques indicated in the third chapter.

4.1. Response Rate

The researcher distributed three hundred and ninety-nine questionnaires (399). Out of these two hundred and ninety-four questionnaires (294) were completed and returned. This represents a response rate of 73.6% and none response rate of 26.4%. According to Mugenda (2003), a response rate of 50% is considered good and response rate greater than 70% is considered to be very good. The 73.6% response rate is thus considered a very good representative of respondents to provide enough information for analysis and to derive conclusions.

Table 4.1: Response Rate

Response rate	Sample size	Percentage (%)
Returned questionnaires	294	73.6
Un-returned questionnaires	105	26.4
Total	399	100

Source, survey data, 2021

4.2. General information of respondent

This section assesses general information of respondents. Respondents were asked about their gender, age, and level of education attained. This information is not necessarily important for addressing research objectives but they provided important information that helps the researcher

to determine the ability of the respondent to contribute meaningfully to the investigation. The result is presented in Table 4.2.

Table 4.2 General Information of the respondent

Main factor	Factor level	Frequency	Percentage
Gender	Male	145	50.7
	Female	149	49.3
	Total	294	100
Age	18 – 29 years	116	39.5
	30 - 40 years	128	43.5
	41-50 years	34	11.6
	Over 50 years	13	4.4
	Missing	3	1
	Total	294	100
Educational qualification	High school	4	1.4
	Diploma	23	7.8
	Degree	196	66.7
	Master	57	19.4
	Above	14	4.8
	Total	294	100

Source, survey data, 2021

Table 4.2 above shows the gender distribution of the respondents who participated in the study. From table 4.2 show that 50.71% were females while 49.3% were males. The number of male and female respondents was therefore well distributed and these findings indicate that the sample was representative of the population.

Respondents represented customers from a range of ages. The age distribution was 116 respondents (39.5%) below 18 - 29 years, 128 respondents (43.5%) were age between 30 - 40 years, 34 respondents (11.6%) were age between 41-50 years and 13 respondents (4.4%) were above 50 years. The different age groups were therefore well represented in the study.

Regarding the educational qualification, the highest percentages of 66.7% of the respondents were having first Degree. 57 (19.4%) respondents were having second Degree. 23 (7.8%) of the respondents were having Diploma while 14 (4.8%) were having Degree above Master. The lowest percentage 1.4% was for respondents having Diploma. This therefore means that the respondents who participated in this study are well informed about the type of service they are currently receiving from the service providers. These respondents were therefore able to give their perceptions of the quality of service by answering the questionnaire.

4.3. Descriptive analysis of study variables

Descriptive statistics were used to explain the basic features of the data that was collected from the field. They present simple summaries about the sample and the measures together with simple graphic illustrations. This section discusses the descriptive statistics of measures of the five dimensions of service quality and customer level of satisfaction that were collected by the questionnaire

4.3.1. Descriptive Analysis of Service quality

In line with the objectives articulated under chapter three here effort was made to analyses respondents view on the provided a five scale likert types of questions. Respondents' feedbacks were captured along the 23 items corresponding to the five dimensions that were introduced to measure the study area under each of the service quality measurements such as, tangibility, responsiveness, reliability, assurance and empathy. In this regard the descriptive parts of this study were analyzed based on using a descriptive statistics of mean and standard deviation. Accordingly, the composite mean value shows the average of all respondents' perceptions on a certain dimensional questions. While, standard deviation shows how diverse are the perceptions of respondents for a given dimensional questions.

4.3.1.1. Service Delivery Quality Regarding Tangibility

Tangibles involve in the firms' representatives, physical facilities, materials, and equipment as well as communication materials. Tangible materials have their own impact in determining customer satisfaction level in service rendering institutions like ECB. To find out the bank delivery of quality of service in terms of tangible materials the study made an attempt to develop a five scale Likert types of questions and customers were invited to indicate their views for each

of the questions. Based on these, respondent were asked about bank service quality, the result mean score value and standard deviation implied below in the table.

As indicated on the table 4.3, the questions were provided to assess whether, the branch organization service quality regarding tangibility is well performed or not. Accordingly respondents give their respective view for each of the related questions.

Table 4.3: Respondents view on the service quality interims of tangibility

Indicators	Strongly disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly agree (%)	Mean	STD
	1	2	3	4	5		
CBE has up-to-date equipment and technology which fits the service provided.	22.4	41.5	8.8	20.1	7.1	2.48	1.21
CBE physical facilities are visually appealing.	10.2	50.3	10.2	23.1	6.1	2.65	1.1
CBE employees have neat and professional appearance	0	20.4	19.7	49	10.9	3.5	0.9
The bank has visually appealing materials associated with the service.	2.7	47.6	20.4	24.1	5.1	2.8	1
Average						2.85	1.05

Reliability Cronbach's alpha 0.829

Source, survey data, 2021

Question was asked on whether the bank income has up-to-date equipment and technology which fits the service provided. The finding showed that 41.5% were disagreed and 22.4% were strong disagree with the organization accomplishment of equipment's, while only 20.1% agreed. Mean response was 2.48 with a scattered standard deviation of 1.21 implied that most of respondents were less agreement regarding with the organization accomplishment of equipment. Therefore, based on the view of the respondents we can deduced that, respondents view on the organization equipment is not similar for the most part indicate its weakness while, the few

implied good side, which indicate an accomplishment of equipment's in the eyes of large number of respondents are still not fulfilled.

Concerning to the question asked whether the bank physical facilities are visually appealing, still respondents has less agreement. The finding showed that 50% were disagreed and 10.2% were strong disagree, while only 23.1% agreed. Mean response was 2.65 with a scattered standard deviation of 1.1. The finding indicating that respondents view are not similar, majority of them implied their disagreement that bank physical facilities are visually appealing, while some of them implied their agreement. Based on the respondents view, even though, some respondents were in somehow agreed that physical facilities are visually appealing, however, the largest part of respondents implied their disagreement on the questions indicated still there is a gap in creating appealing bank physical facilities.

On whether the bank has neat and disciplined employees, respondents are relatively more agreement on it. Accordingly, the finding showed that 49% were agreed and 10.9% were strong agree, while only 20.4% were disagreed. Mean response was 3.5 with standard deviation of 0.9. Based on the respondents view, even though, majority of respondents were agreed that employees are in somehow neat and disciplined, however, there is several respondents that, implied their disagreement on the questions indicated that still there is a gap in creating well-disciplined employee of the organization.

Finally, the study was assessed, whether the bank has visually appealing materials associated with the service. The finding showed that 47.6% were disagreed and 20.4% were neutral, while only 20.4% were agreed. Mean response was 2.8 with standard deviation of 1. The finding implied that there is lack of appealing materials associated with the service that can easily guide customers to accomplish their tasks. Generally, the result of the respondents regarding tangibility implied that, even though the bank has tried to improve the service quality however; still there are gaps and limitations of service quality in terms of tangibility.

4.3.1.2. Respondents view on the reliability of the service quality

Reliability depends on handling customer service issues, performs the services right the first time; offers services on time, and maintain a record of error-free. Moreover, reliability is the

most significant factor in conventional service. In premise to this concept the survey were provided related questions to assess respondent view on the reliability of service quality of the bank. Below in the table respondents view were indicated and discussed clearly.

The study was assessed respondents view whether commercial Bank of Ethiopia's insists on error free service. The finding showed that 38.8% were agreed, while 29.6% were indifferent with the bank insists on error free service and 22.8% were disagree. Mean response was 3.2 with a standard deviation of 0.95. Therefore, based on the view of the respondents we can deduced that, for the most part of respondents view on the organization capability of providing error free service is better while, the few implied negative view, which indicate insisting of error free service in the eyes of some respondents are still not fulfilled.

Table 4.4: Respondents view on the service quality interims of Reliability

Indicators	Strongly disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly agree (%)	Mean	STD
	1	2	3	4	5		
Commercial Bank of Ethiopia's insists on error free service.	2.7	22.8	29.6	38.8	6.1	3.2	0.95
Commercial Bank of Ethiopia provides service as promised.	1	6.5	5.1	65.3	22.1	4.01	0.79
Commercial Bank of Ethiopia's performs the service right the first time.	1.4	24.8	24.8	42.9	6.1	3.28	0.95
Commercial Bank of Ethiopia keeps your records error free.	1.4	16.7	8.8	58.5	14.6	3.68	0.93
Average						3.54	0.9

Reliability Cronbach's alpha 0.826

Source, survey data, 2021

Concerning to the question asked whether the bank provides service as promised, most of the respondents have give their agreement. The finding showed that around two-third (65.3%) was

agreed and 22.1% were strong agree, while only 6.5% were disagreed. Mean response was 4.01 with a scattered standard deviation of 0.79. The finding indicating that respondents have more or less similar view, majority of them implied their agreement that bank provides service as promised.

On whether the bank has Commercial Bank of Ethiopia keeps customers' records error free, respondents are also relatively more agreement on it. Accordingly, the finding showed that more than half (58.5%) were agreed and 14.6% were strong agree, while only 18% were disagreed. Mean response was 3.68 with standard deviation of 0.93. Based on the respondents view, even though, majority of respondents were agreed that the bank keeps its customers' records error free, however, there is still some respondents that, implied their disagreement on the questions indicated that still there is a gap in keeping customers' records.

4.3.1.3. Service Delivery Quality Regarding Responsiveness

Responsiveness is the willingness to help customers and provide prompt service. Furthermore, it is responsiveness such as speed and timeliness of service delivery. This consists of processing speed and service capabilities to respond promptly to customer service requests, and wait a short and queuing time. More specifically, responsiveness related to the study area the willingness or readiness of employees to provide services. Employee responsiveness can affect customer satisfaction. With regards to this concept the study were assessed the bank service quality regarding employees responsiveness through five likert scale question similar with the above discussion of tangibility and reliability. Accordingly below the table implied respondents' respective view regarding the service quality interims of responsiveness.

Table 4.5: Respondents view on the service quality interims of Responsiveness

Indicators	Strongly disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly agree (%)	Mean	STD
	1	2	3	4	5		
CBE employees tell you exactly when the service will be performed.	1.4	29.6	16.7	46.7	6.1	3.3	0.99
You receive prompt service from Commercial Bank of Ethiopia.	9.2	50.7	7.8	27.2	4.1	2.66	1.1
Commercial Bank of Ethiopia’s employees are willing to help you.	0	24.8	24.5	45.2	5.4	3.31	0.9
Commercial Bank of Ethiopia’s employees is ready to respond to your enquiries.	0	29.9	26.9	40.1	3.1	3.16	0.89
Average						3.1	0.97

Reliability Cronbach’s alpha 0.776

Source, survey data, 2021

Question was asked on whether the bank employees tell the customers exactly when the service will be performed. The finding showed that 46.7% of respondents were agreed, while around one-third of respondents were disagree with the statement. Mean response was 3.3 with a standard deviation of 0.99 implied that most of respondents were more agreement. Concerning to the question asked whether the bank provides prompt service to its customers, respondents has less agreement. The finding showed that 50.7% were disagreed and 9.2% were strong disagree, while 27% of respondents agreed. Mean response was 2.66 with standard deviation of 1.1. The finding indicating that respondents view are not similar, majority of them implied their disagreement with statement that the bank provides prompt service to its customers, while some of them implied their agreement. Based on the respondents view, even though, some respondents were in somehow agreed that the bank provides prompt service to its customers, however, the

largest part of respondents implied their disagreement on the questions indicated still there is a gap in providing prompt service to its customers.

On whether the bank employees are willing to help the customers, respondents have diversified view. Accordingly, the finding showed that 45.2% were agreed, while 24.8% of the respondents were disagree and 24.5% were indifferent on the statement. Mean response was 3.31 with standard deviation of 0.9. Based on the respondents view, even though, several respondents were agreed that bank employees are willing to help the customers, however, there is numerous respondents that, implied their disagreement on the questions indicated that still there is a gap in creating well-disciplined employees that willing to help customers promptly. Finally, the study was assessed whether the bank employees is ready to respond to customers enquiries. The finding showed that 40.1% were agreed and 26.9% were neutral, while around 30% were disagreed with statement. Mean response was 3.16 with standard deviation of 0.89. The finding implied that there is still gap among the employees of the bank regarding their respond to customers' enquiries

4.3.1.4. Service Delivery Quality Regarding Empathy

Empathy is caring and individualized attention to customers to make them feel they are receiving better services and individualized attention. Service empathy characterizes both the service provider's willingness and capability to respond to individual customer desires. Based on these the study was provided related questions for customers and their respective response were provided below in the table.

Question was asked on whether the bank employees give attention to the customers. The finding showed that 58.6% of respondents were disagreed; while around one-third of respondents were agree with the statement. Mean response was 2.7 with a standard deviation of 0.98 implied that most of respondents were less agreement with preposition that the bank employees give attention to the customers. Concerning to the question asked whether the bank serve the customers' best interests at heart, several respondents were indifferent. Mean response was 3.05 with standard deviation of 0.87. The finding indicating that respondents were indifferent about on the statement that bank serves the customers' best interests at heart.

Table 4.6: Respondents view on the service quality interims of Empathy

Indicators	Strongly disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly agree (%)	Mean	STD
	1	2	3	4	5		
Commercial Bank of Ethiopia’s employees give you individual attention.	2.4	58.2	7.5	29.9	2	2.71	0.98
Commercial Bank of Ethiopia’s has the customers’ best interests at heart.	0	32	35.4	28.6	4.1	3.05	0.87
Commercial Bank of Ethiopia’s employees understands your specific needs.	1.4	51	16.7	28.9	2	2.79	0.94
Average						2.85	0.94

Reliability Cronbach’s alpha 0.881

Source, survey data, 2021

On whether the bank employees are understands the specific needs of the customers, respondents were less agreement. Accordingly, the finding showed that 51% were disagreed and 16.7% were neutral, while around 28.9% were agreed with statement. Mean response was 2.79 with standard deviation of 0.94. The finding implied that there is still gap among the employees of the bank regarding their understanding of customers’ specific needs. Generally, the result of the respondents regarding empathy of services implied that, even though the bank has tried to improve the service quality however; still there are gaps and limitations of service quality in terms of caring and individualized attention to customers to make them feel they are receiving better services.

4.3.1.5. Service Delivery Quality Regarding Assurance

Assurance is knowledge and good manners or courtesy of employees. Further, it the ability of employees with the help of the knowledge possessed to inspire trust and confidence will strongly strike the level of customer satisfaction. In the study bank services provided to the customer, assurance means providing assistance in a polite and friendly manner, ease in accessibility

details, comfort or convenience inside the organization. Based on the above concept the study were provided a related questions to assesses the service quality of the bank interims of assurances and the result of the respondents presented below in the table.

Table 4.7: Respondents view on the service quality interims of Assurance

Indicators	Strongly disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly agree (%)	Mean	STD
	1	2	3	4	5		
The behavior of CBE's employees instills confidence in you.	0	12.6	31.6	44.9	10.9	3.54	0.84
The employees make sure you feel safe in their transactions.	0	5.8	16.7	61.9	15.6	3.87	.73
Employees have the knowledge to answer customers.	1.4	15.3	34.7	42.5	6.1	3.37	0.86
Employees are consistently courteous.	0	17.3	33	42.5	7.1	3.39	0.85
Average						3.54	0.82

Reliability Cronbach's alpha 0.76

Source, survey data, 2021

Regarding assurance dimension of service quality the study were first assessed confidence of customers on employee. Accordingly, the finding showed that 44.9% of respondents were agreed; while only 12.6 of respondents were disagree with the statement. Mean response was 3.54 with a standard deviation of 0.84 implied that most of respondents were relatively better confidence on the employees' of the bank. With related to the questions asked whether employees make customers feel safe in the service provide or not, the finding showed that 61.9% of respondents were agreed, while only 5.8% of respondents were disagree with the statement. Mean response was 3.87 with a standard deviation of 0.73 implied that most of respondents agreed that the bank employees make them feel safe in the service provided.

The study was also assessed whether employees have sufficient knowledge of service information or not. In this regard, the result showed that 42.5% of respondents were agreed, while 34.7% were indifferent and 15.3% of respondents were disagreed with the statement. Mean response was 3.37 with a standard deviation of 0.86 implied that employees have more or less some knowledge to answer the customers questions. Finally, the study was assessed whether employees are consistently courteous or not. Accordingly, the finding showed that 42.5% of respondents were agreed, while 33% were indifferent and 17.3% of respondents were disagreed with the statement. Mean response was 3.39 with a standard deviation of 0.85 implied that employees have more or less chivalrous in their relation with the customers.

4.3.2. Level of customer satisfaction

Customer satisfaction requires full meeting customer expectations of services. When performance matches or exceeds customer expectations for service, they are satisfied. If not, they are not satisfied. In premises to this concept the study tried to analyzed customers level of satisfaction using a five scale satisfaction level on the service provided by the organization. Accordingly the result is presented in table 4.8 below.

Table 4.8: Respondents level of satisfaction on the organization service quality

Indicators	Highly dissatisfied (%)	Dissatisfied (%)	Neutral (%)	Satisfied (%)	Highly Satisfied (%)	Mean	STD
	1	2	3	4	5		
My feeling about CBE service delivery can be best described as.	0	43.2	18.7	36.1	2	2.97	0.94
How satisfied are you with the overall work of the Bank.	0	47.3	17.7	33	2	2.9	.93
How do you describe the extent to which employees tried to be helpful and interested in solving your problems	0	43.8	15.6	29.7	10.9	2.87	1.07
Average						2.91	2.94

As can be seen from the above table respondent level of satisfaction on the bank service quality were assessed using different types of questions, however, all of the means values and the standard deviations measurement indicated respondent were dissatisfied on the service quality provided by the branch. Therefore from the results one can infer that, even if the some proportions of the customers are somehow satisfied by the service provided in the bank; however, large proportion of respondents still dissatisfied by the service provided in the bank.

4.4. Assumptions/diagnostic test for multiple linear regressions

Multiple linear regressions are based on the assumptions of Ordinary Least Square (OLS). When one decides to analyze data by means of multiple regressions, part of the process involves checking to make sure that the data need to analyze can in fact be analyzed using multiple regression. One could do this for the reason that it is only appropriate to use multiple regressions if the data "passes" those assumptions that are required for multiple regressions to give a valid result. So in the following section necessary diagnostic tests were carried out on the variables.

4.4.1. Assumption one: Assumption on variables and Sample size

The first assumption of multiple linear regressions assume that dependent variable should be measured on a continuous scale that is it is either an interval or ratio variable and it is required to have two or more independent variables, which can be either continuous or categorical. This study has data in likert scale (1-5) for both dependent and independent variables which can be treated as interval scale. Though individual likert item is categorized as ordinal variable, when one take individual total score, it can be treated as interval scale. The sum of likert items is likert scale score and the measurement level of that sum is close to interval scale. There are a lots of a journal article (Rob, 2010; Susan, (2004) and Geoff, N. (2010) that recommended to use Likert scale data in multiple regression.

The assumption for sample size assumes that for each predicative/independent variable at least twenty cases is needed. In this study there are five predicative variables and for these variables at least one hundred cases are needed. Regarding the sample size, this study is 294 cases which are far above the minimum threshold hundred cases, hence fulfilled the assumption of sample size.

4.4.2. Assumption two: Outlier, leverage and influential points

The second assumption of multiple regressions is that in order to make valid inference on multiple linear regressions, there should be no significant outliers, high leverage points or highly influential points. According to Rousseeuw, et al, (1990), outliers, leverage and influential points are observations in data set that are in some way unusual and can change the output that statistical software produces and reduce the predictive accuracy of results as well as the statistical significance. Accordingly, before using a multiple regression analysis, it is essential to detect possible outliers, high leverage points and highly influential points. This is done by the residual analysis. Summaries of residual statistics are presented in table 4.9.

Table4.9. Residuals Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Std. Residual	-2.224	2.596	.000	.991	291
Stud. Residual	-2.265	2.618	.000	1.003	291
Cook's Distance	.000	.032	.004	.007	291
Centered Leverage Value	.003	.047	.017	.010	291

a. Dependent Variable: customer satisfaction

Source, survey data, 2021

According to Wilcox(2001) an outlier is a data point whose response y does not follow the general trend of the rest of the data. Standardized residual (sometimes referred to as (studentized_residual) is the value that quantifies the size of the residuals in the standard deviation units and so they can be easily used to identify outliers. It is in principle more correct to use the term "outlier" for an observation with a Standardized residual (studentizedresidual) value of greater than 3 in absolute value(Rousseeuw, _et._al, _1990).The standardized residual values for all cases of the dependent variable customer satisfaction range from -2.224 to 2.596, indicating that the dataset is free of outliers.

According to Wilcox (2001), a data point has high leverage if it has "extreme predictor x values." The great thing about leverages is that they can help to identify x values that are extreme and therefore potentially influential on regression analysis (Rousseeuw, et. al, 1990). As stated by Wilcox (2001), common rule of thumb is to flag any observation whose leverage value, h_{ii} , is

more than 3 times larger than the mean leverage value $(3(k+1)/n)$. Based on this formula, in this study, any observation with a leverage value of greater than 0.0625 is considered a high leverage point. The finding from table 4.9 shows that a leverage value for dependent variable customer satisfaction ranges from 0.03 to 0.047, which are less than cut-off point 0.0625. Thereby all cases were therefore subject to further analysis. Here it important to considered that three cases that have outlier, leverage and/or influential points which were excluded which make the sample size 291.

According to Wilcox (2001), data point is influential if it “unduly influences any part of a regression analysis, such as the predicted responses, the estimated slope coefficients, or the hypothesis test results.” Cook's distance is measure of how much the residual of all records would change if a particular record were excluded from the calculation of the model coefficients (Rousseeuw, et. al, 1990). As stated by Wilcox (2001), a common rule of thumb is that a cook's distance greater than one should be given scrutiny and perhaps removed. The finding from table 4.12 revealed that a cook's distance for a dependent variable job satisfaction range from 0 to 0.032 and, which is less than cut-off point 1. This suggests that no data point unduly influences the estimated regression function.

4.4.3. Assumption three: Multicollinearity

Multicollinearity occurs when there are two or more independent variables that are highly correlated with each other. This leads to complications with understanding which independent variable contributes to the variance explained in the dependent variable, as well as technical issues in calculating a multiple regression model (Simon, 2004). Variance Inflation Factor (VIF) is a method used to test for multicollinearity among study variables. Variance Inflation Factor was checked for indication of multicollinearity where their numerical values were all well below the cut-off value of 10 suggested by Neter, et al., (1996). Based on this rule of the thumb, there was no Collinearity among the independent variables.

Table 4.10: Multicollinearity test for the Study Variables

Variable	No. of items	VIF	1/VIF
Assurance	4	2.25	0.444216
Empathy	3	2.21	0.452728
Responsiveness	4	2.11	0.474287
Tangibles	4	2.10	0.475098
Reliability	4	1.71	0.584552
Mean VIF		2.08	

Source, survey data, 2021

4.4.4. Assumption four: Homoscedasticity

Homoscedasticity in a study usually happens when the variance of residuals (error term) would be same for all predicated (Tabachnic & Fidell, 2007). On the other hand, heteroscedasticity in a study usually happens when the variance of the errors vary across observation (Long & Ervin, 2000). There are different ways for The most commonly used methods is Breusch-Pagan test which was used to test the null hypothesis that the error variances are all equal versus the alternative that the error variances are a multiplicative function of one or more variables. Breusch-Pagan tests the null hypothesis that heteroscedasticity is not present. If sig-value is less than 0.05, reject the null hypothesis. A large chi-square value greater than 9.22 is an indication of the existence of heteroscedasticity (Sazali, et al., 2010). In this study, the sig-value for fitted values of dependent variable customer satisfaction was 0.0133 and chi-square value of 6.12, which are indicating that heteroscedasticity was not a concern.

Table 4.11: Breusch-Pagan for Heteroscedasticity

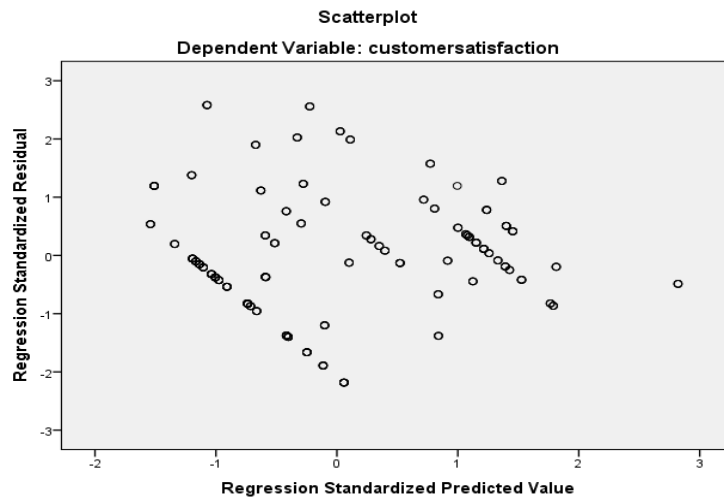
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of customer satisfaction
chi2(1) = 6.12
Prob > chi2 = 0.0133

Source, survey data, 2021

4.4.5. Assumption five: Linearity

The linearity assumption of multiple regression analysis assumes that there must be a linear relationship between the dependent variable and each of independent variables, as well as the dependent variable and the independent variables collectively (Asghar & Saleh, 2012). The most commonly used way of checking linearity is creating scatter plots and then visually inspecting these scatter plots to check for linearity. If the figure not has an obvious pattern and the point is evenly distributed above and below zero on the X-axis, and to the left and right of zero on the Y-axis, it is an indication of linearity. The figures below show scatter-plot of studentized residual against linearly predictive value. The figures have a horizontal band of points indicating the linear relationship.

Figure 4.1: A Standardized residual scatter plot dependent variables



Source, survey data, 2021

4.4.6. Assumption six: Autocorrelation

The assumption of autocorrelation (serial correlation) is a key assumption in multiple regressions which assume that the error terms are independent of each other. This is however especially relevant with time series data where the data are sequenced by time. The most commonly used methods to determine whether there is autocorrelation, that is where there is a linear correlation between the error terms for one observation, is Durbin-Watson test. According to Cochrane, (1997), if a value of d is within the range 1.5 and 2.5 means there is no autocorrelation. Therefore the result proved that there is no auto correlation as shown in table 4.15 below.

Table 4.12: Durbin-Watson Test for Autocorrelation

Test	Dependent variable	Value
Durbin-Watson	Customer satisfaction	2.09

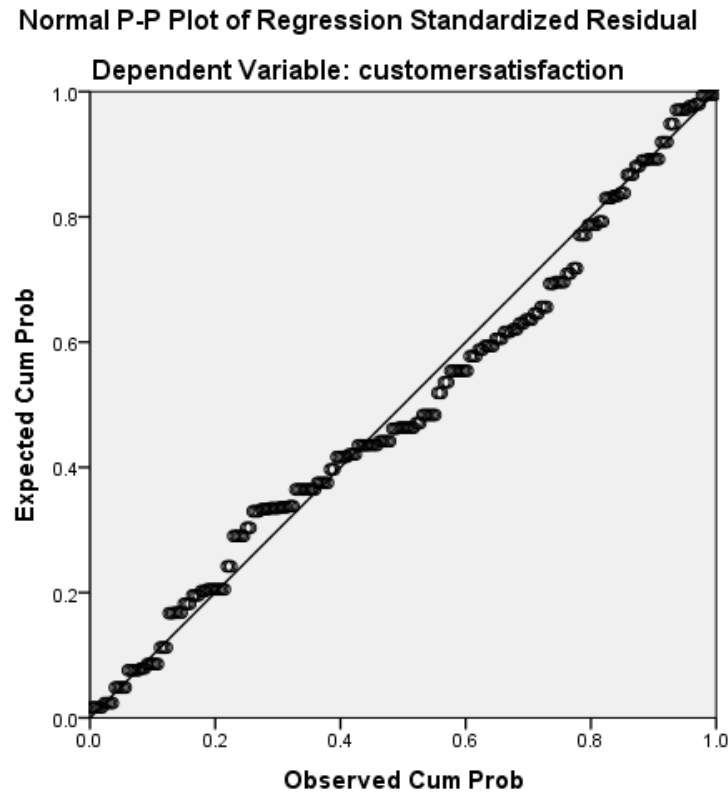
Source, survey data, 2021

4.4.7. Assumption six: Normality

The other assumption of multiple regressions is normality which assumes that residuals (errors) are approximately normally distributed. In order to make valid inferences from regression analysis, the residuals of the regression should follow normal distribution. A simple way to check this assumption is to plot normal P-P or Q.Q for the dependent variable to confirm the obtained result (Asghar & Saleh, 2012).

This is a graphical procedure that plots the cumulative probabilities (values range from 0 to 1) on the X-axis and the expected probabilities given the normal curve on the Y-axis. If the sample were exactly normally distributed, the points would lie on a straight diagonal line. The diagram below shows Normal P-P Plots for the dependent variables (customer satisfaction) in which the points would lie on a straight line confirming the data was normally distributed.

Figure 4.2: Normal P-P Plot of residual for dependent variables



Source, survey data, 2021

4.5. Inferential Statistical Analysis

This section describes the inferential statistical analysis that was derived from the collected data and models. The study sought to test the relationship between service quality dimensions and customers satisfaction. This was done through correlation and regression analysis. It starts with results of the correlation and then proceeds to results of the multiple linear regression models.

4.5.1. Correlation Results

The study conducted correlation analysis to test the strength of relationship or association between the research variables from the primary data. Correlation is the measure of the relationship or association between two continuous numeric variables (Kothari, 2004). Correlation indicates both degree and direction in which research variables co-vary with one another from case to case without implying that one is causing the other. Correlation analysis results present a correlation coefficient which measures the linear relationship or association

between two variables (Crossman et al., 2013). A Pearson correlation was run to establish how the variables were related to each other. The value of correlation coefficient ranges between -1 and +1. A correlation coefficient of +1 indicates that two variables are perfectly related in a positive linear. A correlation of -1 indicates that two variables are negatively linearly related and a correlation coefficient of 0 indicates that there is no linear relationship between two variables.

The findings of the study are presented in Table 4.13. The result shows that there are positive but relatively strong relationship between the five service quality dimensions (tangibles, reliability, responsiveness, empathy and assurance) and customer satisfaction. The results show that empathy as service quality dimension was positively correlated to customer satisfaction with a Pearson's Correlation Coefficient of $r = 0.823$ and at level of significance of 0.000, was statistically significant as the p-value is less than 0.01. This relationship was quite strong. The results also revealed that there is a quit strong and positive relationship between responsiveness and customer satisfaction with a Pearson's Correlation Coefficient of $r = 0.732$.

Over all, all the five service quality dimensions are pretty strong positive relation with customer satisfaction with a Pearson's Correlation Coefficient of $r > 0.5$ in all case. This indicates that service quality dimensions had a positive correlation with the customers satisfaction and the relationship is quite strong.

Table 4.13: Pearson Correlation Service quality dimensions and customers satisfaction

		tangible s	Reliabili ty	Responsive ness	Empathy	Assuranc e	Customer satisfaction
tangibles	Pearson	1	.554**	.579**	.678**	.612**	.635**
	Correlation						
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	291	291	288	291	291	291
Reliability	Pearson	.554**	1	.433**	.557**	.584**	.556**
	Correlation						
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	291	291	288	291	291	291
Responsive ness	Pearson	.579**	.433**	1	.703**	.603**	.732**
	Correlation						
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	288	288	288	288	288	288
Empathy	Pearson	.678**	.557**	.703**	1	.678**	.823**
	Correlation						
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	291	291	288	291	291	291
Assurance	Pearson	.612**	.584**	.603**	.678**	1	.704**
	Correlation						
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	291	291	288	291	291	291
Customer satisfaction	Pearson	.635**	.556**	.732**	.823**	.704**	1
	Correlation						
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	291	291	288	291	291	291

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

Source, survey data, 2021

4.5.2. Analysis of Regression Results

The main objective of study was to determining service quality dimensions on the customers' satisfaction. This was done through regression analysis. The independent variable service quality dimensions are operationalized through: tangibles, reliability, responsiveness, empathy and assurance. Thus study sought to determine the effect of each of the five service quality dimensions (tangibles, reliability, responsiveness, empathy and assurance) on the customers' satisfaction. The result of the regression analysis is presented in the following section.

4.5.2.1. The Multiple Coefficient of Determination R²

Coefficient of determination explains the percentage of variation in the dependent variable (the customers' satisfaction) that is explained by all the five independent variables (tangibles, reliability, responsiveness, empathy and assurance). The table 4.14 below preset the model summary.

Table 1.14: Model Summary for service quality and the customers' satisfaction ^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.859 ^a	.738	.733	1.423	2.071

a. Predictors: (Constant), Assurance, Reliability, Responsiveness, tangibles, Empathy

b. Dependent Variable: customer satisfaction

Source, survey data, 2021

The result shows that the five independent variables (tangibles, reliability, responsiveness, empathy and assurance) that were studied, explain 73.8% of variation customer satisfaction as represented by the R² value. The remaining 26.2% of the variability in customer satisfaction is left unexplained by the explanatory variables used in the study.

4.5.2.2. ANOVA Interpretation

The result in ANOVA table shows that the sum of squares of the regression is 1609.145 at 5 degrees of freedom and a mean square of 321.829. The residual sum of squares is 571.073 with 282 degrees of freedom and mean square value of 2.025. The test for the joint significant which is given by the F statistic is 158.9, it is statistically significant. This imply that the independent

variables, that are tangibles, reliability, responsiveness, empathy and assurance, considered were relevant in explaining the satisfaction of customer of commercial banks of Ethiopia.

Table 4.15: ANOVA for service quality and the customers' satisfaction ^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1609.145	5	321.829	158.921	.000 ^b
	Residual	571.073	282	2.025		
	Total	2180.219	287			

a. Dependent Variable: customer satisfaction

b. Predictors: (Constant), Assurance, Reliability, Responsiveness, tangibles, Empathy

Source, survey data, 2021

4.5.2.3. Regression Coefficients

The findings in Table 4.15 show the coefficients of the regression. According to the findings, the four out of five service quality dimensions (reliability, responsiveness, empathy and assurance) are significant in predicting the customer satisfaction since the p values were less than 0.05. Empathy has positive and significant effect on customers satisfaction with a beta value (beta =.516) and t value of 9.146 which is significant. Responsiveness has also positive and significant effect on customers satisfaction with a beta value (beta =.226) and t value of 5.346 which is also statistically significant. Similarly, assurance as one dimension of service quality has also positive and significant effect on customers satisfaction with a beta value (beta =.201) and t value of 3.923 which is also statistically significant. Reliability has also positive and significant effect on customers satisfaction with a beta value (beta =.081) and t value of 2.169 which is also statistically significant. The tangibles dimension of service quality was not statistically significant effect on customer satisfaction.

Table 4.16: Coefficients for service quality and the customers' satisfaction ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-2.423	.540		-4.487	.000
1 tangibles	.019	.035	.024	.548	.584
Reliability	.081	.037	.086	2.169	.031
Responsiveness	.226	.042	.240	5.349	.000
Empathy	.516	.056	.465	9.146	.000
Assurance	.201	.051	.177	3.923	.000

a. Dependent Variable: customer satisfaction

Source, survey data, 2021

When these beta coefficients are substituted in the equation, the model becomes

$$Y = 0.516EM + 0.226RS + 0.201AS + RL0.081 + TN0.019 - 2.423$$

Where: Y is the satisfaction level of customer of the commercial banks of Ethiopia, EM is the empathy, RS is responsiveness, AS is assurance, RL is reliability and TN is tangibles. This means that holding other factor constant one unit increase in empathy dimension of service quality result in 0.516 unit increases in the customer satisfaction, one unit increase in responsiveness of service quality result in 0.226 unit increase in customer satisfaction, one unit increase in assurance of service quality result in 0.201 unit increase in the customer satisfaction and one unit increase in reliability of service quality result in 0.081 unit increase in customer satisfaction level.

4.6 Hypothesis test

The study used multiple linear regression analysis to determine the statistical relationship between the independent and dependent variables. All the six null hypotheses as stated in chapter one of this study were tested using multiple linear regression models.

Hypothesis 1: There is a positive and significant effect between tangibility of services on customer satisfaction in CBE.

Conclusion: reject the formulated hypothesis since as show on table 4.15 above even if the regression coefficient for of tangibility of service is positive (0.019), its P value is 0.548 is not significant at 5%.

Hypothesis 2: There is a positive and significant effect between reliability of services on customer satisfaction in CBE.

Conclusion: Failed to reject the formulated hypothesis since as show on table 4.15 above the regression coefficient for reliability of service is 0.081 and its P value is 0.031 which is significant at 0.05. It indicate that where other explanatory variables remain constant the improvement in reliability of service have a positive influence on customer satisfaction and implies that when one unit increase in reliability of service results in 0.081 unit increase in bank customer satisfaction.

Hypothesis 3: There is a positive and significant effect between responsiveness of services on customer satisfaction in CBE.

Conclusion: Failed to reject the formulated hypothesis since as show on table 4.15 above the regression coefficient for responsiveness of service is 0.226 and its P value is 0.000. It indicate that where other explanatory variables remain constant the improvement in responsiveness of service have a positive influence on customer satisfaction and implies that when one unit increase in responsiveness of service results in 0.226 unit increase in bank customer satisfaction.

Hypothesis 4: There is a positive and significant effect between empathy of services on customer satisfaction in CBE.

Conclusion: Failed to reject the formulated hypothesis since as show on table 4.15 above the regression coefficient for empathy of service is 0.516 and its P value is 0.000. It indicate that where other explanatory variables remain constant the improvement in empathy of service have a positive influence on customer satisfaction and implies that when one unit increase in empathy of service results in 0.516 unit increase in bank customer satisfaction.

Hypothesis 5: There is a positive and significant effect between assurance of services on customer satisfaction in CBE.

Conclusion: Failed to reject the formulated hypothesis since as show on table 4.15 above the regression coefficient for assurance of service is 0.201 and its P value is 0.000. It indicate that where other explanatory variables remain constant the improvement in assurance of service have a positive influence on customer satisfaction and implies that when one unit increase in assurance of service results in 0.201unit increase in bank customer satisfaction.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5. Introduction

This study is conducted to find out the effect of service quality on customer satisfaction in the case of commercial banks of Ethiopia. The service quality dimensions that were studied are; tangibles, reliability, responsiveness, empathy and assurance of service. In this chapter, the summary of findings, conclusions and recommendations of the study were discussed.

5.1. Summary of Findings

This study is conducted to find out the effect of service quality on customer satisfaction in the case of commercial banks of Ethiopia. The descriptive analysis of primary data showed that a high reliability was attained by questionnaire instrument with acceptable range of reliability coefficients. The study sample had 399 questionnaires distributed and 294 were duly completed and returned for analysis. This represented a response rate of 74% which according to Mugenda (2003) is good response rate. Multiple linear regression were used to test the hypotheses, tests of significance using t- tests has indicated varying level of significance amongst the independent variables as well as when combined, against the dependent variable. To maintain the data validity and robustness of the regressed result of the research, the most critical regression diagnostic tests consisting of outliers, leverage and influential points, Normality, linearity, Multicollinearity, Heteroscedasticity and autocorrelation are tested.

The results of the descriptive statistical analysis indicated that, customers were not satisfied with service qualities. More so, the findings of the study revealed that the combined effect of various service quality dimensions influenced bank performance positively. These findings were both supported by the correlation and regression result. The correlation result shows that there is positive and significant relationship between all service quality dimension tangibility, reliability, responsiveness, assurance and empathy and customer satisfaction. The finding also indicates that the highest relationship was found between empathy and customer satisfaction, while the lowest relationship was found between reliability and customer satisfaction.

The result of regression also indicates that except tangibles, all predictor variables or service quality dimensions (reliability, empathy, responsiveness, and assurance) have statistically significant contribution on combined influence the satisfaction of customers. On the other hand, tangible of service has no significant effect on customer satisfaction. The adjusted R^2 of 0.736 indicates 73.6% of the variance in customer satisfaction can be predicted by the service quality offered by the bank. Therefore, service quality has a positive and significant effect on customer satisfaction.

5.2. Conclusion

This study is conducted to find out the effect of service quality on customer satisfaction in the case of commercial banks of Ethiopia. Accordingly, based on the findings presented in the above section, the researcher makes some conclusions.

To begin, to analyze service quality dimensions most affect customer satisfaction. The study analyzes the service quality dimension in terms of tangibility, reliability, empathy, responsiveness, and assurance. Results revealed that tangibility of services has positive but insignificant effect on satisfaction of customer of CBE. This was not supported by the test for significance which showed that the effect was statistically not significant and hence rejects the formulated hypothesis. This implies that tangibility as service quality dimension is not as such significantly important in improving satisfaction level of customers of CBE. Reliability of services has significant and positive effect on satisfaction of customer of CBE. This is supported by the coefficient of determination which shows that reliability as service quality dimension describe the variations satisfaction of customers of commercial banks of Ethiopia. The test for significance was also showed that the effect was statistically significant and hence accepts the formulated hypothesis. This means that reliability of services has a higher potential of improving customers satisfaction level so that bank should therefore leverage on this dimension and make it a reference point for evaluating the quality of service. The finding also demonstrated that responsiveness of services has significant and positive effect on satisfaction of customers of CBE. The test for significance was showed that the effect was statistically significant and hence accepts the formulated hypothesis. This means that responsiveness of services has a higher potential of improving customers satisfaction level so that bank should therefore leverage on this dimension and used as an important tool for improving the quality of service and satisfaction of customers.

The result further illustrated that empathy of services has significant and positive effect on satisfaction of customers' of CBE. The test for significance also was showed that the effect was statistically significant and hence accepts the formulated hypothesis. This means that empathy of services is good at predicting the customer satisfaction. This imply that the bank should therefore ensure that they leverage on empathy as service quality dimensions to ensure that when customers compare their perceptions of performance it has key reference points to use in their

evaluations. The result illustrated that assurance of services has significant and positive effect on satisfaction of customers' of CBE. The test for significance also was showed that the effect was statistically significant and hence accepts the formulated hypothesis. This means that assurance of services has a higher potential of improving customers satisfaction level. This imply that the bank should therefore ensure that they influence on empathy as service quality dimensions to ensure that when customers compare their perceptions of performance it has key reference points to use in their evaluations. cv 1m -.

More so, the study has an objective of analyzing the relationship between service quality and customer satisfaction. This was done with the correlation analysis. From the Pearsons correlation result, it is indicated that there is a positive and significant relationship between all service quality dimensions (tangibility, reliability, empathy, responsiveness, and assurance) and customer satisfaction. All the five service quality dimensions are pretty strong positive relation with customer satisfaction with a Pearson's Correlation Coefficient of $r > 0.5$ in all case. This implies that the change in one of the service quality dimension will positively affect the customers' satisfaction. The management of commercial bank of Ethiopia thus should influence these dimensions as a way of ensuring that their customers get the satisfaction.

More so, the study has an objective to examine the effect of service quality on customer satisfaction. This was done with the multiple regressions, particularly with R^2 and the test for the joint significant which is measured by the F statistic. The result shows that service quality which is measured with the five quality dimension (tangibles, reliability, responsiveness, empathy and assurance) explain 73.8% of variation customer satisfaction as represented by the R^2 value. More so, the test for the joint significant which is measured by the F statistic is 158.9 and it is statistically significant. This imply that the service quality, that is measured in terms of service tangibles, reliability, responsiveness, empathy and assurance were relevant in explaining the satisfaction of customer of commercial banks of Ethiopia. Thus the bank should focus in improving its service quality so as to enhance the satisfaction of its customers, which in turn has an important tool to improve the performance of the bank.

Overall, it can be concluded that four out of five service quality dimensions (reliability, responsiveness, empathy and assurance) influence satisfaction of customers of commercial banks of Ethiopia positively and significantly. The improvement of these services quality dimensions

by bank of has a higher potential of improving customers satisfaction level. Thus it can be concluded that high quality service is an increasingly important weapon to survive, the higher service quality, and the higher customer satisfaction. Therefore, the management of commercial bank of Ethiopia should influence these four dimensions as a way of ensuring that their customers get the satisfaction, they expect in the services offered.

5.3. Recommendation

Based on the major findings and conclusion of the study the following recommendations were forwarded;

- ⇒ Since majority of respondent are not satisfied with the current service of the bank; the researcher suggest that, the staffs should give attention and understand the specific need of customer by design efficient service delivery system for the best satisfaction of customer
- ⇒ Although the service quality dimensions (i.e empathy, responsiveness, assurance and reliability) are considered very preliminary predictor of the customer satisfaction, but still have a strong impact on the customer satisfaction so these factors must be incorporated as a core of the strategy that is aiming at enhancing customer satisfaction. To make it more clear giving individual attention(Empathy), understanding specific needs, readiness to answer customers enquiry, givingng prompt service(Responsiveness),being courtesy, have the knowledge to make the customers to have confidence in the employee(Assurance),giving service right first time or serving the service error free(Reliability) respectively must be done.
- ⇒ The satisfaction of customers was significantly influenced by various the service quality dimensions. It is thus apparent that Commercial Bank of Ethiopia could make assessing and monitoring service quality periodically, to enable the bank to identify where improvements are needed from the customers' view point, and to place an emphasis on the underlying dimensions of service quality, and should start with improving service quality in order to raise customer satisfaction.
- ⇒ As per literature survey of various researches the most influencing determinant of the customer satisfaction is service quality. So, ensuring premium quality services must be used as the prime objective of the business strategy of commercial bank of Ethiopia.
- ⇒ Generally, Management of Commercial Bank of Ethiopia should keep track of the changes in perceptions and expectations of their customers. The findings of the study indicate that management needs to keep abreast with the changes in perceptions and expectations. This will enable the bank to leverage on those key aspects that drive customer satisfaction and build loyalty.

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Annex

A questionnaire on customer satisfaction survey

Dear Respondents,

I am Tsion Bitsat, a graduate student at St. Mary's University School of graduate studies. I am conducting a research on'' **effect of Service Quality on Customer Satisfaction: The case of Commercial Bank of Ethiopia**'' in partial fulfillment of Master in Business Administration.

I kindly request you to spend some minutes of your time in filling the questionnaire. Any information which you provide will be kept confidential. Your genuine response is highly appreciated for the outcome of the project.

Thank you for your kind cooperation in filling the questionnaire.

Part-1: General information

Direction: **Please put a check mark (✓) on the appropriate box**

1. Gender : Female Male

2. Age :

18-29 30-40 40-50 above50

3. Educational level

High school Diploma Degree Masters Above

Part II: Survey on Service Quality Items

Direction: This part of the questionnaire intends to find your perception towards the service quality of Commercial Bank of Ethiopia. Please put a check mark (✓) on the appropriate box.

1= strongly disagree, 2=Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree.

S/N	Statement Of Service Quality	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
i	Tangibles					
1	Commercial Bank of Ethiopia has up-to-date equipment and technology which fits the service provided					
2	Commercial Bank of Ethiopia's physical facilities are visually appealing					
3	Commercial Bank of Ethiopia's employees have neat and professional appearance					
4	The bank has visually appealing materials associated with the service					
ii	Reliability					
5	Commercial Bank of Ethiopia's insists on error free service					
6	The bank provide service as promised					
7	Commercial Bank of Ethiopia's performs the service right the first time					
8	Commercial Bank of Ethiopia keeps your records error free					
iii	Responsiveness					
9	Commercial Bank of Ethiopia employees tells you exactly when the service will be					

	performed.					
10	you receive prompt service from Commercial Bank of Ethiopia					
11	Commercial Bank of Ethiopia's employees are willing to help you					
12	Commercial Bank of Ethiopia's employees is ready to respond to your enquiries.					
iv	Empathy					
13	Commercial Bank of Ethiopia's employees give you individual attention					
14	Commercial Bank of Ethiopia's has the customers best interests at heart					
15	Commercial Bank of Ethiopia's employees understands your specific needs.					
v	Assurance					
16	The behavior of Commercial Bank of Ethiopia's employees Instills confidence in you					
17	Employees make's sure you feel safe in their transaction					
18	Employees have the knowledge to answer customers					
19	Commercial Bank of Ethiopia's employees are consistently courteous					

Part III: Level of Customer Satisfaction

Direction: the following statement describes your feeling about Commercial Bank of Ethiopia
Please circle the number which best reflects your own perception.

20. My feeling about Commercial Bank of Ethiopia service delivery can be best described as

1. Highly dissatisfied
2. Dissatisfied
3. Neutral
4. Satisfied
5. Highly satisfied

21. How satisfied are you with the overall work of the Bank

1. Highly dissatisfied
2. Dissatisfied
3. Neutral
4. Satisfied
5. Highly satisfied

22. How do you describe the extent to which employees tried to be helpful and interested in solving your problems.

1. Highly dissatisfied
2. Dissatisfied
3. Neutral
4. Satisfied
5. Highly satisfied

Thank You for Taking Your Time to Fill This

ቅድስተማርያም ዩኒቨርሲቲ የድህረ ምረቃ ፕሮግራም
ቢዝነስ አድሚኒስትሬሽን ትምህርት ክፍል
ለኢትዮጵያ ንግድ ባንክ ለደንበኞች የተዘጋጀ መጠይቅ

ውድ መጠይቁን የምትሞሉ ደንበኞች

የተከበራችሁ ደንበኞች እኔ የቅድስተማርያም ዩኒቨርሲቲ የድህረ ምረቃ ተማሪ ስሆን የዚህ መጠይቅ አላማ የመመረቂያ ጥናት የምጠቀምበት መረጃ ከደንበኞች መሰብሰብ ነው። ስለዚህ ውድ ከሆነ ጊዜዎ የተወሰኑ ደቂቃዎች ወስደው ጥያቄዎችን እንዲመልሱልኝ በትህትና እየጠየኩኝ የሚሰጠኝን መረጃ ሚስጥራዊነቱ የተጠበቀ ከመሆኑ በተጨማሪ ለትምህርታዊ አላማ ብቻ የሚውል ስለሆነ መረጃው በአጠቃላይ እንጂ በተናጥል የማይታይ መሆኑን ላረጋግጥልዎ እወዳለሁ። ስለዚህ የሚመልሱትን መልስ በጥያቄዎቹ ትይዩ በቀረቡት ሳጥኖች የፍጥነት ምልክት በማድረግ እንዲገልጹ በትህትና እጠይቃለሁ።

አድራሻ:- tsionbitsat@gmail.com

ፅዮን ብዳሽ

ክፍል 1: አጠቃላይ መረጃ

ፆታ

ወንድ ሴት

እድሜ

18-29 30-40 40-50 ከ50 በላይ

የትምህርት ደረጃ

2^{ተኛ} ደረጃ ዲፕሎማ ዲግሪ ማስተርስ ከዚያ በላይ

ክፍል 2: የአገልግሎት ጥራት የተመለከቱ ጥያቄች

ከዚህ በታች የተዘረዘሩ ሀሳቦች የግልም አስተያየት በሀሳቦቹ ትይዩ አምዶች የ (✓)ምልክት በማስቀመጥ እንዲገልጹ ስጠይቅ አማራጮቹ በጣም አልሰማምም (1) ጀምሮ እስከ በጣም እስማማለሁ (5) ድረስ መሆናቸውን እገልጻለሁ።

ተ.ቁ	ጥያቄዎች	በጣም አልሰማምም	አልሰማምም	ገለልተኛ	እስማማለሁ	በጣም እስማማለሁ
	ተጨባጭነት					
1	የኢትዮጵያ ንግድ ባንክ ጊዜውን የጠበቀ እና አገልግሎትን የሚመጥን መሳሪያ ይጠቀማል።					
2	የኢትዮጵያ ንግድ ባንክ ለእይታ ማራኪ ናቸው።					
3	የኢትዮጵያ ንግድ ባንክ ሰራተኞችን ግፊት እና ጥሩ ይለብሳሉ					
4	የኢትዮጵያ ንግድ ባንክ መለያዎች ለእይታ ይስጣሉ					
	አስተማማኝነት					
5	የኢትዮጵያ ንግድ ባንክ ከስህተት ነፃ ለመስራት አጥብቶ ይሰራል					
6	ባንኩ ቃል በገባው መስረት ይሰራል					
7	የኢትዮጵያ ንግድ ባንክ አገልግሎቱን በመጀመሪያ ጊዜ በትክክል ያከናውናል					
8	የኢትዮጵያ ንግድ ባንክ መዝገቦችን ከስህተት ነጻ አድርጎ የጠብቃል።					

	ምላሽ ሰጪነት					
9	የኢትዮጵያ ንግድ ባንክ ሰራተኞች አገልግሎቱ መቼ እንደሚከናወን በትክክል ይነግሮታል					
10	ከባንኩ ፈጣን የሆነ አገልግሎት ያገኛሉ					
11	የኢትዮጵያ ንግድ ባንክ ሰራተኞች እናንተን ለመርዳት ፍላጎት አላቸው።					
12	የኢትዮጵያ ንግድ ባንክ ሰራተኞች ለጥያቄዎቻችሁ መልስ ለመስጠት ዝግጁ ናቸው					
	ርህራሄ					
13	የኢትዮጵያ ንግድ ባንክ ሰራተኞች በተናጥል ትኩረት ይሰጣሉ					
14	የኢትዮጵያ ነምግድ ባንክ ለደንበኞች ትልቅ ቦታ አለው።					
15	የኢትዮጵያ ንግድ ባንክ ፍላጎታችሁን ይረዳሉ					
	ማረጋገጫ					
16	የሰራተኞች ባህሪ ደንበኞች በእነሱ ላይ እንድትተማመኑ ያደርጋሉ።					
17	በሚደረገው ግብይቶች በውስጥ ደህንነት እንዲሰማዎት እና እርግጠኛ እንዲሆኑ ያደርጋሉ ሰራተኞቹ					
18	ሰራተኞቹ የደንበኞችን ጥያቄ የመመለስ እውቀት አላቸው					
19	የኢትዮጵያ ንግድ ባንክ ሰራተኞች ሁልጊዜ ጨዋዎች ናቸው።					

ክፍል 3 የደንበኞች እርካታ ደረጃ

አቅጣጫ:- አጠቃላይ ስለንግድ ባንክ ያሉትን ስሜት ስር በተዘረዘሩት ቁጥሮች ስሜትን የሚገልጸውን ቁጥር ይምረጡ

20. ስለ ኢትዮጵያ ንግድ ባንክ አገልግሎት አሰጣጥ በምን ይገለጻል

- 1. በጣም አረካሁም
- 2. አረካሁም
- 3. ገለልተኛ
- 4. ረክቻለሁ
- 5. በጣም ረክቻለሁ

21. በባንኩ አጠቃላይ አሰራር ምን ያህል ረክተዋል

- 1. በጣም አረካሁም
- 2. አረካሁም
- 3. ገለልተኛ
- 4. ረክቻለሁ
- 5. በጣም ረክቻለሁ

22. ከባንኩ ሰራተኞች ችግሮችን ለመፍታት ያለውን ፍላጎት በምን ይገልጻል

- 1. በጣም አረካሁም
- 2. አረካሁም
- 3. ገለልተኛ
- 4. ረክቻለሁ
- 5. በጣም ረክቻለሁ

ለተደረገልኝ ትብብር በጣም አመሰግናለሁ።

Annex Two: Correlation Result

Correlations							
		tangibles	Reliability	Responsiveness	Empathy	Assurance	Customer satisfaction
tangibles	Pearson Correlation	1	.554**	.579**	.678**	.612**	.635**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	291	291	288	291	291	291
Reliability	Pearson Correlation	.554**	1	.433**	.557**	.584**	.556**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	291	291	288	291	291	291
Responsiveness	Pearson Correlation	.579**	.433**	1	.703**	.603**	.732**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	288	288	288	288	288	288
Empathy	Pearson Correlation	.678**	.557**	.703**	1	.678**	.823**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	291	291	288	291	291	291
Assurance	Pearson Correlation	.612**	.584**	.603**	.678**	1	.704**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	291	291	288	291	291	291
Customer satisfaction	Pearson Correlation	.635**	.556**	.732**	.823**	.704**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	291	291	288	291	291	291

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

Annex Three: Regression Result

Regression Table

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.859 ^a	.738	.733	1.423	2.071
a. Predictors: (Constant), Assurance, Reliability, Responsiveness, tangibles, Empathy					
b. Dependent Variable: customer satisfaction					

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1609.145	5	321.829	158.921	.000 ^b
	Residual	571.073	282	2.025		
	Total	2180.219	287			
a. Dependent Variable: customer satisfaction						
b. Predictors: (Constant), Assurance, Reliability, Responsiveness, tangibles, Empathy						

Coefficients ^a											
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	-2.423	.540		-4.487	.000					
	tangibles	.019	.035	.024	.548	.584	.622	.033	.017	.482	2.075
	Reliability	.081	.037	.086	2.169	.031	.557	.128	.066	.593	1.688
	Responsiveness	.226	.042	.240	5.349	.000	.725	.304	.163	.460	2.172
	Empathy	.516	.056	.465	9.146	.000	.814	.478	.279	.360	2.778
	Assurance	.201	.051	.177	3.923	.000	.694	.227	.120	.455	2.199
a. Dependent Variable: customer satisfaction											

Collinearity Diagnostics ^a									
Model	Dimension	Eigenvalue	Condition Index	Variance Proportions					
				(Constant)	tangibles	Reliability	Responsiveness	Empathy	Assurance
1	1	5.870	1.000	.00	.00	.00	.00	.00	.00
	2	.052	10.664	.18	.23	.03	.00	.11	.01
	3	.031	13.675	.00	.54	.08	.21	.18	.00
	4	.022	16.345	.08	.20	.41	.25	.28	.00
	5	.015	19.600	.26	.01	.46	.52	.31	.04
	6	.010	23.949	.47	.01	.03	.01	.12	.95

a. Dependent Variable: customer satisfaction

Residuals Statistics ^a					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	5.35	15.55	8.95	2.368	288
Std. Predicted Value	-1.520	2.790	.000	1.000	288
Standard Error of Predicted Value	.116	.321	.200	.046	288
Adjusted Predicted Value	5.29	15.58	8.95	2.370	288
Residual	-3.042	3.648	.000	1.411	288
Std. Residual	-2.138	2.563	.000	.991	288
Stud. Residual	-2.177	2.591	.000	1.002	288
Deleted Residual	-3.156	3.726	.000	1.443	288
Stud. Deleted Residual	-2.192	2.617	.001	1.006	288
Mahal. Distance	.898	13.622	4.983	2.797	288
Cook's Distance	.000	.029	.004	.007	288
Centered Leverage Value	.003	.047	.017	.010	288

a. Dependent Variable: customersatisfaction

Regressions Charts

Histogram

Dependent Variable: customersatisfaction

