



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MASTERS OF ACCOUNTING AND FINANCE

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

BY: TIGIST W/SENBET

JANUARY, 2024
ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
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REQUIREMENTS FOR THE DEGREE OF MASTER OF IN
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Declaration

I Tigist W/Senbet do hereby declare that this Thesis is my work and that it has not been submitted partially; or in full, by any other person for an award of a degree in any other university or institution.

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Date _____

**SAINT MARY'S UNIVERSITY COLLEGE SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS**

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CASE OF COMMERCIAL BANK OF ETHIOPIA**

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List of Acronyms

CBE	Commercial Bank of Ethiopia
NBE	National Bank of Ethiopia
SERVQUAL	Service Quality
SERVPERF	Service Performance

ABSTRACT

As the competitive environment becomes more turbulent in the banking industry, there is a need to provide quality service and ensure customer satisfaction, to increase high market share and competitive advantage. The study, therefore, was conducted to assess service quality on overall customer satisfaction in the case of the Commercial Bank of Ethiopia as target study area. In the study the five of service quality were used namely tangibility, reliability, responsiveness, assurance, and empathy and a single item was used to measure overall satisfaction. Questionnaires were distributed to customers of the bank. The samples were chosen based on systematic sampling that was found available. Primary data was collected using self administered questionnaire through survey method. To analyze the objectives, descriptive statistics, person correlation and inferential statistics. The result of the study shows that tangibility has the highest grand mean value. The effect of independent variable on reliability, tangibility, and assurance on customer satisfaction was conducted excluding empathy and responsiveness. The findings of regression analysis reveal that reliability and assurance have a significant positive relationship with customer satisfaction. Furthermore reliability, tangibility, and assurance have a positive effect on customer satisfaction. The study suggests that the bank should devise a strategy to increase customer satisfaction by emphasizing on improving its service quality. Hence, managers of the bank can use this instrument to provide better quality services to their customers.

Key words: Service Quality, Tangibility, Reliability, Responsiveness, Assurance and Empathy.

CHAPTER 1

INTRODUCTION

This section comprises the background of the study, problem statement, research objectives, research questions, scope and significance of the study, description of the study area, definitions of terms and organization of the thesis.

1.1 Background of the Study

According to Kotler & Kelvin (2006), Organizations both private and public, in today's dynamic marketplace are increasingly leaving antiquated marketing philosophies and strategies to the adoption of more customer-driven initiatives that seek to understand, attract, retain and build intimate long-term relationship with profitable customers

Service quality can be accessed with the SERVQUAL scale (Khan & Fasih, 2014). SERVQUAL scale measures the quality of a service before and after the consumption of a service, with five dimensions. These were tangibility (visible elements of a service such as buildings, sites and tools); responsiveness (how fast service providers respond to customer queries/ the willingness for service providers to assist customers and provide prompt services); reliability (the ability for a service provider to assure customers of a reliable and proper service); assurance (the level of knowledge displayed by a service provider when delivering its services and their ability to inspire trust and confidence); and empathy (ability for a service provider to pay attention to individual customer demands/ individualization of service).

Wicks & Rothlein (2009) stated that Improving Service quality and customer satisfaction has been the major concern of organizations in any industry for many years. In the period of globalization and technological advancements, maintaining customer satisfaction is not an option, it is necessary, to survive the strong competition. An organization that consistently satisfies its customers enjoys higher retention levels and greater profitability owing to increased customer loyalty. The banking industry is nowadays ever expanding in the Ethiopian economic sector. Service quality has become an important factor among the customers in retail banking. For the success and survival in the banking sector, provision of high service quality is necessary in meeting several requirements such as customer

satisfaction, and its consequent loyalty, attracting new customers and to increase the market share and profitability (Kumari and Rani, 2012).

Financial sectors play a very important role in the economic life of a nation. Although the banking industry is growing and offering various types of financial services to the public, their mere existence does not do any good unless they deliver a quality service. There is no doubt that the increasing level of competition has improved the quality of service to customers of the banking industry. Majority of banks have boosted the quality of their services in terms of shorter transaction time, prestigious services, and customers' convenience.

Until recently, the industry is dominated by the public owned commercial banks namely Commercial Bank of Ethiopia and Development Bank of Ethiopia. The sector was opened for private investors in the mid the 90's. According to the NBE database, at the beginning of 2023 G.C the number of licensed banks reached 31, out of which twenty-nine of them are Private Banks and the remaining two are State Owned Public Banks (www.nbe.gov.et). The current number of banks in the country is also expected to grow more than this in near future considering the number of private banks that are currently under-formation and the process of transforming various Regional Micro-finance (Credit and Saving) Institutions into fully-fledged commercial banks that is under way recently.

However, the mere fact of expanding the number of banks does not guarantee the expected quality of financial service provision in one country. Most of the commercial banks operated in the country were a subject of criticism related to different aspects of their service quality and customer service satisfaction. In addition, the Ethiopian banking sector is characterized by narrow and low competition (as it is limited between few banks) and pedestrian service quality and weak customer satisfaction, which for sure are the direct and eventual outcomes of limited competition. Research were conducted on this thematic area but there is a time, place and knowledge gaps.

Therefore, this study was filling those gaps and indicates the effect of service quality on customer satisfaction in case of commercial bank of Ethiopian.

1.2 Background about CBE

Established on August 26, 1942, Commercial Bank of Ethiopia has become synonymous with economic reform and innovation, laying the foundation for modern banking in Ethiopia As

the country's largest commercial bank, CBE owes assets unmatched boasts and promotes deposit and loan substantial share businesses

With more than 680 branches spread across Ethiopia, including 120 in the capital Addis Ababa, CBE ensures that the financial services can also position more people internationally, expanding its footprint and influence beyond national boundaries

CBE's commitment to innovation is demonstrated by the introduction of ATM services, the first of its kind in Ethiopia, demonstrating the bank's commitment to enhance customer experience and options. The move is part of a wider strategy to infuse technology-enabled solutions into banking to provide a seamless and efficient banking experience for its customers.

The Bank's role extends beyond providing financial services; It is a catalyst for Ethiopia's economic growth. Through a wide range of projects, CBE supports a range of sectors, including agriculture, manufacturing and trade, and contributes to national economic growth and stability

Commercial Bank of Ethiopia stands as a testament to the growing banking sector in Ethiopia, distinguished by its extensive network, innovative solutions and substantial contribution to the country's economic development As it continues to grow and gain growth, CBE remains a cornerstone of the Ethiopian economy, and is driving business growth and prosperity.

1.3 Statement of the Problem

Nowadays, service quality has received much attention due to its obvious relationship with costs, financial performance, customer satisfaction, and customer loyalty. Since customer-satisfaction is based on the level of service quality, many market leaders are found to be highly customer service orientated. They have been rewarded with high revenue and customer retention as well. For that reason, organizations in the same market sector are forced to assess the quality of the services that they provide in order to attract and retain their customers. Since satisfied customers are a key to long term business success (Zeithaml et al. 1996).

Customer satisfaction may determine the success or failure of the business. In order to remain competitive in the marketplace, banks need to identify their customer's needs which in turn will

help them to ensure a high market share and substantial return (Khalil, 2010). One of the major ways a service firm can differentiate from its competitors is by delivering consistently higher quality service. Like manufacturers, most service industries have now joined the customer driven quality movement, likewise service providers need to identify what target customers expect concerning service quality (Kotler& Armstrong, 2006).

Service quality and customer satisfaction are inter-related. The higher the service quality, the higher is the customer satisfaction. Thus, competitive advantage through high quality service is an increasingly important weapon to survive (Munusamy et al. 2010). The reason for the focus on quality of service and customer satisfaction is the belief that organizations can differentiate themselves by means of providing better service quality and overall customer satisfaction (Brink & Berndt 2005).

In the case of Ethiopia, the financial sector is witnessed with a proliferation of different financial actors, and banks are among them. Similarly, the banking sector is also embraced by the accelerated expansion of commercial banks, which includes a couple of public (state owned) and a lot of private commercial banks. However, the mere fact of expanding the number of banks does not guarantee the expected quality of financial service provision in one country. Anyone who critically examines the reality of Ethiopian banking sector could easily verify the correctness of the above assertion. Most of the commercial banks operated in the country were a subject of criticism related to different aspects of their service quality and customer service satisfaction. Besides, the fact that the country's banking sector is being highly dominated by a few market actors could be considered as the main justification for the existing situation of the sector which is characterized by narrow and less competition (as it is limited between few banks) and mediocre service quality and weak customer satisfaction, which for sure are the direct and eventual outcomes of limited competition.

Unfortunately, despite being a rapidly growing sector with deep-down issues, the service quality level of Ethiopian banking sector is not adequately studied. Most of the research conducted previously on this area were characterized by being confined to limited variables , and time periods. This situation may create a certain gap that will be reflected by two perspectives, time, and approach. On the one hand, the researchers, in the existing studies, have come up with different conclusions about the relationship of service quality dimensions and customer satisfaction by using old data. This creates gap compared to nowadays globalized and competitive world. Moreover, satisfaction of the customers cannot be determined at one time period because at one time customers might be fully satisfied and at

another time the reverse is true, hence, it is measured at current situation. This shows difficulty to generalize the finding of previous research to this year. Because of technological advancement perception of customers are changing from time to time (AlemuGetahun, 2019).

On the other hand, although the banking sector is in a rapid growth, there seems to be little research done on the effect of service quality on customer satisfaction. As far as the knowledge of the researcher is concerned, majority of Ethiopian studies conducted on the issue of service quality are narrow in scope and they mainly follow either singular/solitary approach, evaluating theories and concepts against the practice of a single bank, or a general/pluralistic approach, which is measuring the quality of service offered by Ethiopian commercial banks in general. As a result, the researcher of this study firmly believe that such kinds of approaches may not be the appropriate ways to adequately assess the existing service quality level of Ethiopian banks.

Accordingly, in order to achieve that goal, a change of approach is necessary.

First, as a study shows, banks operating in Ethiopia are consequently put into lot of pressures due to increase in competition (MesayShanka, 2012). Various strategies could be formulated to retain the customer and the key to it is to increase the service quality level. Service quality is particularly essential in the banking services context because it provides high level of customer satisfaction; hence, it becomes a key to competitive advantage. That is why service quality is highly associated with customer satisfaction and increased competition. As competition increases, service quality study is becoming significant. Thus, assessing the service quality of a big and competitive bank representing the public sphere of bank ownership in the country, could be, somehow, very vital to apprehend the whole picture.

Secondly, as we know, Ethiopia is still against liberalization of financial sector and hence does not yet open its banking sector to foreign banking institutions. As a result, the financial market competition is still between Ethiopian banks. Considering the fact that most of Ethiopian banks are found in the same stage of development and playground, it could be difficult to assess them only with tests which are designed based on the level of foreign banks and the result of such tests, for that matter, may not show the actual condition of such banks. Therefore, for the sake of real-time result, it could be sound to examine service quality of domestic banks against each other in addition to the solitary test.

Research has identified a core set of attributes and actions of successful customer service organizations within the market economy. Regardless of whether these organizations provide goods or services, they recognize that satisfied customers are the key to their success. Achieving high levels of customer satisfaction requires that organizations continually monitor and examine the experiences, opinions, and suggestions of their customers and people who are potential customers. Improving service quality to meet customer's standards is an ongoing part of doing business. In this way, customers drive the market and the organization (Customer Satisfaction, 2007). The reality of the country shows the existence of undeniable extent of difference between private and state-owned commercial banks related to various aspects of financial service provision. Hence, assessing the service quality of the big financial actors selected from both sides (private and public) and which are competing in the same market might be the best way eventually to reach into our goal, i.e., properly appraising the actual condition of Ethiopian commercial bank's service quality level.

Therefore, against this backdrop, the aim of this study will be to assess the service quality and customer service of public and private commercial banks of Ethiopia. More specifically, this study will attempt to assess Commercial Bank Of Ethiopia's services quality provision in terms of the five dimensions of service quality, i.e., tangibility, reliability, responsiveness, assurance, and empathy.

1.4 Research Question

The research questions of the study were:

- What is the existing level of service quality in CBE.
- What is the level of customer satisfaction in the selected CBE.
- What is the relationship between service quality and customer satisfaction in the selected CBE?
- What is the effect of service quality on customer satisfaction in the case of CBE .

1.5 Objectives of the Study

1.5.1 General Objective

The main objective of this research was to examine the effect of Service Quality and Customer Satisfaction in the case of Commercial Bank of Ethiopian.

1.5.2 Specific Objectives

The specific objectives of of this research were:

- To assess the existing level of Service Quality in the case of CBE.

- To assess the status of Customer Satisfaction of Commercial Bank of Ethiopian .
- To determine the relationship between Service Quality and Customer Satisfaction in Commercial Bank of Ethiopian.
- To examine the Effect of Service Quality on Customer Satisfaction in Commercial Bank of Ethiopian.

1.6 Significance of the Research

Customer satisfaction is surely a very critical element towards retaining healthy relationship with customers for any profitable business; therefore, every organization strives to make its customer remains satisfied with its products and services.

The finding of this study has a paramount importance for the following groups. It will provide insight to the banking sector; it will be helpful for management and other decision-making bodies; the market participants and policy makers of our country may get worthwhile benefits from the study and the study may serve as a reference material for other researchers who need to make further research on this area.

It also provides possible recommendation to the banks in effort it will make to take action to enhance its customer satisfaction. Moreover, it will serve as a stepping-stone for those who are interested to conduct advanced research works in the filed under consideration. Obviously, it also helps to enhance the researcher's knowledge in research practices and in the contemporary customer satisfaction in banking sectors.

1.7 Scope of the Study

1.7.1 Geographical scope

This study will focus on service quality and overall customer satisfaction in CBE , which is geographically limited to Addis Ababa city.

1.7.2 Conceptual scope

The conceptual scope of this study will be restricted to the SERVQUAL model that will be used to assess customer expectation and their perception towards service quality delivered by the selected banks.

1.7.3 Methodological scope

The SERVQUAL model is an instrument for measuring service quality, in terms of the discrepancy between customer's expectation regarding service offered and the perception of

the service received; respondents are required to answer questions about both their expectation and their perception (Parasuraman et al 1988).

Furthermore, this study will be limited to saving and demand account holders in three selected branches from each bank in terms of customer's perspectives of service quality levels and customer satisfaction.

1.8 Limitation of the Study

This research will focus on three branches selected from each banks (three branches) in Addis Ababa city. As a result, the findings of this study may not generalize for all customers of the banks in different regions of the country.

Convenience sampling a non-probability technique (because it does not involve random selection of participants. Instead, individuals are chosen based on their availability and willingness to participate, as well as their convenience to the research) will be applied in the selection of bank customers these; it has its own limitations such as Sampling bias, lack of generalization, limited external validity, and difficulty in estimating sampling error.

1.9 Operational Definition of key Terms

Intangibility of Service: - refers to the fact that services cannot be seen, tasted, felt, heard, or smelled before they are bought. [MBA skool]

Inseparability of Service: - refers to the fact that services cannot be separated from their providers, whether the providers are people or machines. [MBA skool]

Convenience: the accessibility of service provider to its customers. [UX magazine]

Consistency: ability to provide same level of good quality repeatedly. [UX magazine]

Responsiveness to Customer needs: willingness of service providers to help customers in unusual situations and to deal with problems. [Arlen, C. The 5 Service Dimensions All Customers Care About. Service Performance.]

Tangibles: appearance of physical facilities, equipment, personnel, and written materials. All of these provide physical representations or images of services that customers, particularly new customers will use to evaluate quality. [Arlen, C. The 5 Service Dimensions All Customers Care About. Service Performance.]

Reliability: ability to perform the promised service dependably and accurately. In its broadest sense, reliability means that the company delivers on its promises about delivery, service provision, problem resolution and pricing. [Arlen, C. The 5 Service Dimensions All Customers Care About. Service Performance.]

Responsiveness: employees' knowledge and their ability to inspire trust and confidence. This dimension is likely to be particularly important for services that the customers perceive as involving high risk and/or about which they feel uncertain about their ability to evaluate outcomes. [Arlen, C. The 5 Service Dimensions All Customers Care About. Service Performance.]

Assurance: include four items like: employees of excellent banks will instill confidence in customers, be consistently courteous to customers, have the answer to customers' questions and ensure safety in transactions with customers. [Arlen, C. The 5 Service Dimensions All Customers Care About. Service Performance.]

Empathy: caring, individualized attention given to customers. The essence of empathy is conveying, through personalized or customized service, that customers are unique and special. [Arlen, C. The 5 Service Dimensions All Customers Care About. Service Performance.]

1.10 Organization of the Study

This study consists of five chapters. Chapter one is the introductory part, which deals with the background, problem statement, objectives, Significance of the study, Limitation of the Study and Scope of the Study. Chapter two was deal with the review of the related literature and the empirical evidence. The third chapter was providing the methodology pursued in addressing the research objectives. The fourth chapter was incorporating the discussion regarding the research's data analysis and interpretation. Finally, the fifth chapter presents conclusion and recommendations based if the findings of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the conceptual literature, of theoretical literature, empirical literature and conceptual framework which serve as evidence of the Variables of the study - Service Quality and Customer Satisfaction. Definitions of service, quality, customer satisfaction, the concept of service quality, and the relationship between service quality and customer satisfaction is empirical literature in global context as well as Ethiopian context and finally conceptual framework is discussed.

2.2 Conceptual Review

2.2.1 The concept of Service

The concept of service is used and defined in various perspectives by many scholars. Services are economic activities offered by one party to another. In exchange for money, time, and effort, service customers expect value from access to goods, labor, professional skills, facilities, networks, and systems; but they do not normally take ownership of the physical elements involved (Lovelock &Wirtz, 2011). A service occurs when an interaction is established between customers and service providers and/or the physical component of the service and/or the systems through which the service is delivered (Shahin&Janatyan, 2011).

A service is a commodity with no physical existence, usually created and consumed at the same time. Gronroos (2001) described a service as a process resulting in an outcome in a simultaneous production and consumption process. This definition points to the fact that service provision and consumption are simultaneous activities.

Service is intangible in nature; it cannot be mass-produced. It cannot be inventoried and stored after production. Because services and consumers of services are inseparable, they cannot be produced until the consumer is ready to consume them. Providing consistent quality is difficult for service because of the characteristic of variability (Clow and Kurtz, 2003). When one puts it in the simplest term, services are deeds, processes, and performances (Zeithaml and Bitner, 2004). It is apparent that services are produced not only by service businesses but also by are integral to the offering of many manufactured goods producers. Philip Kotler (2000) defines services as “A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership or anything, it’s production may not be tied to a physical product.”

According to Zeithaml and Bitner (2004), services include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced and provides added value in forms (such as convenience, amusement, timeliness, comfort, or health) that are essentially intangible concerns of its first purchaser. Lovelock and Wirtz (2007) indicated that, service is “time based” and the outcome of a service may result in desire change in consumer or any property of the consumer.

2.2.2 Characteristics of Service

According to Armstrong & Kotler (2011), generally accepted that services have four main characteristics that differentiate them from goods: intangibility, inseparability, variability, and perishability.

1. **Intangibility of Service:** -refers to the fact that services cannot be seen, tasted, felt, heard, or smelled before they are bought. For this reason, customers try to evaluate the quality of a service by looking at tangible components such as the place, people, price, equipment, and communications apparent.

2. **Inseparability of Service:** - refers to the fact that services cannot be separated from their providers, whether the providers are people or machines. This means that the employee providing the service becomes part of the service, in most cases, the customer is also present at the time of providing the service. Therefore, the provider-customer interaction becomes important in determining the outcome of the service.

3. **Variability of Service:** -refers to the fact that the quality of services depends on who provides them as well as when, where, and how they are provided. This means that the quality of a service provided is not just determined by the company but by the service provider too. Therefore, understanding the role of service providers is crucial to understand perceptions of service quality.

4. **Perishability of Service:** -refers to the fact that services cannot be stored for later sale or use although Lovelock and Wirtz (2011) argue that “not all service performances are perishable” like video recordings of events and concerts. One problematic situation that accompanies this characteristic is when demand exceeds. This can be applied to the banking sector when there is traffic at the counters and not enough service providers, thus the service in that case cannot be stored for later use. In this case, banks should think of better ways to match the service supply with the demand. For this reason, understanding perishability of services is important in the context of this study.

2.2.3 The concept of Service Quality

In today's increasingly competitive business environment, service quality is essential for the success of any organization. Service quality is important aspect that affects the competitiveness of business. Banks should always increase the quality of service continuously, since there is no assurance that the current outstanding service will be suitable for future. Thus, banks should develop new strategy to satisfy their customer and should provide quality service to gain competitive advantage over competitors (Siddiqi, 2011).

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). Ram Naresh Roy 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.

If the customer's expectations are met or exceeded, then the company is perceived to be offering higher service quality. However, if on the other hand, if the expectations of the customers are not met, the company is on its way to face displeased and hostile customers, which in turn leads to defection to competitors. Customer's expectation serves as a foundation for evaluating service quality because, quality is high when performance exceeds expectation and quality is low when performance does not meet their expectation. Expectation is viewed in service quality literature as desires or wants of consumer that is, what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988).

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.

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.

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.

2.2.4 Service Quality Strategies

Quality can only be judged in a context of customers' expectations and experience. Its value to the customers that should be the driving force of quality needs to be a dynamic factor responding to change. Jim Whittles (1995) cited in Ken Irons (1997) said "service is the one unique opportunity we have to be better than competitors and make sure our customers return" which would mainly be the result of a quality service. Gronroos (1984) defined service quality as the outcome of an evaluation of process where the consumer compares their expectations with the service they received. He postulated that customer perceived service quality is a function of expected service, perceived service, and image quality.

Lehtinen and Lehtinen (1982) defined service quality in terms of physical quality, interactive quality and corporate (image) quality. Physical quality is associated with tangible aspects of the service. Interactive quality involves the interactive nature of services and refers to the two-way flow, which occurs between the customer and the service provider, or his/her representative, including both automated and animated interactions. Corporate quality refers to the image attributed to a service provider by its current and potential customers, as well as other publics. They also suggested that, when compared with the other two quality dimensions, corporate quality tends to be more stable over time.

The five dimensions of service quality (tangibility, reliability, responsiveness, assurance and empathy) are frequently quoted by different authors as the most important determinant factors in building perception of service quality. From the five dimensions, reliability has been consistently shown to be the most important determinant of perception of service quality (Zeithaml&Bitner, 2000).

Tangibles: appearance of physical facilities, equipment, personnel, and written materials. All of these provide physical representations or images of services that customers, particularly new customers, will use to evaluate quality.

Reliability: ability to perform the promised service dependably and accurately. In its broadest sense, reliability means that the company delivers on its promises about delivery, service provision, problem resolution and pricing. Customers want to do business with companies that keep their promises, particularly their promises about service outcomes and service attributions.

Responsiveness: employees' knowledge and their ability to inspire trust and confidence. This dimension is likely to be particularly important for services that the customers perceives as involving high risk and/or about which they feel uncertain about their ability to evaluate outcomes – for example , banking, insurance, brokerage, medical and legal service.

Assurance: include four items like: employees of excellent banks will instill confidence in customers, be consistently courtesy to customers, have the answer to customers' questions and ensure safety in transactions with customers.

Empathy: caring, individualized attention given to customers. The essence of empathy is conveying, through personalized or customized service, that customers are unique and special.

2.2.5 Measuring Service Quality

Without doubt, conceptual service quality models are useful in so much as they provide an overview of the factors that have the potential to influence the quality of an organization and its service offerings. They facilitate our understanding and can help organizations to clarify how quality shortfalls develop. However, human behavior significantly affects the quality of an organization and its offerings, and this is more evident in-service organizations.

The most widely used models in measuring service quality in the banking sector are the SERVQUAL and SERVPERF model (the service performance model is an instrument for measuring service quality by asking only perceptions of the consumer (Cronin and Tayler, 1992).

2.2.6 Importance of Service Quality Assessment

Service quality is generally understood as the gap between consumers' expectations about a service and their subsequent perception of service performance (Williams, 1999; Gronroos, 1984; Lehtinen&Lehtinen, 1991; Parasuraman et al., 1985 in MosadZineldin, 1996).

Most service organizations today realize that delivering excellent service is important to the success of their business, and bank industry is no exception. Indeed, the improvement of product and service quality has been widely discussed in the literature as an appropriate competitive strategy for achieving sustainable competitive advantage. This requires management to continuously examine current processes against the demands of customers in the market place and then update their operations in line with market requirements (Hartline, M.D.,andFerrellO.C 1996).

The importance of service quality to the success of business is best concluded in this sound statement: "Excellent service is a profit strategy because it results in more new customers, more business with existing customers, fewer lost customers, more insulation from price competition and fewer mistakes requiring performance of services" (Shepherd, 1999 in Hartline andetal1996).

2.2.7 Service Quality in the Banking Sector

Banks play an important and active role in the financial and economic development of a country. An effective banking system greatly influences the growth of a country in various sectors of the economy. Practitioners in the banking industry face a large number of complex challenges in the global marketplace. It is crucial for banks to better understand changing customer needs and adopt the up-to-date technology system in order to compete more effectively with global organizations (Malhotra& Mukherjee, 2004). In banking industries, providing quality service is no longer simply an option. The quick pace of developing technologies and increasing competition make it difficult to survive in the market without provision of high service quality. Because customer satisfaction and customer focus are so critical to competitiveness of firms, any company interesting in delivering quality service must begin with a clear understanding of its customers.

What is it that customer evaluate when judging service quality? Over the years, services researchers have suggested that consumers judge the quality of services based on their perception of the technical outcome provided, the processes by which that outcome was delivered and the quality of physical surrounding where the service is delivered (Gitlowet al ,2003 in Lo Liang Kheng, 2010). With regards to banking, the convenience and

competitiveness of the provider's offerings can be expected to affect a customer's overall satisfaction and ongoing patronage. Research has shown that location is a major determinant of bank choice (Anderson *et al.*, 1976 in Levesque and McDougall, 1996). Underlying locations are the customer benefits of convenience and accessibility, which are enabling factors that make it easy for the customer to do business with the bank. The bank's ability to deliver these benefits on an ongoing basis to its existing clients will probably affect customer satisfaction.

On the other hand, one of the determinants of bank choice is competitive interest rates. While differences in rates, either savings or borrowings, are likely to be minimal between competing banks, customers are concerned that they are getting competitive rates on savings or loans because of the impact on their financial situation. Again, customer satisfaction is likely to be influenced by the perceived competitiveness of the bank's interest rates (Laroche and Taylor, 1988 in Levesque and McDougall, 1996).

Furthermore, customer complaints and the bank's response can lead to customer states ranging from dissatisfaction to satisfaction. In fact, some evidence suggests that when the service

provider accepts responsibility and resolves the problem, the customer becomes tied to the organization (Hart *et al.*, 1990 in Levesque and McDougall, 1996). When customers complain, they give the firm a chance to rectify the problem and, interestingly, if the firm recovers successfully, this leads to increase loyalty and profits. Thus, customer complaint handling can have an influence on customer satisfaction and retention. (Alemayehu, 2010). Complaint handling is a special case of customer interactions. Improper and slow handling of complaints could reasonably be viewed as incompetence, thereby having a negative effect on credibility and therefore on trust. The complaints that have been raised by customers are the clear indications of customer dissatisfaction. Many complaints keep in touch with customers by looking deeply and analyzing these complaints. Companies can be made directly to the provider or indirectly through intermediary or regulatory agency. Complaint of poor quality may provide a rich source of data information for improving service quality, if they are treated constructively (Bowen, J.W. and Hedges, R.B. 1993).

Moreover, customers or segments with different needs or usage patterns may have different determinants of customer satisfaction. In banking sector, customers who use particular products (e.g., loans or mortgages) may focus on service features, such as competitive interest rates, more than customers who do not hold these products. Thus, the determinants of

customer satisfaction towards the service provider may vary depending on customer or segment characteristics (Levesque and McDougall, 1996).

2.2.8 Customer Expectation

Customer expectations are the standards or reference points for performance against which service experiences are compared and are often formulated in term of what a customer believes should or will happen. For example, when you visit an expensive restaurant, you expect a certain level of service, one that is considerably different from the level you would expect in a fast-food restaurant (Zeithaml, Bitner 2003).

Among the aspects of expectations that need to be explored and understood for successful service marketing are the following: what types of expectation standards do customers hold about? What factors most influence the formation of these expectations? What role do these factors play in changing expectations? How can Service Company meet or exceed customer expectations? Customers buy goods and services to meet specific needs, and they evaluate the outcomes of their purchases based on what they expect to receive.

Customer expectation revolves around their conviction about the products and services that they receive from the organization and company that serves them. This understanding is imperative for marketers because customers compare the performance or quality of the services received and determines these as the reference points when they experience and evaluate the service quality. Expectations play an important role in the satisfaction formation. The extent to which a product or service fulfills a customer's need and desire may play an important role in forming feelings of satisfaction because of the impact of confirmation or disconfirmation that have on satisfaction. Grönroos (1982) suggested that the perceived quality of a given service is the result of an evaluation process since consumer makes comparison between the services, they expect with perceptions of the services they receive. Hence, he concluded that the quality of service is dependent on two variables: expected service and perceived service.

2.2.9 Customers Perception of Service Quality

According to Zakari (2011), perception is an opinion about something viewed and assessed and it varies from customers to customers, as every customer has different beliefs towards certain services and products that play an important role in determining customer satisfaction. Customer satisfaction is determined by the customers' perceptions and expectations of the quality of the products and services. In many cases, customer perception is subjective, but it provides some useful insights for organizations to develop their marketing strategies.

Providing high level of quality service has become the selling point to attract customer's attention and is the most important driver that leads to satisfaction. Therefore, customer perception and customer satisfaction are very closely linked together, because if the perceived service is close to customer's expectations it leads to satisfaction. Satisfied customers provide recommendations; maintain loyalty towards the company and customers in turn are more likely to pay price premiums.

Edwardson (2005) pointed out that service quality perceptions are formed during the production, delivery, and consumption process. The author concluded that customers' favorable and unfavorable experiences, as well as their positive and negative emotions may have an important impact on perceived service quality. As a result, this paper aims to determine service quality levels and customer satisfaction. Customer satisfaction is the state of mind that consumers have about a bank when their expectations have been met or exceeded over the lifetime of the service.

2.2.10 Dimensions of Service Quality

As we know, generally, service quality is all about the difference between customer expectation of service and customers' perceptions of the actual service. And the measurement of this difference is based on the following five dimensions of service quality (Parasuraman, et al., 1988).

1. Reliability: - Delivering on promises

Reliability is defined as the ability to perform the promised service dependably and accurately. In its broadest sense, reliability means that the company delivers on its promises about delivery, service provision, problem resolution and pricing. Customers want to do a business with companies that keep their promises, particularly, promises about core service attributes.

2. Responsiveness: -Being Willing to Help

Parasuraman et al. (1985) defined Responsiveness is the willingness to help customers and to provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer request, questions, complaints, and problems. To perform well on the dimension of responsiveness, a company must be certain to view the process of service delivery and the handling of requests from the customers' point of view rather than the company's point of view. It also involves understanding needs and wants of the customers,

convenient operating hours, individual attention given by the staff, attention to problems and customers' safety in their transaction (Kumar et al., 2009).

3. Assurance: -Inspiring and trust

Assurance is defined as employees' knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence. Visible evidence of degrees, honors, and awards and special certifications may give a new customer confidence in a professional service provider.

4. Tangibility: -Representing the service physically

Tangibles are defined as the appearance of physical facilities, equipment, and communication materials. All of these provide physical representation or images of the service that customers particularly new customers will use to evaluate service quality. Most companies combine tangibles with another dimension to create service quality strategy for the firm.

5. Empathy: -Treating customers individuals

It is defined as the caring, individualized attention the firm provides for its customers. The essence of empathy is conveying through personalized or customized service, that customers are unique and special.

2.2.11 Service Quality Measuring Models

Nordic Model

Early conceptualization of service quality was formed by Gronroos (1982, 1984), he defined service quality by technical or outcome (what consumer receive) and functional or process related (how consumer receive the service) dimensions (figure 1) (Gronroos, 1982, 1984, 1988). Image builds up by technical and functional quality and effect of some other factors (marketing communication, word of mouth, tradition, ideology, customer needs and pricing). Nordic model is based on disconfirmation paradigm by comparing perceived performance and expected service. This was the first attempt to measure quality of service. Gronroos model was general and without offering any technique on measuring technical and functional quality.

Rust & Oliver (1994) tried to refine the Nordic model by The Three-Component Model. They

suggest three components: service product (i.e., technical quality), service delivery (i.e., functional quality), and service environment but they did not test their model and just a few support have been found.

GAP Service Quality Model

This model developed by Parasuraman, Zeithaml and Berry in 1985 identifies five different gaps. According to Parasuraman, Zeithaml and Berry a gap is the difference, imbalance or disparity which is determined to exist between customer's perception of the firm performance and their prior expectation. Service quality (SQ) perceived by customers is therefore as a result of a comparison of customers' expectation (E) of services that the organization should offer versus their perception of the performance (P) delivered by the service organization.

$$\text{Service Quality (SQ)} = \text{Customer's perception (P)} - \text{Customer's Expectations (E)}$$

SERVQUAL Model

SERVQUAL model provides a technique for assessing and managing service quality (Buttle, 1996). The concept was conceptualized and proposed by Parasuraman, Zeithaml and Berry (1985) and then further developed for the next eight years by the same researchers. Many other researchers have used the SERVQUAL dimensions as the basis for their research, and consequently SERVQUAL "has undoubtedly had a major impact on the business and academic communities" (Buttle, 1996), and has been said to be "insightful and [to remain] a practical framework to use in service quality management" (Christopher, Payne, and Ballantyne, 2002).

This model was selected because the SERVQUAL model was selected for its comprehensive approach to assessing and managing service quality. Developed by Parasuraman, Zeithaml, and Berry, and refined over eight years, it stands out for its rigorous conceptual foundation and widespread validation by subsequent research. Its significant impact on both academic and business communities, as highlighted by Buttle (1996) and further endorsed by Christopher, Payne, and Ballantyne (2002), attests to its practicality and insightful framework for service quality management, distinguishing it from other models in the field.

The SERVPERF scale is found to be superior not only as the efficient scale but also more efficient in reducing the number of items to be measured by 50% (Hartline & Ferrell 1996; Babakus and Boller, 1992; Bolton and Drew, 1991 cited in Mesay, 2012). According to Cronin and Taylor (1992), their performance based SERVPERF scale is a better method of measuring service quality. They claim that this scale's reliability ranges between 0.884 and

0.964, depending on the industry type, and exhibits both convergent and discriminant validity (Mesay2012).

SERVPERF Model

Cronin and Taylor (1992) investigated the conceptualization and measurement of service quality and its relationship with consumer satisfaction and purchase intentions. The SERVPERF model was carved out of SERVQUAL model, which was originally developed by Parasuraman, Zeithaml and Berry in 1985. It measures service quality by using the perceptions of customers. Cronin and Taylor (1992) compared computed difference scores with perception to conclude that perceptions only are better predictor of service quality and therefore expectations should not be included as suggested by SERVQUAL. They argued on the framework of Parasuraman et al. (1985), with respect to conceptualization and measurement of service quality and developed performance only measurement of service quality called SERVPERF by illustrating that service quality is a form of consumer attitude and the performance only measure of service quality is an enhanced means of measuring service quality. They argued that SERVQUAL confounds satisfaction and attitude. They stated that service quality can be conceptualized as “similar to an attitude” and can be operationalized by the adequacy-importance model. In particular, they maintained that Performance instead of “Performance-Expectation” determines service quality.

2.2.12 Service Quality Gaps

SERVQUAL or gap analysis was developed by Parasuraman et al (1985, 1988) which is most commonly used to measure service quality. SERVQUAL is the multi- item scale developed to assess customer perceptions of service quality in a service and retail businesses (Parasuraman et. al 1988). In the SERVQUAL model there are five different gaps which show the weaknesses of the company in fulfilling customer needs. Gap analysis is used to identify and correct gaps between the desired level of the customers and the actual level of performance provided by the organizations.

Gap 1: The first gap is about the difference between actual customers’ expectation and the idea of the management team about customers’ expectations. i.e., not knowing what consumers expect. The reasons for the gaps may be due to Lack of marketing orientation, the organizations are not able to provide their customers a clear view of the services they are

going to provide, it may be due to inadequate information from the company to the customers and the structure of the organizations which includes too many levels of management. In order to reduce the first gap of the model, the organizations should enhance the research activities so that they can observe and recognize the customers' needs and wants. In the larger organizations having more level of management, the management should be able to make sure that there are enough opportunities for upward communication.

Gap 2: This gap is about the wrong service quality standards provided by the organizations. i.e., improper service-quality standards. In other words, it explains the inconsistency of quality

specifications with supplier's perceptions of the quality expectation of the customers. The reason for this gap is: Insufficient dedication towards the service quality, planning in the organizations may be poor and also it may be lacking goal- setting. This problem is also associated with the first gap of the model. It can also be possible that the management has the sufficient information about customers' expectations, but the planning may still fail. The management of the organizations should be in good contact with the service provider when making plans so that the plans that they make can be smoothly implemented.

Gap 3: This gap is about the uncertain role and role conflict. It also means that the quality services are not met by employing unskilled or wrong person in the organization. They should be well trained and highly skilled for the jobs. The reason of the existence of the gap could be Lack of technology and perceived control. Lack of team work also affects the service of the organization; the improvements can be made through changing the control systems to be more uniform by training the staffs and good teamwork. In many cases, even the skills and attitudes of the staffs cause problems. As there could be the people who cannot adapt the requirements of the systems, it is necessary to make the improvement in the recruiting procedures.

Gap4: This gap in the model illustrates the inconsistency of the promises of the delivered service to the customers. A gap may be formed if the marketing and production are not managed in a proper way. Mostly the customers are influenced by what they hear and see about the company. Therefore, the people will go for it rather than choosing other organizations hoping to get the quality service. But sometime the company cannot fulfill all the requirements of the customers which are mentioned in the campaigns. This could be another reason for widening the gaps. For the improvement, there should be implementation external marketing communication campaigns with service production and service delivery.

Over promising should also be avoided in order to narrow the gap. If this gap is not taken into consideration, then it can lead to negative customer perception.

Gap 5: This gap shows the difference between the customers' expectation and their perceptions of the delivered service. Customers expect certain kind of services from the certain companies. Customers' expectations are influenced by personal needs, word of mouth recommendation and experience of past services. This gap in the companies can bring negative influences on the image of the company.

According to this model, the service quality is a function of perception and expectation and can be modeled as:

$SQ = \sum_{j=1}^K (P_{ij} - E_{ij})$ where:

SQ = overall service quality
K = number of attributes

P_{ij} : - Performance perception of stimulus i with respect to attribute j.

E_{ij} : - Service quality expectation for attribute j that is the relevant norm for stimulus i.

2.2.13 Customer Satisfaction

2.2.13.1 Definitions of Customer and Customer Satisfaction

According to Kendall (2006), a customer is defined as those customers who buy goods and/or services provided by companies it can be internal or external to the organization and are the foundation of any business. In other words, a customer is a stakeholder of an organization who provides payment in exchange for the offer provided to him by the organization with the aim of fulfilling a need and to maximize satisfaction. Customer satisfaction is described as the full meeting of one's expectations.

Customer satisfaction is defined as an overall emotional response to an entire service experience for a specific service encounter after purchasing consumption (Oliver, 1997). Hanse mark and Albinson (2004) also defined as an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals, or desire. In general, satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to expectations. If the performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied; if it exceeds expectations, the customer is highly satisfied or delighted.

Customer satisfaction is actually a term most widely used in the business and commerce industry. It is a business term explaining about a measurement of the kind of products and services provided by a company to meet its customer's expectation. To some, this may be seen as the company's key performance indicator (KPI). In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy (Munusamy et al., 2010 and Chinwuba, Egene, 2013). Consumer satisfaction is the most efficient and least expensive source of market communication because consumers who are satisfied with a product or service will be more likely to disseminate their favorable experience to others (Omar et al. 2009).

The goal for every company should be to make its customers satisfied. Satisfied customers will come again and might stay as customers for a longer period of time. It is clear that if the company can make the customer satisfied, the customer will come back again and the customers might also tell some of their friends about the good service they got. So, through satisfied customers it is possible to save in marketing expenses. The services provided to customer will reflect the bank's image. Research has shown a higher percentile of customers who retain certain bank services because of the good services provided. In other words, one of the factors that boost the market shares is by improving the quality of the provided services (Razak, et al.2013).

2.2.13.2 Determinants of Customer Satisfaction

Customer satisfaction is influenced by specific product or service features and by perceptions of quality. Satisfaction is also influenced by customer's emotional responses, their attributions, and their perceptions of equity (Zethaml and Bitner, 2003).

Product and service features: customer satisfaction with a product or service is influenced significantly by the customer's evaluation of a product or service features.

Consumer emotion: Customer's emotion can also affect their perceptions of satisfaction with products and services. These emotions can be stable, pre-existing emotions. For example, when some is at a very happy stage in his/ her life, and happy mood and positive frame of mind have influenced how they feel about the services they experience. Alternatively, when you are in bad mood your negative feelings may carry over in to how you respond to services, causing you to overreact or respond negatively to any little problem (Munusamy, 2010 andChinwuba, Egene, 2013).

Attributions for service success or failure: the perceived causes of events influence perceptions of satisfaction. When they have been surprised by an outcome either the service is much better or much worth than expected, consumers tend to look for the reasons, and their assessments of the reasons can influence their satisfaction (Christopher, Payne, and Ballantyne, 2002).

2.2.14 The Relationship between Service Quality and Customer Satisfaction

Though service quality and customer satisfaction seem to be similar, many have questioned if they are identical. In fact, some empirical studies show that the two constructs are conceptually distinct. The idea of relationship between service quality and customer satisfactions has existed for a long period. Both constructs have positive impact on repurchase intention and a favourable word of mouth communications. Satisfaction has a positive impact on post purchase behaviour and service quality directly and indirectly exerts influence on repurchase intention through its influence on satisfaction (Hossain, 2012).

Studies suggest that there is a positive relationship between service quality and the satisfaction of customers (Omar, 2009). And other researchers suggested that there is a positive relationship between service quality, retention, and future intention of customers (Ahmad et al., 2011; Jajae and Ahmad, 2012). Naeem and Saift (2009) found that customer satisfaction is the outcome of high service quality within the banking sector.

In marketing literature, Service Quality and Customer Satisfaction have been conceptualized as a distinct, but closely related constructs (Siddiqi, 2011). Parasuraman *et al* (1988) defined service quality and customer satisfaction as “service quality is a global judgment, or attitude, relating to the superiority of the service, whereas satisfaction is related to a specific transaction”. Jamal and Naser (2003) stated that service quality is the antecedent of customer satisfaction. However, they found that there is no important relationship between customer satisfaction and tangible aspects of service environment.

2.3 Empirical Review

In today's constantly changing business environment, providing superior quality through adequate and strong focus on customers is one of key factor for enabling firms to gain lasting competitive advantage in winning the market (Chiara, 2007). For this, now a days marketers trying to focus more on continues monitoring and evaluation of service quality, involving various innovative offerings and service developments which have a direct influence on customers service experience.

Muhammad (2012) have tried to compare customer satisfaction between private and public banks in Pakistan. In their findings, they revealed that private bank customers were more satisfied with their bank because of their multiple branches at convenient locations and technology (like check deposit machines, utility bill accepting machines etc.) which were not even seen in public sector banks and in terms of customer care.

Generally, studies dealing with the relationship between satisfaction and a service quality have shown that a higher level of service quality leads to a higher level of customer satisfaction (Pollack, 2008). On the other hand, some studies could not show a strong relationship between the service quality and the customer satisfaction (Lovreta et al., 2010) and in relation to the quality of a product, it is more difficult for customers to measure the quality of service, due to the intangibility nature.

Reliability items had the highest effect on customer satisfaction, which in turn had a statistically significant impact on the positive word of mouth. The study of Siddiqi (2011) investigated that the interrelationships between service quality attributes, customer satisfaction and customer loyalty in the retail banking sector in Bangladesh based on the survey method. The result shows that all the service quality attributes are positively related to customer satisfaction and customer satisfaction is positively related to customer loyalty in the retail banking settings in Bangladesh. Malik (2011) also studied Customer Satisfaction, Perceived Service Quality and Mediating Role of Perceived Value from four main service industries viz banking transport, courier, and telecommunication with a total of 300 sample size. The results of the study indicated that, customer satisfaction is significantly related with perceived service quality and perceived value.

Jajae and Ahmad, (2012) were studied to measures service quality throughout the Australian car insurance industry by employing the SERVQUAL scale which is an accepted framework for measuring service quality. For data collection, an online questionnaire was distributed among 384 respondents who are residing in Melbourne, Australia and have car insurance contract with one of the 40 chosen insurance companies. With respect to the findings, service quality in the car insurance industry for investigated area is high. Moreover, the SERVQUAL scale is established for the Australian car insurance industry although was not confirmed in some ranges.

Saghier and Nathan (2013) these authors were investigated the quality perception of bank customers in Egypt and the differences in relative importance they attach to the various quality dimensions using the SERVQUAL model. The finding of this research indicates that

Customer Satisfaction in the Egyptian banking services is significantly affected by Reliability, Empathy, Assurance and Responsiveness, while the effect of the dimension of Tangibility does not have any significant impact on customer satisfaction.

In Ethiopia, similar to the external world, most banks are negatively affected by various challenges (like network failure, system interruption, etc.) which resulted dissatisfaction among customers who use different banking services. So, it becomes important for banks to assess the effect of service quality on customer's satisfaction. For that, different empirical research were conducted. For instance, Kassa (2012), conducted a study on the effect of customer service quality on customer satisfaction in selected private banks in Addis Ababa and found that except responsiveness, all service quality dimensions (tangibility, assurance, empathy, and reliability) have positive and significant impact on customer satisfaction, especially, indicated that customers were most satisfied with the assurance dimensions of service quality. On the contrary, customers were less satisfied with reliability and empathy dimensions of service quality.

Mesay Shanka, (2012) attempted to investigate the relationship between service quality, customer satisfaction, and loyalty to measure, by using the SURVPERF model, the quality of service offered by private banks operating in Ethiopia. This research proves that there are positive correlations between the dimensions of service quality and customer satisfaction, i.e., offering quality service have positive impact on overall customer satisfaction. The research findings also indicate offering high quality service increase customer satisfaction, which in turn leads to high level of customer commitment and loyalty.

Alemu Getahun, 2019, has also tried to study the effect of service quality on customer satisfaction in CBE branches located in Adama city. The finding of the study concludes that there is a positive and significant relationship between the service quality dimensions and customer satisfaction. As per this study, customers were most satisfied with the assurance dimensions of service quality and dissatisfied with network quality dimension. In another similar study, conducted at Bank of Abyssinia, identical result was revealed; the correlation result shows that there is positive and significant relationship between service quality dimensions and customer satisfaction. (Mesfin Lemma, 2018). Specifically, the findings indicate that unlike responsiveness and empathy the three service quality dimensions (tangibility, assurance, and reliability) have strongly positive and significant effect on customer satisfaction.

Generally, the findings of the above-mentioned research papers simply confirmed the theory of literatures regarding the relationship between service quality dimensions and customer satisfaction. By saying this, however, it does not mean that all quality dimensions have equal effect on consumer satisfactions; rather there may be differences in the extent of effect created by each individual dimension. Accordingly, from this empirical review, it is possible to state that banks have to improve the services offered to customers with the purpose to ensure the customer satisfaction and also build the competitive advantage against the competitors based on differentiation.

2.4 Conceptual Framework of the Study

A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Kombo and Tromp, 2009).

Although there are alternative models have been proposed for the measurement of service quality, SERVQUAL scale has been widely used by researchers and practitioners to measure service quality. Here the independent variables are the SERVQUAL dimensions of service quality: Tangibles, Responsiveness, Reliability, Assurance and Empathy. On the other hand, customer satisfaction is the dependent variable that the study measure with the independent variables. Therefore, this model has been used as a reference point for this study to develop hypothesis test.

Independent variable

Dependent variable

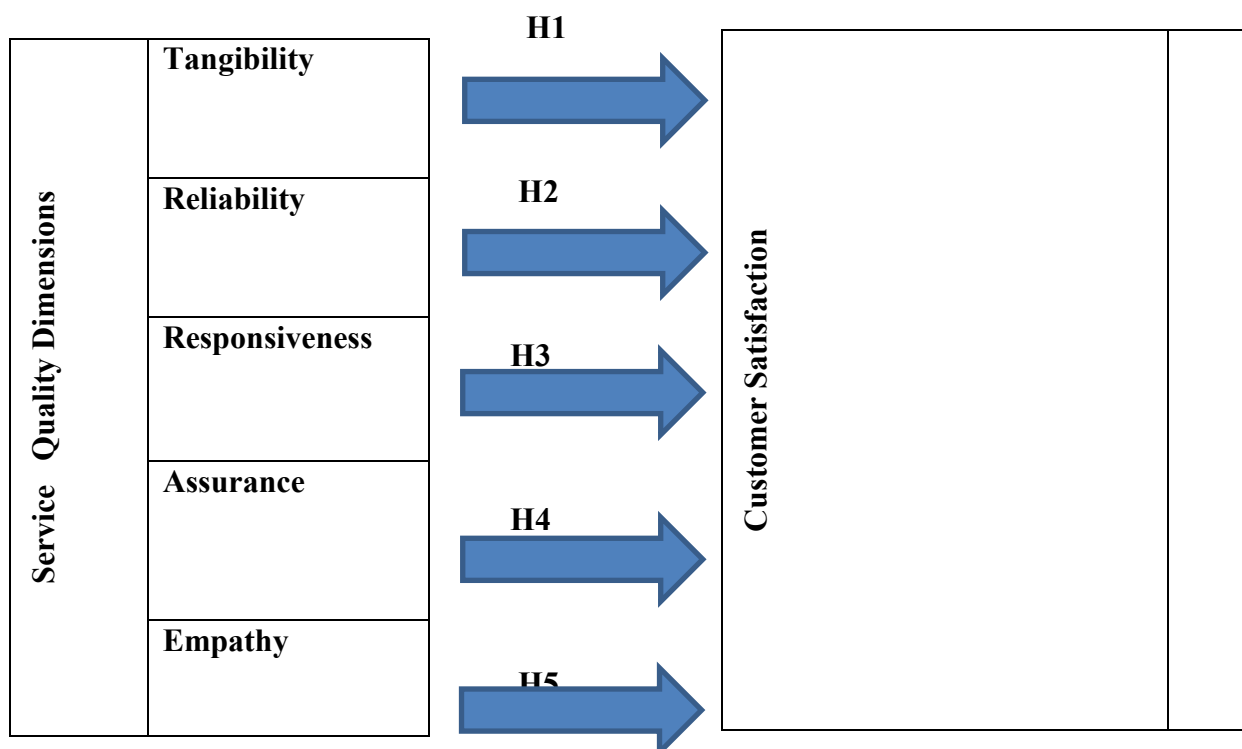


Figure 2. Conceptual framework

Tangibility: In this study, tangibility is regarding the bank's modern looking equipment, visually appealing Physical facilities, neat and professionally groomed employees and visually appealing materials associated with the service (like brochures, or statements.

Reliability: Includes the ability to provide service safe and always promised level of performance, sincere interest in solving customer's problem, performs the service right the first time, providing service at the time they promise to do so and insist on error free records.

Responsiveness: In this study, responsiveness regarding to bank includes the time when the service is performed, willingness to assist customers, provide them with prompt service and never being too busy to respond customer's request.

Assurance: Diverse features that provide confidence to customers such as the firm's specific service knowledge polite and trustworthy behaviour from employees.

Empathy: consists of statements relating to ease of contact and communication with the client, the ability of understanding customers specific need, convenient operating hours to all customers, customer's best interest at heart and treat with due attention to each client.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter deals how the research will be conducted to achieve the objectives of the study. It consists of description of the study area, research design and strategy, method of data collection, sampling design, data collection instrument and Method of Data Analysis.

3.2 Type and Approaches of Research Design

3.2.1 Research Design

This research primarily aims to examine the effect of service quality on customer service in the case of CBE. For that, descriptive and explanatory research design were used by applying mixed research approaches, qualitative and quantitative methods. Descriptive research is a type of research that describes a population, situation, or phenomenon under study and answers the “what” question of the study. Besides, descriptive-survey research uses surveys to gather data about varying subjects to know the extent to which different conditions can be obtained among these subjects. Therefore, considering the objective of this study, using descriptive- survey research design enables the researcher to have a proper understanding of what the research problem is about and to gather appropriate data to apprehend the actual level of service quality and customer satisfaction of the banks understudy. In addition, explanatory research is used, which is a research type that describes the causes or the relationships between different variables. The main use of explanatory research is to explain why or how a particular phenomenon occurs, by establishing cause and effect relationships between different variables. This enables the researcher to identify factors that influence a particular phenomenon, test hypotheses, and develop and refine theories.

3.2.2 Research Approach

For this research quantitative approach will be applied. The rationale for the choice of applying quantitative research approach is that it involves statistical model such as mean, standard deviations, correlation, and regression analysis. In addition, it is a qualitative approach because it can describe the actual condition of service quality practice at CBE.

3.3 Sampling and Sample Design

3.3.1 Target Population

The target population of this study consists of customers, saving and demand account holders, of CBE found in Addis Ababa. For the purpose of this study, the target population was selected from those customers who are saving and demand holders and above 18 years old. This is because the researcher believed that those customers were made high contact with the banks' comparing to other customers and thus leads to evaluate the service quality easily which have got a minimum of 1 year service experience within the selected banks.

On the other hand, CBE is chosen since it's the large and leading public commercial bank that dominates the banking sector in Ethiopia.

CBE have more than 680 branches in Addis Ababa. In addition, choosing Addis Ababa as a target research area is, since the bank has a number of branches here in Addis Ababa. Which is convenient to the researcher.

3.3.2 Sampling Techniques

To select representative customers, systematic sampling (also known as systematic random sampling) method were used in this research. In this method, the items are chosen from the target population by choosing the random selecting point and picking the other methods after a fixed sample period. It is cost and time efficient and, when correctly done, it is approximate the results of simple random sampling. Therefore, regarding to this study, such sampling method is more advantageous and suitable than other sampling methods due to the large population potentially involved, the need for undertaking a survey that covers a large geographical area and the limitations in the timing of conducting the survey and costs. Furthermore, as it is a probability sampling, systematic sampling will enable the researcher to apply other similar types of samplings like simple random sampling, stratified sampling, multi-stage sampling, etc.

Based on this, in order to achieve the objectives of the study, the sample size that represent the whole population is determined in the following way.

As mentioned earlier, the sample frame of the study consists of customers of CBE branches found in Addis Ababa. However, it is not feasible and necessary to include all branches in this study. Currently, CBE has more than 680 branches in Addis Ababa. To select sample branches out of the whole branches, the study applied a grading information system. This

grading system includes categorizing branches from Grade I to Grade III (as small, medium, and higher) based on volume of transaction, varieties of services provided, site location, facilities and staff strength, cash holding limits and other similar considerations. Then, after the identification of all the city area branch grade information one branch from each grade has been taken as a sample and three branches from each bank was selected using simple random lottery method. Therefore, the sample branches for this study were these three branches of CBE, namely, Finfinnee, Aba Koran and Megenagna branches.

After the identification of specific number of branches, focusing on these branches is believed to provide the necessary data for the study since the overall structural platform across branches is uniform as it is dictated by the procedural manuals designed for the processing units, in addition, it makes the under taking a focused inquiry within the schedule time. Moreover, a sample of three branches is supposed to enable access to multiple customers of the bank as the branch rating criteria enables the identification of branches where it provides diversified services. Accordingly, the total number of customers comprises 55,583 from Finfinnee, 51,064 from Aba Koran, 41,372 from Megenagna branches of CBE. A total of 148,019 customers are found in the selected branches of CBE and by using the proper formula the sample size was obtained.

3.3.3 Sample and Sample Size

After the samples of banks have been determined, the researchers used the following sample size determination formula (Yamane, 1967).

Assumptions: - with a 95% confidence level, and 5% margin of error (e)

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

Where:

n- is the desired sample size to be used by the study,

N- total number of customers in selected branches of each bank.

l- designates the probability of the event occurring, and

e- margin of error at 5% (0.05).

So, based on this, the total sample size of CBE is:

$$n = 148,019 / (1 + 148,019(0.05)^2) = 399$$

Hence, the total sample size is 399 for CBE since the numbers of people in each sample branch is not the same, this needs to be proportionate for each branch. For that, the researcher calculates their proportion by using the following formula of proportional allocation.

$$n_i = n \cdot p_i / N$$

where: n_i – proportional sample size for each branch,

n – the total sample size for selected banks' customers,

p_i – the total number of customers in each branch,

N – the total numbers of customers in selected branches of each bank.

Accordingly, the table below shows the proportionate sampling for each branch based on the above given formula. The total sample customers of each bank are distributed among their selected branches in their proportion. Generally, the researcher has selected only 399 CBE's customers (respondents) from the total target population taking proportionally. Having selected such number of respondents the questionnaires will be distributed by using randomly sampling to get each respondent from each selected branch of CBE found in Addis Ababa.

Table 1. Population and sample size proportion of selected branches of CBE.

Name of Banks	Name of Branches	Population	Proportion (%)	Sample Size
CBE	Finfinnee	55,583	37.59	150
	Aba Koran	51,064	34.58	138
	Megenagna	41,372	27.81	111
Total		148,019	100	399

Source: - Own computation based on proportion taken from each selected branches of the bank (2023).

3.4 Types, Source and Method of Data Collection

3.4.1 Data Sources and Types

The data for this study will be collected both from primary and secondary sources. Primary data were collected from selected customers of CBE, on the extent of the perceived service qualities and customer satisfaction of CBE. While secondary data will be collected from several books, periodicals, newspapers, banks' reports, websites, and different journals. These secondary data will be used for obtaining necessary information regarding the selected banks, and to gather reliable literature and empirical findings that can be applied to have a better understanding the service quality construct and how the SERVQUAL model can be used to measure it and to support the primary data analysis as well.

3.4.2 Methods Vs Tools of Data Collection

The data collection was done using self-administered questionnaire to be distributed and filled by the customers of the selected bank. In order to measure such banks' service quality level, the researcher will use structured close-ended questions adopted from the modified five dimensions of SERVQUAL model as developed by Parasuraman et al (1988). Such type of questionnaire will be used because of their appropriateness to obtain relevant information, opinions, and attitudes from large population within a short period.

The questionnaire is organized into three sections as follows: The first section of the questionnaire asks respondents to obtain their demographic characteristics, such as questions regarding their gender, age, occupation, and level of income, experience with their bank. The second part of the questionnaire presents customer's perception and expectation of service quality based on the SERVQUAL model which consists of 22 different statements developed by Parasuraman et al., (1988). Those statements are also divided into five different dimensions (tangibles, reliability, assurance, responsiveness, and empathy. A 22-item measure will be used to indicate the customer's degree of agreement for the 22 performance statements, based on their assessments of the service provided by their bank. Moreover, the questionnaire is designed in a five scale Liker measurement, in which the respondents were simply to rate their agreement or disagreement to a particular statement. The final section of the questionnaire is to analyze questionnaires concerning overall customer satisfaction from the selected banks using Five-point Likert scale where 1 stands for "Strongly Disagree", 2 stands for "Disagree", 3 stands for "Neutral", 4 stands for "Agree" and 5 stands for "Strongly Agree".

3.4.3 Reliability and Validity Testing

Reliability refers to the stability of the measure used to study the relationships between variables (Ghauri&Grønhaug 2005). It is the degree to which a test consistently measures whatever it measures. Having established the variables of the study, and allocated appropriate names, the next part of evaluation entailed testing the reliabilities of the factors. To ensure that the effects identified will be consistent, and reliable, a Cronbach 's alpha will be calculated for the overall scale and for each individual variable.

According to Kothari (2004) content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is a numerical way to express it. Based on this definition the content validity was verified by the advisor of the research, who look into the appropriateness of the questions and the scale of measurement. In case of secondary data, only relevant articles and literature from academic, scientific, and marketing databases will be used for this study.

3.4.4 Procedures of data Collection

The process of enhancing data collection and utilization involves initially identifying potential issues and opportunities for gathering information. Following this, select specific issues or opportunities to focus on and establish clear goals. Plan a strategic approach and decide on the methodologies to be employed for data collection. Proceed to gather the necessary data, then analyze and interpret the findings to draw meaningful insights. Finally, take actionable steps based on the results to address the identified issues or capitalize on the opportunities, thereby facilitating informed decision-making and strategic planning.

3.5 Method of Data Analysis

3.5.1 Data Processing

Data processing, manipulation of data by a computer. It includes the conversion of raw data to machine-readable form, flow of data through the CPU and memory to output devices, and formatting or transformation of output. Any use of computers to perform defined operations on data can be included under data processing.

3.5.2 Data Analysis Techniques

The analysis was implemented on the basis of data and information collected from respondents through questionnaires from selected customers of CBE in Addis Ababa. The collected data will be analyzed and processed both qualitatively and quantitatively. The researcher will analyze the data by using descriptive data analysis techniques. Descriptive data analysis will be used to reduce the data into a summary format and transform raw data into form that will make them easy to understand and interpret.

The data collected from the questionnaire will be summarized by using statistical package for social science (SPSS version 23) by means of statistical methods such as tabulation, average mean, and frequency count. In addition to this, to show the degree of relationship among independent variables and dependent variables, the researcher will use inferential data analysis technique. Inferential data analysis consists of regression and correlation will be employed by the researcher to estimate the degree and nature of relationships between variables.

3.6 Ethical Consideration

The Researcher will approach and inform customers about the intent of the research. Furthermore, the customers will be made aware that their response would be kept confidential and will be used for academic purpose only, in verbal communication and in writing. After getting the consent of the respondents, they will be provided with a self-administered questionnaire designed for the purpose of this study, so that they will complete and return it back. Randomly selected customers will participate in the research willingly.

3.7 Validity

According to Kothari (2004) content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is numerical way to express it. Based on this definition the content validity was verified by the advisor of the research, who look into the appropriateness of the questions and the scale of measurement. In case of secondary data, only relevant articles and literature from academic, scientific, and marketing databases were used for this study.

3.8 Reliability Test

Reliability refers to the stability of the measure used to study the relationships between variables (Ghauri&Grønhaug 2005). It is the degree to which a test consistently measures whatever it measures. Having established the variables of the study, and allocated appropriate names, the next part of evaluation entailed testing the reliabilities of the factors. To ensure that the factors identified were consistent, and reliable, a Cronbach ‘s alpha was calculated for the overall scale and for each individual variable. A commonly accepted Cronbach ‘s alpha is 0.7, although a value of 0.6 can be accepted during exploratory research (Hair et al, 1995). The following variables are acceptable because Cronbach’s Alpha for each variable between 0.735 up to 0.805.

Table 3.1 Cronbach’s Alpha for each variable

Variables	Cronbach’s Alpha	No. of Item	Source
Tangibility	0.735	4	SPSS output 2023
Reliability	0.805	5	SPSS output 2023
Responsiveness	0.788	4	SPSS output 2023
Assurance	0.754	4	SPSS output 2023
Empathy	0.770	5	SPSS output 2023
Customer Satisfaction	0.78	5	SPSS output 2023

3.9 Research model

As the purpose of the study was to assess and examine the effect of Service Quality on Customer Satisfaction in case of Commercial bank of Ethiopian and Dashed Bank.

The researcher used multiple regression models to determine significance level of the variables towards Service Quality induced Customer Satisfaction.

Customer Satisfaction in Service Quality =f (Serv Qual)

$$CS = \alpha + \beta_1TA + B_2RL + \beta_3RS + \beta_4AS + \beta_5EM + e$$

Where

CS = Customer Satisfaction

TA= Tangibility

RL = Reliability

RS = Responsiveness

AS = Assurance

EM = Empathy

Thus, α (alpha) is constant, β (beta) is coefficient of estimate, and e is the error term. Customer Satisfaction is dependent variable and Tangibility, Reliability, Responsiveness, Assurance and Empathy are independent variables.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSIONS

4.1 Introduction

This chapter presents the analysis and discussion of the findings to the study. The data is presented in form of Tables. Presentation of findings has been organized in accordance with the study objectives. Its base is the information obtained from 384 sampled customers of CBE found in Addis Ababa.

The data were analysed in different sections: descriptive analysis, correlation analysis, and multiple regression analysis.

- **Descriptive statistics:** to examine the variables (Serv Qual) and customer satisfaction.
- **Correlation analysis** using Pearson's test were used to examine the association between Serv Qual practices and customer satisfaction.
- **Multiple regression analysis** were used in an attempt to demonstrate the effect of five dimensions practices of service quality in affecting the overall customer satisfaction in CBE.

4.2 Response Rate on the Questionnaires

For this study, 384 questionnaires were distributed to the customers currently working with CBE 3 branches from Addis Ababa to assess service quality practices and its effect on customer satisfaction. Out of 384 questionnaires, distributed 365 questionnaires were filled up and returned with response rate of 95%.

Table 4.1: response rate

Questionnaires	<i>frequency</i>	<i>percent</i>
Correctly Filed	365	95
Incorrectly Filed	19	15

Source: SPSS output from survey data, 2023

4.3 Demographic Characteristics of the Respondents

This part commences with the analysis of the demographic data gathered from the respondents using frequencies and percentages. Accordingly, the general respondents''

characteristics including: gender, age, educational level, occupation, monthly income and Marital status are presented in Table 4.2 below

Table 4.2: Demographic Characteristics of the Respondents

Respondents characteristics	Categories	Frequency	Percent
Gender	Male	266	72.9
	Female	99	27.1
Age	18-25 years	165	45.2
	26-33	71	19.5
	34-42	87	23.8
	43-50	35	9.6
	51 years & above	7	1.92
Marital status	Single	255	69.9
	Married	110	30.1
Educational qualification	Elementary	133	36.6
	high school	122	33.4
	College diploma	64	17.5
	first degree and above	29	7.9
	Others	17	4.7
Monthly Income	Below 1000	29	7.9
	1001-3000	77	21.1
	3001-5000	202	55.3
	Above 5000	57	15.6
occupation	Student	41	11.2

private sector	105	28.8
own business	69	18.9
Government sector	133	36.4
Others	17	4.7

Source: SPSS output from survey data, 2023

As per descriptive analysis, the questionnaires contained demographic profile of respondents as being factors of influencing bank customer's satisfaction of the selected branches of CBE. As it can be observed from table 4.2, among 365 respondents 72.9 % were male and 27.1 % were female. Beside this, age wise description indicates that 45.2 % of respondents were between 18-25 years, 23.8 % of respondents were in the age of between 34-42, 19.5% of respondents were in the age of between 26-33, 9.6% of respondents were in the age of between 43-50 years and the rest 1.92 % were 51 and above years. This indicates that most of the respondents were younger. Among 365 respondents 69.9 % were single and 30.1 % were married. In terms of educational level, 36.4% of the respondents were completed primary education, 33.4% had secondary education, 17.5% of the respondents were completed diploma, 11.1 % of the respondents were first degree holders, 7.9 % were first degree and above, the rest 4.7 were educated others. It implied that the respondents had no high literacy level. In the case of occupation 36.4 %, 28.8%, 18.9%, 11.2%, 4.7% of respondents had government, private sector, run own business, student and other sector employs respectively. In respect to Monthly average income, most of the customers generate birr 3001-5000 (55.3%) followed by birr 1001-3000 (21.1%), the remaining were gain below birr 1000 (7.9%) and above birr 5000& (15.6).

4.4 Descriptive statistics of Serv Qual dimensions

Under the description of study variables, summary of **Serv Qual** dimensions (Tangibility Reliability Responsiveness Assurance and Empathy) and Customer satisfaction are discussed. Respondents evaluated this dimension with five-point Likert scale. According to Best (1987), the scale is set in such a way that respondents strongly disagreed if the mean scored value is in the range of 1.00 – 1.80; disagreed within 1.81 – 2.60; neither agreed nor disagreed within 2.81 - 3.40; agreed if it is in the range of 3.41 – 4.20; while strongly agreed when it falls within 4.21 – 5.00. In addition, standard deviation shows the variability of an observed response.

4.4.1 Customers' Perception on Tangibility

Table 4.3 Customers' Perception on Tangibility

Items	Number	Mean	Std. Deviation
Your bank has Modern-looking equipment.	365	4.16	1.006
Your bank has visually appealing physical facilities	365	4.15	.933
Your bank has neat and professionally groomed employees.	365	3.96	1.082
Materials associated with the service (such as pamphlets or statements) will be visually appealing of your bank.	365	3.99	1.171
Grand Mean	365	4.067	0.785

Source: SPSS output from survey data, 2023

Referring the results on Table 4.3, the grand mean of Trust dimension was found to be 4.067 (Std. 0.785). It indicates that the majority respondents inclined to agree on the importance of Tangibility on the satisfaction. The standard deviation indicates considerable variation of the respondents in regards to the Tangibility. This implied that the customers have good enough satisfaction, visually appealing physical facilities, bank has neat and professionally groomed employees and Materials associated with the service (such as pamphlets or statements) will be visually appealing of your bank.

4.4.2 Customers' Perception on Reliability

Table 4.4 Customers' Perception on Reliability

Items	Number	Mean	Std. Deviation
When your bank promises to do something by a certain time, they do.	365	4.11	.791
When you have a problem, the staff shows a sincere interest in solving it.	365	4.23	.967
The staff of your bank performs the service right the first time.	365	3.70	1.056
The staff of your bank provides the service at the time they promise to do so.	365	3.92	.962
The staff of your bank insists on error free records	365	4.10	.850
Grand Mean	365	4.013	0.696

Source: SPSS output from survey data, 2023

Referring the results on Table 4.4, the grand mean of Trust dimension was found to be 4.013 (Std. 0.696). It indicates that the majority respondents inclined to agree on the importance of Reliability on the satisfaction. The standard deviation indicates considerable variation of the respondents in regards to the Reliability. This implied that the customers have good enough satisfaction by the bank's promises to do something by a certain time, they do. when the customers have a problem the staff shows a sincere interest in solving it, the staff of the bank performs the service right the first time, provides the service at the time they promise to do so and the staff of the bank insists on error free records.

4.4.3 Customers' Perception on Responsiveness

Table 4.5 Customers' Perception on Responsiveness

Items	Number	Mean	Std. Deviation
Employees of your bank tells you exactly when services be performed.	365	3.85	.957
Employees of your bank gives you prompt service	365	4.01	.869
Employees of your bank are always willing to help you.	365	4.02	.838
Employees of your bank are never being too busy to respond your requests.	365	4.02	.940
Grand Mean	365	3.97	0.705

Source: SPSS output from survey data, 2023

According Table 4.5 indicated that, the grand mean of Responsiveness dimension was found to be 3.97 (Std. 0.705). It indicates that the majority respondents inclined to agree on the importance of Responsiveness on their satisfaction. The standard deviation indicates considerable variation of the respondents in regards to the Responsiveness. This implied that Employees of the bank tells exactly when services be performed, gives you prompt service, always willing to help customers and never being too busy to respond your requests.

4.4.4 Customers' Perception on Assurance

Table 4.6 Customers' Perception on Assurance

Items	Number	Mean	Std. Deviation
The behaviour of employees in your bank in stills confidence in you.	365	3.79	1.082
The staff of your bank makes you feel safe in transaction.	365	3.99	1.016
Employees of your bank are consistently courteous with you.	365	3.79	1.078
Employees of your bank have the knowledge to answer your questions.	365	4.17	.855
Grand Mean	365	3.936	0.768

Source: SPSS output from survey data, 2023

According Table 4.6 indicated that, the grand mean of Assurance dimension was found to be 3.936 (Std. 0.768). It indicates that the majority respondents inclined to agree on the importance of Assurance on their satisfaction. The standard deviation indicates considerable variation of the respondents in regards to the Assurance. This implied that the behaviour of employees in the bank in stills confidence, the staff of the bank makes feel safe in transaction & consistently courteous with customers and Employees of your bank have the knowledge to answer customers' questions.

4.4.5 Customers' Perception on Empathy

Table 4.7 Customers' Perception on Empathy

Items	Number	Mean	Std. Deviation
The employees of your bank are able to communicate effectively with you.	365	3.84	.935
The employees of your bank understand your specific needs	365	4.10	.860
Your bank has operating hours convenient to all their customers.	365	4.01	.932
The employees of your bank have their customer's best interest at heart.	365	4.10	.839
The staff of your bank shows personal attention to you.	365	3.87	.970
Grand Mean	365	3.983	0.655

Source: SPSS output from survey data, 2023

According Table 4.7 indicated that, the grand mean of **Empathy** dimension was found to be 3.983 (Std. 0.655). It indicates that the majority respondents inclined to agree on the importance of **Empathy** on their satisfaction. The standard deviation indicates considerable variation of the respondents in regards to the **Empathy**. This implied that the employees of banks are able to communicate effectively with customers, understand customers' specific needs; the bank has operating hours convenient to all their customers. & consistently courteous with customers, the employees of the bank have their customer's best interest at heart and shows personal attention.

4.5 Correlation analysis

Table 4.8: Correlation analysis between explanatory variables and customer satisfaction

Correlations

		Tangibilit y	Reliability	Responsiv eness	Assurance	Empathy	customer satisfaction
Tangibility	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	365					
Reliability	Pearson Correlation	.528**	1				
	Sig. (2-tailed)	.000					
	N	365	365				
Responsiven ess	Pearson Correlation	.251**	.176**	1			
	Sig. (2-tailed)	.000	.001				
	N	365	365	365			
Assurance	Pearson Correlation	.305**	.528**	.263**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	365	365	365	365		
Empathy	Pearson Correlation	.214**	.241**	.195**	.470**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	365	365	365	365	365	365
customer satisfaction	Pearson Correlation	.599**	.789**	.201**	.554**	.252**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	365	365	365	365	365	365

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

Source: SPSS output from survey data, 2023

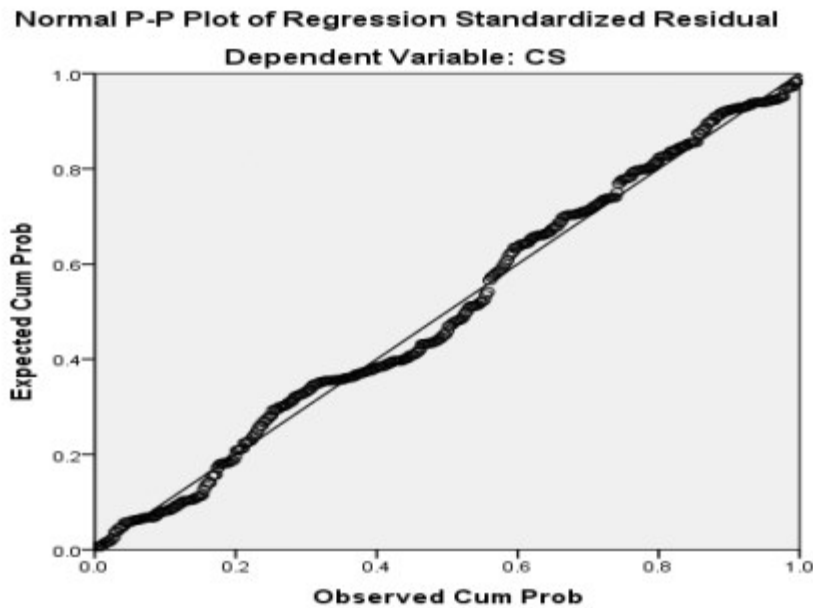
Reliability and customer satisfaction in serv Qual have moderately high correlation coefficient which is 0.789 at 0.01 level of significance. Tangibility & Assurance have moderate and positive relationship with Customer satisfaction with coefficient of 0.599 and .554 at 0.01 significant levels respectively. Although the correlation coefficient of Empathy and Responsiveness is relatively lower and has significant correlation with quality practices induced Customer satisfaction with bit moderate correlation coefficient of 0.252 and 0.201 at 0.01 respectively. Reliability and Customer satisfaction has relatively the highest correlation coefficient that is 0.789 at 0.01 level of significant. Therefore, Reliability can be better predictor of level of satisfaction obtained from serv Qual practices in CBE. Sequentially, Reliability, Tangibility, Assurance, Empathy and Responsiveness can be the predicator of Customer satisfaction on serv Qual practices due to their relatively higher correlation coefficient.

4.6 Regression Analysis

Preliminary analyses were conducted to indicate if there were any violations of the assumptions of multicollinearity, normality, and reliability before applying linear multiple regression.

To test the assumption of normality, a Normal P-Plot of Regression Standardized Residuals was conducted for each of the five variables. For all variables, Normal P-Plots of Regression Standardized Residuals were examined. The points lied in reasonably straight lines, therefore, the assumption of normality was found tenable.

To indicate if multicollinearity was violated, the tolerance, VIF and condition indexes were evaluated from a Colinearity Diagnostics table in SPSS. The tolerance values for each of the variables scales ranged from .570 to .893 that are not less than .20; thus, further verifying that the assumption is not violated. This was verified by the VIF values that ranged from 1.120 to 1.756 which are under 10 suggesting that the assumption of no multicollinearity is tenable (Tabachnick & Fidell, 2007). Based on the results of the tests, the assumption of no multicollinearity is tenable.



Source: SPSS output from survey data, 2023

Figure 2: Normal p- plot of the regression-standardized residuals

Regressions fit a predictive model to data and use that model to predict the values of dependent variable from one or more independent variables.

Linear multiple regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable.

Table 4.8: model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.832 ^a	.692	.688	.44332	1.910

a. Predictors: (Constant), EM, RS, RL, TA, AS

b. Dependent Variable: CS

Source: SPSS output from survey data, 2023

As it can be seen in the above model summary R= 0.832 which indicates the positive relationship between customer satisfaction and explanatory variables (Reliability, Tangibility, Assurance, Empathy and Responsiveness). R-square also measures the goodness of the fit of those explanatory variables in explaining the variation in dependent variable. The adjusted R² is called the coefficient of determination. This value tells us how customer satisfaction is varied with effects of Reliability, Tangibility, Assurance, Empathy and Responsiveness. Again adjusted R² is 0.688. This implies that, there was a variation of 68.8 % of effects on

customer satisfaction by CBE SERV QUAL dimensions (Reliability, Tangibility, Assurance, Empathy and Responsiveness).

Table 4.9: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	158.852	5	31.770	161.657	.000 ^b
	Residual	70.554	359	.197		
	Total	229.407	364			

a. Dependent Variable: CS

b. Predictors: (Constant), EM, RS, RL, TA, AS

Source: SPSS output from survey data, 2023

As per ANOVA results indicated on above table, there was a statistical significant correlation between dependent and independent variable at 1% significant level due to the sig value 0,000. This reveals that the explanatory variables; Reliability, Tangibility, Assurance, Empathy and Responsiveness affects customer satisfaction. However all dimensions of service quality have no equal correlation with customer satisfaction because the outcome of multiple linear regression analysis stated that there is variation in the effect of predictor variables on a single dependent variable.

In terms of F-statistics (161.657 at a significant level of 0.000, which means there is a dimensions of service quality and customers satisfaction between CBE.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.452	.201		-2.243	.026
	Tangibility	.253	.036	.250	7.103	.000
	Reliability	.639	.044	.560	14.450	.000
	Responsiveness	-.007	.035	-.006	-.208	.835
	Assurance	.203	.040	.197	5.126	.000
	Empathy	-.034	.040	-.028	-.840	.402

Source: SPSS output from survey data, 2023

Based on the above results here can be developed the following regression model

$$CS = -0.452 + 0.253TA + 0.639RL + 0.203AS + e$$

Where

CS = customers loyalty

RS= Responsiveness

AS= Assurance

TA= Tangibility

EM= Empathy

RL = Reliability

According to the above regression analysis model, three dimensions of service quality namely tangibility reliability and assurance have caused statistically significant positive effect on customer satisfaction. Figuratively reliability dimension caused the highest effect ($\beta=0.639, p<0.05$) followed by tangibility ($\beta=0.253, p<0.05$) and assurance ($\beta=0.203, p<0.05$) on customer satisfaction.

Accordingly a one percent increase in Tangibility leads to 25.3% change in customer satisfaction level. Similarly, a one percent increase in Reliability leads to 63.9% increase in customer satisfaction. Moreover a one percent increase in Assurance leads to 20.3% increase in customer satisfaction.

The coefficient of Empathy and Responsiveness is negative and insignificant at 95% level of confidence. The negative value implies that CBE should give priority on other service quality instead of the issue of Empathy and Responsiveness. From this implies that an increment in Reliability, Tangibility and Assurance leads to an increment customers' satisfaction. Therefore among the five service quality dimension as independent variable in ranking sequence Reliability, Tangibility and Assurance has effect on customers' satisfaction level in CBE.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND

RECOMMENDATIONS

In this chapter of the study, summary of findings, conclusion drawn and recommendations of the study are stated. The purpose of the study was to investigate the effect of service quality on customer satisfaction, assess the dimension of SERV QUAL that affect the customer satisfaction directly through Reliability, Tangibility, Assurance Empathy and Responsiveness.

5.1 SUMMARY OF FINDINGS

Among the selected, five dimensions of SERV QUAL, all of them i.e. Reliability, Tangibility, Assurance, Empathy and Responsiveness have a significant effect on customer satisfaction. Let us summarize the findings in detail.

- Based on assessment of the respondents Reliability has a positive and significant positive relation with customer satisfaction in CBE. The independent variable Reliability holds the first variable in affect customer satisfaction in CBE. The grand mean value of the independent variable (trust) is 4.013 that show significant level of importance. Correlation analysis proves that the independent variable is correlated with dependent variable by 0.789-correlation value and the beta coefficient shows 0.639 levels with significance level of .000.
- The study has shown that the correlation value proves that the variable (Tangibility) is the second highest correlated value with customer satisfaction (dependent variable) by 0.599 correlation values and the regression coefficient table reveals that the variable shows Beta value of .253 values with a significance level of .000. Again, the grand mean score of Tangibility is 4.067. As a result, there is a positive and significant relationship between Tangibility and customer satisfaction.
- According to the test result of this study, Assurance has a significant relationship with customer satisfaction. The correlation analysis reveals Assurance show the third highest relation (i.e. 0.554) with the dependent variable Customer satisfaction. According to the descriptive analysis, the grand mean score of satisfaction relevance is 3.936. Regression analyses also reveal that the coefficient value relevance shows 0.203 with significance level of .000. This is the highest values that prove the strength of the independent predictor influencing the criterion (dependent variable).

- According to the test result of this study, Responsiveness has a significant relationship with customer satisfaction. The correlation analysis reveals Empathy show the low (i.e. 0.252) with the dependent variable Customer satisfaction. According to the descriptive analysis, the grand mean score of Empathy relevance is 3.983. Regression analyses also reveal that the coefficient value relevance shows -0.034 with insignificance level of .402. As a result, there is a negative and insignificant relationship between Empathy and customer satisfaction.
- The study has shown that the correlation value proves that the variable (Empathy) is the last correlated value with customer loyalty (dependent variable) by 0.455 correlation values and the regression coefficient table reveals that the variable shows Beta value of -0.007 values with in significance level of .835. Again, the mean score of Responsiveness is 3.97. As a result, there is a negative and insignificant relationship between Responsiveness and customer satisfaction.

Finally, as per the regression analysis result, except Responsiveness and Empathy when the overall customer satisfaction was regressed on the five independent variables (Reliability, Tangibility and Assurance) contributes to statistically significant level at p-value 0.000. The beta of non-standardized coefficient indicates, the factors Reliability, have effects on customer satisfaction at CBE to a level of .639. It was established that a unit increase in Tangibility would cause an effect on the level of customer satisfaction at CBE Share Company by a factor of 0.253, also a unit increase the Assurance would cause an effect on customer satisfaction at CBE products by a factor of 0.203. The score of the coefficient correlation factors (R²) is 0.692 that indicates, 69.2% of the variability of overall customer satisfaction was explained by the five independent variables. Beta weight score indicated that the effect of Reliability is greater than that of Tangibility and Assurance in explaining the variability of overall customer satisfaction. The other variables that were not considered in this study contribute about 30.8% of the variability of customer satisfaction. So, the study model fit regression equation become $CS = -0.452 + 0.253TA + 0.639RL + 0.203AS + e$. Also since, p- value of Reliability, Tangibility and Competence is less than 0.05 we can reject the null hypothesis and accept Reliability, Tangibility and Assurance has positive effect on customer satisfaction.

5.2 CONCLUSIONS

Customer satisfaction is crucial in banking sector because of the special nature of the service which is characterized by intensive contact with customers who have different needs and require customized solutions and it is known to be one of the most important and serious issues towards success in today's competitive business environment, as it affects company market shares and customer loyalty. Enhancing customer satisfaction is critical as it is a key to business success of any banking institution.

The main purpose of the study was to investigate the effect of service quality on customer satisfaction. The study was conducted on customers of CBE in Addis Ababa. In order to meet this general objective, Non-probability (Purposive and convenience) sampling approach was used. Questionnaire containing questions on dimension of SERV QUAL that is Reliability, Tangibility, Assurance, Empathy and Responsiveness were developed and distributed to six selected branches customers' in Addis Ababa.

The entire research objective for this study was attained; the general objective of this study was to investigate the effect of service quality on customer satisfaction.

The findings from the descriptive statistics shows that Tangibility has the highest grand mean value which is 4.067 and Reliability, Empathy, Responsiveness and Assurance shows (4.013,3.983,3.970, 3.936;) mean value respectively. Correlation analysis were conducted to analyse if there is relation between variables used, the correlation matrix revealed that all coefficient of correlation were positive and significant. Further regression analysis was also conducted to verify if the independent variables have effect on customer satisfaction and that it is not limited to having correlation. For this reason, the effect of independent variables except Empathy and Responsiveness other Reliability, Tangibility and Assurance on customer satisfaction was conducted.

According to the findings, independent variables; Reliability, Tangibility and Assurance has a significant positive relation with customer satisfaction. Therefore, Reliability, Tangibility and Assurance have effect on customer satisfaction.

5.3 RECOMMENDATIONS

The focus of this research was on CBE customers that could provide useful insight to both practitioners and researchers. The main goal of this paper was to investigate the effect of service quality on customers' satisfaction.

- From the findings and conclusions of this study, commercial bank of Ethiopia should take into consideration that the important effect of service quality for their customers is Reliability, Tangibility and Assurance. As a result, CBE Banks should have to at least keep it up.
- In order to avoid easy switch of customers by different commercial Banks and build a strong customer loyalty, commercial bank of Ethiopia should attempt to improve its services quality through highly increasing Reliability, Tangibility and Assurance.
- As per the finding and conclusion of this study, commercial bank of Ethiopia should also work for the consistency of the created uniqueness by providing special service for its customers'.

5.4 FURTHER RESEARCH

The research can be further expanded to other countries and cultures. It would help to understand in detail different factors influencing customer satisfaction of commercial bank of Ethiopia. Moreover by using a larger and diverse sample size will be include other state owned and private commercial Banks helps to better understanding of the effect of service quality to customers' satisfaction.

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Annex A: English Questionnaires

**St. Mary's University
School of Graduate Studies**

Department of Accounting and Finance

Questionnaires to be filled by customer

Dear respondents;

This questionnaire is developed by a postgraduate student for fulfilling partial requirement of master of accounting and finance. You are requested to participate in the research in title “The effect of service quality on customer satisfaction: the case of Commercial bank of Ethiopia”. This questionnaire is designed to gather data from customers of the the banks regarding their expectation and perception. The objective of this research is to assess customer expectation and perception levels towards service quality of the selected bank and to identify the most determinants of service quality which leads to customer satisfaction. Your response is highly valuable for the study and there are no identified risks from participation in the survey. Participation in the study is completely voluntary it will take you approximately 8-10minutes to complete this questionnaire. The questionnaire consists of three parts (personal information, your expectation and your perception and you're your satisfaction level).therefore your genuine answer to the questions in the questionnaire has an immense value to the completion of this study.

Thank you for your kind cooperation and valuable time

Tigist W/Senbet

Mobile No:- 251929039003

Email:tigistwsk@gmail.com

General guidelines

- No need of writing your name and address
- Feel free and please attempt all the questions
- Use up on given choices alternatives

PART –I

Background information of customers

Please put a tick (√) mark where you think is appropriate in the box provided.

No.	Items	Option/dimension	Put(√)
1	Gender	1. Male	
		2. Female	
2	Age	1. 18-25 years	
		2. 26-33	
		3. 42-50	
		4. 51 years& above	
3	Marital status	1. Single	
		2. Married	
4	Educational qualification	1. elementary	
		2. high school	
		3. College diploma	
		4. first degree and above	
5	Monthly Income	1. 1000	
		2. 1001-3000	
		3. 3001-5000	
		4. Above >5000	
6	Occupation	1. Student	
		2. government employee	
		3. private employee	
		4. Self-employee	

PART –II

Please kindly, **indicate** (√) your level of agreement (satisfaction) with the following statements regarding service quality by choosing from a scale of 1-5, where by 1= strong disagree (SDA), 2= disagree (DA), 3= neutral (N), 4= agree (A), 5= strong agree (SA)

NO.	Tangibility	SA(5)	A(4)	N(3)	DA(2)	SDA(1)
1	Your bank has Modern-looking equipment.					
2	Your bank has visually appealing physical facilities					
3	Your bank has neat and professionally groomed employees.					
4	Materials associated with the service (such as pamphlets or statements) will be visually appealing of your bank.					
	Reliability					
5	When your bank promises to do something by a certain time, they do.					
6	When you have a problem, the staff shows a sincere interest in solving it.					
7	The staff of your bank performs the service right the first time.					
8	The staff of your bank provides the service at the time they promise to do so.					
9	The staff of your bank insists on error free records					
	Responsiveness	SA(5)	A(4)	N(3)	DA(2)	SDA(1)
10	Employees of your bank tells you exactly when services be performed.					
11	Employees of your bank gives you prompt service					

12	Employees of your bank are always willing to help you.					
13	Employees of your bank are never being too busy to respond your requests.					
	Assurance	SA(5)	A(4)	N(3)	DA(2)	SDA(1)
14	The behavior of employees in your bank instills confidence in you.					
15	The staff of your bank makes you feel safe in transaction.					
16	Employees of your bank are consistently courteous with you.					
17	Employees of your bank have the knowledge to answer your questions.					
	Empathy	SA(5)	A(4)	N(3)	DA(2)	SDA(1)
18	The employees of your bank are able to communicate effectively with you.					
19	The employees of your bank understand your specific needs					
20	Your bank has operating hours convenient to all their customers.					
21	The employees of your bank have their customer's best interest at heart.					
22	The staff of your bank shows personal attention to you.					
	CUSTOMER SATISFACTION	SA(5)	A(4)	N(3)	DA(2)	SDA(1)
23	I am satisfied with the security of the bank services.					

24	I am satisfied with respectful behavior of the bank staffs.					
25	I am satisfied with the communicative ability of the employee of the bank.					
26	I am satisfied with the performance of the employee of the bank.					
27	I am satisfied with various rang of service of CBE.					

Thank you very much for your cooperation! Your efforts are greatly appreciated.
Tigist W/Senbet

Annex B: Amharic Questionnaire

ቅድስተ ማሪያም ዮኒቨርሲቲ

ድህረ-ምረቃ ትምህርት ክፍል

ወድ የጥናቱ ተሳታፊዎች

እኔ በቅድስተ ማሪያም ዮኒቨርሲቲ ንግድ ስራ ትምህርት ቤት የ **MA AF** ትምህርት ክፍል ተማሪ ስሆን በ **MA AF** ድህረ-ምረቃ ትምህርት ክፍል ማግኘት የሚገባበትን በኢትዮጵያ ንግድ ባንክ የአገልግሎት ጥራት ልኬትና የደንበኞች እርካታ ጥናት ላይ ያተኮረ ነው፡፡

ስለዚህም የተከበራችሁ ደንበኞች በዕርስዎ አመለካከት የሚጠቀሙት ባንክ የአገልግሎት ጥራት እና ተዛማጅ ነገሮች ላይ ያልዎትን አስተያየት በመስጠት በጥናቱ ስኬታማነት የበኩልዎን ማጅ ይጫወቱ ዘንድ በአክብሮት እየጠየኩ ከዚህ ጋር በተያያዘ ማንኛውም የምትሰጡት ምላሽ በተገቢው ሁኔታ በሚጠየቀው ተጠብቆ የሚቀመጥ ከመሆኑ ባሻገር ለጥናቱ አገልግሎት ብቻ የሚገባ መሆኑን ላረጋግጥልዎ እወዳለሁ፡፡

ለምታደርጉልን ትብብር በቅድሚያ አመሰግናለሁ፡፡

ትዕዛዝ፡ -አባክዎ ለጥያቄዎቹ በመልስ ነት ከቀረቡት አማራጮች ውስጥ ምልክት (✓) በመድረግ ምላሽዎትን ይስጡ፡፡

ቁ.ቁ		ምርጫ	አስቀምጥ (✓)
1	ጾታ	ወንድ	
		ሴት	
2	ዕድሜ	18-25	
		26-33	
		42-50	
		51 ከዚያ በላይ	
3	የትምህርት ደረጃ	1ኛ ደረጃ	
		2ኛ ደረጃ	

		ዲፕሎማ	
		የ መጀመሪያ ድግሪና ከዚያ በላይ	
4	ወርሀዊ ገቢ	1000-በር	
		1001-3000-በር	
		3001-5000-በር	
		>5000-በር	
5	ስራ	ተማሪ	
		የ መንግስት ስራተኛ	
		የ ግል ስራተኛ	
		የ ራስ ስራ	

እባክዎ ለጥያቄዎቹ በመልስነት ከቀረቡት አማራጮች ውስጥ ምልክት (✓) በመድረግ ምላሽዎትን ይስጡ፡
 በጣም እስማማለሁ (5) እስማማለሁ (4) ግድየ ለኝም (3) አልስማምም (2) በጣም አልስማምም (1)

ቁ.ቁ	ተጨማሪ ት	በአ (5)	አ (4)	ግ(3)	አ(2)	በአ (1)
1	እርስዎ የሚጠቀሙበት ባንክ ዘመናዊ እይታ ያለው መሳሪያ አሉት					
2	እርስዎ በሚጠቀሙበት ባንክ የሚገኙ የመገልገያ ቁሳቁሶች ስታዩ (እንደ ቢሮ አቀማመጥ፣ የቢሮ እቃዎች ወዘተ) ለእይታ የሚጠቀሙ ናቸው					
3	እርስዎ በሚጠቀሙበት ባንክ ያሉት ስራተኞች ጥሩ ልብስ ለብሰው እና ንፁህ ሆነ ውይቀርባሉ					
4	እርስዎ ሚጠቀሙበት ባንክ ለስራ የሚገለግሉ ቁሳቁሶች እና መሳሪያዎች ከሚጠቀሙ አገልግሎቶች					

	አይነት ጋር አብሮ የሚኖሩ ነው					
	እወነታ	በአ (5)	አ (4)	ግ(3)	አ(2)	በአ (1)
5	እርስዎ በሚጠቀሙት ባንክ ያሉት ስራተኞች በአንድ በተወሰነ ጊዜ ወስጥዎ ሆነ ነገር ለመስራት ቃል ይገባሉ እንደ ቃላቸው ምዕራፍ ማሉ					
6	አንድ ደንበኛችን ግርካ ጋጠመው እርስዎ በሚጠቀሙት ባንክ ያሉት ስራተኞች ግሩን ለመፍታት ቀና ፍላጎት ያሳያሉ					
7	እርስዎ በሚጠቀሙት ባንክ ሊተማሙት የሚችሉ ባንክ ነው					
8	እርስዎ የሚጠቀሙት ባንክ አንድን ስራ ለመስራት ለፈፀመው ቃል በገባው ጊዜ ወራሪ ማሉ					
9	እርስዎ የሚጠቀሙት ባንክ መላ ግብቱን ከስህተት የፀዳ እንዲሆኑ ያበረታታል					
	ተጠያቂነት	በአ (5)	አ (4)	ግ(3)	አ(2)	በአ (1)
10	እርስዎ በሚጠቀሙት ባንክ ያሉት ስራተኞች በአንድ በተወሰነ ጊዜ ወስጥዎ ሆነ ነገር ለመስራት ቃል ይገባሉ እንደ ቃላቸው ምዕራፍ ማሉ					
11	አንድ ደንበኛችን ግርካ ጋጠመው እርስዎ በሚጠቀሙት ባንክ ያሉት ስራተኞች ግሩን ለመፍታት ቀና ፍላጎት ያሳያሉ					
12	እርስዎ በሚጠቀሙት ባንክ ሊተማሙት የሚችሉ ባንክ ነው					
13	እርስዎ የሚጠቀሙት ባንክ መላ ግብቱን ከስህተት የፀዳ እንዲሆኑ ያበረታታል					

Annex C: SPSS OUTPUT

Reliability Statistics TA

Cronbach's Alpha	N of Items
.735	4

Reliability Statistics AS

Cronbach's Alpha	N of Items
.754	4

Reliability Statistics RS

Cronbach's Alpha	N of Items
.788	4

Reliability Statistics EM

Cronbach's Alpha	N of Items
.770	5

Reliability Statistics RL

Cronbach's Alpha	N of Items
.805	5

Reliability Statistics CS

Cronbach's Alpha	N of Items
.780	5

Reliability Statistics

Cronbach's Alpha	N of Items
.897	27

Gen

	Frequency	Percent	Valid Percent	Cumulative Percent
1	266	72.9	72.9	72.9
Valid 2	99	27.1	27.1	100.0
Total	365	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
1	172	47.1	47.1	47.1
2	71	19.5	19.5	66.6
Valid 3	87	23.8	23.8	90.4
4	35	9.6	9.6	100.0
Total	365	100.0	100.0	

MS

	Frequency	Percent	Valid Percent	Cumulative Percent
1	255	69.9	69.9	69.9
Valid 2	110	30.1	30.1	100.0
Total	365	100.0	100.0	

MI

	Frequency	Percent	Valid Percent	Cumulative Percent
1	29	7.9	7.9	7.9
2	77	21.1	21.1	29.0
Valid 3	202	55.3	55.3	84.4
4	57	15.6	15.6	100.0
Total	365	100.0	100.0	

EQ

	Frequency	Percent	Valid Percent	Cumulative Percent
1	133	36.4	36.4	36.4
2	122	33.4	33.4	69.9
Valid 3	64	17.5	17.5	87.4
4	29	7.9	7.9	95.3
5	17	4.7	4.7	100.0
Total	365	100.0	100.0	

occ

	Frequency	Percent	Valid Percent	Cumulative Percent
1	41	11.2	11.2	11.2
2	105	28.8	28.8	40.0
3	69	18.9	18.9	58.9
4	133	36.4	36.4	95.3
5	17	4.7	4.7	100.0
Total	365	100.0	100.0	

Descriptive Statistics

	N	Mean	Std. Deviation
TA1	365	4.16	1.006
TA2	365	4.15	.933
TA3	365	3.96	1.082
TA4	365	3.99	1.171
Valid N (listwise)	365		

Descriptive Statistics

	N	Mean	Std. Deviation
RL1	365	4.11	.791
RL2	365	4.23	.967
RL3	365	3.70	1.056
RL4	365	3.92	.962
RL5	365	4.10	.850
Valid N (listwise)	365		

Descriptive Statistics

	N	Mean	Std. Deviation
RS1	365	3.85	.957
RS2	365	4.01	.869
RS3	365	4.02	.838
RS4	365	4.02	.940
Valid N (listwise)	365		

Descriptive Statistics

	N	Mean	Std. Deviation
AS1	365	3.79	1.082
AS2	365	3.99	1.016
AS3	365	3.79	1.078
AS4	365	4.17	.855
Valid N (listwise)	365		

Descriptive Statistics

	N	Mean	Std. Deviation
EM1	365	3.84	.935
EM2	365	4.10	.860
EM3	365	4.01	.932
EM4	365	4.10	.839
EM5	365	3.87	.970
Valid N (listwise)	365		

Descriptive Statistics

	N	Mean	Std. Deviation
TA	365	4.0664	.78460
Valid N (listwise)	365		

Descriptive Statistics

	N	Mean	Std. Deviation
RL	365	4.0126	.69674
Valid N (listwise)	365		

Descriptive Statistics

	N	Mean	Std. Deviation
RS	365	3.9740	.70541
Valid N (listwise)	365		

Descriptive Statistics

	N	Mean	Std. Deviation
AS	365	3.9363	.76780
Valid N (listwise)	365		

Descriptive Statistics

	N	Mean	Std. Deviation
EM	365	3.9825	.65526
Valid N (listwise)	365		

Correlations

		TA	RL	RS	AS	EM	CS
TA	Pearson Correlation	1	.528**	.251**	.305**	.214**	.599**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	365	365	365	365	365	365
RL	Pearson Correlation	.528**	1	.176**	.528**	.241**	.789**
	Sig. (2-tailed)	.000		.001	.000	.000	.000
	N	365	365	365	365	365	365
RS	Pearson Correlation	.251**	.176**	1	.263**	.195**	.201**
	Sig. (2-tailed)	.000	.001		.000	.000	.000
	N	365	365	365	365	365	365
AS	Pearson Correlation	.305**	.528**	.263**	1	.470**	.554**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	365	365	365	365	365	365
EM	Pearson Correlation	.214**	.241**	.195**	.470**	1	.252**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	365	365	365	365	365	365
CS	Pearson Correlation	.599**	.789**	.201**	.554**	.252**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	365	365	365	365	365	365

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

Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.832 ^a	.692	.688	.44332	1.910

a. Predictors: (Constant), EM, RS, RL, TA, AS

b. Dependent Variable: CS

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	158.852	5	31.770	161.657	.000 ^b
	Residual	70.554	359	.197		
	Total	229.407	364			

a. Dependent Variable: CS

b. Predictors: (Constant), EM, RS, RL, TA, AS

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.452	.201		-2.243	.026		
	TA	.253	.036	.250	7.103	.000	.690	1.449
	RL	.639	.044	.560	14.450	.000	.570	1.756
	RS	-.007	.035	-.006	-.208	.835	.893	1.120
	AS	.203	.040	.197	5.126	.000	.582	1.719
	EM	-.034	.040	-.028	-.840	.402	.768	1.302

a. Dependent Variable: CS

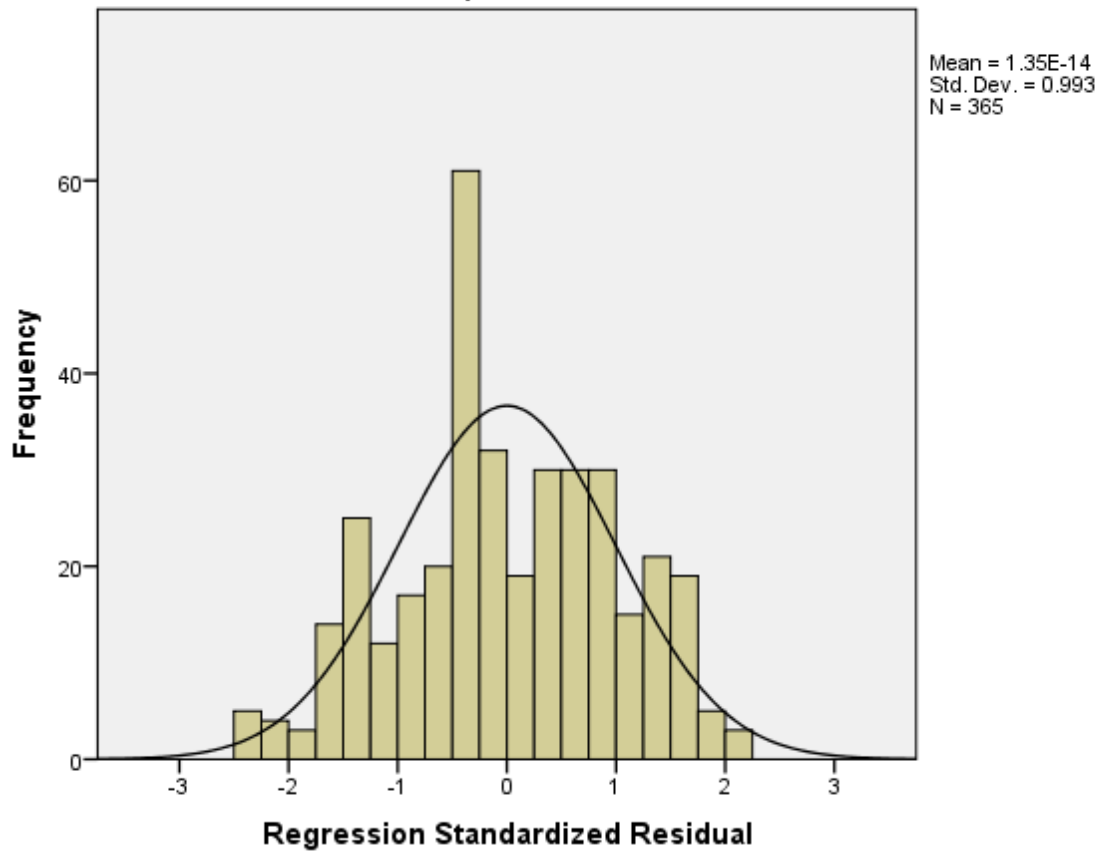
Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	TA	RL	RS	AS
1	1	5.902	1.000	.00	.00	.00	.00	.00
	2	.029	14.170	.01	.30	.12	.27	.00
	3	.028	14.541	.01	.14	.01	.31	.27
	4	.019	17.723	.04	.09	.06	.22	.27
	5	.013	21.005	.29	.42	.39	.03	.21
	6	.009	25.625	.65	.04	.42	.16	.25

a. Dependent Variable: CS

Histogram

Dependent Variable: CS



Normal P-P Plot of Regression Standardized Residual
Dependent Variable: CS

