Saint Mary's University

School of Graduate Studies

MBA Program

ASSESSING THE LEVEL OF CUSTOMER SATISFACTION IN CREDIT SERVICE:
THE CASE OF CONSTRUCTION AND BUSINESS BANK SC

A Thesis submitted by: Alemayehu Kebede

ID No. SGS/0040/2006

Email:alemayehu_keb@yahoo.com

Advisor: MesfinLemma (Ph.D., Asso. Professor)

Thesis Submitted to School of Graduate studies of Saint Mary's University inpartial fulfillment of the requirements for Master of Business Administration

May, 2015
Addis Ababa

Saint Mary's University
School of Graduate Studies
MBA Program

ASSESSING THE LEVEL OF CUSTOMER SATISFACTION IN CREDIT SERVICE:
THE CASE OF CONSTRUCTION AND BUSINESS BANK SC

By

Alemayehu Kebede

Approved board of examiners:

<u>**Signature**</u>

Dean, Graduate Studies: _____

Advisor: _____

External Examiner: _____

Internal Examiner: _____

ACKNOWLEDGEMENTS

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF ABBREVIATIONS

REL- Reliability Dimension
REL.1. The Loan Documentation Process for Getting Credit Service is Simple & Short
REL.2. Loan Approval is properly done& with in time
REL.3. The Way CBB Handles your Credit request is Satisfactory
REL.4. The Repayment Period given by the Bank favors You
REL.5.The Period for Loan Disbursement after Approval fits Your Requirement
REL.6. Your Credit request is Finalized Where You Applied

TAN - Tangibility Dimension
TAN.1. The Bank is Conveniently Located
TAN.2 The Bank has up-to-date Equipment
TAN.3. The Bank has Modern Technology like, Internet & Mobile banking
TAN.4. Employee of CBB are Neat appearing
TAN.5.Materialias, like Loan Contract, Loan Statements, Pamphlets are visually Nice

RES- Responsiveness Dimension
RES.1. CBB's Credit Staff are willing full to assist You
RES.2. CBB's Credit Staff respond to Your Demands per criteria correctly & with in time
RES.3: CBB's Credit Staff are instantly replay to criticisms & solve Problem

ASS- Assurance Dimension
ASS.1.CBB's Margin of Finance fulfill Your Requirements
ASS.2. Employees are Skilled & Capable of giving Explanation in relation to Credit service
ASS.3. Employees are very friendly & cooperative

EMP:-Empathy Dimension
EMP.1. Sincere Borrowers Guidance & Support
EMP.2 CBB's Staff understands Your Banking needs
EMP.3: CBB's Management Attention to Customers' Complain
EMP.4. CBB's Employees provide Friendly & Caring Services
EMP.5. The Bank has Convenient Operating Hour
CBB-Construction and Business bank Share Company.
SERVQUAL- Service Quality

LIST OF ACRONYMS
SC.-Share Company
SPSS- Statistical Package for Social Science

ABSTRACT

The main purpose of this study is to assess the level of customer satisfaction at Construction and Business Bank based on the perception of credit customers. Five dimensions in service quality (servqual) such as Tangibility, Reliability, Responsiveness, Empathy, and Assurance were considered as the base for this study. A structured questionnaire with 5 point Likert scale has been used to collect the data by conducting survey. 140 credit customers were taken as sample size and chosen on a convenient basis from10 branches located in Addis Ababa City. Data has been analyzed by using SPSS software (version: 20) and Excel program. Thefindings of the study revealed that some majority of customers (slightly above average customers) are satisfied with bank's quality of credit service delivery; this implies that there is undeniable number of customers who get dissatisfied with the bank's credit services delivering. Among those factors that caused customer dissatisfaction are loan documentation process, period for loan approval and disbursement, lack of modern technology, margin of finance and system of credit service delivery process. Besides, among the five service quality dimensions, reliability and assurance are where thehighest gap observed. The bank should understand and respond to expectations of customers when judging the quality of its service offering. Hence, it should be conscious on the reliability of its current service delivery process, employ improved technology like internet and mobile banking, proper customer service training should be given to employees and regular research should be conducted to find out expectation about the various service aspect, and the current credit procedure and service delivery standard time better be reviewed.

Key words:*Credit, SERVQUAL, Customer satisfaction, Customer-Expectation, Customer-Perception*

CHAPTER ONE

INTRODUCTION

This chapter introduces the phenomenon understudy. It consists of the background of the study, problem statement, research questions, and objectives of the researcher in carrying out the study and the importance of the study to the organization in which the study is conducted and to other researchers on the topic. Besides, it addresses scope and limitation of the study, definition of key terms. The chapter finally outlines the structure of the thesis.

1.1 Background of the Study

Service is a form of product that consists of activities, benefits, or satisfactions offered for sales that are essentially intangible (Papasolomous&Vrontis, 2006).

Service quality of the service industries globally remains a critical one as businesses strive to maintain a comparative advantage in the marketplace (Hossain& Leo, 2009) and service quality becomes a primary competitive weapon (Stafford et al., 1996). Bank industries should focus on service quality as a core competitive strategy (Chaoprasert&Elsey, 2004). Banking service provides financial service that accepts deposits and channels those deposit into lending activities, either directly or through capital markets (Shelton et al., 1995).

In order to achieve customer satisfaction, a good service quality provided is fitting specifications, stage where consumer specifications are met, fair exchange of a value at a price and potential for utilization to achieve customer satisfaction in service (Collier et al, 1994).

Customer satisfaction in banking service is a measure of how services delivered by a company meet or surpass customer expectation. Customer expectation could be revealed in terms of reasonable service price, delivering quality service per standard time, procedures of service delivery, the way employees handle them etc. It is important for company to get more profitability and achieve the profit target margin.

Verhoef et al., (2002) emphasized that companies need to be heavily focused on Customer relationship development and management. The development of effective customer relationships is acknowledged as an essential component of marketing strategies in service industries (Chaniotakis et al, 2006).

Customer dissatisfaction can affect an organization in various ways. First, customer who experiences an unsatisfactory service encounter may never revisit that particular service provider again. Second, the customer may not only want to have been rectified that incident, but may request that the damage done to their interpersonal relationship with the provider be repaired (Krapfel, 1985, Patterson & Johnson, 1995), thereby incur costs to the organization. According to Mitchell (1995), there are possibilities of increasing the customer profitability three times over by extending the relationship with them over a period of five years. Murphy (1996), added that banks must wait an average of six years in order to recover the initial cost of acquiring individual customers. Finally, perhaps the most damaging to the organization is the tendency for an unsatisfied customer to engage in negative word-of-mouth communication (Richins, 1983). At this point the organization must worry about losing potential customers as well as current ones. The organization need to be able to differentiate between the numerous variables that influence the consumer's selection of exact coping strategies, thereby enabling them to respond in the most appropriate fashion and to be aware that specific coping strategies may influence what consumers perceive to be satisfactory service outcomes.

Construction and Business Bank S.C. (CBB) is a wholly government–owned public enterprise and successor of the Housing and Savings Bank (HSB) which was formed in 1975 through the merger of two financial institutions namely, Imperial Savings and Home Ownership Association, and Savings and Mortgage Corporation of Ethiopia which were nationalized at the on-set of the socialist era of Ethiopia.

Pursuant to the market-based economic policy of the country initiated by the government in 1992, HSB was reconstituted as CBB in September 1994 by regulation No. 203/94 with an authorized capital of Birr 71.8 million.

The regulation gave CBB the mandate to provide universal banking services. In line with this, CBB has ventured into commercial banking operations stage by stage maintaining construction financing as its core business.

In September 2000 CBB is converted to share company in accordance with the Ethiopian Commercial Code with a capital of Birr 79.0 million. Currently, the bank with a vision "To be the best performing bank in Ethiopia by 2020" has 108 branches out let throughout the country and provided all banking services(http//www.cbb.com& Internal source).

The goal of this paper is to assess the level of customers' satisfaction in CBB identifying gaps, potentials and constraints based on the information collected from Credit customers of the ten Addis Ababa City branches. The SERVQUAL model was the effective methodology for measuring the customers' perception, expectation and satisfaction in banking industry. As quality service becomes the primary competitive weapon in today's service industries, particularly in banking industry, customer satisfaction should be a measure of how services delivered by a company meet or surpass customer expectation.

Therefore, the result of the study would help to alarm CBB's management about the Bank's current level of performance in relation to the quality of service and customer satisfaction so that they extend their efforts to retain existing customers' as well as to attract potential customers.

1.2 Statement of the Problem

Customers' satisfaction towards the service includes the core products along with supplementary services. In case of bank, the core services are the products and features (deposits and credits) but supplementary services are the procedure of getting the services, speed of service providing, the physical environment and also the attitude of personnel (Lovelock, 2001).

Customer satisfaction in banking service is a measure of how services delivered by a company meet or surpass customer expectation. Due to their centrality and importance; customers perceive that they have the power to demand high quality service (MacDonald, 1995). Besides, customers are now aware of the products and the range of financial services available to them (Akan, 1995).

According to Padilla (1996), exemplary businesses treat customer satisfaction in order to determine how to increase customer base, customer loyalty, revenue, profit, market share and survival in monitoring businesses.

Banks now understand that delivering quality service to customers is essential for success and survival in today's global and competitive banking environment (Wang et al, 2003). This is due to banking service provides financial service that accepts deposits from customers and channels those deposit into lending activities, either directly or through capital markets (Shelton et al., 1995). The key for providing superior service (benefits) is to understand and respond to expectations when judging the quality of a firms' service offering (Parasursaman et al,1988).The ability of banks to deliver these benefits on continuous bases has a significant important on the level of customer satisfaction.

CBB, a government owned commercial bank is delivering full-fledged commercial banking services to the public (http//www.cbb.com).Among those commercial banking services, credit service is one of the major banking services it is providing to customers. In the pursuit to improve its services, retain and attract customers, CBB has taken different measures like extending its business hours, spreading branch networking throughout the country, and integrating all branches with core banking technology, setting standard servicedelivery time;

providing trainings to employees and Management members in relation to credit service are among others. Despite these efforts which aim at bringing satisfaction to the customers, customers' preferences and expectations seem not to match up with the bank's initiatives. There are ceaseless complaints in relation to credit service delivery of the bank. Among others, this is reflected by sooner the loan approved and disbursed to credit customers, majority of them have immediately transferred the disbursed loan amount to other competitors' banks and their intention to further transact the bulk of their business' sales transaction with CBB is not satisfactory. This highly affected the deposit performance of the bank and the bank's deposit performance declined by 40% (Internal report, 2015). Besides, and to the best of my knowledge, customer satisfaction research has not been conducted in particular to credit service area of the bank.

The emergingsituation, therefore, calls for the assessment of the level of customer satisfactions in relation to the quality of credit service delivery and come up with findings of the study to recommend possible solution for the improvement of credit service quality.

Research question:

1. To what extent are CBB's credit customers satisfied with the quality of service?

2. Which factors of service quality dimensions caused customer dissatisfaction in CBB?

3. Which of the five dimensions of service qualitythat CBB lacks to perform towards customers' expectation?

4. What are the mechanisms for improving service quality in CBB?

1.3 Objectives of the Study

1.3.1 General Objective

The aim of the study is to assess the level of customer satisfaction atCBB in credit service by identifying gaps, potentials and constraints for the improvement of credit service quality.

1.3.2. Specific Objectives of the Study

- To assess the level of customer satisfaction with service quality in CBB
- To identify the major factors in the service quality measurement dimensions that brought customer dissatisfaction in CBB

- To identify the service quality measurement dimensions that CBB should work more to towards customers' expectation
- To identifythe mechanisms for the improvement of service quality in CBB& provide feedback

1.4. Significance of the Study

The result of the study could provide an insight to the management of CBB to help them meet the needs and expectations of their customers to maintain their customers' loyalty. The study also can create awareness to the bank's management regarding the current level of performance in meeting customers' needs there by helps the bank to examine its service procedure. The study may help as reference document for further studies in to the activities of banking industry on customer satisfaction.

1.5. Scope of the Study

The study focuses onlevel of customer satisfaction based on the quality of services towards banking by selecting credit service as line of banking service which includes overdraft facility, pre-shipment facility, short and medium term business loan.

The bank has branches in all region of the country; however, the study focused on selected ten branches of CBB located in Addis Ababa City. Only private individuals and companies that have credit account during February, 2015(during the distribution of questionnaires) are considered in the study. SERVQUAL model is used to identify the quality of service delivery and level of customer satisfaction. Descriptive statistic like mean, frequency and percentage will be used as statistical tools to undertake data analysis

For finding out the satisfaction level of customers, the study limits itself to a modified service quality dimensions which includes Responsiveness, Reliability, Assurance, Tangibility and Empathy.

1.6. Limitation of the Study

This study has resource (like time & money) limitation so that portion of the total population was taken and the sample size restricted to be 140 (one hundred forty) external customers. The study also limited only in 10 Addis Ababa city branches, which means it did not consider separate geographical location, hence different person with different expectation and perception towards customer services offered by the bank due to the difference in culture, level of education &other geographical factors. In such case, tolerance level of waiting to get service & familiarity for technology may be differing.

1.7. Definition of Key Terms

This sub topic contains operational definition of key terms and phrases that are related to the research topic. It includes, what are mean by SERVQUAL, Credit, Satisfaction, Customer satisfaction, Customer expectation, and customer perception.

- **Credit** is a "transaction between two parties which one (the creditor or lender) the future payment by other (the debtor or borrow)" (Basel committee on banking supervision, 1999).
- **Satisfaction**; satisfaction is a post-consumption experience which compares perceived quality with expected quality (parasuraman et al., 1985).
- **Customer satisfaction** is the customer's evaluation of a product or service in terms of whether that product or service has met their needs and expectation (Zeithaml and Bitner, 2003).
- **Customer Perception:** is defined as customers' judgment of how service or product fulfill their needs, wants, and desire (Cadotte et al., 1987).
- **Customer Expectation:** is what the customer feels the service provider should offer rather than would offer or desires or wants of consumers.
- **SERVQUAL**: is an abbreviation derived from the term service quality.

1.8 Organization of the Study

This research work is categorized into five chapters. The first chapter is the introduction which covers the background of the study, statement of the problem, objectives, and research questions, purpose of the study, scope and limitation and the organization of the study. Chapter two is the literature review and it covers reviews of existing literature on the subject matter. Chapter three takes the research design and methods used for the study taking into account the need to achieve a representative sample of the population and accuracy of information provided by respondents. It also covers the area of study, the sampling methods and the data collection methods that were employed. Chapter four applies data analysis methods to the data gathered and presents the findings that bothers on the objectives of the study in the form of tables with explanations. The last chapter, which is chapter five, presents summary of major findings, conclusions, recommendations and summary of the study. This chapter is followed by the reference which acknowledges all persons and institutions cited in the study and the appendix.

CHAPTER TWO

RELATED LITERATURE REVIEW

INTRODUCTION

This chapter reviews works done by others on theoretical and empirical evidences in relation to customer satisfaction and service quality. Theoretical review includes, Expectancy disconfirmation theory, the Gap Model of service quality, the service profit chain and SERVQUAL model.

The empirical review focuses on the relationship between customer satisfaction and service quality, the importance of customer satisfaction, factors that affect customer satisfaction, service quality measurements and models, the role of service quality in ensuring customer satisfaction and retention. Besides, credit services and factors that affect the quality of credit services were dealt. This chapter will further present conceptual framework adopted in this study and explain in detail the constructs of the study.

2.1. Related Literature

2.1.1. Expectancy Disconfirmation Theory

Customer satisfaction is the result of cognitive and affective evaluation of a service or a product. In other words, thebasic theories in customer satisfaction arethe concept of expectation and perception.

Expectancy disconfirmation theory is a widely accepted conceptualization of customers' satisfaction concept which was developed by Oliver (1980). He proposed that satisfaction level is a result of the difference between expected and perceived performance. Satisfaction (positive disconfirmation) occurs when product or service is better than expected. On the other hand performance worse than expected results with dissatisfaction (negative disconfirmation). According to Parasuraman et al., (1988) Disconfirmation is "the degree and direction of discrepancy between consumers' expectations and perceptions". They also state that Perceptions measure those facets of the service actually received or experienced.

Parsuraman et al., (1983) previously state that, Customer expectation is what the customer feels the service provider should offer rather than would offer or desires or wants of consumers.

Customer perception is defined as customers' judgment of how service or product fulfill their needs, wants, and desire (Cadotte et al., 1987).Perceived quality is the customers' assessment fan entity's overall excellence or superiority (Zeithaml, 1988).

2.1.2. The Gap Model of Service Quality

The gap model of service quality is the theory developed by (Parasuraman et al., 1985) which identifies five different specific gaps between the customers' expectation and perceived service. According to Parasuraman et al., (1985), service quality is to be analyzed in five gaps between the stages along the service process: customer expectation, management perception, service quality specification, service delivery, external communication and perceived service. The customers' gap is the difference between customer's perceptions and expectations. Both expectations and perceptions are equally important to deliver quality service. Customer expectations are the desires and wishes that customers make prior to the services and whereas perceptions are the assessment of the services experienced.

Expectations are generally beliefs of what should be and perceptions are formed based on the experienced services.
According to Zeithaml et al. (2006), the smaller the gap between expectations & perceptions are the better the service quality will be.
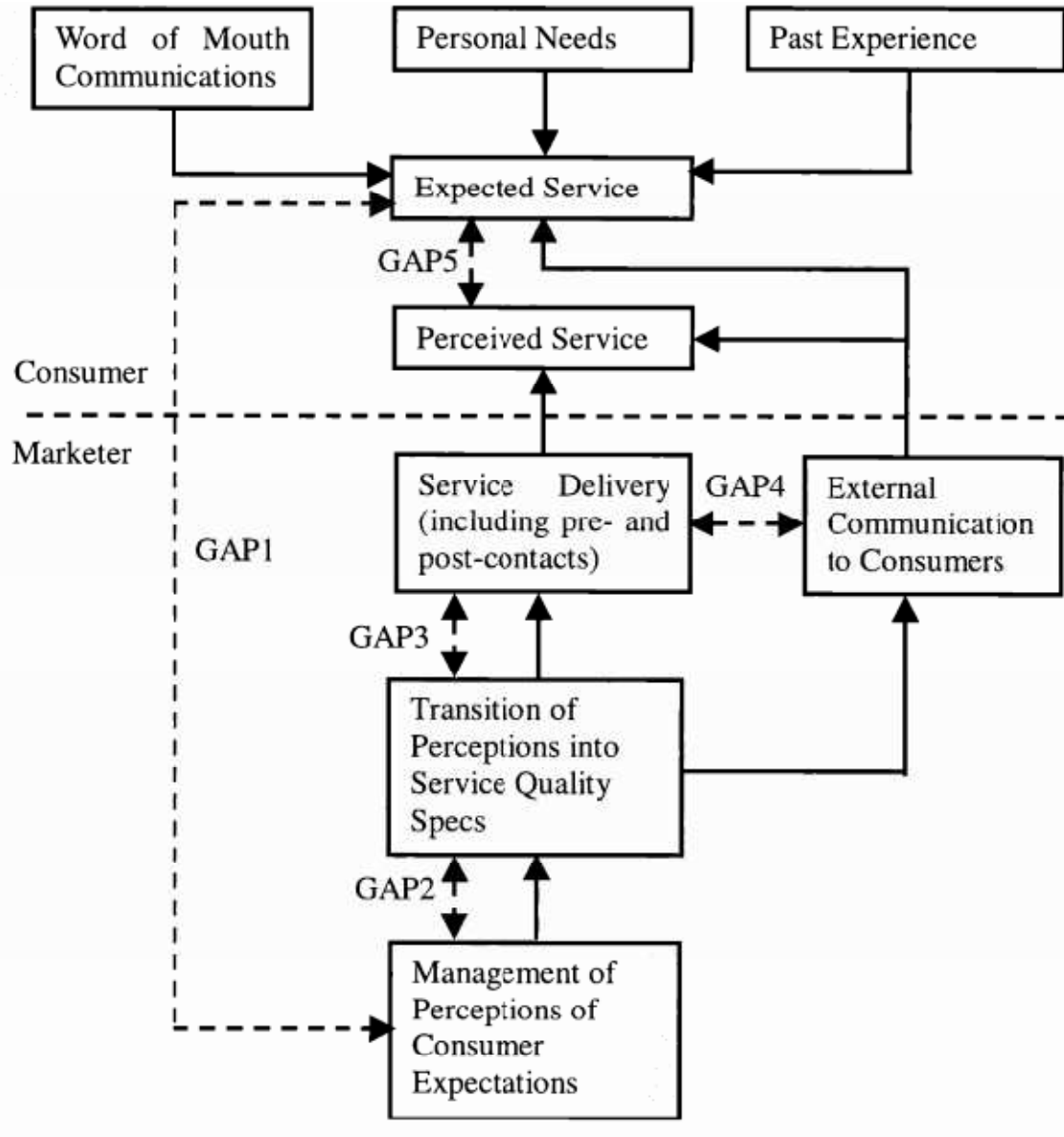
Figure 1 GapModel of service Quality (adapted from Parasuraman et al.,1985)

> ## Gap 1 "unknown about customer expectation"

This is the gap between customer expectations and the perceptions of those expectations by company (management) due to lack of understanding the customer's needs and wants. It is likely to happen due to inadequate customer satisfaction research, lack of communication and effective management policy among staff.

> ## Gap 2 "Lack of quality service and standards"

Parallel with the understanding of customer's need and wants, it is also important to know what type of products and services to be designed in order to meet up the customer expectation. Gap 2 results from the company offer products and services that it is not designed according to customers' want. In other words, the management knows what the customers expect but cannot develop the product or service and system to deliver it. It results from inefficient management commitment inadequate service scope or absence of formally set goals, lack of standardization and belief that customers' expectation is infeasible to satisfy

> ## Gap 3 "unable to deliver the standard services"

Gap three falls between service quality specification and delivery of the service. It is important that the right services are to be rendered in the right time. The key divers of customer service are systems, processes, and people in order to insure that the service delivered should match the set standards. Inefficient human resource policies (lack of team work, employee motivation, strategic fits and integration, inappropriate classification of roles) and failure to match supply and demand are the key drives for the emergence of this gap.

> ## Gap 4 "unable to perform as promised"

It is the gap between what was promised to customers and what actually is delivered. When companies make advertisement using different media, customers start expecting the quality of service or product on how they have been promised this means if the service is not delivered as communicated, customers perceive low service quality.

Thus, company should always focus on creating systematic and accurate communication unit to reach to customer to provide standard service right way.

> **Gap-5: Expected service Vs. Perceived services.**

    A. Expected service is what the customer expects to receive from the service provider.

    B. Perceived service is what the customer believes or perceives that he or she has actually received from the service provider (after the service experience).

    C. Gap-5 isthe difference between expected and perceived service. Customer satisfaction and quality is depending on this gap being reduced or eliminated.

Closing all those four gaps (1to4) means service quality is improved. If a company wants to create quality service in all aspects to meet up customers' expectations, it should always focus on closing these gaps.

2.1.3. The SERVQUAL MODEL

Parasuraman, Zeithamal and Berry (1988) built a 22-items instrument called SERVQUAL for measuring customers' perceptions of service quality.

The SERVQUALmodel which addresses many elements of service quality divided in to five dimensions of tangibles, reliability, responsiveness, assurance, and empathy.

A number of researchers have applied the SERVQUAL model to measure service quality in the hospitality industry with modified constructs to suit specific hospitality. According to this model, service quality can be measured by identifying gaps between customers' expectation of the service to be rendered and their perceptions of the actual performance of service.

The five dimensions of service which SERVQUAL is based:

1. Tangibility: refers to the physical characteristics associated with the service encounter. The physical surroundings represented by objects (e.g. interior design, infrastructures) and subjects (e.g. the appearance of employees).

2. Reliability refers to the service provider's ability to provide accurate and dependable services; consistently performing the service right.

3. Responsiveness: a firm's willingness to assist its customers by providing fast and efficient service performance; the willingness that employees exhibit to promptly and efficiently solve customers' request and problems.

4. Assurance: Divers features that provides confidence to customers (such as the firm's specific service knowledge polite and trustworthy behavior from employees).

5. Empathy: The firm's readiness to provide each customer with personal service**.**

2.1.4. Customer Satisfaction

Customer satisfaction is thecustomer's evaluation of a product or service in terms of whether that product or service has met their needs and expectation. (Zeithaml and Bitner, 2003).According to Hansemark and Albmsson(2004),''Customer satisfaction is 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 need, goal or desire''.

Customers' satisfaction towards the service includes the core products along with supplementary services (Lovelock, 2001). According to Lovelock supplementary services are two types-facilitating services includes information, order taking, billing, payment and on the other hand enhancing services includes consultations, hospitality, safe keeping and expectation. In case of bank, the services are intangible in nature, here the core services are the products and features(deposits and credits) but supplementary services are the procedure of getting the services, speed of service providing, the physical environment and also the attitude of personnel.

Customer satisfaction is one of the vital important factors in every organization. According to Zineldin 2000, customer satisfaction brings many benefits as satisfied customers would not be very price sensitive, buy additional products, are less influenced by competitors and stay loyal longer. Rust and Subramanian (1992) stated that customer satisfaction deemed directly affect customer retention and companies' market share.

However, Reichheld (1996) suggests that customers who are satisfied may look for other provider because they believe they might receive better service elsewhere. Further, dissatisfied customers may not blame, because they do not expect to receive better service elsewhere.

Hanan and Karp(1989) explained that the satisfaction is based on the customer's experience of both contacts with the organization and personal outcomes.

Kotler, 2001, argued that, ''Customers' feeling of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to their expectations." On this issue Padilla, (1996), stated that customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute. For an instance, in the financial services industry where the services provided is characterized by the increasing competition, is a relatively mature market for retail banking and little growth in primary demand, as well as narrow lending spread and focused niche players. Although their primary driver is for the greater profit, the exemplary businesses focused on the customer and experience with the organization in goods or service. They treat customer satisfaction in order to determine how to increase customer base, customer loyalty, revenue, profits, market share and survival in monitoring businesses. They also explored links between variables concerning the customer satisfaction which includes the customer service and customer loyalty.

2.1.5. The Importance of Customer Satisfaction

Customer satisfaction has been regarded as a fundamental determinant in maintaining long-term customer relationship behavior. Increased customer satisfaction leads to behavioral outcome such as, commitment, customer retention, creation of mutually rewarding relationship between the customers and the service provider, increased tolerance for service failures and positive word-of-mouth advertising about the organization (Reich held 1996; Newman 2001).

Higher level of customer satisfaction sustains customer's confidence, which is essential for competitive advantage (Kotler& Armstrong, 2001). Rust &Zahorik(1993) stated that greater customer satisfaction leads to greater intent to repurchase. According to Anderson &Sullivian(1993), a high level of customer satisfaction will decrease the perceived need to

switch service provider, thereby increasing customer repurchase and ultimately enhancing profitability of the organization(Bowen, & Chen, 2001). Fornell(1992), found that high customer satisfaction will result in increased loyalty for the firm and that customers will be less susceptible to offers from competitors.

Gaining customer loyalty has become a key objective for banking organizations which decide to adopt a relationship marketing perspective (Filip and Anghel, 2007). According to the results of various researches published in the relationship marketing literature, a loyal customer may bring a lot of benefits to the organization, contributing both to the improvement of the growth rate and to the escalation of the safety degree or organizational stability (Grönroos, 1994; Rust and Oliver, 1994; Berry, 1995, Heskett, 1995; etc.).

Similar international researches regarding the importance and economic benefits of customer retention in the banking industry show that: customer retention on a period of five years leads to greater prosperity in comparison with that derived from customers won by the bank in the previous year (Sheth and Parvatiyar, 1995), there are possibilities of increasing the customer profitability three times over by extending the relationship with them over a period of five years (Mitchell, 1995); banks must wait an average of six years in order to recover the initial cost of acquiring individual customers (Murphy, 1996).

In the growing competition of banking industry, banks may loss existing customer to their competitors as a result of successful attempts to lure customer away. Therefore, enhancing customer satisfaction should be a key driver for banks in maintains a long term relationship with their customer.

2.1.6. Factors Affecting Customers' Satisfaction

In banks, customer satisfaction is determined by service quality, service features, and customer-complaint handling (Hansemark and Albinsson, 2004).Stockbacka et al., (1994) state that keeping customers depends on a number of factors including a wide range of product choices, greater convenience, and better prices and enhanced income.

Further, Levesque and McDougall, (1996) confirmed that extended hours of operation and competitive interest rates are some factors that affect customer satisfaction.

In a banking industry, a key element of customer satisfaction is the nature of the relationship between customer & that service provider of the products & the services. Thus both product& service quality are commonly noted as a critical pre-requisite for satisfying and retaining customers.

Different researchers identified many factors that determine customer satisfaction in retail banking sector, according to Hokanson(1995), fast and efficient service, confidentiality of bank, speed of transaction, friend lining of bank personnel, accuracy of billing, billing time lines, billing clarity, competitive pricing, and service quality are the key factors which significantly affect customers satisfaction on Pakistan banking industry.

Furthermore, technology has greatly advanced playing a major role in improving the standards of service delivery in the financial institution sector.Gerrard and Cunningham (2003) found a positive correlation between convenience and online banking and remarked that a primary benefit for the bank is cost saving and for the consumers a primary benefits is convenience. Multi-functionality of an IT based services may be another feature that satisfies customer needs (Gerson, 1998).

Hsu and Cai,(2009), stated that when customer satisfaction is modeled as a function of disconfirmation arising from discrepancies between prior expectations and actual performance, then the expectations as a critical antecedent of satisfaction becomes a determinant of attitude. The customer satisfaction in this view is related to a highly personal assessment and greatly affected by customer expectations. Grönroos, 1998, stressed that how good the quality of the product perceived by customers should be based on the measurement towards the approaches of attitude determinant of customer satisfaction, especially, to the service perceptions and expectations value where customer dissatisfaction affects an organization in different ways such as:

> ➤ The customer who experiences an unsatisfactory service encounter may never revisit that particular service provider again.

> ➤ . The customer may not only want to have been rectified that incident but may request that the damage done to their interpersonal relationship with the provider be repaired (Krapfel, 1985), thereby incur costs to the organization.

> ➤ The organization must worry about losing prospective customers as well as present ones. This is due to (perhaps) the most destructive to the organization which is the tendency for an unsatisfied customer to be engaged in negative word-of-mouth communication (Richens, 1983).

2.1.7. Customer Service Quality

Service is a form of product that consists of activities, benefits, or satisfactions offered for sales that are essentially intangible (Papasolomou&Vrontis, 2006).

According to JamineL.Scott.(2002);" Customer service is a serious of activities designed to enhance the level of customer satisfaction-that is, the feeling that a product or service has met the customer expectation''.

Though Quality is a difficult concept to define in few words, at its most basic, quality has been defined as conforming to requirement (Crosby, 1984). This implies that organization must establish requirements and specifications; once established, the quality goal of the various function of an organization is to comply strictly with these specifications.

Secondly definition stated that quality is all about fitness for us*e* (Juran, 1982), conformance to requirements (Crospy, 1979), meeting and exceeding customers' expectations (Gronroons, 1985 as cited in parasuraman et al,.1988).

According to Zeithaml (1987), goods quality is tangible and can be measured by objective indicators like performance, features, and durability. Service Quality, however, intangible and the service quality literature defines services quality in terms of subjectivity, attitude, and perception.

A definition from Swan and Comb (1976) identify two important dimensions of service quality: instrumental quality describes the physical aspect of the service while the expressive dimension relates to intangible or psychological aspects.

A development of this idea by Gronroos (1984) identifies two principal components of quality as being the technical and functional quality as being the two principal components of quality.

According to Gronoors(1982), the customers' perception of the service process is divided in to two dimensions: the process dimension (how the service process functions, and the outcome dimension (what the process leads to for the customer as a result of the process).Gronroos (1982), also states that customers perceive the quality of the service in these two dimensions, as what they get and how they get it. Further, Gronroos, 1990, technical quality is a prerequisite for goods perceived quality, but it is seldom enough. Functional quality aspect of a service must be on an acceptable level. More frequently, the perceived technical quality aspect of the service becomes visible for customers as soon as it is good enough, and after that the functional qualities aspect determines the level of perceived quality of service in the minds.

Since quality of services in the service industries are globally remained as a significant factor for businesses strategy to a comparative advantage in the marketplace. Hossaain& Leo (2009), then service quality has become a primary competitive weapon (Stafford, 1996), particularly in bank industries in which they should focus their strategy through quality of services given as a core competitive strategy (Chaoprasert and Elsey, 2004). This is due to banking service basically engaged in providing their financial service; they accept deposits and channel those deposits into lending activities, either directly or through capital markets (Shelton et al., 1995).

As part of enhancing service quality, the handling of customer complains is very crucial for organization to survive longer. Organizations should considering customer complaint as an opportunity to save a potential loss of customers. Complaint is an expression of lack satisfaction with the any product or service.

Harrington (1995) states only 4 out of 100 complained where as 96% will either to nice or do not want take the time and effort to complain. Of the 4% complaints 95% of them continue to do business with co. if complaints are quickly addressed. If co. doesn't respond 2/3 of them will find a new source for service.

Complaints handling can be established:

1. Establish a common approach to handle complaints (corporate approach to solve problem).
2. Improve process improvements or training as soon as possible after complaint has been heard.
3. The organization must also put in place customer satisfaction checks. I.e. Get in touch with the customer after a week weather he/she satisfied or still work with the company.

Customer service program is the process of building an on-going relationship with the customer and the entire service team to solve customers' problem & meet their expectation.

Quality customer service program can be discussed in 3 main elements:

1. Analyze the nature (characteristics) of services as to how they are seen by customers. This help to ensure that weather customers are satisfied beyond expectation.-Requires service standard.
2. Customer service program should involve the training of staff to ensure that people are put first in all service transaction.
3. Effective service delivery program is the relationship that exist b/n the organization & the customer after service or the interaction. Developing a customer-friendly attitude in any customer service interaction is very critical to customer retention.(Dei-Tumi,2005).

Measuring System for Monitoring Quality service:

To check up the quality of service rendered, Martin, (1991) suggested that the use of

A. **Employee feedback system:** system whereby employee & managers can mutually discuss to check on the quality level of service performed by the employee.

B. **Customer feedback system**: an organized & deliberate way of finding out what customers think about the job done. I.e. the voice of customers must be feed backed to all who come in contact with external customer.

C. **Service audit i**s a structured format for determining on a regular basis how services delivery system is functioning.

2.1.8. The Relationship between Service Quality and Customer Satisfaction

Success of a service provider depends on the high quality services and service quality is undoubtedly an important input for customer satisfaction. According to (Parasuraman,1988) Service quality is defined as the overall evaluation of a specific service firm that results from comparing that firm's performance with the customer's general expectations of how firm in that industry should perform. Kotler and Armstrong (2012), state that satisfaction is the post-purchase evaluation of products or services taking into consideration the expectations. Research has shown repeatedly that service quality influences on customer satisfaction. Hazlina(2011) proves, Service quality is a magnificent tool to measure the customer satisfaction. Empirical studies show that the quality of service offered is related to overall satisfaction of the customer. Most researchers suggest that a high level of service quality should be delivered by the service provider is the tool for achieving a high level of customer satisfaction. As the quality of services improves the level of customer satisfaction will increases. Duff et al., (2008) pointed out that, by defining service quality, companies will be able to deliver services with higher quality level presumably resulting in increased customer satisfaction. Tam (2004) found that customer with higher perceptions of the value of the service results in turn with greater satisfaction. Vanpariya and Ganguly(2010) examined that service quality is having a positive and significant correlation with customer satisfaction. In banking industry, service quality is one of the most important aspects of the premium customerexperience. Most organizations monitor their services quality on a regular basis to ensure maximum customer satisfaction and to improve customer retention and loyalty.

Service quality has a strong correlation with customer satisfaction, financial performance, manufacturing costs, customer retention, customer loyalty, and the success of marketing strategy (Cronin *et al.,* 2000; Wong *et al.,* 2008).

Organizations operating within the service sector consider service quality to be a strategic component of their marketing plan (Spathis*et al*., 2004).

Through service quality, organizations can reach a higher level of service quality, a higher level of customer satisfaction, and can maintain a constant competitive advantage (Meuter*et al*., 2000).

2.1.9. SERVQUAL INSTRUMENT

SERVQUAL is an acronym derived from the term service quality. The original work of assessing and measuring service quality was done by Parasuraman et al. (1985). The framework was based on a gap theory. In the earliest stages of SERVQUAL, there were ten components as service quality dimensions. They were, Tangibles, reliability, responsiveness, communication, creditability, security, competence, courtesy, understand (knowing the customer) and access. Later these ten dimensions were condensed to five dimensions which are Tangibility, Reliability, Responsiveness, Assurance (competence, courtesy, credibility, Security), Empathy (communication, understanding and Access). This means Reliability, Tangibles and Responsiveness remained distinct, but the other seven components collapsed into two aggregate dimensions, assurance and empathy.

The first measurement of service quality using the SERVQUAL model is to establish customer expectation (CE) of the service they want and the second part is about customer expectation (CP) offer the service encounter. The differences between the CE &CP represent satisfaction or dissatisfaction (Zeithaml&Bitner, 2008). Parasuraman(1986) notes that, quality service is provided when one meets or exceeds customers' expectations.

According to him, when customers talk about quality service, they mean reliability and prompt delivery of whatever the business promises. Customers also generally expect employees themselves to be clean as well as accurate and confident.

Other authors and researchers such as Sasser, Oslen and Wyckoff (1978) all agreed that SERVQUAL measures perceived quality or the discrepancy between CE & CP.

In the service quality literature, customers' expectations are understood as "desires or wants of customer" (Zeithmal, Berry and Parasuraman et al., (1993), or what they feel the service provider should offer rather than would offer (parasuramen et al., (1988).

The SERVQUAL model used in this study is based on the seminal contribution by Parasuraman*et al.* (1988, 1985) which asserts that users judge the service in terms of whether the service received is equal or exceeds whatwas expected. As theorized by Lovelock (1983)

andWirtz (2007), when perceived performance rating exceeds expectations, the outcome is considered as a sign of good quality whilst the reverse is an indication of a poor quality.
The SERVQUAL model has been criticized on the basis that it does not account for the influence of corporate image and reputation on the scores.

To what extent doSERVQUALmeasure customer perceptions and expectations engendered by a highly favorable corporate brand and reputation? Does the corporate brand and reputation affect the expectations and perceptions customers have of the service under study? The SERVQUAL is further criticized on the basis that, measuring customer expectation and perceptions separately, necessarily requires that respondents have prior knowledge of the service they are to evaluate. As an alternative, Cronin and Taylor (1994) proposed the SERVPERF model, with the assumption that it is a better reflection of the long term service quality attribute than the SERVQUAL and excludes the measurements of expectation. This means it is a single scale measure of service quality designed to allow customers to reflect only their perception. The SERVPERF model was carved out of SERVQUAL by Cronin and

Taylor in 1992. SERVPERF measures service quality by using the perceptions of customers. Cronin and Taylor argued that only perception was sufficient for measuring service quality and therefore expectations should not be included as suggested bySERVQUAL (Baumann et al, 2007).To corroborates this, Bakakus and Boller (1992) reported that results on SERVQUAL were not compatible with the gap formation for service quality; rather, service quality was directly influenced only by perceptions of performance.

Lovelock and Wirtz (1996); observed that a degree of roles exist in defining service quality primarily on the basis of customer satisfaction with outcomes relative to prior expectation. If customer expectations are relatively low whiles the actual service delivery is perceived to be marginally better than the dismal level that had been expected, the potential claim that customers would be receiving a good quality service would have on basis.

Despite these criticisms many researchers still consider the SERVQUAL model as an excellent method of measuring service quality. This study therefore adopts the SERVQUAL method of evaluating service delivery in the banking sector.

2.1.10. Credit Services

Credit service is one of the core banking services in banking industries and is considered as the most important activity for the utilization of funds mobilized from the public (Kargi, 2011).Despite it is the source of greater portion of banking business risk; Credit service is one of the major sources of bank's profit. **Credit** is a "transaction between two parties which one (the creditor or lender) supplies money or monetary equivalent goods services, etc. in return for a promise for the future payment by other (the debtor or borrow)" (Basel committee on banking supervision, 1999).

Credit is the trust which allows one party to provide resources to another party where that second party doesn't reimburse the first party immediately but instead arranges either to repay or return those resources at a later date (Basel committee on banking supervision, 2001).

According to Standard chartered bank (2001), all types of credit facilities of commercial banks can be broadly classified in to two groups: Funded and non-funded credit.

Any type of credit facility which involves direct outflow of bank's fund on accounts of borrower is termed as funded credit facility. Funded credit facilities may be classified in four major types: Loans, cash credit (CC), Overdraft (OD) and bill discounted and purchased. Any credit facility where no direct involvement of cash out flow of bank's account and purchased. The major non-funded credit facilities are: letter of credit (L/C), Bid bond, performance bond, advance guarantee and foreign counter guarantee etc.

Liability against these types of credit facilities are termed as contingent liability. Besides, non-funded liability may be turned in to funded facilities at times

2.1.11. Credit Services in Construction and Business Bank

According to the bank's credit procedure (2012), the bank offers a wide range of credit products in terms of facility and term loans. Term loans granted for working capital and or project finance to be repaid within a specified period of time with interest. The loan repaid in a lump sum on maturity, or in periodic installments depending on the nature of the business and its cash flow. The bank extends short term loan, medium term loan and long term loan.

Short term loan is a loan granted by the bank to finance the working capital needs and or to address other short-term financial constraints of the borrower's business, and with a maturity period of not exceeding three years. Medium term loan is a loan with a maturity period of longer than three Years but not exceeding maximum period of five years, with periodic installments.

Long term loan is a loan which has a maturity period longer than five years but not exceeding seven years with periodic installment. The bank has also a number of credit products in terms of facilities. Among these, the bank has been aggressively extending the overdraft facility and pre-shipment loans.

An Overdraft facility is a form of credit facility by which a customer is draw beyond the deposits of its current account up to a maximum approved ceiling limit for the sole purpose of the day to day operational needs of a viable and ongoing business.

Pre-shipment export credit facility is a credit product extended for purchase of raw materials, processing and converting them in to finished goods, warehousing, packing and transporting the goods until the time of shipment.

Credit request originates from the customersthemselves basically at braches. In the process of granting credits documentsshould be presented by the customers as regards their collaterals and their trade license if they are traders or company identifying evidences for their work. The loan approval process is the process that includes the checking of the credit worthiness of the borrower. Therefore, it needs caution and may take time.

Besides; the loan approval is mostly taken place at the head office of the bank which makes the approval process to be delayed. However, all loans are not approved at the head office. Outlying Branches (branches outside Addis Ababa) have their own limits to approve some small loans. The document analysis process includes the inspection of documents like trade licenses, article and memorandum of association in case of corporate entities, company profile, feasibility studies, tax clearance letter, booklets of motor vehicles, financial statements, etc. All the checking of the documents consumes time and it is at this stage that the customer is inspected as regards its legality and then after the credit worthiness continued to be analyzed. The final step after the loan approval is the disbursement and follows up of the loans.

2.1.12. Factors that Affect the Quality of Credit Service

Sihoming, Chidambaram, and Rassiah, (2012) explained the different factors that affect customer satisfaction in relation to credit service in banking as follows,

The period for loan approval process that may take a few days or within a week to progress it would be a problem for customer dissatisfaction (Lymperopoulou, 2006).

There were several documentation processes which have to be processed in order to get the financing loan approval. In this, the loan documentation for processing included application form, personal details, loan processing, and loan approval, while the documentation details included income statement, document related to property and finance, and personal detail such Identity Card (IC). The loan processing which includes site visit and business premise is managed by a loan officer.

The loan processing takes a lengthy period for the loan approval process because the loan officer needs to visit the site to verify and confirm that the property to be financed isin worthy condition and to verify and confirm the applicant's business position in the company or business.

The major purpose for verification of loan processing is to prevent any fraud documentation by customer, but the period for loan approval process take along period to progress it. Deribe.B &Deribe. E (2012) confirmed that the delay of the loan approval is the major problem of customer satisfaction in credit services and followed by document analysis, and the loan disbursement respectively.

In addition, despite the customer wait for a long period for the documentation process, the customer has no guarantees on the approval of the loan requested. Customarily, bank only offers less than80% margin of financing loan or does not give the loan applied for.

This means, the margin of financing does not fulfill the customer requirement or the loan proposal would notbeapproved by bank. This has, therefore, become one of the reasons on why some customer prefers to get a loan from private money lender with high interest charged in which the loan approval is fast and easy , even sometimes without any guarantee required.

Besides the lengthy loan processing period and tight requirements and qualification, the level of internal customers' satisfaction or dissatisfaction would affect the external customers' satisfaction.

In general, the reviewed literatures revealed that both the economic and non-economic benefits of satisfied customers in service industries, especially for banks which   are characterized by increasing competitions, mobilize deposits from societies and channel those deposits' in to lending activity. The literatures also revealed that factors that affect bank customer satisfaction are, the ability of bank personnel, the lengthy period for loan approval due to several documentation processes and collateral evaluation, and the higher financial margin banks require.

2.2. Empirical Review

This part of the paper takes a closer look on empirical studies on the subject matter mainly on sub-Sahara Africa region.

Amankwah and Adu(2001), on a study of "assessment and analysis of service quality and customer satisfaction" in Ghana investment bank proved that the quality performance of all dimensions (Reliability, Responsiveness, empathy, Tangibility and assurance) have strong impact on customer satisfaction. According to Okoe, Adjeei and Osarenkhe(2013) using SERVQUAL dimension of service quality finds out that the existence of gap between customers expectation and perception of service on all the banks in Ghana but banks perform better on Tangibility dimension. Despite this observation those banks retained their customers. Hence, this study concluded that where a gap exists between customer expectation & perception of service delivery, service quality is perceived as low and results customer dissatisfaction. However, dissatisfaction customers did not necessarily defect.

The study therefore confirms the theory that service quality is a necessary but not a sufficient condition for maintaining strong relationship with customers.

According to Piasonetetal,(2013) based on a descriptive survey study on ten selected Zimbabwe banks find out that the majority of customers were delighted in transacting with institutions which provide loans for long term capital investment in the form of housing construction. The study also identified phenomenal rate of customers' defection and attrition from commercial banks which are not providing loans.

Deribe.B&Deribe.E (2012),using an empirical study on the evaluation of customers satisfaction on bank service finds out that a number of problems affect the smooth delivery of the banking services. Among these network problem in check clearance operations and delays of the loan approval in loan operation are the major obstacles. However; the overall level of satisfaction of the targeted customers of commercial bank of Ethiopia in Jimma town, Ethiopia where the study based was satisfied by the quality of the service provided.

Shank (2012); using SERVPERF model, identified that quality service have positive impact on overall customer satisfaction. The research proves that empathy and responsiveness play the most important role in customer satisfaction level followed by tangibility, assurance, and finally the bank reliability. Besides, the findings indicate offering high quality service increase customer satisfaction, which in leads for high level of customer commitment and loyalty.

Saghier and Nathan (2013) investigated that 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 research find out 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. Vidisha and Kumar (2012) on their Study of assessing service quality of the products in the Mauritian banking sector using SERVQAUL model with the five service quality dimensions (Tangibles, Reliability , Responsiveness , Assurance and Empathy) identified that customers were disappointed with the overall service quality level. Reliability and empathy were the two factors having the highest gap. Further it was observed that tangibility had the lowest gap showing that customers are mostly satisfied with the way staff are dressed appearance and facilities of the bank.

2.3. Conceptual Frame Work

Conceptual framework reveals the process, direction and interrelationship among variables in the study. The study intends to measure the level of customers' satisfaction using the five service quality dimensions (Tangibles, Reliability, Responsiveness, Assurance, and Empathy).

Service quality dimensions

- Reliability
- Tangibles
- Responsiveness
- Assurance
- Empathy

→ **Customer satisfaction**
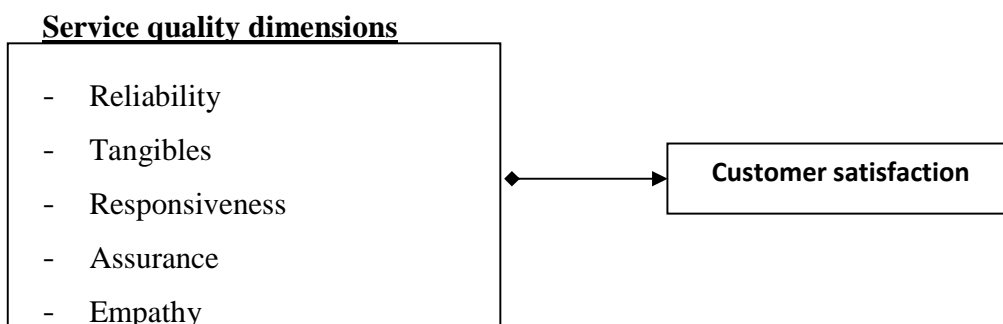
Figure 2: Conceptual frame work developed by the researcher based on reviewed Literatures

Reliability: - relates to the company's ability to deliver the service in dependable and accurate in consistent manner. This means, the firm performs its services at the right time when it promised to give services to their customers.

It includes all functions which are performed by any firm or banks. Wacker(1995) found that if there is an adequate delivery of the basic level of service, then the preferential performance leads customers to evaluate the service encounter as satisfactory.Berry&Parasuraman (1991) reported that reliable service is the outcome of the continuous improvement.

Similarly in another study, it is found that service reliability is the service "core" to most customers, and the most important one in determining the customer perception about service quality. Yonatan, (2010) emphasized that reliability is the most important dimensions in determining a quality service, while comparing the relative importance of dimensions.

Tangibles: - include those attributes belonging to physical items such as equipment, building and the appearance of both personal and the devices employed to communicate to the customer. Visual images play their role informing impression in customers about the quality of the service. According to Culiberg and Rojeek(2010), customers expect up-to-date equipment, attractive printed material, well arranged interior and properly dressed employees.Bitner(1990) noted that physical appearance might influence the customer's level of satisfaction.Munusamy, Chelliah, and Mum, (2010) also confirmed that convenient location is more important than other dimensions for customer this means tangibles have significant relationship with customer satisfaction.

Responsiveness: - is the readiness or willingness to provide assistance and speedy service to customers (Parasuraman, Berry, &Zeithaml, 1999). Buteele(1996) stated that responsiveness includes sending of transaction slip instantly, speedy mortgage confirmation, updating account on time. Determination to enhance speed of processing information enables to have a positive influence in customer satisfaction in banking. If bank fails to provide a customer at certain time, it can recover this failure by providing prompt services in professional way (Adeoye&Lawanson, 2012).Propensity and readiness of banks to help their customer and

satisfy their demands, instantly repay to their criticism and quickly solve their problems (Mohammed &Alhamdani, 2011).

Once customer has assurance about the quality dimensions of the product and responsiveness of the institution's employees, the chance of a customer becoming a loyal and committed customer increases (Ree& Can 2010)

*Assurance:-*means building confidence and trust in customers towards services of banks. In banking studies by Anderson, et al (1976), it was found that a substantial level of trust in the bank and its ability was necessary to make the customer comfortable enough to establish a banking relationship.

A study by Leeds, (1992), the service quality and specialized conduct of the bank workers have enlarged the level of the customer satisfaction and caused in reduction in customer erosion.

Service quality is also linked to the customer satisfaction as how employees use their knowledge & courtesy and their ability to incorporate trust and confidence. Parasuraman*et al.,* (1988) reported assurance as an essential dimension of service quality after reliability and responsiveness towards satisfaction.

Assurance dimension of service quality has the strongest impact on customer satisfaction that leads the positive word of mouth (Arasli. et al, 2005). According to Nelson & Chan, (2005), bank can create customer satisfaction by insuring trustworthy behavior and reflection of genuine commitments to service provision.

Empathy: - is the caring and personalized attention the operation provides tits customer. Individual attention & convenient operating hours were the two primary elements included by Parasuraman, et al, (1991) in their evaluation of empathy. If organization provides extra-attention to their customers so there are chances that they feel more satisfied and become loyal to the organization. According to Tazrea(2012) due to empathy, customer feels satisfied and decides either accepts the service or not.

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

INTRODUCTION

This chapter contains the research design, methodology and methods applied for gathering, interpreting and analyzing data in order to answer the already paused research questions. The chapter covers the research design, sampling technique, research methods, data collection and analysis procedure, reliability and validity of data collection instrument. Finally the chapter addresses the Ethical consideration in this particular study.

3.1. Research Design

According to Malorta and Briks(2007), a research design is the frame work or blue print for conducting research. In other words, it is the master plan specifying the methods and procedures for collecting and analyzing the needed information. The overall design of the research is exploratory because it is a case study of ten Addis Ababa City branches of CBB, which seeks to find out the quality of service and level of customers satisfaction.

The strategy the researcher used in doing this research is the case study. The reason for choosing case study is, it enables researchers to gain a rich understanding of the context and processes being enacted (Morris and Wood, 1992). The case study strategy has considerable ability to generate answers to the question why, what or how. Owing to this, the case study strategy is often used in exploratory and explanatory research, and the purpose in this research is to explore and give answer to the already paused research questions.

In the course of exploring the problems both primary and secondary data collection procedure were employed. The information that neededto assess the quality of service delivery and customer satisfaction in the selected Branches was gathered based on the frame work of the SERVQUAL model developed by Parasuramanet.al, (1985) with a slight modification. The variables that were employed in this study are the SERVQUAL components which are Tangibles, Reliability, Responsiveness, Assurance and Empathy.

The study mainly adopted qualitative methods of data analysis using descriptive statistics. However, the study attempted to quantify results through statistical summary and hence qualitative data are in the form of descriptive. The researcher employed questionnaire survey as a source of primary data, hence descriptive and simple statistical techniques were adopted for data interpretation.

3.2. Population and Sampling Technique

Population is the totality of all the subject that confirm to a set of specifications, comprising the entire population of the group that interest the researcher as well as to whom the research result can be generalized (Polit and Hungler, 1999).

The research population of the study comprised all CBB's credit customer who are private business individuals and companies located in Addis Ababa city branches who have utilized the short term loan, medium term loan, and short term facilities (OD& pre-shipment).

In addition to the resource limitation, the reasons for the study focused on private business individuals and companies located in Addis Ababa city are: first the bank under the study has strategically a concern on business customers as it has allotted 70% of its annual loan able funds on short term loan, medium term loan, and short term credit facilities (Lending strategy of the bank from 2011 to 2015). Second, despite some outlying branches of the bank throughout the country has certain authority limit to process and approve credit facilities, all credit facilities above their discretionary limits are handled centrally in Addis Ababa. However, all City branches' customers' credit requests are processed and disbursed centrally.

The research population for this study comprised all CBB's credit customers who have been utilizing the bank's service across the country in Ethiopia. Currently, CBB has 108 branch outlets throughout the country. Among which 82 branches have offered credit services until the start of this research work and 47(57%) of which are Addis Ababa city branches. As shown in the Table below the bank currently maintains more than 1,337 clients who have utilized Overdraft facility, pre-shipment facility, short term loan & medium term loan throughout the country during the time this data was collected.

Out of the forty eight city branches, ten big branches were selected. Branches are called big in terms of their size of loan portfolio, number of customers and branches' current grade level.

The ten selected branches listed out in the table-3.2 below have a total of 140 credit customers who have been utilizing the stated credit products and services considered in this study.

Table.3.1**Classification of Population and Sample Size**

Description	Total population	Sample size
Number of Branches offered credit services	82	10
Number of Clients	1,337	140

Source: CBB's Internal Report.

In conducting a study, it is not possible, and expensive to gather data by considering the entire population. Therefore smaller chunks of a unit sample are chosen to represent the relevant attributes of the whole of the units (Grazina&Raulin, 1997).The study adopted convenient sampling process which the most commonly used technique for undertaking exploratory research. One of the strongest rationales for this method is when the group or phenomena under study is generally difficult to access and requires costly, the researcher is able to establish a sufficient degree of contact or trust with particular participants to conduct a viable project in terms of answering the researcher's core question. Besides, according to Neuman(2007), when the population is homogeneous small sample size sufficient for the study.

Table.3.2.**List of Branches, Number of Questionnaires Distributed & Returned**

Ser. No.	Branch's Name	Questionnaire distributed	Total responses returned
1	Main branch	29	23
2	Africa avenue	18	16
3	Bole Medhanialem	13	10
4	Urael	13	12
5	Merkato	9	7
6	Piassa	11	8
7	Goffa	12	9
8	Bulgaria	12	11
9	Belay Zeleke	12	10
10	Pushkin	11	9
Total		**140**	**115**

Source: Sample survey, 2015

3.3 Data Sources

In order to gather the data from relevant sources both primary and secondary data were adopted. Primary data are the data originated by the researcher for the specific purpose of addressing the research problem. In this study the primary data were originated from credit customers of the bank. Secondary data were collected from books, journal articles, websites and credit procedure of CBB.

3.4 Data Collection Methods

In this study, structured questionnaire with hard copy was used as a method for primary data collection. The questionnaire has three parts; the first part of the questionnaires is the different demographic information in relation to the target population. Demographic variables can influence the evaluation of service quality and customer satisfaction, in spite of the fact that there is no unifies effect and degree of influence.Min.S. &Khoon.C.C (2014), stated that satisfaction level of customers' differ among the demographic groups. The second part of the questionnaire measures the level of service quality based on 22 items SERVQUAL model with 5 level likert scales, and the third part of the questionnaire let a privilege for customers reveal their overall satisfaction level based on the different service quality dimensions with s a scale ranging from 1 to 5, where 1 represents very dissatisfied, 2 dissatisfied, 3 neutral, 4 satisfied and 5 very satisfied.

3.5. Procedure of Data Collection

The procedure followed in collecting data started by asking the willingness of CBB to conduct this research on the company with a supporting letter from saint Merry University. Then after getting the permission from the bank, questionnaire with three parts was designed. The first Part of the questionnaire sought on demographic information of the bank's clients. The second part of the questionnaire captures information regarding customers' opinion on CBB's service quality delivery performance.

The respondents were required to rate their expectations of the bank's performance on service delivery according to their level of importance on a predefined five-point Likert Scale: 1-Strongly disagreed, 2-Dissagreed, 3- Neither agree nor disagree, 4-Agreed, 5-Highly agreed.

The third part of the questionnaire let respondents a privilege to reveal their overall satisfaction level based on the five point likert scale ranging from 1 to 5, where 1(strongly dissatisfied), 2(dissatisfied), 3(neither satisfied nor dissatisfied), 4(satisfied) and 5(strongly satisfied).

The credit services of the bank were assessed on SERVQUAL measurement variables: Tangibles, Assurance, Responsiveness, Reliability and Empathy to determine the level of satisfactions derived from level of quality services. Stating the purpose of the study pilot test on the questionnaire was conducted on six volunteer credit customers, three from private individuals and three from companies to check if there were missed points that have to be included and if the design of the questionnaire was comfortable to respondents. Then after informing customers that the information provided would be kept confidentially, 140 questionnaires were distributed and 127 questionnaires were collected. Among 127 questionnaires, 12 were invalid for analysis as a result of improper and double responses. Therefore, 115 (one hundred fifteen) questionnaire with relevant data was used for analysis. Side by side secondary data were collected from different journals articles, directives, procedures, credit files and websites.

3.6. Reliability and Validity Test

In order to reduce the possibility of getting the answer wrong, attention was on two particular research design; reliability and validity.

Reliability:

According to Saundra et al.,(2003), reliability refers to the degree to which data collection methods or methods will yield consistent findings, similar observations would be made or conclusions reached by other researchers or transparency in how sense is added from collected data.

In order to prove the internal reliability, this study has performed Crombach's Alpha Test of Reliability. Applying this test specifies whether the items pertaining to each dimension are internally consistent and whether they can be used to measure the same construct or dimension of service quality. 'According to Nunnally (1978) Crombanch's Alpha should be 0.700 or above. But, some studies 0.600 also acceptable (Gerrard, et al, 2006). In this study, the value of Crombach's Alpha is 0.879 which is greater than the standard value 0.7.Thus it can be concluded that the measures used in this study are valid and highly reliable.

Reliability Statistics

Cronbach's Alpha	No. of Items
0.879	22

Validity

Validity is concerned with whether the findings are really about what they appear to be (Saunders et al., 2003).

Validity is defined as the extent to which data collection method or methods accurately measure what they are intended to measure (Saunders et al., 2003).

Literatures state that there is single source has a complete advantage over all others. The different sources are highly complementary and a good case study should use as many sources as possible. The validity of scientific study increases by using various sources of evidence (Yin, 2003).

The following steps were taken to ensure the validity of the study:

➢ Data was collected using SERVQUAL instrument with close ended questions
➢ Data was collected from current customers who have credit account and regularly work with the bank
➢ Interview questions were made based on literature review and frame of reference to validate the result.

3.7. Method of Data Analysis

Data analysis consists of examining, categorizing, tabulating, or otherwise recommending the evidence, to address the initial   proposition of the study.The study analyses the quality of credit service delivery by construction and business bank Sc., and satisfaction level of CBB's credit customers after service encounter. The study employed descriptive method of data analysis using statistical tools, mean, standard deviation, percentage and frequency in analyzing the data collected. The data collected through questionnaire was edited and coded. The coded data was then processed using Statistical package for social science (SPSS-version 20) and excel program. Then after analyzing and properly interpreting the data, findings were summarized and based on the findings appropriate conclusion were drawn at the same time possible recommendations were forwarded.

3.8. Ethical Consideration

In relation to the research work, the CBB was asked its consent with a supporting letter issued by Saint Merry University, and the bank became volunteer for the research work. Respondents were informed the purpose of the research and then asked them to give their opinion voluntarily with a privilege not to write their name. The gathered information from respondents kept confidentially.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

INTRODUCTION

This chapter focused on the questionnaire analysis; summarize of the main findings of the study and making inferences. For the purposes of easy reading the data has been categorize into demographic characteristics of respondents, and data analysis and interpretation based on customers perceptions in relation to the five service quality dimensions.

4.1. Demographic Characteristics of Respondents

Table 4.1. Demographic Characteristics of Respondents

	Frequency	Percentage		Frequency	Percentage
Type of Customer			**Educational background**		
Individual	79	68.7	Left school before high school		
company	36	31.3	Completed high school	21	18.4
Total	**115**	**100**	Diploma	25	21.7
Gender			Degree	53	46.5
Male	90	78.3	Post graduate	15	13.2
Female	25	21.7	**Total**	**114**	**99.8**
Total	**115**	**100**	**Length of relationship**		
Age range			Less than one year		
18 to 30	13	11.3	Between 1 & 3	53	46.9
31 to 42	33	28.7	Between 3 & 5	20	17.7
43 to 54	45	39.1	Above 5 years	40	34.4
>54	24	20.9	**Total**	**113**	**99**
Total	**115**	**100**			
Type of Credit service					
Overdraft	13	11.3			
Pre-shipment	7	6.1			
Short term	46	40			
Medium term	49	42.6			
Total	**115**	**100**			

Source: Sample Survey, 2015

Table 4-1 above shows that the individual customer group comprises 68.7% of the respondent. The remaining 31.3% is made up of business companies.

It is observed that individual customers hold the lion share and critical to the bank. If these customers get disappointment resulting from the bank's service delivery process and decide to switch towards other company, it would highly affect the performance of the bank since they are the major sources of its benefits. Therefore, the management of the CBB should give due attention for these customers through closely understand their expectation and work to meet their expectation.

The demographic characteristics related to gender of the respondents are described in Table 4-1 above, out of the total client respondents 90 customers representing 78.3% are male customers and the remaining 25 customers representing 21.7% are female respondents. When compared with female respondents, male respondents are greater in number than female respondents. Hence, the study indicates that male customers are more accessible to bank's credit service than female customer, and the outcome of this research would be influenced by the perception of the male customers.

The age distribution of respondents in Table 4-1 above shows that the majority of respondents fell within the age bracket of 43-54 representing 45(39.1%) respondents. This is followed by 31-42 age brackets which represents 33(28.7%) respondents. Respondents who fell above 54 years constitute 24(20.9%) respondents. The lowest age group in the sample was 18 to 30 representing 13(11.3%). From this result, the proportion of clients whose age is above 41 years is 60%. As for mature clients aged above 41 years have a high likelihood to repeat borrowing. This confirms the conclusion by Hayes (2008) that customer retention is highest for older customers who are likely to continue using their bank. Therefore, CBB should exert its efforts to satisfy and maintain these credit customers. On the other hand, those whose age is between 18 and 41 are 40%. Young customers' usually have low likelihood to repeat borrowing; they are unsettled and tried to experiment by moving from one bank to another. They were also easily influenced by their peers and the availability of modern technology.

This implies that, CBB should implement modern technology like internet and mobile banking retain these customers group. This implies that based on varied needs of customers in a given age bracket influences their expectation regarding banking service.

CBB provides different types of credit services to its customers among which Overdraft facility, pre-shipment facility, short term loans and medium term loans are the ones considered in this study. In view of that, clients were asked what type of credit services they have been utilizing with the bank. 13(11.3%) clients indicated that they have an overdraft facility with the bank, 7(6.1%) clients have pre-shipment facility account, 46(40%) clients are short term loans borrowers, and the remaining 49 (42.6%) clients are medium term loans borrowers. From the above table, short term and medium term loan borrowers together hold the lion share of the list of credit services (82.6%) and critical customers to the bank.

This implies the bank should give due attention for this customers through enhancing it service quality, unless once these customers group once disappointed and switched towards others it would highly affect the performance of the bank. Whereas overdraft facility shares 13% and the remaining pre-shipment facility has a share of 11.3%. This has implications that the bank's resources are not distributed fairly among the line of credit services which CBB made part of the strategy. On the other hand, the service procedure and marketing strategy of the bank do not attract and retain customers who can use these line of credit services. Therefore, CBB has to review its service procedure in order to attract and retain customers who use the overdraft and pre-shipment facilities.

The above, table 4-1above indicates educational background of the sample respondents of CBB credit customers found in different 10 branches in Addis Ababa area. From the 115 respondents 114 replied concerning their education level and one individual left it blank. Accordingly, no respondents are left school before joining high school, 21(18.4%) respondents indicated that they have enrolled at or completed high school, 25 or 21.7% respondents claimed they have diploma in various fields of study, 53(46.5%) respondents replied that they have first degree, 15(13.2%) respondents said they are post graduated.

From the above discussion one can learn that almost all customers of the Bank at least have enrolled in or completed high school level of education. Among all, 81.4% the respondents have joined college or university; hence the understanding of respondents to the research question is high which enables the researcher to have relevant data for the study.

Table 4-1 above also shows information regarding customers stay in the bank, accordingly no respondents indicated that they have been as the client of the bank less than one year, 53(46.1%) respondents said they have been receiving the services of the bank between one and three years, 20(17.4%) of them said they have been with the bank between three and five years, and the remaining 40(34.8%) respondents claim that they have been enjoying the services of CBB for more than five years. The results of the study indicated that 113 respondents have been the Bank's client for more than one year; hence, it is supposed that the respondents have considerable post consumption experiences of CBB's services and can- provide adequate information for the study under consideration. In this view, Parasuram, Berry and Zeithaml (1991), the more experienced customers expected higher service quality. Therefore, CBB has to be alert and always strive to enhance its quality of services towards customers' expectation.

4.2. Data Analysis and Interpretation

The result is mainly the responses of questionnaires administered to credit customers of CBB, who are found in ten branches of Addis Ababa city. Statistical package for Social Science (SPSS) version 20.00 was used to perform the analysis and Microsoft Excel 2007 was used to generate the tables to explain the results.

A total of 140 questionnaires were administered while undertaking the research. However, only 115 questionnaires were correctly filled and returned, representing 82% of the respondents. Accordingly, the response rate of the study is to be 82%. The remaining questionnaires were found to be rejected because of important items are missed like not correctly filled the questionnaire, only partial response to some questions and unable to present the filled questionnaire to the researcher on time are among the major ones.

The study, under this section analyses the satisfaction level of CBB's client after the service encounter, a questionnaire is administered among 10credit customers of CBB found in 10 Addis Ababa branches of the bank. The responses of each group are analyzed to capture the satisfaction level of customer of CBB after the service encounter.

Accordingly, each questionnaires was designed in such a way that it seeks information about customers satisfaction level among a given choices of alternatives on service quality measurement items i.e. Tangibility, Reliability, Responsiveness, Assurance and Empathy. Each of the service attributes was dealt from the viewpoints of clients through the questions provided to them.

4.2.1. Service Quality Measurement of Reliability

Reliability refers to the ability of the organization to perform the service as promised dependably and accurately. It is the service core for most customers which include all functions of the organization. In order to capture the respondents' opinion on the service quality attributes related to reliability issues, six different types of questions related to reliability were raised to the respondents starting from REL.1 to REL.6 and customers of the bank have chosen their preference or satisfaction levels on reliability issues as indicated in Table 4-2 below. Besides, the average mean value of this dimension is 2.95. Then a detailed explanation on the findings of the study is followed.

Table.4-2. Service Quality Attributes related to Reliability

Response		REL.1		REL.2		REL.3		REL.4		REL.5		REL.6	
		Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age
Valid	Highly disagreed	25	21.7	6	5.2	10	8.7	9	7.8	4	3.5	10	8.7
	Disagreed	42	36.5	39	33.9	29	25.2	26	22.6	5	4.3	54	47
	Neutral	29	25.2	28	24.3	35	30.4	21	18.3	21	18.3	19	16.5
	Agreed	14	12.2	38	33	35	30.4	54	47	74	64.3	24	20.9
	Highly Agreed	4	3.5	2	1.7	4	3.5	5	4.3	8	7.1	2	1.7
	Total	114	99.1	113	98.3	113	98.3	115	100	112	97.4	109	94.8
Missing	System	1	.9	2	1.7	2	1.7			3	2.6	6	5.2
Total		115	100	115	100	115	100	115	100	115	100	115	100
Mean		2.39		2.92		2.95		3.17		3.69		2.58	
Standard		1.06		.983		1.034		1.078		.817		.993	
Average mean of the Dimension-Reliability		2.95											

Source: Sample survey, 2015

As can be indicated in Table 4-2 above, the loan documentation process of getting credit service to customer (REL.1), 67(58.2%) of the bank's customers declared they are dissatisfied, 29(25.2%) respondents found out to be natural, while the remaining 18(15.7%)-respondents are satisfied with the process getting credit service in CBB is simple and short. With this implies that the majority of customers are dissatisfied with the requirements different documents and process of verifying of these documents.

Regarding proper timing of loan approval (REL.2), 45(39.1%) respondents reported that they are dissatisfied, while 28 (24.3) respondents indicated that they are neutral and the remaining 40(34.7) respondents stated that the bank's loan approval is not done properly and within time. This is to mean that after the fulfillment of the required documents, the loan approval takes a lot of time beyond what customers expect or what they were told to expect.

The study tells us that 35(30.4%) respondents are dissatisfied with the way the bank handles their credit request (REL.3), while 21(18.3%) clients preferred to be neutral in this regard.

Whereas, about 54(51.3%) respondents claimed that the way CBBunderstands their needs and entertain them fairly. In this particular regards customers seems satisfactory.

The survey indicated that39 (33.9%) respondents said CBB's loan disbursement since the completeness of the approval (RE.4)l doesn't fit their requirements, while 35 (30.4%) of them remains to be silent and the remaining 39(33.9) customer confirms that CBB's loan disbursement time after the disclosure of the approval process fits their requirement and as promised (REL.4). From this it can be understand that both satisfied and unsatisfied respondents have equal proportion of 33.9% but there are 35% of respondents who prefer to stay neutral. Customers stay neutral mean they are giving chances for the bank to improve its quality of services or some of which are considering other service provider.

As can be observed from the Table-4-2, 9 (7.8) respondents are dissatisfied, 21(18.3%) remain neutral and 82 (71.4%) are satisfied by the bank's repayment period (REL.5). This is to mean that the bank's procedure to determine repayment period satisfied majority of its customer. The survey also indicates that 64(55.7%) respondents are dissatisfied, 19 (17%) remains neutral and 26(22.8%) respondents perceive that their loan application was finalized where they applied (REL.6). In this regard, majority of customers are dissatisfied due to their loan request is not processed and finalized where they have already applied.

Finally, reliability measurement issues discussed above has overall average mean score of 2.95 or below the average mean value of all the quality dimensions and the mean score ranges from 2.39 up to 3.69.The lowest means score issue of "process of getting credit service is short &simple (REL.1)", and highest means score of "the repayment period given by the bank favors you (ERL.5)", respectively. As a result, "CBB understands the needs of its credit customers while it sets repayment period, however the process of getting credit service doesn't not consider the expectation of customers. This means the majority of customers have been very disappointed with CBB's credit service delivery process. The implication of such low level of reliability measurement is that some customers might lose their confidence to be dependent on the services of CBB, which will inturn be reflected by lower retention rate of bank's client.

The next low mean scores are REL.6 (Credit requests processed and finalized where applied) with mean value of 2.58, REL.2 (loan approval is done properly within time) with mean value of 2.92, and REL.3(period for loan approval fits to your requirement) mean value of 2.95 respectively.

The credit application are not finalized where applied means customers are not entertained to branches where the credit request initiated, in other words customers are expected to face different expertise at different level commencing from Branches to Head office. Customers may be disappointed for losing the chance to be entertained with employee whom they first met.

The loan approval is not properly done and within time mean, commencing the fulfillments of the requirements from the customer side he\she would told when the loan or facility be approved, however customers face lengthy time as a result of lengthy analysis work. This means the speed and promptness in credit service delivery did not satisfy customers. Finally, period for loan disbursement refers to, once the loan is approved the customer would informed to sign up a contract, register contracts to the concerned government body and then after preparing different advices and loan account be opened at head office, and disbursement would be effected there, and on this regard majority of customers have not complained on this regard.

Besides, all reliability has the lowest over all mean score of all the five service quality dimensions measurements. As reliability is related to what Groonor's functional quality (how services are delivered), and all respondents have service experience with the bank, their level of satisfaction is extended from the technical quality to functional quality. The study has identified that the bank's clients expectations is not met with reliability measurement issues which lets majority of customers to consider other service provider. Berry&Parasuraman (1991) reported that reliable service is the outcome of the continuous improvement and it is the service "core" to most customers, and the most important one in determining the customer perception about service quality. Yonatan, (2010) also emphasized that among other dimensions, reliability is the most important one in determining a quality service.

Hence, the bank should extend its relationship with these customers by making continuous improvement on service delivery. Besides, CBB should review its credit service procedure to make simple and time saving.

4.2.2. Service Quality measurements Related to Tangibility

The next point to be discussed here is that, the respondents' opinion on the tangibility measurement issues. Tangibility refers to the physical facilities, employees' appearance, branches accessibility and availability of modern technology. For that reason, respondents were provided with five different questions starting from TAN- 1 to TAN- 5 that shows their preference or satisfaction levels on tangibility measurement. And then the analysis part on each tangibility issues is discussed on the subsequent paragraphs.

Table 4-3: Service Quality attributes related to Tangibility

Response		TAN.1		TAN.2		TAN.3		TAN.4		TAN.5	
		Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age
Valid	Strongly Disagreed	-		3	2.6	52	45.2	-		3	2.6
	Disagreed	7	6.1	10	8.7	46	40	6	5.2	17	14.8
	Neutral	14	12.2	33	28.7	15	13	12	10.4	18	15.7
	Agreed	56	48.7	48	41.7	1	.9	69	60	62	53.9
	Strongly Agreed	36	31.3	19	16.5	-	-	27	23.5	11	9.6
	Total	113	98.3	113	98.3	114	99.1	114	99.1	111	96.5
Missing	System	2	1.7	2	1.7	1	.9	1	.9	4	3.5
Total		**115**	**100**	**115**	**100**	**115**	**100**	**115**	**100**	**115**	**100**
Mean		**4.07**		3.62		1.69		4.03		3.55	
Standard deviation		.8315		.9573		.7302		.7461		.9604	
Average mean of the Dimension –Tangibility						**3.39**					

Source: Sample survey, 2015

Table 4-3 depicts CBB's client satisfaction level related to tangibility measurement. Accordingly, the responses of 115 respondents gathered to measure their level of satisfaction in relation with the tangibility. Hence, 7 (6.1%) respondents reported highly dissatisfied with the bank's location convenience (TAN.1), while 14(12.2%) respondents chose to remain silent. The remaining 92(80%) respondents claimed satisfied with the Bank's location

convenience.This means, the bank is accessible to customers to get information as well as to transact their account physically.

On the subject of the Bank's up to date equipment (TAN.2), 13 (11.3%) respondents said they are dissatisfied , 33(28.7%) respondents' remain to be silent in this regard, while the remaining 67 (58.2%) respondents stated that the Bank has been able to maintain modern equipment and facilities to their satisfaction. This implies that some majority of customers are satisfied with CBB's equipment.

The sample survey showed that 98 or 85.2% of respondents are dissatisfied with the bank's modern technology (TAN.3) and indicated that CBB has been expected to do a lot on technology that meet or exceeds its credit customers, whereas 15(13%) respondents said they are neutral in this regard. The remaining 1 respondent said he or she is satisfied with the current level of technology the bank has employed.

In relation to employee neatness and physical appearance (TAN.4), 6 (5.2%) respondents claimed dissatisfied, 12 respondents remain neutral and the remaining 96(83.5) respondents are satisfied with employees' neatness and physical appearance. Hence, the majority of customers are satisfied with the appearance of CBB's employees.

Materials related to the credit service such as, loans contract, loan statements and pamphlets (TAN.5), 20(17.4%) respondents are dissatisfied, 18 respondents remained neutral and 73(63.5%) respondents are satisfied with visually clean credit service related documents. Therefore, the majority of customers are satisfied with this regard.

Finally, the overall average means score of tangibility measurements is 3.39; it ranges from 1.69 up to 4.07. The lowest of service tangibility item is "availability of modern technology like internet and mobile banking (TAN.3)", was given lowest score of 1.69. Hence, tangibility measurement of the bank in relation to modern technology created the most means of customer dissatisfaction, whereas convenient location or physical accessibility of the bank to customers (TAN.1) has the highest mean score of 4.07.

To sum up, regardless of modern technology, the study has identified that the bank's client are satisfied with the bank's tangibility dimension of service quality, and it would have an implication on the banks overall outlook image. Especially for banks tangibility has essence in first attracting new customers as good image is one source of competitiveness. Technology plays a major role in improving the standards of service delivery and convenience of services in financial institutes. The primary benefits for the bank is cost saving and convenient for the customer. Therefore, CBB has to employ mobile and internet banking.

4.2.3. Service Quality Measurements Related to Responsiveness

In this section the study discusses with findings of the sample survey regarding service responsiveness measurement. Responsiveness refers to the organization's willingness or readiness to help customers and provide prompt service.

In relation to the responsiveness measurements, three question starting from RES. 1 to RES.3 as indicated in Table 4-4 below is addressed to randomly selected branch's client. And a summary result of the questionnaires, where the customers of CBB's are given lists of their preference or satisfaction levels on responsiveness measurement issues and followed by detailed discussion on the findings of the study.

Table 4-4: Service Quality Attributes related to Responsiveness

Response		RES.1		RES.2		RES.3	
		Frequency	%age	Frequency	%age	Frequency	%age
Valid	Strongly Disagree	3	2.6	10	8.7	8	7.5
	Disagree	23	20	9	7.8	21	18.3
	Neural	23	20	40	34.8	40	34.8
	Agree	52	45.2	48	41.7	35	30.4
	Strongly Agree	14	12.2	8	7	11	9.6
	Total	115	100	115	100	115	100
Missing	System						
Total		**115**	**100**	**115**	**100**	**115**	**100**
Mean		**3.44**		**3.3**		**3.17**	
Standard deviation		**1.027**		**1.018**		**1.061**	
Average Mean of the Dimension-Responsiveness				**3.3**			

Source: Sample survey, 2015

Table 4-4 portrays CBB's client satisfaction level related to the bank's service responsiveness measurement. Accordingly, the responses of 115 respondents gathered to measure their level of satisfaction in relation with the bank's responsiveness measurement. Consequently, 26 (22.6%) respondents reported that they are dissatisfied with the bank's employee readiness to assist customers (RES.1), whereas, 23 (20%) respondents said they are neutral in this regard. The remaining 66(57.4) respondents claim they are satisfied with the bank's employee on their willingness to assist and deliver services promptly. The study further indicated that 19(16.5%) respondents disagree with the idea that CBB's employees respond to customers' needs as per criteria and within time (RES.2), whilst 40 (34.8%) respondents were found out to be neutral. On the other hand, the remaining 56 (48.7) respondents are satisfied and declared that CBB's employees respond customers' needs as per criteria and within time.

Concerning employees' instant replay to criticism and solve problem (RES.3),some 29 (25.8%) respondents reported that they are dissatisfied with CBB's employees instant replay to criticism and solve problem, while 40(34.8%) respondents indicated that they are neural and the remaining 46 (40%) respondents stated that the bank's employee are instant in replaying to criticism and solve problem (RES.3). The average mean of responsiveness is 3.3, whereas the lowest and highest mean values are factors "credit staffs instant replay to criticism and solve problems (RES.3)" with mean value 3.17 and factor "credit staff are willing full to assist you (RES.1)" with mean value of 3.44 respectively. From this it can be inferred that CBB's credit staff are not instantly replay to criticism and solve problems. According to Harington (1995), among customer who complains 2/3 of them will find a new source of service if their complaints are not quickly addressed. Therefore, CBB should establish a common approach to handle and respond complaints instantly, which every staff should internalize the approach. This could be developing through training and putting in place customer satisfaction checks after the complaints addressed.

4.2.4. Service Quality Measurements of Assurance

This section of the paper undertaking find out, the respondents opinion on the service attributes related to assurance. Assurance refers to the organization's ability to create credibility on customers about the service, knowledge and courtesy of the employee and their ability to inspire trust and confidence in the customers of the organization.

This is a necessary measurement of service quality after reliability and empathy towards satisfaction (parasuraman et al., 1988)

Table 4-5 Assurance Measurements Items

Accordingly, three issues starting from ASS.1 to ASS.3 are raised and there by the customers of CBB's given lists of their preference or satisfaction levels on service assurance issues as indicated in Table 4-5below. Then a detailed discussion on the findings of the study regarding assurance will follow.

Table 4-5: Service Quality attributes related to Assurance

Response		ASS.1		ASS.2		ASS.3	
		Frequency	%age	Frequency	%age	Frequency	%age
Valid	Strongly Disagreed	14	12.2	5	4.3	14	12.2
	Disagreed	26	22.6	21	18.3	25	21.7
	Neutral	37	32.2	44	38.3	19	16.5
	Agreed	36	31.3	44	38.3	43	37.4
	Strongly Agreed	2	1.7	1	.9	12	10.4
	Total	115	100	115	100	113	98.3
Missing	System					2	1.7
Total				115	100	115	100
Mean		2.8		3.13		3.12	
Standard deviation		1.044		.8738		1.232	
Average mean of the Dimension-Assurance		3.04					

Source: Sample survey, 2015

Table 4-5 depicts CBB's client satisfaction level related to assurance. Accordingly, the responses of 115 respondents gathered to measure their level of satisfaction in relation with the assurance. Hence, in relation to the bank's margin of finance (ASS.1), 40(34.8%) respondents stated that they are unsatisfied, 37(32.2%) respondents said they are in different in this particular case. The remaining 38(33%) respondents claimed they are satisfied with CBB's margin of finance.

With reference to CBB's employee competence in relation to credit service (ASS.2), 26 (22.6%) respondents are dissatisfied, 44 respondents preferred to stay indifference and the remaining 45 (39.2%) respondents are satisfied. This means, in addition to the 26 (22.6%) dissatisfied customers, 44 (38.3%) respondents intention is half way to consider other service provider or they are half cooked cake for competitors. Regarding employees conduct (ASS.3), 39(33.9%) respondents claimed dissatisfied, 19 (16.5%) respondents remain indifference and the remaining 55 (47.8%) respondents are satisfied with this particular case.

Here still the sum of those dissatisfied and indifference respondents is greater than those satisfied with the satisfied customers, efforts from the bank side is required to let understand their expectation and work on that.

Mean value of respondents to point their level of satisfaction with regards to the bank's margin of finance in relation to their requirement (ASS.1) is 2.88 which are below the overall average mean value of Assurance, and mean value of employees' competence in relation to credit service (ASS.2) is 3.13 and mean value of employees friendly & cooperative conduct (ASS.3) is 3.12. The study concluded that among the items that measure assurance, majority of CBB's credit customers found dissatisfied with the bank's margin of finance .This means that the banks margin of finance is stringent as compared to customers' expectation; customers have no trust to get the amount of finance their project requires, as a result they may be obliged to be under financed or to consider other financial service providers.

Anderson, et al (1976), it was found that a substantial level of trust in the bank and its ability was necessary to make the customer comfortable enough to establish a banking

relationship.Therefore, CBB has to improve its credit procedure in relation to margin of finance to reflect genuine commitments to service provision and reduce switching behavior and negative word of mouth.

4.2.5. Service Quality Measurements of Empathy

Under this section the research finds out, the respondents' opinion on the service measurements of empathy. Empathy refers to the caring and individualized attention the organization provides to its customers.

In view of that, five issues were raised starting from EMP.1 to EMP.5 and a summary of results of the questionnaires stated in Table 4-6, where by the customers of CBB's given lists of their preference or satisfaction levels on service empathy issues. Then, detailed discussions on the findings of the study are made.

Table 4-6: Service Quality attributes related to Empathy

Response		EMP.1		EMP.2		EMP.3		EMP.4		EMP.5	
		Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age
Valid	Strongly disagree	5	4.3	2	1.7	2	1.7	2	1.7	2	1.7
	Disagree	8	7	17	14.8	4	3.5	4	3.5		
	Neutral	32	27.8	36	31.3	28	24.31	30	26.1	10	8.7
	Agree	60	52.2	54	47	67	58.3	70	60.9	81	70.4
	Strongly Agree	8	7	5	4.3	12	10.4	8	7	22	19.1
	Total	113	98.3	114	99.1	113	98.3	114	99.1	115	100
Missing	System	2	1.7	1	.9	2	1.7	1	.9	-	-
Total		115	100	115	100	115	100	115	100	115	100
Mean		3.51		3.38		3.73		3.68		4.05	
Standard deviation		.8975		.8559		.7679		.7325		.6602	
Average Mean of the Dimension- Empathy		3.67									

Source: Sample survey, 2015

Respondents were also asked whether employees are giving sincere borrowers proper guidance and support sincerely timely manner. Accordingly, somewhat 13(11.3%) respondents are dissatisfied and indicated that CBB employees do not give sincere borrowers proper borrowers guidance and support (EMP.1). 32(27.8%) respondents preferred to be middle-of-the-road in this regard. The remaining 68(59.2) said they are satisfied that the banks employees are giving proper guidance and support in relation to credit service.

Regarding the bank's employee understand the needs of customers (EMP.2), 19 (16.5%) respondents get dissatisfied, 36(31.3%) respondents are indifference, and the remaining 59(51.3%) respondents said they are satisfied or employees understand their banking needs. On the other hand, respondents were also asked to give their opinion whether the management of CBB give due attention for customers complain (EMP.3), 6 (5.2%) respondents claimed dissatisfied, 28 (24.3%) remain indifference and the remaining 79 are satisfied in this particular issues. This means the management of CBB has encouraged able concern for customers complain.

In relation to employees' friendly and caring service (EMP.4), 6 (5.2%) respondents claimed dissatisfied, 30 (26.1%) are between the roan and the remaining 78(68.7%) are satisfied with the employees concern for caring and friendly services. This means majority of respondents are satisfied with the CBB's employees' friendly and caring services.

As per the response of respondents in relation to convenient operating hour (EMP.5), mass of the respondents (90%) are satisfied with CBB's convenient operating hour. This may be an indication for the source of satisfaction for credit customers.

Finally, the average mean value of empathy dimension is 3.67.The mean value of factors ranges from 3.38 with factor "CBB's staff understands your banking needs" to 4.01 with factor "convenient operating hour. Besides, sincere borrowers guidance and support is scored mean value of 3.51 which is below the average mean value of the respective dimension, empathy (3.67).Therefore, customers are dissatisfied with these factors, and have implication that the bank's ability to retain existing customers is in question.

In this view, Parasuraman et al, (1991) stated that if organization provides extra attention to their customers so that there are chances that they feel more satisfied and become loyal. Therefore, CBB should give advanced customer service training for its staff in order to enhance their skills of how to guide and support customers.

Table 4-7. Statements to evaluate overall level of satisfaction

		Frequency	Percent
Valid	Strongly dissatisfied	2	1.7
	Dissatisfied	35	30.4
	Neither satisfied nor dissatisfied	19	16.5
	Satisfied	56	48.8
	strongly satisfied	3	2.6
	Total	115	100.0

Source: Sample survey, 2015

Among the 115 respondents, 37(32.1%) of the respondents gave they are dissatisfied with the overall credit service of the bank, 19(16.5%) of the respondents stayed neutral and 59(51.4%) of the respondents are satisfied with the overall credit services of the bank.

This shows that some majority of customers are satisfied with CBB's credit services, however undeniable proportion of customers (32.1%) are dissatisfied with the service provision. Even if one considers the proportion of those in the middle of the road (16.5%) and those dissatisfied (32.1%) together is 48.4%, which is slightly less than to those satisfied (51.4%). This implies that the bank should be alerted for the improvement of its credit service quality and kept those dissatisfied customers stay with it.

Table 4-8.Average Mean Value & Standard Deviation of the Five Dimensions

Service Quality dimensions	Means score	Standard dev.
Tangibility	3.39	0.8451
Reliability	2.95	0.9957
Responsiveness	3.3	1.0353
Assurance	3.04	1.0499
Empathy	3.67	0.7828
Average	**3.27**	

Source: Sample survey, 2015

Table 4-8 above shows the average mean score for the five dimensions of service quality. The highest mean scored by Empathy followed by Tangibility, Responsiveness, Assurance and reliability respectively. As sown on the above Table 4-8, Empathy dimension of service quality is superior to other four dimensions with a mean score of 3.67. This indicated that CBB is performing to the level of customers' perception or customers' experience after receiving the service exceeds their expectation hence they are satisfied in this dimension regard. This result alien with Shanks (2012) study which proved empathy has significant role towards customers' satisfaction.

The second dimension as per the rating of the customers is Tangibility, with a mean score of 3.39.The customers experience from the service they received outweighs their expectations. This result relates to Vidisha and Kumar (2012) study on Mauritanian banking that proved among the five service quality dimensions, tangibility result the lowest gap and resulted customers satisfaction. Hence, CBB is performing better in accessibility towards customers, employee neat appearance, materials related to credit service.

The third dimension is responsiveness (the timely reaction towards the customers' needs) with 3.3 mean score. In this regard CBB meets customers' expectation which directly alien with Shanka (2012) study that proved responsiveness play a major role to satisfy bank's customers.

The least performed dimensions are assurance and reliability with a mean score of 3.04 and 2.95 respectively and where the gap between customers' expectation and perception is high from the overall mean.

In relation to reliability where the highest gap observed in CBB indicated that customers are dissatisfied. This result directly aligned with Vidisha and Kumar (2012) study on Mauritanian banking where reliability dimension showed the highest gap indicating that customers are highly dissatisfied. Parasuraman, et al., (1988) previously stated that reliability is the most important dimension in the area of quality service and towards satisfaction.

In relation to assurance dimension, where highest gap next to reliability observed implies that CBB expected to do a lot in building confidence and trust in customers towards credit service of the bank by ensuring trust worthy and reflect credibility to service provision.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INTRODUCTION

The first section of this particular chapter deals with summary of key findings of the study under considerations. Then followed by, conclusions drawn from the findings and recommendations are given to help improve the level of customer satisfaction in credit service through enhancing the quality of the services delivered by CBB.

5.1. Summary of Findings

This section is concerned with pointing out the summary of key findings of the research which are derived from the data analysis and interpretation part. The detailed summary of the findings is discussed as follows:

- Considering the service quality measurements of reliability, it has scored the least average mean score (i.e., 2.95) among all quality dimensions which means majority of CBB's clients are dissatisfied with the bank's reliable services. Besides, among its six factors of measurements the highest mean score is 3.6 representing the factor "the loan repayment period given by the bank is convenient to customers" and the least mean score is 2.39 representing the factor that "the loan documentation process for getting credit service is simple and short". Furthermore, factors "credit request is processed and finalized where applied", "in time Loan approval" and "period for disbursement after approval" scored mean value of 2.58, and 2.92 respectively are below the respective dimension average mean.

- Five issues were being used to measure tangibility five of them gave an average mean score of 3.39. However, the item "convenient office location" gave the highest average score of 4.07 while the least average score 1.69 was the item "availability of modern technology like internet and mobile banking". Hence, among the tangibility dimension respondents are highly dissatisfied with the bank's available technology.

- Out of the three factors used to measure responsiveness, the factor willingness of the staff to assist customers" stood at the highest mean score of 3.44 while the least average score 3.17 was an item "employees instant reply to criticism and solve problem". Besides, the mean average score of all the factors of responsiveness is 3.3.

- Out of the three issues used to measure assurance, the factor "employees competency in relation to credit service" stood at with a highest mean score of 3.13 while the least average score of 2.88 was an item "the bank's margin of finance"

- Five issues were being used to measure empathy dimensions. The average mean score of empathy is 3.67 which is the highest of all other four dimensions as well as the overall average mean value of the five dimensions. Among the service quality measurement items used to measure empathy, the factor "the bank's convenient operating hour" stood at with a highest mean score of 4.05 while the least average score of 3.38 was an item "staff's understanding to customers need" Besides, the factor "sincere borrowers guidance and support scored a mean value of 3.51 which is below the average mean of the respective dimension, empathy.

- The overall average mean of the five quality dimensions is 3.27.Reliability and assurance dimensions scored below 3.27. This means there is a high gap between customers' expectation and perception on the quality of CBB's credit service in these dimensions regard.

- Based on the overall level of satisfaction rated by 115 respondents some majority of customers (51.4%) are satisfied with CBB's credit services, however undeniable portion of customers (32.1%) are dissatisfied with the service provision. Besides, if we consider the proportion of those in the middle of the road (16.5%) and those dissatisfied (32.1%) together is 48.4%, which is slightly less than to those satisfied (51.4%). This implies that the bank should be alerted for the improvement of its credit service delivery process to keep up those dissatisfied and to let stay those held in the middle of the roadwith it.

5.2. Conclusions

The study assessed the level of customer satisfaction at CBB and attempted to address four research questions. The findings of the study revealed that the level of customers' satisfaction with credit services rendered by CBB is slightly above average. This implies that considerable numbers of customers are dissatisfied with the bank's credit service delivery process. The dissatisfaction resulted from factors such as, loan documentation process to get credit service, the time for loan approval, period for disbursement after approval, the bank's margin of finance, lack of modern technology like internet and mobile banking, the system of credit service delivery process, the ability of employees to instantly replay to criticism and solve problem, low sincere borrowers guidance and support, and lack of staff understanding to customers' needs.

Among the five service quality dimensions, Reliability and Assurance measure resultsrevealed the lowest of the overall quality dimensions mean or scale of measurement. This implies that there is high gap between customers' perceptions and expectations regarding these dimensions.

Finally, credit service quality and customer satisfaction can be improved in CBB through. making the credit procedure simple, understandable and time saving, setting realistic standard service delivery time, establishing common approach to handle and respond to criticism, providing advanced customer service training for employees, implementing mobile and internet banking, and conducting regular research to find out customer expectations about various service aspects.

5.3 Recommendation

On the basis of the aforementioned analysis and findings the following recommendations are made to help the service delivery process improvement of CBB so as to render quality service to its customers thereby improve the satisfaction level of the its customers.

- Reliability and Assurance dimensions are where CBB showed the lowest performance respectively. Hence the management of the bank should give special attention for the improvement of the reliable and credible service offering through undertaking in depth customer satisfaction survey and communicate the result well among staffs.

- CBB should set a clear, concise, observable and realistic standard service delivery time and targets toward which all employees can focus their effort and strive for excellence. For instance, if the bank discloses to customers that their loan application will be processed within a week time, it should be processed with in time as promised. Failure to do this without unjustifiable reason will lead to unfaithfulness which may compel them to switch to other competitors.

- Majority of customers are dissatisfied with lack of modern technology like internet and mobile banking service. From credit customer's point of view, they might require to access and look at their loan account status, loan balance and effect loan repayment through transferring from their deposit account by being anywhere. It also reduces costs for the bank that would arise from frequent calling to customers by the bank officers when repayments date due. Hence technology can create competitive advantage and majority of the bank's customers are educated, the bank's management should work (employ modern technology) to meet customers' expectations on this regard.

- In practice banks became stringent in margin of finance is to minimize their credit risk. This could be managed by creating relationship marketing approach. The more the organizations know their customers, the better they might at serving them. Besides, consumer wants are the drives of all strategic marketing decision. No strategy is pursued until it passes the test of consumer research.

- Therefore, the management of the bank should consider the preference of their customers whenever business strategy is designed through developing effective relationship marketing approach or designed strategies should be reviewed up on time.

- Having a large number of unsatisfied customers has different implications on the competitiveness and performance of the bank. Customers who experience unsatisfactory service may never revisit that organization again, may engaged on negative word of mouth which results in losing of prospective customers, and cost may be required for reestablishing damaged relationship. The management of CBB should conduct regular research to find out customer expectations about various service aspects. As customer expectations and satisfaction are not static figures, regular research at sufficient intervals should be conducted so that it will be easy to understand and respond unsatisfied customers' needs.

- Instant replay to criticism and solve problem, the bank should establish a common approach to handle and respond complaints instantly which every staff should internalize the approach. This could be developed through training and putting in place customer satisfaction checks after complains have been responded.

- Sincere borrowers' guidance and support, and staff's understanding to customer needs are all related to employees' issues. Since bank is a service oriented organization, providing continuous training to the employees on issues like courtesy, good manners and communication skills while dealing with customers is of immense importance. This could be achieved by developing a customer-friendly attitude in any customer service interaction through customer service training and designing a system for employee and customer feedback.

- Though the scope of this study did not include internal customers' satisfactions, for instance respondents are satisfied with the CBB's management concern to replay criticism but this does not work for employees. Besides customers are satisfied with employees' skills and capability in relation to credit service. This is an area of concern for further research in internal customers' satisfaction of the bank. Different researchers suggest that factors of job satisfaction would cause the employees not to provide the better services for external customers' satisfaction.

References

➤ Akan, (1995). Management service quality. An international Journal, Vol.5, Issue.6, 1995.

➤ Alhemoud.A.M(2010). "Banking in Kuwait: A Customer Satisfaction Case Study, "An International Business Journal Incorporating Journal of Global Competitiveness, 20(4), 2010.

➤ Amankwah,S. and Adu,W.O.(2001). Assessment & analysis of service quality and customer satisfaction in Ghana bank. Available at https://pure.ltu.se/ws/files/33807284/LTU-EX-2011-33681591.pd

➤ As presented by: Nawaz.M.M et al. (2011).Impact of customer satisfaction on loyalty & Intention to switch. International Journal of business and social science. Vol.2.No.16, September 16, 2011.

➤ Basel Committee on Banking Supervision Principle for Management of Credit risk - conservation paper-November, 1999, available at www.bis.org/publ/bcbs'

➤ Beck,R.E,Siegel,S.M and Beares, P.,Consumer Lending, 4th ed., Washington

➤ Buteele,F. (1996).SERVQUAL, review, critique, research agenda. European journal of marketing, Vol. 3 No1.

➤ Cadotte et al., (1987). Expectation & Norms in models of consumer satisfaction. Journal of Marketing Research, Vol.24.

➤ Chaoprasert .C.and B. Elsey.B., (2004). "Service Quality Improvement in Thai Retail Banking and its Management Implications, "ABAC Journal, 24(1), 2004.

➤ Construction and business bank Credit procedure (2012).Available in the bank. Available in the bank Library.

➤ Culiberg, B., &Rojsek, I. (2010.). Identifying service quality dimensions as antecedents to customer satisfaction in retail banking. Economic and Business *Review, VOL. 12 No. 3*, 2010.

➤ Dei-Tumi, E. (2005). Customer Service is Attitude not a Department, Wisdom Centre International.

➤ Deribe B. and Deribe. E (2012). Evaluation of customer satisfaction on bank services. Basic Research Journal of Business Management and Account Vol.1 (4) Pp.64/71, November 2012. Available on http/www.basicresearch journals.org

➤ Gerrard, P.,Cunningham, J. B. (2003), "The diffusion of Internet banking among Singapore consumers", International Journal of Bank Marketing, Vol. 21 No.1, pp.16-28.

➤ Gerson, V. (1998), "Service with more than a smile'", *Bank Marketing*, Vol. 30 No.8, 1998.

➢ Gottschalk, P.(2008). Stages of Financial Crime by Business Organizations. Journal of Financial Crime, 15(1), pp. 38-48, 2008

➢ Gray J.(2009). "FSA challenge in Court of Appeal to Finding of Financial Services and Markets Tribunal on Question of Whether Solicitors' Firm had Contravened Financial Promotion Regime, "Journal of Financial Regulation and Compliance, 17(3), 2009.

➢ Gronroos, T., (1994). Principal components of quality. Meriam Webster Inc.

➢ Gronroos.c. (1990).Service management & marketing Lexington Books, Lexington, MA.

➢ Grönroos.C.,(1998). "Marketing Services: the Case of a Missing Product, "Journal of Business & Industries Marketing, 13 (4/5), 1998.

➢ Gronrros, C. (1982). Strategic Management & Marketing in Service Sector.

➢ Hanan,M and Karp,P. Customer Satisfaction: How to Maximize, Measure, and Market Your Company's Ultimate Product. American Management Association, New York, 1989.

➢ Harrington, H. J. (1995). Total Improvement Management. Boston: Mc-Graw Hill.

➢ Hasemark,O.C.&Albison,M.(2004).Customer satisfaction & retention: The experiences of individual Employees. Managing service quality, 14(1),40-5

➢ Hestkett et al., (1997).The service profit chain: How leading companies link profit and growth to loyalty, satisfaction and value, Free press, New York, 1997.Hill/Irwin.

➢ Hossain,M.andLeo, S. (2009). "Customer Perception on Service Quality in Retail Banking in Middle East: the Case of Qatar, "International Journal of Islamic and Middle Eastern Finance and Management, 2(4), 2009.

➢ Hs.C.and L.A. Cai.L.A. (2009). "Brand Knowledge, Trust and Loyalty – A Conceptual Model of Destination Branding, Proceedings of the ICHRIE Conference, July, San Francisco USA, 2009.

➢ Kargi, H.S. (2011). Credit Risk and the Performance of Nigerian Banks, AhmaduBello University, Zaria.

➢ Kotler, P. Marketing Management. 10thed. New Jersey: Prentice-Hal, 2001.

➢ Krapfel,R.E(1985)."A Consumer Complaint Strategy Model: Antecedents and Outcomes, "Advances in Consumer Research, 12, 1985.

➢ Leeds, B. (1992). Mystery shopping offers clues to equity service. Bank Marketing. 24-27.

➢ Lending strategy of the construction and business bank, (2011-2014). Available in the bank Library.

➢ Lévesque,& McDougall, G. H. (1996).Determinants of customer satisfaction in retail banking. *International Journal of Bank Marketing, 14*(7), 12-20.

➢ Lewis, P., Wang, D., (2003) *delivering quality service.* London: Norton Press

➢ Lymperopoulos.C.Chaniotakis I.E. and Soureli.M(2006). "The Importance of Service Quality in Bank Selection for Mortgage Loans, "Managing Service Quality, 16(4), 2006.

➢ Martin, B. W. (1991). Managing quality customer service. (pp. 61 - 65). London: Kogan Page Ltd.As cited by Susan Amankwah and William Ohene-Adu.

➢ Min Sein&Khoon C.C.(2014). Demographic evaluation of service quality in higher education. International Journal of Marketing Studies; Vol.6, No.1; 2014.

➢ Mohammad, A. A., &Alhamadani, S. Y. (2011). Service Quality Perspectives and Customer Satisfaction in Commercial Banks Working in Jordan. *Middle Eastern Finance and Economics ISSN: 1450-2889 Issue 14, Euro Journals Publishing*.

➢ Munusamy, J., Chelliah, S., &Mun, H. W. (2010). Service Quality Delivery and its Impact on Customer Satisfaction in the Banking Sector in Malaysia. *International Journal of Innovation, Management and Technology,1*(4).

➢ Murphy J.A.(1996). "Retailing Banking," inButtle, F. (Ed.), Relationship Marketing, Theory and Practice, Paul Chapman, London, 1996.

➢ NaeemH. andSafiM.I.(2010). "Employee Empowerment and Customer Satisfaction: Empirical Evidence from the Banking Sector of Pakistan, "African Journal of Business Management, 4(10), pp. 2028-2031, 2010.

➢ Newman, K. (2001). Interrogating SERVQUAL: a critical assessment of service quality measurement in a high street retail bank. *Int. J. Bank. Mark. 19*(3), 126-139.

➢ Okoe, A.F., Adjeei, J.S., and Osarenkhe, A. (2013), (2013).Service quality in the banking sector in Ghana. International Journal of marketing studies; Vol.5,No.2;2013.Available at http//dx.doi.org/

➢ Oliver (1980). A conceptual Model of the antecedent & consequences of satisfaction decisions. Journal of marketing research.Vol.17, No.4, Nov.1980.

➢ Padilla,R.A "Literature Review on: Consumer Satisfaction in Modern Marketing, "Faculty of Commerce &Administration, Concordia University, 1996.

➢ Parasurama, A., Zeithaml, U.A., Berry, L.L.(1988).SERVQUAL: a multiple item scale for measuring consumer perception of service quality. Journal of Retaling.Vol.61 (1).Pp.12-37.

➢ Parasuraman, A., Zeithamal, V.A, and Berry, L.L.,(1985)A conceptual model of service quality and its implications for future research, Journal of marketing

➢ Patterson,P.GandSpreng,R.A(1997). "Modeling the Relationship between Perceived Value, Satisfaction and Repurchase Intentions in a Business-to-Business, Services Context: An Empirical Examination, "International Journal of Service Industry Management, 8(5), 1997.

➢ Piason et al., (2013). Significance of service quality &customers satisfaction in Zimbabwebank.European Journal of Business & Management; Vol.5, No.13, 2013. Available at WWW.iiste.org.

➢ Ree, &Van,H. J. (2010). Service Quality Indicators for Business Support Services.

➢ Richens,M.L (1983)."An Analysis of Consumer Interaction Styles in the Marketplace,

➢ Rust, R. T. and Olivier, R.L. (1994) "Service quality: new directions in theory and practice". Thousand Oaks, CA: Sage.

➢ Rust, R. T. and Olivier, R.L.(1994) "Service quality: mew directions in theory and practice." Thousand Oaks, CAL Sage.

➢ Saghier, N. E., & Nathan, D. (2013). Service Quality Dimensions and Customers' Satisfactions of Banks in Egypt. *20th International Business Research Conference.*

➢ Samli, F., (1992) Delivering of quality service. Vol. 8, Holland: Nowell Publishers

➢ Shanka, M. S. (2012). Bank Service Quality, Customer Satisfaction and Loyalty in Ethiopian Journal of Business Administration and Management Sciences Research Vol. 1(1), pp. 001-009, December, 2012.Available online at http://www.apexjournal.org

➢ Sihombing, H, Chidambaram,P, and Rassiah,K.(2012).An Analysis of the customer Satisfaction: A case study of Bank service" International journal of Application or Engineering and Management, Volume 1, October 2012, Pp. 33-43.

➢ Stafford,M.R (1996). "Demographic Discriminators of Service Quality in the Banking Industry, "The Journal of Service Marketing, 10(4), 1996.

➢ Standard chartered bank, (2001). "Commercial loan to business–industry analysis''.Jouranl22, December, 2001.

➢ Swan,C.,(1976). How customers judge products. Journal on customer Perception, 1:7, 8.

➢ Tazreen, S. (2012). An Empirical Study of Servqual as a Tool for Service Quality Measurement.

➢ Verhoef,P.C. (2002)."The Joint Effect of Relationship Perceptions, Loyalty Program and Direct Mailings on Customer Share Development, "ERIM Working Paper, ERS-27-MKT, Erasmus Universiteit, Rotterdam, 2002.

➢ Vidsha.R.D& Kumar H.S.R(2012). Assessing service quality in Mauritians Banking sector. Prestige International Journal of Management & IT- Santayana, Vol.1 (1), Pp.115-126, 2012.

➢ Yonatan G (2010), Customers' Perception of Service Quality in Ethiopia banking sector: An Exploratory study. Addis Ababa University. Ethiopia, http://etd.aau.edu.et.

➢ Zeithaml (1988). Consumer perceptions of price, quality, and value. Journal of Marketing.Vol.52.No.3. July, 1988.

➢ Zeithaml, V. A., Bitner, M. J., &Gremler, D. D. (2006). Service marketing: Integrating customer focus across the firm (4th ed.). New York, NY: McGraw-

➢ Zeithaml, V.A., and Bitner, M.J.(2003). Services marketing. New YorkL McGraw-Hill.

Appendices I

ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM

Questionnaire to be filled by customers

DEAR RESPONDENT,

This questionnaire is designed to gather information on service quality, the objective of the study is to assess the level of customer satisfaction incredit service at construction and business bank (CBB) and thereby come up with finding of the study to recommend possible solutions. Thus, to reach a proper conclusions, I would like to have your accurate opinion regarding the subject matter and fill out the questionnaires honestly so as strengthen the paper output. I want to assure you that, the data will not be used for the purpose other than this study.

Thank you in advance for your kind cooperation, and your time to fill out this questionnaire.

Instruction:

Please put a tick [√]   on the space provided. Please indicate your personal information. There is no need to write your name.

Part I: Demographic profile

1. Gender

Male	Female

2. Age range

18-30	31-42	42-54	Above 54

3. **Highest education qualification**

Left school before finishing	Secondary school	Diploma	Degree	Post Graduate

4. **Types of credit service(s) received**

Overdraft	Pre-shipment facility	Short term business loan	Medium term business loan

5. **Length of time doing business with the bank**

Less than one year	1-3 years	3-5 years	Longer than 5 years

6. **Types of Customer**

Individual	Company

Part II: Questionnaire for measuring level of servicequality

Please indicate the extent to which you agree with the following statements that evaluate the credit service/s you received from the construction & Business Bank (CBB). Please put tick mark ✔ on the appropriate rating.

Statement to evaluate	Strongly agree (5)	Agree (4)	Not agree (3)	Disagree (2)	Strongly Disagree (1)
Reliability					
1.The loan documentation process for getting credit service is simple & short					
2.Loan approval is properly done & with in time					
3.The way CBB handles your credit request is satisfactory					
4.The repayment period given by the bank favors you					
5.The period for loan disbursement after approval fits your requirement					
6.Your credit request is finalized where you applied					
Tangibles					
1. The bank is conveniently located					
2. The bank has up-to-date equipment					
3. The ban has modern technology like, internet & mobile banking					
4. Employees of CBB are neat appearing					
5. Materials related to the credit service, (such as, loan contracts, loan statements, pamphlets) are visually nice					
Responsiveness					
1.CBB credit staffs are willing full to assist you					
2.CBB respond to your demands as per criteria correctly & within time					
3.CBB instantly replay to criticisms & solve problem					
Assurance					
1.The margin of fiancé is appropriate(sufficient)					
2.Are credit staff effective, skilled & capable of giving explanation in relation to credit service					
3.Employee are very friendly & cooperative					
Empathy					
1. Sincere Borrowers guidance and support					
2. CBB understands your banking needs					
3. CBB present greet & acknowledge you promptly					
4. CBB provide friendly & caring service					
5. The bank has convenient operating hour					

III. Statement to evaluate the overall level satisfaction	Strongly satisfied (5)	Satisfied (4)	Neither satisfied Nor dissatisfied (3)	Dissatisfied (2)	Strongly Dissatisfied (1)
How do you rate the overall quality of credit service delivery process of the bank (CBB)?					

Declaration

1.AlemayehuKebede ID. No. SGS/0040/2006 does hereby declare that this thesis is my original work and that has not been submitted partially or in full by other person for an award of a degree in any other University.

Alemayehu kebede   Signature

ENDORSEMENT

This thesis has been submitted to St. Mary's University School of Graduate Studies for examination with my approval as a university advisor.

MesfinLema(Ph.D., Asso. professor)   _____

        Adviser   Signature