

ST. MARRY UNIVERSTY
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM



ASSESEMENT OF SERVICE QUALITY DIMENSION AND IT'S IMPACT ON
CUSTOMER SATISFACTION IN SELECTED ETHIOPIAN PRIVATE BANKS

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Addis Ababa Ethiopia

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BANKS

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St. Marry University

Addis Ababa Ethiopia

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Endorsement

This thesis entitled, **“Assessment of Service Quality Dimensions and its impact on Customer Satisfaction in the case of Selected Ethiopian Private Banks”**, has been submitted to St. Marry University, School of Graduate Studies for examination with my approval as a University advisor.

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Date: _____

Declaration

I, Ayecheluhem Addise declare that this work entitled **“Assessment of Service Quality Dimensions and its impact on Customer Satisfaction in the case of Selected Ethiopian Private Banks”**, is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the Research Advisor.

This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of MA in Business Administration [MBA].

By: Ayecheluhem Addise

Signature_____

Date_____

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Abstract

This study was designed to assess the dimension of service quality and its effect on customer satisfaction taking a case to Ethiopian Private Banks which gives special attention to newly opened banks. Both descriptive and explanatory research design were employed by using quantitative research approach to assess the service quality dimensions and their impacts on customer satisfaction. The researcher used questionnaire method to gather the primary data from the customers' of the two main branches of the selected private banks. The independent variable that service quality of the banks is measured by using the five service quality dimensions including tangibility, reliability, responsibility, assurance and empathy and while customer satisfaction is considered for dependent variable. the regression output also briefly show that there was a statistically weighty link between service quality dimensions and customer satisfaction which is more sustained by R^2 result explaining that the dependent variable is explained more than 80% by the five service quality dimensions. Assurance dimension takes the highest fraction in influencing customer satisfaction followed by reliability, tangibility, responsiveness and empathy. As customer expectations are changing over time, bank managers are advised to measure their customer expectation against the actual performance regularly and handle complaints timely and effectively.

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ABBREVIATIONS

Ta–Tangibility

Re- Reliability

As: Assurance

Em: Empathy

Res: Responsiveness

Cs: Customer Satisfaction

TE: Tangibility Expected

TP: Tangibility Perceived

RE: Reliability Expected

RP: Reliability Perceived

AE: Assurance Expected

AP: Assurance Perceived

EE: Empathy Expected

EP: Empathy Perceived

REE: Responsiveness Expected

REP: Responsiveness Perceived

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Now a day, marketing is one of a dynamic discipline in the area of business management. It deals with marketing both physical products and services. The focus of service marketing is selling or delivering quality services for the customers in effective and efficient manner. As competition becomes more intense and environmental factors become more hostile, the concern for service quality grows. As a result service quality is becoming an approach to manage business processes in order to ensure full satisfaction of customers which will help to increase competitiveness and effectiveness of the service business. If service quality is a key factor to meet customer satisfaction and it becomes the cornerstone of marketing strategy, the service marketer must have the means to measure it. The most popular measure of service quality is SERVQUAL, an instrument developed by Parasuraman et al., (1988) which involve five dimensions of service quality, namely Reliability, Responsiveness, Empathy, Assurance, and Tangibles. SERVQUAL is designed to measure service quality as perceived by the customers.

The service sectors have high contribution to the Ethiopian economy. Banking sector is one service sector that provides financial service for the user and contributes to the country service sector development. Accordingly, many private banks have already been established and their number is increasing from year

to year. Due to this fact a fierce competition among banks has come to exist. Since all banks render almost the same types of services for their customers', banks can differentiate themselves from competitors by providing high quality service than their competitors to satisfy their customers. However, service providers are not in position to understand the relationship of service quality and customer satisfaction. So to survive in the competitive banking industry, bank managers need to know the quality of their service from customers perspectives and which service quality dimensions more affect customer satisfaction. Researchers that use the SERVQUAL model to measure service quality have different argument regarding to which service quality dimensions was affect customer satisfaction. For example, a study conducted in India by Usha, et al., (2009) said that among the five dimensions of service quality, nature of service transactions greatly depends on the physical layout of the workplace i.e. tangibility. And also the SERVQUAL model has different impact on customer satisfaction in different geographic area or region.

Consequently, the study has important facets for the managers of Ethiopian private banks which give especial attention to newly opened banks to identify which dimension of service quality is important from customers' perspectives to satisfy their specific needs and objectives. It would assist banking service provider or bank managers to plan and execute a marketing strategy that would maximize service quality to improve customer satisfaction. Therefore, the purpose of this study was to assess the dimensions of service quality and to find out the effects of these dimensions on customer satisfaction in a way that which dimension is more significant on customer satisfaction in the case of Enat Bank S.C and Debu Global

Bank S.C and since they have less market share as compared to the industry as whole.

1.2 Statement of the Problem

Service quality is one of the critical factors that influence the competitiveness of an organization and also key to long-term business success (Zeithaml, et al., 1996). Particularly, service quality is essential in the banking services context because it provides high level of customer satisfaction, and hence it becomes a key to competitive advantage (Ahmossawi, 2001). In the financial service sector, particularly banks compete in the marketplace with generally undifferentiated products; therefore service quality becomes a primary competitive weapon (Stafford, 1996).The banking industry is highly competitive; banks do not only compete among each other; but also with non-banks and other financial institutions both local and foreign (Kaynak and Kucukemiroglu, 1992).

Now a day in Ethiopia, financial institutions like microfinance institutions would snatch a high portion of market from the banking sector as they are aggressively mobilizing deposits from the public at large. Thus, banks need to differentiate themselves from competitors merely by providing high quality service and having good relationship with customers than their competitors in more effective and efficient manner. Otherwise, any bank that fails to surpass customer expectations and meet customer satisfaction will not be able to compete with other banks. Meanwhile, banks operating in Ethiopia are consequently put into lot of pressures due towards increase in competition. Especially it's challenging for the newly opened private banks since they have the floor market share of the banking sector

and customers are also nearly sensitive to switched off their relationship and transfer their accounts to rival banks because of better services.

According to Rashid, et al., (2011), various strategies are formulated to retain customers and the key of it is to increase the service quality level. As a result, if customers like the service quality, their satisfaction level will improve and banks will be able to maintain stable customer base. This also leads the bank not only to retain their customers rather to get the customer's positive word of mouth which make easy to capture the minds of potential customers.

Therefore, service quality has proved to be an essential ingredient to convince customers to choose one bank over another. Many banks have realized that maintaining service excellence on a consistent basis is imperative if they are to gain customer heart.

However, even though it is vital and considered as fundamental course of action to survive as well as to be successful in the competitive banking industry, formal research has not been done in this area specific to assessing the difference between the customer's expectation and perception level of actual performance toward the banking services. Besides, to the best of the researcher's knowledge, there is one research conducted by Mesay, (2012) that is intended to investigate bank service quality, Customer Satisfaction and Loyalty in Ethiopian Banking Sector taking a case to private banks operating in Hawassa city. The study also conducted by using SERVPERF measures of service quality which merely considers the perceptions of customers. However, the incorporation of expectation scores provides richer information than that provided by the perception-only scores (i.e. SERVPERF

measure of scale) thus adding to the diagnostic power of the service quality scale. Even the developers of performance-only scale were cognizant of this fact and did not suggest that it is unnecessary to measure customer expectations in service quality research (Cronin and Taylor, 1992).

In addition, the model developed in the context of one nation may not be necessarily applicable in other nations as the institutional, economic and socio-cultural factors may differ from region to region or from one sector to another within the same region. And also different studies have different conclusions regarding which dimension affect more customer satisfaction. Among these, study conducted in Jordan by Rashid M. Alhamali, et al., (2011) said that among the various dimensions of service quality, Assurance was especially significant in fostering satisfaction for the customers of Jordanian commercial banks. While study conducted in India by Usha, et al., (2009) said that among the five dimensions of service quality, nature of service transactions greatly depends on the physical layout of the workplace i.e. tangibility.

Therefore, the researcher forced to conduct this study in order to evaluate the service quality dimensions and their impact on customer satisfaction in the context of two selected Ethiopian private banks. It give special reference for the newly opened private banks since such banks needs to measure the difference of the customer expectation and perceived range of attitudes toward the actual performance of their service quality. So that to make adjustment and get competitive advantage over competitors.

Above all, the major aim of the study was to evaluate all indicators of Parasuraman model of service quality dimensions in the context of customers selected from Enat Bank S.C and Debu Global Bank S.C since they need to have better understanding of these dimensions so that to meet customers expectation better than that of their rivals.

1.3 Research Hypothesis

Taking the previous research outcomes into consideration the following hypotheses were developed:

Tangibles have been defined as physical facilities, equipment and appearance of personnel (Parasuraman et al., 1988). Issues related the branches such as access to the facilities; safety and convenience are on tangible basis (Castro, 1997) as stated on the work of Bellini et al., (2005). Thus, the hypothesis is proposed:

H₁: There is statistically significant and positive relationship between Tangibility and customer satisfactions.

Parasuraman et al., (1988) defined reliability as the ability to perform the promised service dependably and accurately which could be related to customers past experiences. As such, the hypothesis was proposed as follows:

H₂: There is statistically significant and positive relationship between reliability and customer satisfaction.

Parasuraman et al. (1988) defined assurance the knowledge and courtesy of employees and their ability to inspire trust and confidence. In British banks, assurance means the polite and friendly staff, provision of financial advice, interior

comfort, eases of access to account information and knowledgeable and experienced management team (Sadek et al., 2010). Here, the hypothesis is developed below:

H₃: There is statistically significant and positive relationship between assurance and customer satisfaction.

Parasuraman et al., (1988) defined empathy as the caring, individualized attention the firm provides for its customers. Jabnoun and Al-Tamimi, (2003) found that bank customers believed empathy as an essential factor of service quality. Thus:

H₄: There is statistically significant and positive relationship between empathy and customer satisfaction.

According to Parasuraman et al., (1988), responsiveness is willingness to help customers and provide prompt service. Responsiveness is likely to have an important and positive effect on customer satisfaction (Jun & Cai, 2001; Diaz & Ruiz, 2002; Joseph et al., 2005; Glaveli et al., 2006). Therefore, the hypothesis:

H₅: There is statistically significant and positive relationship between responsiveness and customer satisfaction.

1.4 Objectives of the Study

1.4.1 General objectives of the Study

The general objective of the study is to assess the dimension of service quality and its effect on customer satisfaction in the case of Enat Bank S.C and Debub Global Bank S.C.

1.4.2 Specific Objectives of the Study

In addition to the above general objective, the specific objectives are:

- ✓ To assess the effect of tangibility of service offered on the satisfaction of customers.
- ✓ To examine the effect of reliability of service offered on the satisfaction of customers.
- ✓ To find out the effect of employee's assurance on the satisfaction of customers.
- ✓ To assess the effect of employee's empathy on the satisfaction of customers.
- ✓ To assess the effect of employee's responsiveness on the satisfaction of customers.

1.5 Significance of the study

This study would be very much significant for the managers of the bank, for the researcher and for those interested to do further study in the area. For the bank managers, it is a good indicator to identify the weakness of the bank related to the quality of service and to take corrective actions to satisfy their customers. It also helps them to know the gap between management's perception of service quality and that of their customers. For the researcher, the study will help to apply the theoretical knowledge to solve the problem in the existing world. In addition to the above significance, the study will help for anyone who needs to undertake further study in this area as setting information.

1.6 Scope of the Study

The scope of the study is limited to customers who have an account in main branches of Enat Bank S.C and Debub Global bank S.C. The study examines the banking service quality dimensions and its impact on customer satisfaction merely from customers' perspective.

1.7 Limitation of the Study

The study did not take into account the potential differences in customers because the major problem that hinders the researcher is to get demographic data of the respondents is not easily available and rather it's merely acquired from the respondents. Furthermore, the questionnaire is long which facilitates the reasons those customers not to respond the questionnaires timely by completing all the questions raised.

1.8 Organization of the Study

This research is organized into five chapters. Chapter one contains background of the study, statement of the problem, research questions, hypothesis of the study, research objectives, significance of the study, scope and limitations of the study.

Chapter two deals with related literature review informing the reader of what is already known in this area of study. Chapter three discusses the methodology employed in the study, including, research design, sample size and sampling technique, data source and collection method, procedure of data collection, method of data analysis and model specification. Chapter four is about data analysis and

interpretation of results. Finally, chapter five contains conclusions, recommendations for stakeholders and directions for future researches.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

In this section the researcher first presents the definition of related terms specific to the area of service quality dimensions and customer satisfaction and its followed by the empirical investigation that are most relevant and specific to this area of study. Finally, the researcher develops conceptual framework of the study.

2.2 Definition of Terms

2.2.1 What is Marketing?

It is observed that, marketing more than any other business function, deals with customer relationship. To take some instances on the definition of marketing, marketing is managing profitable customer relationship (Kotler et al., 2002, pp. 17). Therefore, a key goal of marketing is to develop deep understanding and convenient relationship with all customers and organizations that could directly or indirectly affect the success of the banks activity.

In addition, marketing refers to satisfying the needs of a group of customers better than the competitors. According to Kotler et al., (1956 pp. 5), marketing is the delivery of customer satisfaction at a profit. Today, marketing must be understood not in the old sense of making a sale “telling and selling” but in the new sense of satisfying customer needs. If the marketer does a good job of understanding customer needs; develops products that provide superior value; and prices, distributes, and promotes them effectively later these products will sold very easily.

Besides, it facilitates the vision of attracting new customers by promising superior value and to keep and grow current customers by delivering satisfaction.

2.2.2 Definition of Service quality

In fact that, quality is the keyword for survival of organizations in the global economy. However, the word quality means different things to people according to the context. Lovelock et al., (2007, pp. 418) mentions the five perspectives on quality.

➤ **The transaction view** of quality is synonymous with innate excellence: a mark of uncompromising standards and high achievement. This viewpoint is often applied to the performing and performing of visual arts. It is argued that people learn to recognize quality only through the experience gained from repeated exposure and managers or customers will also know quality when they see it is not very helpful.

➤ **The product- based approach** sees quality as a precise and measurable variable. Differences in quality, it is argued, reflect differences in the amount of an ingredient or attribute possessed by the product or service. Because this view is totally objective, it fails to account for differences in the tests, needs, and preferences of individual customers or even entire market segments.

➤ **User based definitions** starts with the premise that quality lies in the eyes of the beholder. These definitions equate quality with maximum satisfaction. This subjective, demand oriented perspective recognizes that different customers have different wants and needs.

➤ **The manufacturing based approach** is supply based and is concerned primarily with engineering and manufacturing practices, quality is also operation driven.

➤ **Value based definitions** define quality in terms of value and price. By considering the tradeoff between perception and price, quality comes to be defined as “affordable”.

Now a day, organizations are undergoing a shift from a production-led philosophy to a customer-focused approach. Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001).

Service quality is a recent, decisive issue in the marketing thought. According to Rashid et al., (2011) and Zeithaml et al., (1988) service quality defined as the gap between expectations and perception of service quality (SERVQUAL), and indicated five service quality dimensions. SERVQUAL consists of two sections and a 22-item section measuring the service quality expectation within a specific service quality of the bank and a corresponding 22-item section measuring the perception of service quality.

2.2.3 Definition of Customer Service

According to Robert (2005) “customer service is defined as the ability of knowledgeable, capable and enthusiastic employees to deliver products and services to their internal and external customers in a manner that satisfies identified

and unidentified needs and ultimately result in positive word-of-mouth publicity and return business". In addition, "Customer service is concerned establishing, maintaining and enhancing relationships between and/or among relevant business parties in order to achieve the objective of the relevant parties" Osuagwu (2002).

According to Davidow et al., (1989), "customer service means all features, acts and information that augment the customer's ability to realize the potential value of a core product or service". Therefore, customer service is all about the company's ability to deliver its service in a way that argue customer's expectation to realize the competitive advantage and value of a given services.

2.2.4 Definition of Customer Value and Satisfaction

More than 35 years ago, Peter observed that a company's first task is to create customers'. However, creating customers can be a difficult task. Today's customers face a vast array of product and brand choices, prices and suppliers. The company must answer a key question: How do customers make their choices?

The answer is that customers choose the marketing offer that gives them the most value. Customers are value maximizes, within the bounds of search costs and limited knowledge, mobility and income. They form expectations of value and act upon them. Then they compare the actual value they receive in consuming the product to the value expected, and this affects their satisfaction and repurchase behaviour. We will now examine the concepts of customer value and customer satisfaction more carefully.

Thus, Customer Satisfaction is one of the most important outcomes in the marketing literature. Consistent with Kazi (2011) and Oliver (1980), customer satisfaction

model explains that when the customers compare their perceptions of actual products/services performance with the expectations, then the feelings of satisfaction have arisen. Any discrepancies between the expectations and the performance create the disconfirmation (i.e. positive, negative and zero disconfirmation). So customer satisfaction has been a central concept in marketing literature and is an important goal of all business activities. In addition, customer satisfaction is defined as a customer's overall evaluation of the performance of an offering to date (Johnson et al., 1991). Today, companies face their toughest competition, because they move from a product and sales philosophy to a marketing philosophy, which gives a company a better chance of outperforming competition (Kotler, 2000). Overall customer satisfaction translates to more profits for companies and market share increase. The importance of customers has been highlighted by many researchers and academicians. The principal concern of marketing is also to connect with customers by building a strong customer relationship in order to meet their expectations.

Satisfaction is thus a function of relative levels of expectation and perceived performance. Expectations are formed on the basis of past experiences with the same or similar situations and perceived performances related to the actual performance of the service after consuming particular service. While one should understand the extent of customer satisfaction (i.e. how much customers are satisfied), it is perhaps more important to understand the underlying cause of the satisfaction/dissatisfaction. According to Mohammad et al., (2011) and Walfried et al., (2000), customer satisfaction is measured by a Five-point Likert-scale ranging

from “very dissatisfied (1) to “extremely dissatisfied (5) which was used by the researcher to assess overall level of customer satisfaction.

2.2.5 Service Quality and Customer Satisfaction

Service quality is a significant determinant of customer satisfaction and service quality was the basic factor that affects customer satisfaction. Therefore, high quality service is an increasingly important weapon to survive, the higher service quality was, and the higher customer satisfaction was. If customers like the service quality, their satisfaction level will improve and banks will be able to maintain stable customer base (Rashid et al., 2011).

Zeitham et al., (1988) developed a service research instrument called “SERVQUAL” this model is based on the premises by which customers can evaluate a firm’s service quality through comparing their perception of its service and with their own expectations. SERVQUAL is seen as a generic measurement tool that can be applied across a broad spectrum of service industries. There are 22 perception items and expectation items that are reflecting the five dimensions of service quality. Respondents complete a series of scales that measure their expectation of companies in a particular industry in a wide area of service characteristics. They also discuss that when perceived performance ratings are lower than expectations, it is a sign of poor quality and reverse indicate good quality.

Parasuraman et al., (1988) says that in service and retail business, SERVQUAL is a multi-item scale which is developed to assess customer perceptions of service quality but originally it is developed from GAP model. The author also argues that

SERVQUAL must be reliably assessed and measured in order to improve services quality. He mentions that SERVQUAL is an important model to identify the gaps between customer expectations of the service and their perceptions of the actual performance of the service.

2.2.6 Dimensions of Service Quality

Parasuraman et al., (1985) identified ten dimensions of service quality (e.g. credibility, security, accessibility, communication, understanding the consumer, tangibles, reliability, responsiveness, competence and courtesy). According to Jayaraman et al., (2010), SERVQUAL model is effective model to measure customer satisfaction in the retail banking. Managers from various banks should continuously measure and improve the level of customer satisfaction using the SERVQUAL model in order to maintain competitive in the market place.

Parasuraman et al.,(1988) consolidated the above ten dimensions into five broad dimensions that are shown along with their definitions as follows;

✓ **Tangibles:** physical facilities, equipment and appearance of personnel. Moreover, Ananth et al., (2011) referred tangibility dimension in their study of private sector banks as modern looking equipment, physical facility, employees are well dressed and materials are visually appealing.

✓ **Reliability:** ability to perform the promised service dependably and accurately; Reliability is a significant factor of product quality in addition to good personal service, staff attitude, knowledge and skills (Walker 1990). It is found that

service reliability is the service core to most customers and managers should use every opportunity to build a “do-it-right-first” attitude (Berry et al., 1990).

✓ **Assurance:** knowledge and courtesy of employees and their ability to convey trust and confidence; According to Sadek et al., (2010), in British banks assurance means the polite and friendly staff, provision of financial advice, interior comfort, eases of access to account information and knowledgeable and experienced management team. In addition, Parasuraman et al., (1988) found that assurance is an important factor of service quality next to reliability and responsiveness towards customer satisfaction.

✓ **Empathy:** Parasuraman et al., (1988) defined empathy as caring, individualized attention the firm provides for its customers. Jabnoun et al., (2003) found that bank customers believed empathy as an essential factor of service quality.

✓ **Responsiveness:** Refers willingness to help customers and provide prompt service; According to Parasuraman et al., (1988), responsiveness is willingness to help customers and provide prompt service. Responsiveness is likely to have an important and positive effect on customer satisfaction (Jun & Cai, 2001; Diaz & Ruiz, 2002; Joseph et al., 2005; Glaveli et al., 2006).

According to Mohammad et al., (2011), the five dimensions of service quality have significant influence on customer satisfaction. These dimensions include tangibles, reliability, responsiveness, assurance, and empathy. Moreover, our findings show that service quality is an important antecedent of customer satisfaction. This

finding reinforces the need for banks managers to place an emphasis on the five dimensions of service quality to satisfy their customers.

2.3 Overview of Servqual and Servperf Scale of Measurement

A number of measures have been proposed in the past to determine customer expectations, customer perceptions and overall satisfactions in service industries but the two most prominent scales forming the genesis for service quality assessment in different service sectors are SERVQUAL and SERVPERF.

Despite the criticism, SERVQUAL has been widely used in various contexts throughout other studies. The SERVQUAL instrument has been widely used because it provides a basic skeleton which can be adapted or supplemented to fit the characteristics or specific research needs of a particular organization (Parasuraman et al., 1988). In addition, the SERVQUAL model has been the major generic model used to measure and manage service quality across different service settings and various cultural backgrounds and is valued by different academicians and practitioners.

In another empirical work, Parasuraman et al., (1994) refined SERVQUAL's structure to embody not only the discordance between perceived service and desired service, but also the discrepancy between perceived service and adequate service.

While, the role of expectations and its inclusion in the SERVQUAL measuring instrument is a cause and major concern for SERVPERF model. However, the incorporation of expectation scores provides richer information than that provided

by the perception-only scores (i.e. SERVPERF measure of scale) thus adding to the diagnostic power of the service quality scale. Even the developers of performance-only scale were cognizant of this fact and did not suggest that it is unnecessary to measure customer expectations in service quality research (Joseph et al., 1992). These authors state that when somebody is called to evaluate the perception, she or he in their own mind has already considered the personal past expectation of the service, thus the evaluation of the perception already contains the expectation. However, asking and knowing the customer's expectation is the key to a successful customer service as the idea is useful to create, deliver and communicate superior value. In fact the service offer should answer to the needs and demands of customers. Understanding customers are necessary not only because of their effect on marketing decisions but because customers' activities influence the entire organization.

Along the lines, banks are greatly dependent upon their customers. If they do not try to capture and know the customers expectation prior to development of customer dissatisfaction, they could lose their customers as well as businesses. Therefore, without customers banks would not exist and their purpose is to fulfill the needs of the customers. Since, the customer makes it possible to achieve their business aims.

Furthermore, the use of a SERVPERF scale is justified by reducing the dynamic character of the client's expectations and by the greater effort required by the respondents to complete two questionnaires, one prior using the services (i.e. expectations) and another post reduce the number of respondents willing to

respond their genuine feedback merely about the actual service offered by the banks. The SERVPERF scale is found to be superior and more effective in dropping the number of items to be measured by half 22 items in contrast to SERVQUAL's 44 items. But in terms of diagnostic ability, the SERVQUAL scale that emerges as a clear winner since it necessitate a direct comparison of performance perceptions with customer expectations, which later provides a more pragmatic diagnosis of service quality short falls for managers of banks so that to identify weaknesses and conduct the correct measure that boosts service quality improvement. Especially in the event of time and resource constraints, the SERVQUAL scale is able to direct managerial attention to service areas which are critically deficient from the customer's viewpoint and require immediate attention.

In conclusion, no doubt the SERVQUAL scale entails greater data collection work which may result in customers losing their motivation to answer correctly (Shadin, 2006). But it can be eased out by employing direct rather than computed expectation disconfirmation measures. This can be done by asking customers to the extreme freedom and more time whereby the report their perception and expectation scores separately as it is required under the SERVQUAL scale.

2.4 What Managers can do to Improve Service Quality?

Delivering excellent service is a winning strategy. Quality service sustains customers' confidence and is essential for a competitive advantage of any company. Yet many companies are struggling to improve service, wasting money on ill-conceived service programs and undermining credibility with management rhetoric

not backed up with action. There are ten guidelines to help managers chart a service-improvement strategy for their organizations (Berry et al, 1994).

I. Listening to Customers.

Quality is defined by the customer. Conformance to company specifications is not quality; conformance to the customer's specifications is. Spending wisely to improve service comes from continuous learning about the expectations and perceptions of customers and noncustomers.

Customer research reveals the strengths and weaknesses of a company's service from the perspective of those who have experienced it. Noncustomer research reveals how competitors perform on service and provides a basis for comparison. Important expectations for the service that competitors full-fill better offer an agenda for action. Companies need to install an on-going service research process that provides timely, relevant trend data that managers become accustomed to using in decision making. Companies need to build a service quality information system, not just do a study. Conducting a service quality study is analogous to taking a snapshot. Deeper insight and a sense for the pattern of change come from a continuing series of snapshots taken from many angles (Berry et al., 1994).

II. Reliability

Reliability is the ability of the company to perform the promised service dependably and accurately without errors (Schroeder, 2007). Also Reliability is the core of quality service. Little else matters to customers when a service is unreliable. When a firm makes frequent mistakes in delivery, when it doesn't keep its promises, customers lose confidence in the firm's ability to do what it promises dependably

and accurately. Friendliness from the staff and sincere apologies do not compensate for unreliable service. Although most customers appreciate an apology, the apology does not erase the memory of that service. If a pattern of service failure develops, customers conclude the firm cannot be counted on, friendly and apologetic or not (Barry et al., 1994).

III. Basic Service

In addition to Reliability, service customers want the basics—they expect fundamentals, not fanciness; performance, not empty promises. The services delivery should at least be above their acceptable services. Basic services are the minimum requirements a service provides should deliver to meet the customers' desired service level (Berry et al., 1994).

IV. Service Design

Reliably delivering the basic service customers expect depends in part on how well various elements function together in a service system. These elements include the people who perform the specific services in the service chain, the equipment that supports these performances, and the physical environment in which the services are performed. Design flaws in any part of a service system can reduce quality. It is tempting to blame poor quality on the people delivering service but frequently the real culprit is poor service system design.

Service mapping is one way to improve service system design. A service map is a visual definition of a service system, displaying each sub-process in the system in the sequence in which it appears.

In effect, the service map depicts the chronology and pattern of performances that make up a service. If drawn explicitly, it answers the questions: "What is the service?" and "How does it work?" (Berry et al., 1994).

V. Recovery

Service encounters are moment of truth or interaction between a customer or potential customers and an organization (Zelthmal et al., 2006). While these moments of interaction provide an opportunity for firms to satisfy and even to delight the customers, there likewise is an opportunity to disappoint the customer. This happens when customers perception of initial service delivery behaviour falling below the customer's expectation, or "Zone of tolerance" (Zelthmal et al., 2006). The impact of active recovery strategies on a company's revenue and profitability is dramatic (Bamford et al., 2005). Service recovery involves the actions taken by an organization in response to a service failure presenting another and perhaps even more critical moment of truth, in which the company can not only satisfy and retain its customers, but it can even delight them with its effort. In this sense service recovery involves a wider set of activities than mere complaint handling (Holloway et. al., 2009). In such cases, the consumer may be unable or unwilling to complain, the service personnel may acknowledge the failure before customer initiates (Zelthmal et al., 2006).

Many dissatisfied customers do not complain directly to the company-to avoid a confrontation, or because they perceive no convenient way to complain, or do not believe complaining will do much good. Companies can overcome some of this reluctance and improve recovery service in three ways:

A. Encourage customers to complain and make it easy for them to do so.

Managers who wish to improve problem-resolution service must overcome the common customer perception that companies don't really care when things go wrong. Many firms rely exclusively on reactive recovery strategies in which customers must initiate contact.

Comment cards available in the service facility and toll-free telephone numbers are examples of reactive systems. These approaches are useful but they preclude customers unwilling to take the first step. Thus, proactive strategies, in which the company makes the first contact, should be considered.

B. Respond quickly and personally.

Companies often take too long to respond to unhappy customers, and then respond impersonally. By responding quickly, a firm conveys a sense of urgency. Quick response demonstrates that the customer's concern is the company's concern. By responding personally, with a telephone call or a visit, the firm creates an opportunity for dialogue with the customer-an opportunity to listen, ask questions, explain, apologize, and provide an appropriate remedy.

C. Develop a problem resolution system.

Service employees need specific training on how to deal with angry customers and how to help customers solve service problems. In some cases, they need access to information systems that will tell them more about the customer, the situation causing the problem, and possible solutions (Berry et al., 1994).

VI. Surprising Customers.

Customers judge the dimensions of Responsiveness, Assurance, Empathy and Tangibles during the service delivery process; hence, these are process dimensions (Zelthmal et al., 2006). Reliability, judged following the service, is an outcome dimension. Although Reliability is the most important dimension in meeting customers' service expectations, the process dimensions-especially Assurance, Responsiveness, and Empathy-are most important in exceeding them. Companies are supposed to be reliable; they are supposed to provide the service they promise to provide. Thus, it is difficult for firms to exceed customers' expectations by being reliable. The process dimensions of service, however, provide the opportunity to surprise customers with uncommon swiftness, grace, courtesy, competence, commitment, or understanding. The opportunity is present to go beyond what is expected. In effect, exceeding customers' expectations requires the element of surprise, and the best opportunity for surprising customers is when service providers and customers interact (Berry et al., 1994).

VII. Fair Play

Customers expect service companies to treat them fairly and become resentful and mistrustful when they perceive otherwise. Fairness underlies all the customers' expectations. Customer expect service companies to keep their promises (reliability), to offer honest communication materials and clean, comfortable facilities (Tangibles), to provide prompt service (Responsiveness), to be competent and courteous (Assurance), and to provide caring, individualized attention (Empathy).

Fairness is not a separate dimension of service but, rather, touches the very essence of what customers expect. The intangibility of services heightens customers' sensitivity to fairness issues. Because services are performances rather than objects, they are difficult for customers to evaluate prior to purchase.

Customers cannot try on services for fit and feel; there are no tires to kick such as in buying an automobile. Customers usually must buy the service to actually experience it. Thus, they must trust a service company to deliver on its promises and conduct itself honourably (Berry et al., 1994).

VIII. Team work

Teamwork is often seen in the academic literature as a means of supporting willingness to deliver service quality (Parasuraman et al., 1992). Having many customers to serve, like on a full airline flight or in a busy bank office, can be mentally and physically exhausting. Control over the service is often dispersed among different organizational units that function without cooperation, frustrating contact employees' ability to effectively serve their customers. It is common for employees to be so stressed by the service role that they become less caring, less sensitive, and less eager to please. The presence of service "teammates" is an important dynamic in sustaining servers' motivation to serve. Thus, effective team work tends to develop capabilities for delivering a high level of service quality (Ueno, 2008) Co-workers who support each other and achieve together can be an antidote to service burnout. Team involvement can be rejuvenating, inspirational, and fun.

IX. Employees Research

Employee research is as important to service improvement as customer research, for three reasons. First, employees are themselves customers of internal service, and thus are the only people who can assess internal service quality. Because internal service quality affects external service quality, measuring internal service quality is essential.

Second, employees can offer insight into conditions that reduce service quality in the organization. Employees experience the company's service delivery system day after day. They see more than customers see and they see it from a different angle. Employee research helps reveal why service problems occur, and what companies might do to solve these problems.

Third, employee research serves as an early-warning system. Because of employees' more intensive exposure to the service delivery system, they often see the system breaking down before customers do (Berry et al., 1994).

X. Management Commitment/Servant Leadership

Delivering excellent service requires a special form of leadership/management commitment which is also referred as "servant leadership" by Parasuraman et al., (1994). According to the authors, Servant leaders serve the servers, inspiring and enabling them to achieve. Such leaders fundamentally believe in the capacity of people to achieve, viewing their own role as setting a direction and a standard of excellence, and giving people the tools and freedom to perform their task. Empowerment of front-line staff could be fundamental to achieving and improving the level of service quality. Nevertheless, empowerment of front-line staff has both

positive and negative outcomes (Ueno, 2008). But still it is possible to achieve a high level of service quality from medium degree of empowerment.

The ten guidelines discussed above are not mutually exclusive and that they must be viewed in a holistic manner.

2.5 Empirical Study

In fact that, the model developed in the context of one nation may not be necessarily applicable in other nations as the institutional, economic and socio-cultural factors may differ from region to region or from one sector to another within the same region. This section briefly shows some of the research outputs/results related to specific this area of study.

2.5.1 The Impact of service quality in customer satisfaction

This empirical section briefly stated some of the research findings in the following manner. Since different studies have different conclusions regarding which dimension affect more customer satisfaction. Among these, study conducted in Jordan by Rashid et al., (2011) said that among the various dimensions of service quality, Assurance was especially significant in fostering satisfaction for the customers of Jordanian commercial banks. It is apparent that focusing on delivering high quality services, and improve service quality effectively is critical for customer satisfaction. While study conducted in India by Usha et. al., (2009) said that among the five dimensions of service quality, nature of service transactions greatly depends on the physical layout of the workplace i.e. tangibility. Common complaints regarding service escape include inability to concentrate on work because of noise

and distraction, lack of privacy, poorly arranged work spaces, discomfort in temperature, lighting and ventilation. These tangible cues impact on how customers view a service firm. Customers in banks prefer those services which have comfortable and convenient physical evidence, planned layout and well-managed queues.

According to a study conducted by Niveen et al., (2013), 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. SERVQUAL appears to be a reliable scale to measure banking service quality, and provide a useful diagnostic role to play in assessing and monitoring service quality in banks. The research finding on 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. It also indicates that customers' perception is highest in the reliability area this result showed consistency with Parasuraman et al., (1985, 1988) and Yang et al., (2004) and lowest in the assurance area.

2.6 The Conceptual Frame Work of the study

Based on previous research outcomes, the researcher developed the following conceptual frame work to find out the statistically significant and positive relationship between independent variable and dependent variable. Independent variable is service quality i.e. the five dimensions (tangibility, assurance, empathy, reliability and responsiveness) while, the dependent variable is customer satisfaction.

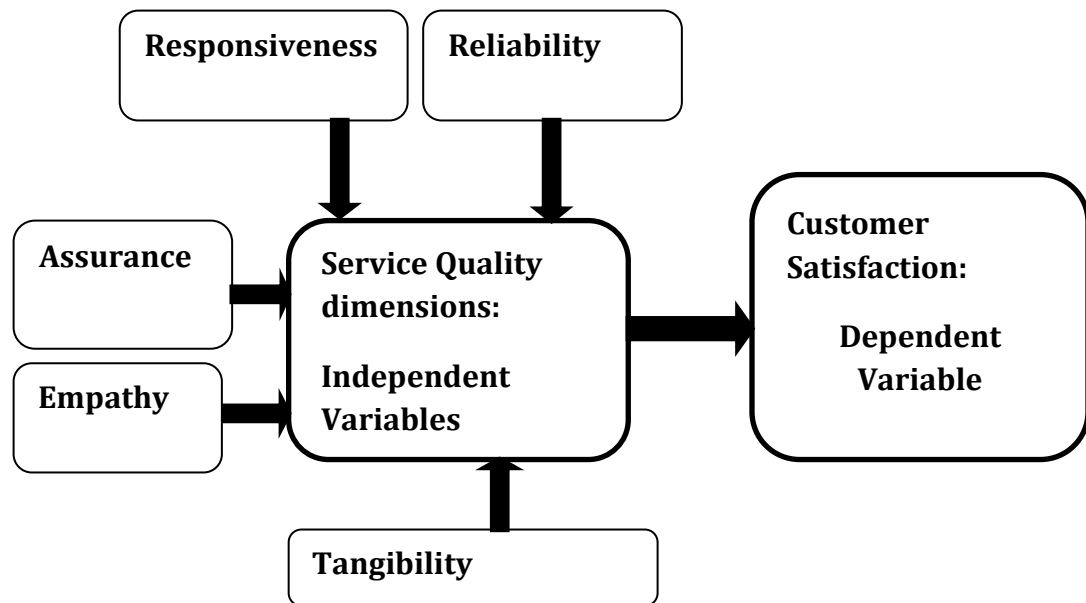


Figure 2.1: Conceptual Frame Work of the study

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section of the study presents the methodology that the researcher used to select sample, collect data and analyze the data in accordance with assessing service quality dimensions and its effect on customer satisfaction. The researcher used the most popular measuring instrument that was developed by Parasuraman et al., (1988) known as SERVQUAL that have been refined to explain the effect of service quality dimensions on customer satisfaction.

3.2 Research Approach

The researcher used descriptive research design which is intended to assess gap enquiry of customer expectation and perception toward dimensions of service quality. A descriptive research intends to present facts concerning the nature and status of a situation, as it exists at the time of the study and to describe present conditions, events or systems based on the impressions or reactions of the respondents of the research (Creswell, 1994). In addition, the researcher employed explanatory research design to examine the cause and effect relationships between service quality dimension and customer satisfaction.

3.3 Source of Data

The type of data employed in this study was cross-sectional in the sense that relevant data was collected from different area at one point in time. The researcher used both primary and secondary source of data to undertake the study. The primary source was consists information gathered through structured questionnaires from the sample chosen. The secondary source of data includes; books or other published materials.

3.4 Sample Size and Sampling Technique

The total population of the study holds customers of two main branches of Enat Bank S.C and Debub Global Bank S.C. The main reason of selection of the study area centers is that they are recently entered to the industry and they have small number of customers (customer base) which is glimpse to have floor market share as compared to the industry at whole. The sample size of banks has been determined by using simple formula which was developed by Taro (1967) as stated on the work of Kassa (2012). In this calculation of sample determination, 95% confidence interval is used. It is calculated as follows:

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

Where **n** is the sample size,

e denotes for the level of precision or

N is the population size, and

sampling error = (.05)

$$n = \frac{2,850}{1 + 2,850(0.05^2)} = 350$$

Hence, the total sample size is 350. Since the number of people in each bank is not the same, therefore the number of samples for each bank was calculated with the following formula:

$$n1 = \frac{nN1}{N}$$

Where n= total number of samples

N= total number of population

N1= total number of population in each bank

n1= number of samples in each bank

Table 3.1: Number of Customers and Proportion of Samples taken from each bank

| Banks | Total Number of Population | Sample Size Taken in each Bank |
|-----------------------|-----------------------------------|---------------------------------------|
| Enat Bank S.C | 1,036 | 223 |
| Debub Global Bank S.C | 1,814 | 127 |

Source: Own compilation based on branch coordination office monthly report of two banks (2013/2014)

Consequently, the researcher used convenience sampling technique because the questionnaires were merely distributed for those customers who are conveniently available at the counter of these selected banks.

3.5 Data Gathering Techniques

The researcher used survey method (questionnaire) to gather the primary data from the customers of the two main branches of the selected private banks which gives special reference to newly opened banks. The questionnaire was constructed having three major sections. The first section questions are about personal profiles

of the respondents. While, the second section contains the five constructs measuring of SERVQUAL in the view of respondent's expectation of service qualities as proposed by Parasuraman et al., (1988). This part consists of 22 different statements that are divided in to the five dimensions. Finally, the third section deals about the 22 items that measure customer's feeling and perception toward the actual performance of service of these selected banks. Questions that measure customer satisfaction level is also included in this section.

3.6 Data Analysis

After the data collection and coding, the appropriate data analytic techniques were included both the descriptive and inferential statistical method. Charts and tables were used in order to describe the demographic features of the respondents and general distribution of the data set to examine the gap enquiry of service quality dimensions. While, inferential statistical method used to view the objective of the study by using latest version of Statistical Package for Social Scientists (SPSS).

3.7 Description of Variables and Measurements

The study investigates the service quality dimensions and its impact on customer satisfactions. The independent variable that service quality of the banks measured by using the five service quality dimensions including tangibility, reliability, responsibility, assurance and empathy and while customer satisfaction is considered for dependent variable. Customer satisfaction was measured by one question which describes the overall satisfaction level of the customers. The questions of customer satisfaction was followed by a five-point Likert format having

a range of attitudes like very dissatisfied represented by 1, dissatisfied; 2, neutral; 3, satisfied; 4 and extremely satisfied 5.

3.8 Model Specification

The researcher used multiple regression analysis (i.e. a popular and widely used analysis that is similar to linear regression analysis except that the outcome is dichotomous (e.g., success/failure or yes/no or died/lived) for analyzing the impact of service quality dimensions on customer satisfaction. The dependent variable (i.e. customer satisfaction) is a function of independent variable service quality dimensions (i.e. responsiveness, assurance, reliability, empathy and tangibility).

The equation is: $CS = \alpha + \beta_1 Ta + \beta_2 Re + \beta_3 As + \beta_4 Em + \beta_5 Res + \epsilon$

Where, y is the measured value of customer satisfaction

α is constant term

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ are coefficient of the variables

Ta: is the measured value of tangibility

Re: is the measured value of reliability

As: is the measured value of assurance

Em: is the measured value of empathy

Res: is the measured value of responsiveness

ϵ - error term

3.9 Reliability Test

Reliability test is an assessment of the degree of consistency between multiple measurements of a variable (Bryman et al., 2003). According to George et al., (2003), reliability is the degree to which measure are free from error and therefore yield consistent results. The reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to assess the “goodness” of a measure (Cavana et al., 2001).

Cronbach’s alpha is the most widely used measurement tool with a generally agreed lower limit of 0.7. According to Hair, et al., (2006), if α is greater than 0.7, it means that it has high reliability and if α is smaller than 0.3, then it implies that there is low reliability. To meet consistency reliability of the instrument, the researcher considered the 31 questionnaires result which includes the service quality dimensions and customer satisfaction question.

As can be seen from table 3.2, all the alpha coefficients of measure of service quality dimensions were above the required level of 0.7. Therefore, there is high degree of consistency on the all measurements of service quality dimensions.

Table 3.2: Reliability Statistics of Service Quality Dimensions

| Reliability Statistics for | Number of Items | Cronbach's Alpha |
|-----------------------------------|------------------------|-------------------------|
| Expected Tangibility | 4 | 0.853 |
| Expected Reliability | 5 | 0.869 |
| Expected Assurance | 4 | 0.925 |
| Expected Empathy | 5 | 0.763 |
| Expected Responsiveness | 4 | 0.795 |
| Perceived Tangibility | 4 | 0.909 |
| Perceived Reliability | 5 | 0.910 |
| Perceived Assurance | 4 | 0.908 |
| Perceived Empathy | 5 | 0.885 |
| Perceived Responsiveness | 4 | 0.922 |

Source: Survey Result (2014)

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

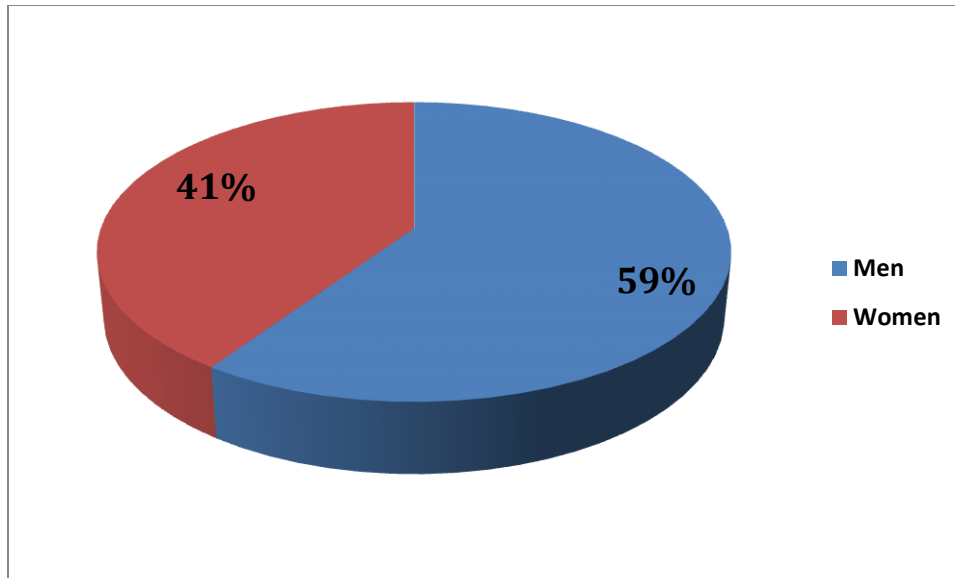
4.1 INTRODUCTION

The analysis and interpretation of this study is based on the data collected from the customers of recently opened Ethiopian Private Banks namely Enat Bank .C and Debut Global Bank S.C. The data was collected through survey questionnaire. The survey questionnaires were administered with main branches of the two banks. Out of the 350 questionnaires distributed to randomly selected customers, 341 were properly completed and returned. This represents a response rate of approximately 97% from the distributed questionnaires. Hence, the data gathered were organized and analyzed in a manner that enables to answer the basic research questions raised at the beginning of the study.

This chapter is broadly categorized in to three sections. The first section explores the respondents' profile. The second section deals with descriptive data analysis part which contains the average score value of customer's expectation and perception of banks' services, the gap analysis and standard deviation. The third section shows statement of intent with the inferential statistics consisting of the collinearity statistics, regression analysis and hypothesis testing part.

4.2 Review of Respondents Profile

The questionnaires were distributed with convenient sampling method to the respondents. The demographic characteristics include: gender, age, level of education, and frequency of using the bank's service. This aspect of the analysis deals with the personal data which is briefly described through the chart and tables below.



Source: Own Compilation (2014)

Figure 4.1 Respondent's gender

The above chart gives information on the composition of the respondents in terms of sex. The reason that the researcher included this part is for example, to make sure that respondents are in appropriate mix in terms of gender. In addition, the responses to the items in the instrument are also expected to be balanced.

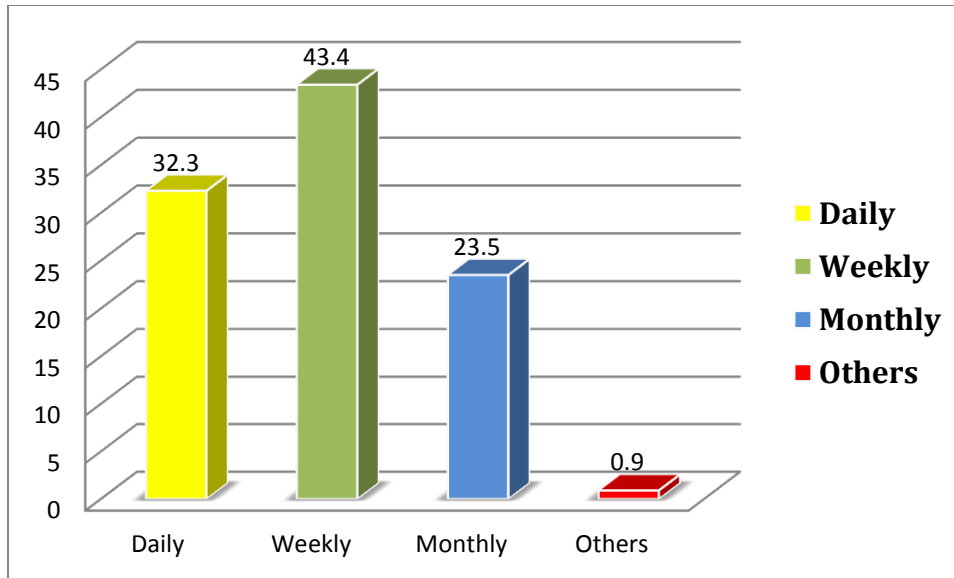
The survey showed that there were more males as compared to females. Male respondents represented 59.5%; on the other hand 40.5% were females. However, as the chart indicates there is an appropriate mix of gender in the study.

Table 4.1 Respondent's age and education level

| Items | Age Category | No. of Respondents | Percentage |
|------------|---------------------------|------------------------|------------------------|
| Age | 18-30 | 204 | 59.8 |
| | 31-40 | 100 | 29.3 |
| | 41-60 | 37 | 10.9 |
| | >60 | - | - |
| | Total | 341 | 100% |
| | Level of Education | Education Level | No. Respondents |
| | High School | 40 | 11.8 |
| | Diploma | 68 | 19.9 |
| | First Degree | 232 | 68 |
| | Masters and Above | 1 | 0.3 |
| | Total | 341 | 100% |

Source: Survey Result (2014)

Table 4.1 shows the demographic information of the respondents. Moreover, it summarizes the respondents' age and level of education. Information on age and level of education might give the researcher a clue about respondents' understanding level about the issues raised on the survey questionnaires. Most of the respondents are in the age range of 18-40 it's about 89% of the total sample size. When it comes to the level of education, it is clear from the table 4.1 that above 68% of the respondents are first and second degree holders. This indicates that most of the respondents can understand and evaluate banking service quality dimensions.



Source: Own Compilation (2014)

Figure 4.2: Frequencies of using the bank's service

The figure 4.2 gives information concerning the frequency of customers reached to the bank counter to get the necessary service from their respective bank; this helps the researcher to understand the level of attachment available between the bank and the customers because it's helps the researcher to know how much customers made enough and prevalent interaction with the bank's service which later strengthen the bank service evaluation. Finally, the banks services which can be measured by 22 statements are consistently filled by customers who have been reached the bank counter daily and weekly and it is more than 75% of the respondents were involved in completing the questionnaire.

4.3 Descriptive Statistics

The following summary of descriptive statistics of all dependent and independent variables gives the general distribution of the data set to examine the service quality dimensions and customer. Table 4.2 reports the Average Expectation Score, Average Perception Score,

Difference Score, standard deviation and the number of observations for Customer satisfaction and five explanatory variables. The average score of expectation and perception is the sum of the observations divided by the total number of observations. The standard deviation is the squared root of the variance. Indicates how close the data is to the mean (average score value).

4.3.1 GAP Analysis of Service Quality Dimension

According to Rashid et al., (2011) and Zeithaml et al., (1988) define service quality as the gap between expectations and perception of service quality dimensions. The authors also mention that SERVQUAL is an important model to identify the gaps between customer expectations of the service and their perceptions of the actual performance of the service.

Accordingly, the researcher tried to show existing gap inquiry of customer expectation and perception of the actual performance. It is articulated that the difference between average expectation and perception value of respondents is clearly shows the availability of service quality problem. Thus, respondents completed a series of scales that measure their expectation as well as perception of bank services.

Table 4.2: Service Quality Dimensions Gap Analysis

| Service Quality Dimensions | N | Average Expectation | Average Perception | Difference (P-E) | Std. Dev. |
|-----------------------------------|----------|----------------------------|---------------------------|-------------------------|------------------|
| Tangibility | 341 | 4.1356 | 3.8717 | -0.2639 | 0.49852 |
| Reliability | 341 | 4.2903 | 3.8915 | -0.3988 | 0.58255 |
| Assurance | 341 | 4.1196 | 3.4391 | -0.6805 | 0.59904 |

| | | | | | |
|--------------------------------------|-----|----------------|--------|---------|---------|
| Empathy | 341 | 3.9809 | 3.7701 | -0.2109 | 0.61569 |
| Responsiveness | 341 | 4.1238 | 3.8258 | -0.2979 | 0.73606 |
| Overall Customer Satisfaction | 341 | 3.6 Mean Value | | | 0.85400 |

Source: Captured from survey (2014)

The gap analysis is conducted based on the same procedure of a SERVQUAL instrument. Table 4.2 shows that all the values of average expectation of each service quality dimensions except empathy indicates that respondents are almost all agree with the statements that measures customer's expectation of service offered by their banks. While, less agree on the empathy service quality dimension which shows that the respondent's expectation toward the caring and individualized attention is not as such affected by types of information's they may get from explicit and implicit service promises which leads to form service expectation. Since, customer's level of service expectation is much more influenced by explicit service promises, implicit service promises, word of mouth communication and past experience as confirmed on by Zeithamal et al., (2004).

The difference score of all service quality dimensions are negative indicating that the banks are fail to meet customers overall expectations of bank services. While discussing each dimensions separately assurance has the highest gap (difference) score of -0.6805 followed by reliability, responsiveness, tangibility and empathy. This shows that there are weaknesses in provision of financial advice, interior comfort and eases of access to information. This might be because of that these banks are late in their branch expansion and core banking application system as compared to the banks that already settled such

technological advancement which gives their customers interior comfort and one window services. Thus, customer's expectation might be influenced by their past experience and exposure with other private banks while here it's not actually obtainable by these banks.

Reliability dimension has the second highest gap score which indicates that these banks' and their employees are operating with more promise and less effective way to ensure customer satisfaction which might affect the banks' reputation negatively.

Responsiveness has the highest standard deviation score which depicts 0.73606, suggesting that it was highly dispersed.

4.4 Inferential Data Analysis

4.4.1 Test of Multicollinearity

One obstacle that presents difficulty in rendering regression analysis is the existence of multicollinearity. Multicollinearity refers to the situation when independent variables are multi collinear; there is overlap or sharing of predictive power. This may lead to the paradoxical effect, whereby the regression model fits the data well, but none of the explanatory variables (individually) has a significant impact in predicting the dependent variable Gujarati (2004). This is because when the predictor variables are highly collinear with one another, they share essentially the same information. Thus, together, they may explain a great deal of the dependent variable, but may not individually contribute significantly to the model. Thus, the impact of multicollinearity is to reduce any individual explanatory variable's predictive power by the extent to which it is associated with the other explanatory variables. A number of different methods can be used for diagnosing collinearity problem. The most used one is the variance inflation factor (Weisberg, 1985).

Table 4.3: Multicollinearity Statistics

| Model | VIF | Model | VIF | Model | VIF | Model | VIF | Model | VIF |
|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
| TE1 | 5.132 | RE5 | 3.680 | AE10 | 4.859 | EE14 | 4.696 | REE19 | 1.570 |
| TE2 | 3.105 | RE6 | 2.923 | AE11 | 3.953 | EE15 | 4.215 | REE20 | 1.868 |
| TE3 | 2.563 | RE7 | 1.913 | AE12 | 5.218 | EE16 | 2.874 | REE21 | 2.060 |
| TE4 | 2.339 | RE8 | 2.357 | AE13 | 4.936 | EE17 | 1.663 | REE22 | 2.609 |
| TP1 | 3.748 | RE9 | 3.803 | AP10 | 6.599 | EE18 | 2.233 | REP19 | 4.576 |
| TP2 | 2.412 | RP5 | 3.244 | AP11 | 4.435 | EP14 | 2.535 | REP20 | 2.692 |
| TP3 | 2.676 | RP6 | 3.326 | AP12 | 4.634 | EP15 | 4.133 | REP21 | 3.252 |
| TP4 | 3.236 | RP7 | 2.109 | AP13 | 2.617 | EP16 | 3.760 | REP22 | 1.060 |
| | | RP8 | 2.854 | | | EP17 | 2.864 | | |
| | | RP9 | 3.145 | | | EP18 | 1.848 | | |

Source: Generated from Survey Result (2014)

As it can be presented in table 4.3, the explanatory variables included in the study were not significantly suspected to multicollinearity problem because all of the VIF coefficients are below 5. As a result, none of the predictor variables contribute uniquely and significantly to the prediction of independent variable after the other independent variables is included.

4.4.2 Regression Analysis and Hypothesis Testing

Multiple regression analysis was employed to test the impact of service quality dimensions on customer satisfaction. It is a useful technique that can be used to analyze the relationship between a single dependent and several independent variables (Hair et al., 1998).

Table 4.4: Regression Analysis result

| Service Quality Dimensions | B | t | Sig. |
|----------------------------|----------|-------|-------|
| Constant | .200 | 3.461 | 0.000 |
| Tangibility | .044 | .611 | 0.000 |
| Reliability | .053 | .854 | 0.007 |
| Assurance | .237 | 2.468 | 0.004 |
| Empathy | .013 | .160 | 0.000 |
| Responsiveness | .039 | .513 | 0.002 |
| R | 0.740(a) | | |
| R-squared | 0.800 | | |
| Adjusted R Square | 0.831 | | |
| S. E of the Estimate | 0.835 | | |
| Sig. | 0.0000 | | |

Source: Generated from SPSS output (2014).

From (Table 4.4), it can be observed that the coefficient of adjusted (R^2) was 0.831, representing that 83.1 percent of customer satisfaction can be predicted by the above five service quality dimensions. The remaining 16.9% change in customer satisfaction is because of other factors that are not included in the model. Thus, service quality dimensions (tangibility, reliability, assurance, empathy and responsiveness) combined significantly influence the satisfaction of customers. The sig. (p-value) shows that all explanatory variables tangibility, reliability, assurance and responsiveness are statistically significant at one percent significance level. The researcher found the established regression function as follows:

$$CS = 0.200 + 0.044 * T + 0.053 * Re + 0.237 * As + 0.013 * Em + 0.039 * Res$$

As it can be observed from table 4.4, the regression showed positive and statistically significant relationship between service quality dimensions and customer satisfaction. Accordingly, assurance dimension of service quality is carried out superior to the other four dimensions with a β coefficient of 0.237 and it's a significant predictor of customer satisfaction. The study conducted in Jordan by Rashid et al, (2011) confirmed that assurance was especially significant in fostering satisfaction for the customers of Jordanian commercial banks. Thus, a 1% increase in assurance of bank's service would result a 23.7 percent increase on customer satisfaction. This result agreed with various previous research findings like Shireen et al., (2011) and Suresh et al., (2003). They confirmed the significant positive relationship of assurance and customer satisfaction.

Reliability dimension is the second determinant variable and the second strong indicator followed by tangibility, responsiveness and empathy in explaining the independent variable customer satisfaction. This result is supported by Al-Hawary et al., (2011) reported that reliability has a positive and significant effect on customer satisfaction. This result also supported by Malik et al., (2011), found that reliability has a significant and positive effect on customer satisfaction. Therefore, a 1% increase in reliability of Banks would result 5.3 percent rise on CS. Moreover, assurance and reliability dimensions are need to be given much emphasis than the other dimensions. Because, customers are much expecting on both service quality dimensions and at the same time the impact of these variables on customer satisfaction also high and sensitive as compared to tangibility, responsiveness and empathy dimension.

The result of this study also indicates that tangibility has a positive and significant effect on customer satisfaction. A 1% improvement in tangibility would result on 4.4 percent

increase on customer satisfaction. This finding is similar to Munusamy et al., (2010) who found that tangibility has a positive and significant effect on customer satisfaction. This finding is also supported by Al-Hawary et al., (2011) reported that tangibility has a positive and significant effect on customer satisfaction.

Another customer satisfaction affecting variable is responsiveness. It's true that responsiveness is the willingness of staff to provide responsive service with affordable and fast delivery accuracy. Regression results also show that a 1% spending wisely to improve responsiveness dimension found to have 1.3% change on customer satisfaction. This is in line with the study conducted by Alhamadani et al., (2011) and by Al-Hawary et al., (2011) who found that responsiveness has a positive and significant effect on customer satisfaction. In most cases of Ethiopian banking practices it is observed that long queues and slow process of serving customers due to network interruption and any other reason is clearly observed. This forced customers to shift their accounts for better and fast service delivery in order to avoid such types of delays and queues.

Empathy also has significant and positive relationship with customer satisfaction. Jabnoun et al., (2003) found that bank customers believed empathy as an essential factor of service quality. Empathy is the attitude to environment in term of the customer's view. As it can be observed from the regression output, a 1% improvement on caring and individualized attention that these banks provide for their customers have a return of 1.3% on customer satisfactions. Even if empathy service quality dimension indicates inferior impact in affecting the overall customer satisfaction but still it has a significant relationship with dependent variable (i.e. customer satisfaction). The gap analysis part also shows that the

average customer's expectation is exceeding the actual provision of caring and individualized attention given by these banks.

In order to understand and determine the significant and positive relationship between service quality dimensions and customer satisfaction, a number of hypotheses were devised. The regression analysis shows sig. test of service quality dimensions along with the degrees of freedom to check the hypothesis which was formulated by the researcher.

According to the Table 4.5, there is a significant relationship between the five dimensions of service quality and customer satisfaction since their coefficients are significant at 1% significant level. Furthermore, the hypotheses were devised and tested as shown below:

H₁: There is statistically significant and positive relationship between Tangibility and customer satisfaction.

Research hypothesis one predicts a statistically significant and positive relationship between Tangibility and customer satisfaction. Similar to the hypothesis, the regression output showed positive and statistically significant relationship between tangibility and customer satisfaction. This would enable the researcher not to reject the hypothesis H₁.

H₂: There is statistically significant and positive between reliability and Customer Satisfaction.

Research hypothesis two predicts a statistically significant and positive between reliability and Customer Satisfaction. Similar to the hypothesis, the regression output showed positive and statistically significant between reliability and Customer Satisfaction. This shows a significant relation between reliability and customer satisfaction. This would enable the researcher not to reject the hypothesis H₁.

H₃: There is statistically significant and positive relationship between assurance and Customer Satisfaction.

Research hypothesis three predicts a statistically significant and positive relationship between assurance and customer satisfaction. Similar to the hypothesis, the regression output showed positive and is statistically significant relationship between assurance and customer satisfaction. This shows a significant relation between assurance and customer satisfaction. This would enable the researcher not to reject the hypothesis H₃.

H₄: There is statistically significant and positive relationship between empathy and Customer Satisfaction.

Research hypothesis 4 predicts a statistically significant and positive relationship between empathy and customer satisfaction. Similar to the hypothesis, the regression output showed positive and is statistically significant relationship between empathy and Customer Satisfaction. This would enable the researcher not to reject the hypothesis H₄.

H₅: There is statistically significant and positive relationship between Responsiveness and Customer Satisfaction.

Research hypothesis five predicts a statistically significant and positive relationship between responsiveness and customer satisfaction. Similar to the hypothesis, the regression output showed positive and is statistically significant relationship between responsiveness and customer satisfaction. This confirms that there is a positive and significant relation between tangibility and customer satisfaction. This would enable the researcher not to reject the hypothesis H₅.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 INTRODUCTION

The study was intended to investigate the effect of service quality dimensions on customer satisfaction in selected private banks. Accordingly, this chapter briefly sums up the overviews of its main outcomes, conclusion of the study and recommendations pertaining to the identified findings. Finally, future research directions are also presented.

5.2 Summary of Major Findings

Based on the analysis made in previous chapter, summary of major findings is drawn below.

- ☞ As it can be observed from the gap analysis result, the perceived performance ratings of the five service quality dimensions are lower than expectation which declares that it is a sign of poor quality and less course of actions taken by these banks in measuring the customer expectation.
- ☞ It is observed that service quality dimensions are important antecedent of customer satisfaction. Among the five dimensions of SERVQUAL model, Assurance service quality dimension takes the highest fraction in influencing customer satisfaction followed by reliability, tangibility, responsiveness and empathy with a β coefficient of 0.237. Accordingly, a 1% enhancement on knowledge and courtesy of employees

in a way that convey trust and confidence in customers would result a 23.7 percent increase on the level of customer satisfaction.

- ☞ Reliability dimension is the second explaining variable with β coefficient of 0.053. This dimension also has a significant and positive relationship with customer satisfaction. Thus, a 1% enhancement in the bank's ability to perform the promised service dependably and accurately without errors would result 5.3 percent rise on the level of customer satisfaction. In line with, both assurance and reliability dimensions have the highest negative gap score which implies that banks are fail to meet customers overall expectations.
- ☞ The result of this study also indicates that tangibility has a positive and significant effect on customer satisfaction. A 1% development in the people who perform the specific services in the service chain, the equipment that supports these performances and the physical environment in which the services are performed would result 4.4 percent increase on customer satisfaction.
- ☞ Another affecting variable on customer satisfaction is responsiveness. A 1% spending wisely to improve the willingness of staff would result to have 1.3% changes on customer satisfaction.
- ☞ The gap analysis part also shows that the average customer's expectation is exceeding the actual provision of caring and individualized attention given by these banks. Since, empathy is the attitude to environment in term of the customer's view. As it can be observed from the regression output, a 1% improvement on caring and individualized attention that these banks provide for their customers have a return of 1.3% on customer satisfactions. Even if empathy service quality dimension

indicates inferior impact in affecting the overall customer satisfaction but still it has a significant relationship with dependent variable (i.e. customer satisfaction).

5.3 Conclusion of the Study

The study aims to examine the service quality dimensions and their statistical effect on customer satisfaction. In order to achieve the major objective of the study the researcher used the most popular measuring instrument which is called SERVQUAL scale of measurement.

Similar to SERVQUAL measurement application, the researcher tried to show existing gap inquiry of customer expectation and perception of the actual performance. As a result, the difference between average expectation and perception value of respondents are clearly shows a negative value for all of service quality dimensions. This, implies that these banks are fail to meet customers overall expectations of bank services. The difference amount is also highly reserved by assurance service quality dimension followed by reliability, responsiveness, tangibility and empathy.

Moreover, the result of the regression analysis shows that service quality dimensions are important antecedent of customer satisfaction. This weighty link is more sustained by adjusted R^2 result which constructs that more than 80% change in customer satisfaction is due to the change made by the five service quality dimensions. Beside among the five dimensions, assurance takes the lion share in explaining customer satisfaction. Reliability is the second explaining dimension followed by tangibility, responsiveness and empathy.

Above all, the proposed model was adequate as the overall significance test observed at one percent significant level. In addition, all the hypotheses were strongly supported and

the proposed framework of the present study was able to demonstrate positive and significant relationship between explanatory and dependent variables. Therefore, notably this study provides evidence for the direct effect of service quality dimensions on customer satisfaction as suggested by the literature.

5.4 Recommendation

Here, the researcher forwarded the following recommendations to the management of the banks and suggestion for other researchers. The main theme of the recommendation focus on the proper enhancement of the five service quality dimensions. Since, customer's actual perception of service quality dimensions was not adjacent to the real customer's expectation.

- ☞ It's observed in gap analysis the customers expectation of knowledge and courtesy of employees and their ability to convey trust and confidence is much higher than what actually perceived. Therefore, banks should teach their employees especially those who are working at the front office to create more friendly communication with customers and sort deeper understanding from real needs of customers and create a more intimate atmosphere to customers. Here the emergence of foreign banks also expected in the coming few years, thus local banks especially those who are join the industry recently need to improve their service quality by providing more experienced employees and branch managers to serve the customer in the operations in a way that meets the customers expectation so that to be competent enough in their service delivery.
- ☞ It is found that service reliability is core to most customers and managers should use every opportunity to build a do-it-right-first attitude and error free transactions.

Thus, the bank managers and top managements also should give serious attention especially for the frequent mistakes made during service delivery. Otherwise, when the bank doesn't keep its promises and fault free transactions customers lose confidence in the bank's ability to do what it promises dependably and accurately. Finally, friendliness from the staff and sincere apologies do not compensate for unreliable service.

- ☞ The banks' should built convenient atmosphere by ensuring cleanliness and favourable ambience with appropriate modern looking equipment, music and lighting, employees are also need to be well dressed.
- ☞ Customers, who use a particular bank service, consider switching bank as a threat. Customer are more educated and knowledgeable, their demand is also on an increasing trend. In order to stay in the business, bank need to improve their customer service campaign and service delivery time that is convenient to customers need.
- ☞ In order to advance the Willingness of employees to help customers and provide prompt service, frontline staffs need to be continuously trained with proper skill of providing effective communication, accurate response and prompt service. Moreover, staff that are committed in implementing quality services should be gained recognitions from customers should be given better rewards.
- ☞ In general, as customer expectations are changing over time, bank practitioners are advised to measure their customer expectation against the actual performance regularly and handle complaints timely and effectively. Because, wisely improvement of service quality and gaining a strategic advantage and survive in

today's ever-increasing competitive environment comes from continuous and regular measurement of the expectations and perceptions of customers.

5.5 Direction for Future Research

This study was conducted to examine the service quality dimensions and their effect on customer satisfaction merely the case of two main branches of Enat Bank S.C and Debut Global Bank S.C.

However, the present study has a number of limitations which can be overwhelmed by the future studies. Firstly, the nature of sampling unit under study cannot be generalized to a larger population and future researches should have to draw sample of respondents on more number of branches for the sake of generalizing the results of the study.

Secondly, the use of single-item measurement for overall customer satisfaction level also need to be substituted with other measurements of Walfried et al., (2000) (i.e. customer satisfaction was measured by a nine item).Thirdly, future study should use more banks which are more fruitful to conduct the study that creates a comprehensive picture about nationwide banking practices from customer perspective.

Furthermore, its better if the proposed model can also be extended to other service industries especially for the public owned institutions like telecommunication, EEC, Addis Ababa Transport Bureau and Addis Ababa Housing development Agency so that to identify the gap between the customer's expectation and perception prior to the advancement of dissatisfaction.

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Appendixes

APPENDIX A: RELIABILITY TEST

Reliability Statistics of Expected Tangibility

| Cronbach's Alpha | N of Items |
|---------------------|------------|
| .853 | 4 |

Reliability Statistics of Expected Reliability

| Cronbach's Alpha | N of Items |
|---------------------|------------|
| .869 | 5 |

Reliability Statistics of Expected Empathy

| Cronbach's Alpha | N of Items |
|---------------------|------------|
| .763 | 4 |

Reliability Statistics of Perceived Tangibility

| Cronbach's Alpha | N of Items |
|---------------------|------------|
| .909 | 4 |

Reliability Statistics of Perceived Assurance

| Cronbach's Alpha | N of Items |
|---------------------|------------|
| .908 | 4 |

Reliability Statistics of Expected Assurance

| Cronbach's Alpha | N of Items |
|---------------------|------------|
| .925 | 5 |

Reliability Statistics of Expected Responsiveness

| Cronbach's Alpha | N of Items |
|---------------------|------------|
| .795 | 4 |

Reliability Statistics of Perceived Reliability

| Cronbach's Alpha | N of Items |
|---------------------|------------|
| .910 | 5 |

Reliability Statistics of Perceived Empathy

| Cronbach's Alpha | N of Items |
|---------------------|------------|
| .885 | 5 |

Reliability Statistics of Perceived Responsiveness

| Cronbach's Alpha | N of Items |
|---------------------|------------|
| .922 | 4 |

APPENDIX B: Regression Output

| Model | | B | Std. Error | t | Sig. |
|-------|----------------|------|------------|-------|-------|
| 1 | (Constant) | .200 | .058 | 3.461 | 0.000 |
| | Tangibility | .044 | .072 | .611 | 0.000 |
| | Reliability | .053 | .062 | .854 | 0.007 |
| | Assurance | .237 | .096 | 2.468 | 0.004 |
| | Empathy | .013 | .081 | .160 | 0.000 |
| | Responsiveness | .039 | .076 | .513 | 0.002 |

APPENDIX C: QUESTIONNAIRE

ቅድስተ ማሪያም ዩኒቨርሲቲ

የድህረ ምረቃት/ክፍል

መጠይቅ

በቅድሚያ ይህን መጠይቅ ለመሙላት ጊዜዎን ስለሰጡን እና ፍቃደኛ ስለሆኑ ከልብ ላመሰግን እወዳለው። ይህ መጠይቅ ኢትዮጵያ ውስጥ በሚገኙ ሁለት የግል ባንኮች የሚሰጡት የደንበኞች አገልግሎት በደንበኞች እርካታ ላይ ስለሚኖረው ተፅዕኖ የሚያተኩር ሲሆን እርስዎ ይህን መጠይቅ በመሙላት አስፈላጊውን ትብብር እንዲያደርጉልኝ ስል በአኩብሮት እጠይቃለሁ። እርስዎ በዚህ ጥናት በመሳተፍ የሚሰጡት መረጃ ጥናቱ እጅግ አስፈላጊ መሆኑን ልገልፅሎት እፈልጋለሁ።

እርስዎ በዚህ ጥናት በመሳተፍዎ ማንኛውም ሚስጥር ለሌላ አካል ተላልፎ የማይሰጥና ለጥናቱ አላማ ብቻ እንደሚውል ላረጋግጥሎት እወዳለው።

ከሠላምታ ጋር።

ማስታወሻ: መጠይቁን ሲሞሉ ስሞትን መጻፍ አያስፈልግም።

- I. የግልመረጃ
 - መመሪያ: እባክዎን ከተሰጡት አማራጮች የተሰማሙበትን ያክብቡ።
 - 1. ያታህ/ ወንድ/ ሴት
 - 2. ዕድሜ/ 18-30 ለ/ 31-40
 ሐ/ 41-60 መ/ ከ60 ዓመት በላይ
 - 3. የትምህት ደረጃ/ ሁለተኛ ደረጃ ለ/ ዲፕሎማ
 ሐ/ የመጀመሪያ ደረጃ / ሁለተኛ ደረጃ እና ከዛ በላይ
 ሠ/ ሌላ
 - 4. በምን ያህል ጊዜ ውስጥ የባንኩ አገልግሎት ተጠቃሚ ነዎት?
 ሀ/ በየቀኑ ለ/ በየሳምንቱ

II. ደንበኞች አዲቀርብላቸው የሚጠበቁት አገልግሎት መጠይቅ

መመሪያ፡ እባክዎን ከተሰጡት አማራጮች የተሰማሙ በትላይ (√) ምልክት ያድርጉ። የሚሰማሙ በትን የሚለኩ በት የሚከተሉት ናቸው። (5; በጣም እስማማለሁ; 4; እስማማለሁ; 3; እርግጠኛ አይደለሁም; 2; አልሰማማምም 1; በጣም አልሰማማም)

| ቁጥር | መለኪያዎች | የአመለካከት ደረጃ | | | | |
|-----|-----------------------------------------------------------------------|-------------|---|---|---|---|
| | | 5 | 4 | 3 | 2 | 1 |
| 1 | ባንኩ ዘመናዊ መሳሪያዎች ሊኖሩት ይገባል። | | | | | |
| 2 | ባንኩ ንፁህና ማራኪ ሊሆን ይገባል። | | | | | |
| 3 | የባንኩ ሰራተኞች ንፁህና ማራኪ ሊሆኑ ይገባል። | | | | | |
| 4 | ባንኩ የሚሰጣቸውን አገልግሎቶች የሚገልፁ በራሳቸው ፎቅ በበቂ ሁኔታ መዘጋጀት አለበት። | | | | | |
| 5 | ባንኩ በሚሰጠው ቀጠሮ መሰረት አገልግሎቱን ሊሰጥ ይገባል። | | | | | |
| 6 | ባንኩ ደንበኞቹ ለሚያቀርቡት ቅሬታ ተገቢ ውንምላሽ ሊሰጥ ይገባል። | | | | | |
| 7 | ባንኩ ለደንበኞቹ የሚሰጠው አገልግሎት ደንበኞቹን በማያገገሙ ላላ ወይም በማያሰሉ ስራዎች መልኩ መሆን አለበት። | | | | | |
| 8 | ባንኩ ቃል በገባው መሠረት አገልግሎት መስጠት አለበት። | | | | | |
| 9 | ባንኩ ከሰራተኞቹ በፀዳ መልኩ መረጃዎች ሊያስቀምጥ ይገባል። | | | | | |
| 10 | የባንኩ ሰራተኞች የሚሰጡት አገልግሎት ለሰራተኞቹ ይገባል። | | | | | |
| 11 | ባንኩ በሚሰጠው አጠቃላይ የደንበኞች አገልግሎት የደህንነት ሰነድ ሊሰጥ ይገባል። | | | | | |
| 12 | የባንኩ ሰራተኞች ደንበኞችን የሚያገለግሉት ከታላቅ አክብሮት ጋር ሊሆን ይገባል። | | | | | |
| 13 | የባንኩ ሰራተኞች የሚኖረኝን ጥያቄ ለመመለስ በቂ እውቀት ሊኖራቸው ይገባል። | | | | | |
| 14 | ባንኩ ለደንበኞች የግል ፍላጎት ተኩረት ሊሰጥ ይገባል። | | | | | |
| 15 | ባንኩ ለደንበኞች የግል ፍላጎት ተኩረት የሚሰጠው ሰራተኞች ሊኖረው ይገባል። | | | | | |
| 16 | ባንኩ የደንበኞችን የግል ፍላጎት ሊረዳ ይገባል። | | | | | |
| 17 | የባንኩ ሰራተኞች የደንበኞችን ፍላጎት ሊረዱ ይገባል። | | | | | |
| 18 | ባንኩ ለደንበኞች ምንም ዓይነት ሰነድ ሊኖረው ይገባል። | | | | | |
| 19 | የባንኩ ሰራተኞች የባንኩን የአገልግሎት ሰነድ ሊገቡ ይገባል። | | | | | |
| 20 | የባንኩ ሰራተኞች ፈጣን አገልግሎት ሊሰጡ ይገባል። | | | | | |
| 21 | የባንኩ ሰራተኞች ምንም ዓይነት አገልግሎት ሊያደኛ መሆን አለባቸው። | | | | | |
| 22 | የባንኩ ሰራተኞች ደንበኞች ለሚያቀርቡት ጥያቄ ተገቢ ውንምላሽ ሊሰጡ ይገባል። | | | | | |

III. ለደንበኞች በተግባር እየቀርብላቸው ስላለው አገልግሎት መጠይቅ

መመሪያ፡ እባክዎን ከተሰጡት አማራጮች የተሰማሙ በትላይ (√) ምልክት ያድርጉ። የሚሰማሙ በትን የሚለኩ በት የሚከተሉት ናቸው። (5; በጣም እስማማለሁ; 4; እስማማለሁ; 3; እርግጠኛ አይደለሁም; 2; አልሰማማምም 1; በጣም አልሰማማም)

| ቁጥር | መለኪያዎች | የአመለካከት ደረጃ | | | | |
|-----|-----------------------------------------------------------------|-------------|---|---|---|---|
| | | 5 | 4 | 3 | 2 | 1 |
| 1 | ባንኩ ዘመናዊ መሳሪያዎች አሉት። | | | | | |
| 2 | ባንኩ ንፁህና ማራኪ ነው። | | | | | |
| 3 | የባንኩ ሰራተኞች ንፁህና ማራኪ ሊሆኑ ይገባል። | | | | | |
| 4 | ባንኩ የሚሰጣቸውን አገልግሎቶች የሚገልፁ በራሳቸው ፎቅ በበቂ ሁኔታ አሉት። | | | | | |
| 5 | ባንኩ በሚሰጠው ቀጠሮ መሰረት አገልግሎቱን ይሰጣል። | | | | | |
| 6 | ባንኩ ደንበኞቹ ለሚያቀርቡት ቅሬታ ተገቢ ውንምላሽ ይሰጣል። | | | | | |
| 7 | ባንኩ ለደንበኞቹ የሚሰጠው አገልግሎት ደንበኞቹን በማያገገሙ ላላ ወይም በማያሰሉ ስራዎች መልኩ ነው። | | | | | |

| | | | | | | |
|-----|----------------------------------------------------|----------|----------|----------|----------|----------|
| 8 | ባንኩ ቃል በገባው መሠረት አገልግሎት ይሰጣል። | | | | | |
| 9 | ባንኩ ከሰህተት በፀዳ መልኩ መረጃዎች ያስቀምጣል። | | | | | |
| 10 | የባንኩ ሰራተኞች ባህሪ አመኔታን ያሳድሩብኛል። | | | | | |
| 11 | ባንኩ በሚሰጠው አጠቃላይ የደንበኞች ሒሳብ እንቅስቃሴ የደህንነት ስሜት ይሰጣል። | | | | | |
| 12 | የባንኩ ሰራተኞች ደንበኞችን የሚያገለግሉት ከታላቅ አክብሮት ጋር ነው። | | | | | |
| 13 | የባንኩ ሰራተኞች የሚኖረኝን ጥያቄ ለመመለስ በቂ እውቀት አላቸው። | | | | | |
| 14 | ባንኩ ለደንበኞች የግልፍ ላጎት ትኩረት ይሠጣል። | | | | | |
| 15 | ባንኩ ለደንበኞች የግልፍ ላጎት ትኩረት የሚሰጠው ሰራተኞች አሉት። | | | | | |
| 16 | ባንኩ የደንበኞችን የግልፍ ላጎት ይረዳል። | | | | | |
| 17 | የባንኩ ሰራተኞች የደንበኞችን ፍላጎት ይረዳሉ። | | | | | |
| 18 | ባንኩ ለደንበኞች ምቹ የሆነ የሰራሰራ ሰራተኛ አለው። | | | | | |
| 19 | የባንኩ ሰራተኞች የባንኩን የአገልግሎት ሠጪት ይገልጻሉ። | | | | | |
| 20 | የባንኩ ሰራተኞች ፈጣን አገልግሎት ይሠጣሉ። | | | | | |
| 21 | የባንኩ ሰራተኞች ምንጊዜ ምደንበኞችን ለማገልገል ፍቃድ ናቸው። | | | | | |
| 22 | የባንኩ ሰራተኞች ደንበኞች ለሚያቀርቡት ጥያቄ ተገቢውን ምላሽ ይሠጣሉ። | | | | | |
| No. | አጠቃላይ የእርካታ ደረጃ | 5 | 4 | 3 | 2 | 1 |
| 1 | ባንኩ በሚሰጠው አጠቃላይ የደንበኞች አገልግሎት ምን ያህል እርካታ ተቀብሎ? | | | | | |