



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**THE RELATIONSHIP BETWEEN SERVICE QUALITY AND
CUSTOMER SATISFACTION IN PUBLIC AND PRIVATE
BANKS OF ETHIOPIA**

BY

HIWOT ATILABACHEW MULUGETA

ID.NO-SGS/0302/2007B

JAN, 2018

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION IN ACCOUNTING AND FINANCE**

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DECLARATION

I, the undersigned declare that this thesis is my original work, and prepared under the guidance of Dr. Abebaw Kassie. The paper has not been presented or submitted partially or in full by any other person for a degree in any other university, and that all sources of materials used for the purpose of this thesis have been duly acknowledged.

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Jan 2018

ENDORSEMENT

This is to certify that Hiwot Atilabachew has worked her thesis on the topic the relationship between Service Quality and Customer Satisfaction in private and public banks of Ethiopia under my supervision. To my belief, this work undertaken by Hiwot Atilabachew and it is original and qualifies for submission in partial fulfillment of the requirements for the award of Master's Degree in Accounting and Finance.

Advisor
St. Mary's University Addis Ababa

Signature
Jan 2018

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AKNOLEDGMENT

Above all, I praise my God for enabling me to complete my work. I would like to express my deepest gratitude to my advisor, Dr.Abebaw Kassie Gualu, for his valuable guidance, support and dedication throughout the period of the study. I would also like to express my special thanks to the customers of CBE, AwB, and AbB who helped me in respond to my questionnaires patiently and promptly by sacrificing their other priorities. At the last not the least, I have a very special thanks to my best families and friends (specially, Melaku Habte) who inspired and motivated me throughout my studies.

HiwotAtilabachew

ACRONYMS AND ABBREVIATIONS

CBE-Commercial Bank of Ethiopia

AwB-Awash Bank

AbB-Abay Bank

DBE- Development Bank of Ethiopia

NBE-National Bank of Ethiopia

SPSS- Statistical Package for Social science

PLCC - Pearson's linear correlation coefficient

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ABSTRACT

This study was set to assess service quality and customer satisfaction in private and public banks of Ethiopia; it was based on both descriptive and cross-sectional survey designs. Close ended questionnaire was used to collect primary data from 125 customers of three representative banks of public and private banks, CBE, AwB and AbB. Data were analyzed using software tools like, SPSS's frequencies and percentages, means, and Pearson's Linear Correlation Coefficient.

The findings revealed that majority of the respondents were male, most of the respondent was a customer of CBE and all most all respondent were well learned.

Both the level of service quality and customer satisfaction was at mean above 3 (high level). The findings from PLCC showed a significant and positive relationship between all independent variables (Assurance, tangibles, Empathy and Responsiveness) and customer satisfaction while Reliability has positive relation with no significance.

The researcher recommended that if Banks is to improve on service it offers to their customers to ensure their satisfaction, Ethiopian banks should: (a) treat their customers like they are their boss, (b) build customer loyalty to increase customer satisfaction, (c) set customer expectation early.

Keywords: Service quality; Customer satisfaction; Challenges; Banks

CHAPTER 1

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Financial institutions are very significant ingredients in the financial system of countries and play a fundamental role in the global economy. Thus, if the financial system does not work properly, its problems have a strong impact on the whole economy (Rodriguez-Moreno, Pena, 2013). Providing excellent and quality service is widely recognized as a critical business requirement (Voss et al, 2004; Vilares&Coehlo, 2003; Van der Weile et al, 2002). It is ‘not just a corporate offering, but a competitive weapon’ (Rosen et al, 2003) which is ‘essential to corporate profitability and survival’ (Newman & Cowling, 1996). The overall chain sees service quality driving customer satisfaction, which creates customer loyalty leading to growth and profit.

To remain competitive, financial institutions have provided an increasingly diverse range of financial services (Hinson, et al., 2006). Here the key to success is to remain competitive and constantly improve the quality of services to better meet customers' needs, and the key to providing superior services is to clearly understand and appropriately respond to customers' expectations because customers compare perceptions with expectations in judging the quality of a firm's service offerings.

For instance, Uddin et al (2015) tells that, today in the era of extreme competition, banks considered customer satisfaction as the fundamental unit of success in the banking sector. They always try to be in the shape of long-run customer's attachment by showing their inner experiences about the values attainment from the services offered.

International experiences such as Malaysia practices the ‘open enterprise’ policy, banks in the country are free to compete against one another. However, there remains a deep concern on what kind of pull that these banks can impact upon their customers in order to entice and retain their customers. (Munusamy et al, 2010).

This study tries to look different service quality variables (Tangibility, Responsiveness, Reliability, Empathy and Assurance) that can be considered for customer satisfaction from private and public banks of Ethiopia because customers are the main source for banks performance.

1.2. STATEMENT OF THE PROBLEM

The main goal of every banking institution is to operate profitability in order to maintain stability and sustainable growth. Service quality is very important component in any business related activity. This is especially so, to marketer a customer's evaluation of service quality and the resulting level of satisfaction are perceived to affect bottom line measures of business success (Iacobucci et al., 1994)

In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. According to Soomro, Memon, Channa, (2012), Customer satisfaction and service quality are inter-related. The higher the service quality, the higher is the customer satisfaction. In banking sector customer satisfaction is considered as a big challenge to maintain the customer loyalty through satisfied services. The foremost findings of the researches shows, there is relationship between service quality Service quality and by other side some results have shown that the two constructs are definitely independent.

A good number of related studies were conducted by different researchers in Ethiopia. Studies reviewed that Customer satisfaction is essential for the success of service firms like banks. (Firehiwot, (2016), Kalkidan et al (2014) were seen specific banks to give recommendation on bank service quality and customer's satisfaction. The increase in the number of Banks in Ethiopia has led to strong competition between public and private banks. This should lead both Banks and academics to take a closer look at the customer differences as well as the quality of services.

This situation related to bank services and customer satisfaction has necessitated the launching of this research. The main purpose of the research is to show the relationship between service quality and customer satisfaction of private and public banks of Ethiopia from different dimension.

1.3. BASIC RESEARCH QUESTIONS

This study aims to answer the following questions:

1. What is the level of service quality in private and public banks?
2. What is the level of customer satisfaction in private and public banks?
3. What is the relationship between service quality and customer satisfaction in private and public banks?
4. What are strategies to put in place in order to enhance customer satisfaction in private and public banks?

1.4. OBJECTIVES OF THE STUDY

1.4.1. General Objective

The general objective of the study is to show relationship between service quality and customer satisfaction of Private and Public Commercial Banks of Ethiopia.

1.4.2. Specific Objectives

The specific objective of the study is:

1. To examine the level of service quality in private and public banks
2. To investigate the level of customer satisfaction in private and public banks
3. To understand the relationship between service quality and customer satisfaction in private and public banks
4. To establish strategies to put in place in order to enhance customer satisfaction in private and public banks

1.5. HYPOTHESIS OF THE STUDY

In line with the broad objective of the study the following five hypotheses were formulated.

HP1: Reliability has statistically significant relationship with Customer Satisfaction.

HP2: Assurance has statistically significant relationship with Customer Satisfaction.

HP3: Tangibles has statistically significant relationship with Customer Satisfaction.

HP4: Empathy has statistically significant relationship with Customer Satisfaction.

HP5: Responsiveness has statistically significant relationship with Customer Satisfaction.

1.6. SCOPE OF THE STUDY

To come up with effective research results, it can be better if the researcher conducted the paper over all customers of the banks; National Bank of Ethiopia categorize Banks in to three categories; Big size, Medium size, Small size, due time and data availability, researcher selects representative banks, from big size bank the only bank is CBE and from middle size AwB is selected and lastly, from small size AbB is selected. The population of the study was the customers of CBE, AwB and AbB. Targeted respondent are 125 customers who were willing to fill the questioners, of which 108 for CBE customers and 14 for AwB customers and 3 for AbB and they come from the general open public (from difference genders, age groups, education backgrounds, designations and professionalisms). This study also focused on by factors that influences the satisfaction of customer based on the five service quality dimensions and also the satisfaction level of customers also measure on the these dimensions.

1.7. DELIMITATION

Among other things these are the expected limitations for the study that can be face, Time and finance, because of the big size and scattered location of the study area, it is difficult to take large sample size from different geographical area. So it is concentrated to one geographical area therefore it may not be generalized. And it only uses descriptive statistics of Pearson's linear correlation coefficient to identify the relationship among variables. This is because due to time and questioner type that the researcher uses.

1.8. SIGNIFICANCE OF THE STUDY

The study contributes its share to Commercial Banks of Ethiopia might be benefited from this particular study because the research may give an indication of different variables that affect customer satisfaction.

For policy makers or strategy drawer can be benefited from this study because it might be an implication for their core values to be developed.

Furthermore, researchers who might wish to further understand and conduct studies on service quality and customer satisfaction might benefit from the research.

1.9. ORGANIZATION OF THE STUDY

The study is organized in five chapters. The first chapter deals with the introduction which includes background of the study, statement of the problem, research question, objectives of the study, hypothesis of the study ,scope of the study delimitation and significance of the study. The second chapter deals with literature review and the third chapter offers the research methodology. The fourth chapter presents data analysis and interpretation, while the last chapter gives summary of findings, conclusions and recommendation.

CHAPTER TWO

LITERATURE REVIEW

Several studies conducted on service quality and customer satisfaction in previous times with different researchers of different countries. The purpose of this chapter is to discuss both theoretical and empirical issues relating to the contributing variables of service quality on customer satisfaction and try to conclude all theories to get knowledge gap.

2.1. THEORETICAL REVIEW

2.1.1. Service quality

Service is defined that deeds, performances and processes provided or coproduced by one entity or person for and with another entity or person (Zeithaml , 2009).

It should precisely distinguish them on the basis of their attributes a good is a tangible physical object or product that can be created and transferred; it has existence over time and thus can be created and used later. A service is intangible and perishable. It is an occurrence or process that is created and used simultaneously while the customer can't retain. (Earl et al, 1978).

Quality: is defined as “degree and direction of discrepancy between customers’ service perception and expectations”. (Parasuraman et al, 1985).

Service quality is made during the service delivery process. Each customer contact is referred to as a moment of truth, an opportunity to satisfy or dissatisfy the customer. Customer satisfaction with a service can be defined by comparing perception of service perceived with expectations of service desired. When expectations are exceeded, service is perceived to be of expectations are confirmed by perceived service, quality is satisfactory (Powell, 1995).

2.1.2. Customer satisfaction

Customer satisfaction is defined as the post-choice evaluative judgment of a specific purchase occasion. And it is also determined as a result of a customer's evaluation of his or her total purchase and consumption experience over time. (Mittal, 1999 cited in Zeithaml , 2009).

It is the ability of the service or product to meet the customer's needs and expectations in their CSI model defined customer satisfaction as a function of customer expectations, perceived quality, and perceived value. (Fornell, 1992).

Superior service quality leads to more favorable behavioral intentions by customer to stay/remain which results in ongoing revenues increased spending and referred customers. On the on the other hand, inferior services quality will lead to unfavorable behavioral intentions by customers leading to decreased spending, lost customers and additional costs to attract new customers (Kotler,1998).

2.1.3. Variables for Measuring Service Quality

The SERVQUAL model was developed by Zeithaml (1988) to measures the quality of service on five identified quality dimension, representing five service quality dimensions, explained below.

Reliability: how well can the company deliver on its promises dependably and accurately?

Assurance: knowledgeable and courtesy of employees and their ability to inspire trust and confidence

Responsiveness: willingness to help customers and provides prompt service

Empathy: caring, individualized attention the firm provides its customers

Tangibles: appearance of physical facility, equipment and staff

2.1.4. Why is Customer Satisfaction Important to Businesses?

Customer satisfaction helps companies in many ways, some of which include: Customer satisfaction information helps companies to evaluate their ability in meeting customers' needs and expectations effectively (Zeithaml, 2009).

It also helps companies to analyse the performance of an offering to customers in order to identify areas for improvements as well as what areas customers consider to be very important to them (Zeithaml, 2009).

Companies can predict customer retention and loyalty as well as organizational profitability through satisfaction surveys. Research has suggested that customer satisfaction leads to company profitability (Bei&Chiao, 2001; Heskett, 2008). Studies have shown a positive correlation between customer satisfaction and customer retention and loyalty (Zeithaml., 1996; Heskett, 2008). Reichheld (1990) asserted that customer satisfaction accounted for about 40% of customer retention. In the automotive service industry, customers who are satisfied with a dealer might buy multiple vehicles as their income and status increase (especially high value vehicles) and also keep going back to that dealer for every service throughout their lifetime.

Customers who are satisfied with a company's offering may tell others about it - positive word-of-mouth, just as dissatisfied customer also bad mouth the company to other. Suggested that dissatisfied customers tell on average ten people about the company as against people by satisfied customer also asserted that it cost five times to attract a new customer than to maintain a current customer Therefore it is imperative for service businesses to satisfied customer on a consisted basis (Goodman, 2009).

2.1.5. Service Quality as a Determinant of Customer Satisfaction

The service quality models (both the gaps model and SERVQUAL) assume that customers come into a service encounter with a prior expectation, this expectation is then matched with the actual service experience to determine the service quality of that organization (Zeithaml ,1985; Gronroos 1990).The customer is satisfied if actual service experience meets expected service, he/she is dissatisfied if actual service falls below expected service and delighted if actual service exceeds expected service. Studies have agreed that service quality is an antecedent to customer satisfaction, therefore adequate discussion of this topic is done here. For example Rust and Oliver, 1994; Zeithaml, 1988; Boulding., 1993; Anderson and Sullivan, 1993; Fornell, 1992).

2.1.6. Customer Satisfaction in Banking Practice

Customer satisfaction is about consumer satisfaction (that is, user satisfaction), rather than about buyer satisfaction (which may include non-users).

Second, satisfaction is a feeling. It is a short-term attitude that can readily change given a constellation of circumstances. It resides in the user's mind and is different from observable behaviors such as product choice, complaining, and repurchase.

Third, satisfaction commonly has thresholds at both a lower level (insufficiency or under fulfillment) and an upper level (excess or over-fulfillment). This means that a consumer's Satisfaction may drop if she/he "gets too much of a good thing." Many people focus upon the Lower threshold and neglect the potential for an upper threshold.

With this definition in mind, we move to the traditional macro-model of customer satisfaction. This model underlies much of the research in customer satisfaction over the past decade. Note the following:

- ✓ Perceived performance often differs from objective or technical performance, especially when a product/service is complex, intangible, and when the consumer is unfamiliar with the product/service.
- ✓ Comparison standards can come from numerous sources that can vary widely by individual, by situation, and by product/service type.
- ✓ Perceived disconfirmation is the evaluation of perceived performance according to one or more comparison standards. Disconfirmation can have a positive effect (generally implying a satisfying result), a negative effect (generally implying a dissatisfying result), or a zero effect.
- ✓ Satisfaction feeling is a state of mind, an attitude. The phrase "mixed feelings" applies here, as a consumer may have different levels of satisfaction for different parts of a product/service experience.
- ✓ Outcomes of satisfaction feelings may involve intent to repurchase, word-of-mouth (the consumer's communication with her/his network of her/his approval/disapproval for a product/service), and complaints. These outcomes also are moderated by other variables.

For example, extreme dissatisfaction will not necessarily generate complaint behavior, especially if the consumer believes complaining will be futile.

Banking is a service industry focused towards the customer's money and its management. An element that strongly drove the satisfaction of customers in the banking sector was the conviviality factor related to the features of a bank and the attributes of its personnel. Rust and Zahorik (1993), Krishnan et al (1999) conducted various studies and put forward that satisfaction with perceived product quality was the prime driver of overall customer satisfaction. Furthermore, their studies also found and recommended that the impact of service delivery factors varies considerably on customer satisfaction.

To further exemplify, they became aware of the fact that for customers who traded heavily and had high invest-able assets, the effect of an automated telephone service was elevated than that of the other drivers of satisfaction improving customer satisfaction. The study (Johnston, (1995)) suggested that satisfaction or dissatisfaction with retail banking did not arise from the same factors. To be more precise, some elements of service quality, if improved, enhance the satisfaction levels of the customers, while on the other hand, other elements may not improve satisfaction but simply function to keep dissatisfaction at bay or at best, reduce dissatisfaction alone. This line of accepted wisdom stems from the hygiene factors of Herzberg's motivation theory.

2.2. EMPIRICAL REVIEW

2.2.1. General empirical reviews

Maddern al (2010) in their studies tried to evaluate the drivers of customer satisfaction, specifically to assess the relative impact of technical and functional service quality and to explore the drivers of technical service quality, specifically to assess the impact of BPM on technical service quality. A longitudinal case approach was considered, Initial interviews were held to establish available data sources. The results of the correlation tests suggest an insignificant relationship between FSQ and CS, yet there is a strong relationship shown in the regression. The qualitative data strongly reinforced the quantitative findings. The results of the multiple regression show that staff satisfaction and both components of service quality are significant factors in determining Customer Satisfaction. However, the simple, linear linkage between staff satisfaction, service quality and customer satisfaction is challenged. There is no evidence to suggest what does drive functional service quality (FSQ) however the linkage expressed in this analysis is statistically insignificant.

Uddin et al (2015) study tries to identify customer satisfaction of Jamuna bank and compare customer satisfaction on service quality with the help of several dimensions. The underlying model of SERVQUAL was used by this research to evaluate the impact of service quality on customer satisfaction in Jamuna Bank Limited. The result of the study indicates that customers are satisfied with Jamuna bank limited although there was a little variation on their opinion. It is quite obvious from the research that the customer requirements are not fully met and they are very dissatisfied with some of the aspects of the bank. i.e., physical facilities & equipment's, employees training, personalize caring, implementing minor charges on service etc. Again the research revealed that only two third of customers were more or less satisfied with the services of the bank and many of the respondents were on the neutral side of satisfaction line.

Van et al (2015) study raises a basic question on key factors in the SERVQUAL model influence customer satisfaction with deposit services in Vietnam's banking industry. The SERVQUAL model was used to develop a questionnaire. The results indicates, facilities and equipment affect lending operations of banks, suggesting that banks that lag behind or are less developed are less likely to attract customers, to attract customers, banks should not only improve the quality of their utility services and products but also make greater use of a manual business culture such as customer relationship with bank employees. Credit institutions and bank branches can strength the security and safety of their information technology systems. Customers' accounts are increasingly preferred attention related to the range of services and the timeliness of budgets. And also, to attract capital, banks rely heavily on client trust. The accuracy of this trust depends on the quality of information offered by the bank. In terms of respondent characteristics in their satisfaction with deposit services of VCBs, only the gender variable showed a difference in the level of satisfaction between male and female respondents. Service experience and age showed no differences in the level of satisfaction between respondents. These results suggest that female customers are more likely to be careful and require better services than their male counterparts.

Osman et al (2015) investigate the relationship of service quality, customer satisfaction and image on customer loyalty in Malaysian commercial banking industry and to test the conceptual research model that connect, service quality, customer satisfaction, image to

customer loyalty.⁴⁵ observed variables form the exogenous independent variable measurement of dimensions of service quality. The study applied the 5-point Likert scale. The finding revealed that service quality, customer satisfaction and bank image have a positive and significant direct effect on customer loyalty. And the finding from empirical test suggested that customer loyalty among commercial banks customers' can be strengthened and enhanced by emphasizing the factors that can boost service quality, customer satisfaction and bank image. Conversely, commercial banks customers' loyalty can be reinforced and enhanced by increasing the level of service quality, satisfaction and trust commercial banks' customers.

Adem and Sarada(2015) study compares the perception of customers' about service quality of the public and private commercial banks in Dire Dawa, Ethiopia. The data was collected from both primary and secondary sources and questioner collected and analyzed by using the statistical package SPSS 20 versions. Combined and modified SERVQUAL and BSQ (Banking Service Quality) scales used to measure customers' perceptions of service quality in Ethiopian public and private banking sectors. Based on the finding, public banks outperform private banks in terms of Access and Service portfolio while in others seven dimensions the mean of private banks found to be better than public banks.

Subashini and Gopalsamy(2016) paper focuses with a purpose to identify decompose and define the dynamics of quality service and satisfaction of customer towards all banking services in Global scenario including India. The findings of this study have a wide array of potential implications for rural and urban customers, bankers, government and academicians. The findings also have profound implications for customers for investing their money in foreign banks, public and private sector banks. The findings of the study also extend directions to bank managers to extent their fullest service to all customers irrespective of age, community, geography and customer needs to be integrated with unsystematic factors. There are three significant implications for academic practitioners, bank managers and researchers that it would be valuable to re-examine the findings of this review using a larger sample over an extended period.

Ndikubwimana and Berndt paper investigate the satisfaction of banking customers in Rwanda with regard to financial services received. Quantitative research was used. And

survey research undertakes the questionnaire was a self-completion questionnaire to collect data from 156 respondents. Statements on the dimensions of service quality and customer satisfaction were measured using a 7 point Likertscale. The findings show that customers perceive the service received from the bank positively, as they are reflected in the dimensions of service quality. The findings are consistent with previous studies that service quality is an important part of having satisfied customers in the banking context. Based on the study, it was revealed that, BK employees had skills and knowledge in the performance of the services to customers. Customers feel respected and have generated feelings of security with bank, highlighting the importance of human contact.

Kalkidan(2014) try to assess service quality and customer satisfaction of commercial bank of Ethiopia in case of Arada Giorgis branch. It is descriptive type of research and both qualitative and quantitative data as well as primary (questioner, interview and observation) and secondary data in gathering data for analysis. According to the finding at different time customers were raise complain related to delivery of qualified service .Thus the bank leaders trying to solve their problems the frequently. However, the problem still not should stand together in improving their awareness by taking different work shop, training and seminars. Similarly, the bank leaders also give training and incentive to employees, like salary increment, bonus, allowance, promotion, recognition, and the like.

2.2.2. Specific empirical reviews

Reliability and Customer Satisfaction

Hong and Marimuthu(2014) paper try to recognize the differences between expectations and perceptions of bank customers in Malaysian banking industry with regard to service quality dimensions. The questionnaire was design and distributed to target respondents randomly in selected cities in Klang Valley. The results have underlined the significant differences between expectations and perceptions of these five dimensions occurred as indicated by t-tests. And there are significantly different between expectations and perceptions of Malaysian bank customers regard to Tangibility (TA), Reliability (RE), Responsiveness (RS), Assurance (AS), and Empathy (EM) dimension of service quality. In addition, the expectations of Malaysian Bank customers on service quality items are higher than their perceptions. It means that the expectations of bank customers are not met and

that the largest gap is finding in the Reliability dimension. From the finding, Tangibility dimension is the most significant independent variable with the largest beta coefficient, followed by Reliability dimension, Empathy dimension, Assurance dimension and Responsiveness dimension. And all five dimensions of SERVQUAL have a significant relation with customers' satisfaction.

Assurance and Customer Satisfaction

Meron (2015) study was conducted to examine the quality of service provided by Bank of Abyssinia and its impact on customer satisfaction. The research is quantitative, Explanatory study is used to explain the relationship between the Independent variables and the dependent variable .the self-administered questionnaires are distributed to customers of selected branches in Addis Ababa .The target population for the study is customers of Bank of Abyssinia S.C. in all branches of Addis Ababa. Both descriptive and inferential statistics were used to analyze and interpret the findings. The finding of this study indicates that customers were most satisfied with the assurance dimensions of service quality followed by responsiveness.

Tangibles, Assurance and Empathy and Customer Satisfaction

Frehiwot (2016) try to know the level of customer satisfaction in the services provided by bank of Abyssinia and it is also to identify the factors that influence customer satisfaction on the banking sector of BOAs, based on customer satisfaction regarding service quality. The study used survey research using a questionnaire to collect pertinent data. The data was encoded to SPSS version 20. The results of the survey are presented in descriptive and in quantitative forms.

And regression method also used to identify variables impacts. From the finding, all variables used to find the most influential factor of customer satisfaction are stands on the mean of different items. Based on the overall regression analysis model summary indicates, the service quality dimensions and the two control variables has a relationship with customers satisfaction. Therefore, it is pointed out that customers satisfaction is influenced by Tangibility, Assurance, Empathy, gender and the length of years as a customer of BOA more and this factors are a meaningful addition in customers satisfaction of BOAs because

a change in their values are related to changes in the satisfaction of customers. Whereas the other service quality factors of responsiveness and reliability are not an influential factor for the satisfaction of BOA customers. Changes in the two variables are not associated with the satisfaction of customers so that the dimensions are not as such the important concerns for BOAs.

Tangibles and Customer Satisfaction

Munusamy et al (2010) seek and measure the level of customer satisfaction and services rendered in the banking industry in Malaysia. The survey questionnaire is design and distributed to target respondent randomly over a large population to a heterogeneous population. According to the result, there is a strong effect of these five independent variables namely Assurance, Reliability, Tangibles, Empathy and Responsiveness, on Customer Satisfaction. And, Assurance, Reliability, Empathy and Responsiveness have no significant effect on Customer Satisfaction. Only Tangibles have significant effect on Customer Satisfaction. Based on the finding, Assurance has positive relationship with Customer Satisfaction, but without significant effect but Reliability and empathy does not have any significant impact on customer satisfaction.

Taghrif et al (2015) aims to examine the effects of perceived service quality on customer satisfaction and to explore ways in which service quality can be implemented in Jordanian banks.

Data is collected using SERVQUAL questionnaire and then entered in Statistical Package for Social Sciences (SPSS 20) for analysis. The results indicate that customers agree that banks provide promised services, and perform the right service at the right time. And results indicate that service quality and all its dimensions have significant and positive relationship with customer satisfaction.

2.3. SUMMARY AND KNOWLEDGE GAP

This chapter was offered the theoretical foundation on service quality variables and customer satisfaction as well as empirical review of different literature abroad and within the country. The other issues discussed in this chapter are service and quality definition and concepts of customer satisfaction related to business specifically bank. Empirical studies regarding the determinants of service quality were also discussed. Then, the Knowledge gap is identified and conceptual frame work is developed by the researcher.

There is a sufficient of models developed to identify service quality and customer satisfaction in banking and they are studied around the globe and across the countries. For instance, Van et al (2015) study raises a basic question on key factors in the SERVQUAL model influence customer satisfaction with deposit services in Vietnam's banking industry. And found that, Credit institutions and bank branches can strength the security and safety of their information technology systems. Customers' accounts are increasingly preferred attention related to the range of services and the timeliness of budgets. And also, to attract capital, banks rely heavily on client trust. The accuracy of this trust depends on the quality of information offered by the bank.

Similar studies also investigated with in the country by relating the above mentioned factors with Private and public banks. Hence, Kalkidan (2014) try to assess service quality and customer satisfaction of commercial bank of Ethiopia. Meron (2015) study was conducted to examine the quality of service provided by Bank of Abyssinia and its impact on customer satisfaction. And Meron(2015) found that assurance is the most preferred variable for customer satisfaction.

In this study, by considering previous studies, this research will fill the Gap and see the variance of customers feedback related to service quality of Private and Public bank of Ethiopia from different dimension.

2.4. CONCEPTUAL FRAMEWORK

Based on Service quality and Customer satisfaction theory there are relational factors such as Tangibility, Responsiveness, Reliability, Empathy and Assurance on the Satisfaction of customers.

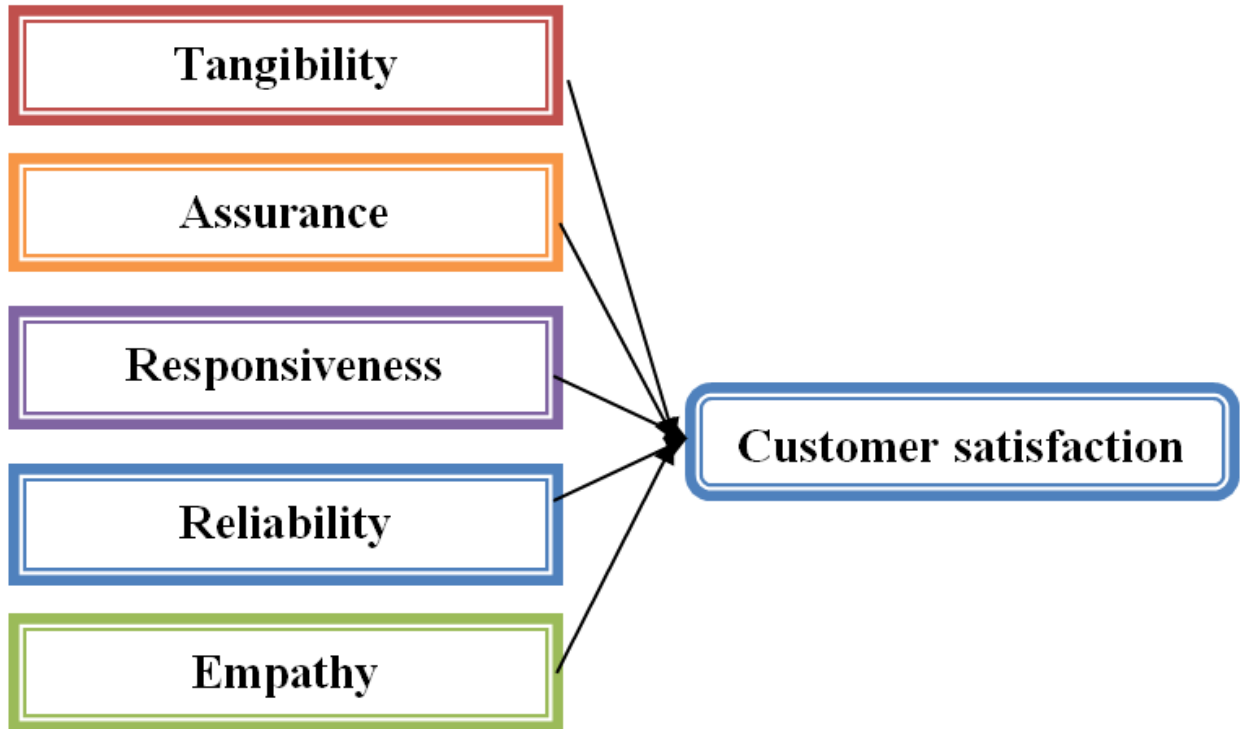


Figure 2.1. The Research Framework (International Journal of u- and e- Service, Science and Technology Vol.8, No. 8 (2015))

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter describes the research techniques that used to carry out this study. In case, it starts by discussing study area followed by the research design and approaches. The subsequent section presents and discusses Population, Sample and Sampling Technique. Finally, definition of study variables with their measurement and model specifications are presented.

3.1. DESCRIPTION OF THE STUDY AREA

The banking industry is the main source of funding in Ethiopian economy. Ethiopia has 18 banks, from which 16 are privately owned, and they form the country's main financial institutions. To come up with effective research results, it can be better if the researcher conducted the paper over all customers of the bank; but due to time and availability of data the study only confined by three convenient banks that National Bank of Ethiopia categorized by Big, Medium and small size based on their capital, profit and customer base. The researcher selects CBE from Big size category, because it is the only bank, and from medium one, AwB selected and from small one AbB is the focus area of this research. And all customers have equal chance to be included in this research.

3.2. RESEARCH DESIGN AND APPROACHES

The purpose of this research is to assess relationship between bank service quality and customer satisfaction in public and private Banks of Ethiopia. This paper employs variables (Tangibility, Responsiveness, Reliability, Empathy and Assurance) as its independent variables and Customer satisfaction as its dependent variable. To examine the relationship among the variables, hypothesis test carry out and results generated.

The research is explanatory and cross-sectional. It used structured instrument and, specifically designed to measure the characteristics described in the research questions using quantitative approach. Variables of interest in a sample of subjects are examined once and the relationships between them are determined. The quantitative analysis was used to determine the correlation between independent and dependent variables.

3.3. POPULATION AND SAMPLE UNIT

The population of the study was the customers of CBE, AwB and AbB. And they have a customer base of 13.3 million (CBE), 1.7 million (AwB), 337,120(AbB), Targeted respondent are 125 customers who were willing to fill the questioners, of which 108 for CBE customers and 14 for AwB customers and 3 for AbB .

3.4. SAMPLE SIZE AND SAMPLING TECHNIQUE

In order to get more trustworthy and representative data the researcher used Commercial bank of Ethiopia, giant state owned bank customers and from the private commercial banks the researcher selected Awash Bank and Abay Bank customers. The selection of these three banks are random from three categories of NBE classification (Big, Medium and Small the researcher divides the whole population of the study into three non-overlapping strata to represent all Ethiopian Public and private Banks.

An optimum sample is one which fulfills the requirements of efficiency, representativeness and reliability. Hence, the formula to find out the sample size (n) of finite population is given as under;

$$n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2 (N-1) + z^2 \cdot p \cdot q}$$

Sources: Kothari, 2004

Where, N = population

n= sample size

z= the value of standard value at a given confidence level 95%=1.96

p= sample proportion P=0.2

q= 1-p

e = acceptable error = 7%

$$n = \frac{(1.96)^2(0.2) (0.8)15,337,120}{(0.07)^2 (15,337,120-1) + (1.96)^2 (0.2) (0.8)}$$

$$n = \frac{9,427,052.83}{75,152.50}$$

$$n = 125$$

Therefore, a total of 125 self-administered questionnaires will distribute, of which 108 for commercial bank of Ethiopia customers and 14 for Awash Bank customers and 3 for Abay Bank customers using proportionate stratified sampling (see table 3.1) and random sampling method.

Table 3.1: Stratification

No.	Strata	Population	% from the total population	Samples staffs
1	CBE	13,300,000	0.87	108
2	Awash Bank	1,700,000	0.11	14
3	Abay Bank	337,120	0.02	3
	Total	15,337,120	1	125

Source: -CBE and Awash Bank, Abay Bank Annual Report, June 2016/2017.

3.5. SAMPLING PROCEDURE

The research used non-probability sampling technique, specifically convenience sampling technique to collect data because it is fast, inexpensive, and easy and the subjects are readily available. The sample of this research was made up of customers who have been demanding service from banks under study during the data collection period. Researchers use convenience sampling not just because it is easy to use, but because it also has other research advantages. Convenience sample is usually used because it allows the researcher to obtain basic data and trends regarding his study without the complications of using a randomized sample.

3.6. TYPES, SOURCES, AND COLLECTION OF DATA

The study depends on primary data, which is collected through survey method by using a questionnaire. A survey method of data collection through questionnaire was used to collect data for this study According to Krishnaswami and Ranganatham (2007), the advantage of this method is that it is less expensive, permits anonymity and may result in more responses that are honest. The respondents are asked to rate each statement using Likert scales of 1 to 5 (1 strongly disagree to 5 strongly agree) (see Appendix 1).

All questions are closed-ended because all possible answers were given to the respondents. The questionnaire was pre-tested to check its appropriateness for gathering all the required information. After pre-testing, the structured survey questionnaire was distributed for 108 customers of CBE, 14 customer of AwB , 3 customer of AbB who were drawn based on their conveniences. Finally, all customers returned the questionnaires with a 100% response rate. In addition Secondary Data of Available of bank reports, internet, thesis, journals and international publications used to use on the reviews of the literature.

3.7. DATA PROCESSING AND ANALYSIS

Data was analyzed by using the statistical package SPSS 20 versions. Descriptive statistics such frequency and percentage were used to describe the demographic characteristics and compare the mean and standard deviation of services quality dimensions to get relationship with customer satisfaction, while, the independent variable which have high mean and low standard deviation means positively related to customer satisfaction. . Pearson's linear correlation coefficient was used to establish whether there is any significant relationship between service quality and customer satisfaction in Private and Public banks of Ethiopia. The 0.05 level of significance was used to determine the strength of the relationship between the independent and dependent variables. Finally, the key ideas and results of the themes related with the study are summarized, analyzed and interpreted.

3.8. ETHICAL CONSIDERATIONS

The researcher was given due consideration to obtain consent from each participants of the study and it strictly was conducted on voluntary basis. The researcher was tried to respect the right and privacy of the participants for the study. Moreover, participants were informed that the information they provide were kept confidential and were not disclosed to anyone else. Moreover, the researcher was assured that the findings of the study were presented without any deviation from the outcome. Finally, the researcher was acknowledged all the reference materials used for this study.

3.9. RELIABILITY AND VALIDITY OF THE STUDY VARIABLES

3.9.1. Reliability

As stated by Hair et al., (2007) reliability indicates the extents to which a variables or set of variables is consistent in what it is intended to measure” (Cited by Siddiqi; 2011:20). Reliability analysis used to measure the consistency of a questionnaire. There are different methods of reliability test, for this study Cronbach’s alpha is considered to be suitable. Cronbach’s alpha is the most common measure of reliability. For this study the Alpha coefficient for the overall scale calculated as a reliability indicator is 0.904(see. appendix 2). All the alpha coefficients for the scales were presented on the following table. As described by Andy (2006) the values of Cronbach’s alpha more than 0.7 is good. The alpha values in this study are far from 0.7 and which are; therefore it had very good reliability for the questioners.

Table 3.2 . Reliability test

SI NO	Indicators	No of Items	Cronbach Alpha
	Independent variables		
1	Reliability- Ability to perform promised service dependably and accurately	5	0.707
2	Assurance- Possession of required skill and knowledge to perform service	4	0.777
3	Tangibles-Appearance of physical facilities, equipment, personnel, printed and visual materials	4	0.786
4	Empathy-Making the effort to know customers and their needs.	8	0.806
5	Responsiveness-Willingness to help customers to provide prompt service	4	0.780
	Dependent variable		
1	Customer satisfaction	3	0.902
	Overall	28	0.904

Source: -own computation for the paper (2018)

3.9.2. Validity

As of Bhattacharjee (2012), Validity, often called construct validity, refers to the extent to which a measure adequately represents the underlying construct that it is supposed to measure. Numbers of different steps were taken to ensure the validity of the study: Data were collected from the reliable sources. With meaning that respondent must be a customer of the bank under research; questionnaire was made based on literature review to ensure the validity of the result; questionnaire was pre-tested by experienced persons to ensure it measured what it was supposed to; data were collected through a short period of time which is a guarantee of no big change happened on the related topic; and the whole research was carried out under supervision of the researcher to avoid missing data.

Chapter 4

Results and Discussion

This chapter deals with analysis of the finding and discussion of the result in order to achieve research objectives and set a base for conclusion. Data was analyzed by using the statistical package SPSS 20 versions. Descriptive statistics such frequency and percentage were used to describe the demographic characteristics and compare the mean and standard deviation of services quality dimensions to get relationship with customer satisfaction, while, the independent variable which have high mean and low standard deviation means positively related to customer satisfaction. Pearson's linear correlation coefficient was used to establish whether there is any significant relationship between service quality and customer satisfaction in Private and Public banks of Ethiopia. The 0.05 level of significance was used to determine the strength of the relationship between the independent and dependent variables. Finally, the key ideas and results of the themes related with the study are summarized, analyzed and interpreted.

4.1. THE GENERAL BACKGROUND OF RESPONDENT

The background information of respondents was deemed necessary because the ability of the respondents to give satisfactory information on the study variables greatly depends on their background.

In this study, the researcher described respondents profile in terms of gender, age, occupation, type of customer, and experience with the bank. The study employed a closed ended questionnaire to categorize respondent's profiles and their responses were analyzed using frequencies and percentage distributions as shown in the following Table 4.1. The results of this survey processed using the SPSS 20 versions software.

Table.4.1. Description of respondent's profile.

Indicators	Values	Frequency	Percentage
Gender	Male	81	64.8
	Female	44	35.2
	Total	125	100
Age	14-17	1	.8
	18-24	24	19.2
	25-30	47	37.6
	31-35	28	22.4
	36-45	16	12.8
	46-55	5	4.0
	Above	4	3.2
	Total	125	100
Occupation	Student	5	4
	Private	35	28
	Government officer	23	18.4
	Banker	11	8.8
	Others	51	40.8
	Total	125	100
Customer Bank	CBE	108	86.4
	Awash Bank	14	11.2
	Abay Bank	3	2.4
	Total	125	100
Customer type	Retail	85	68
	Business	40	32
	Total	125	100
Level of education	Diploma	36	28.8
	BA degree	61	48.8
	MA degree	18	14.4
	Above	4	3.2
	None	6	4.8
	Total	125	100
Bank use frequency	Daily	37	29.6
	Weekly	58	46.4
	Once a month	30	24.0
	Total	125	100

Source: Primary data 2018

The results in Table 4.1 demonstrates gender proportion of the customers who fill the questionnaires show that male were the majority respondents as represented by 81 (or 64.8%) and female were the minority 44 (or 35.2%). The result indicates that the possibility to visit the bank is relatively low for female than males. These findings represent the views of the two sex groups about private and public banks. In regard to age, it's noticed most of the respondents are in the age of 25-30 years, i.e., 47 (or 37.6%), means most of the bank customers are young. Concerning occupation most of respondents are involved in different area of jobs because table 4.1 indicates 40.8 % (i.e., 51) of customers are came from different work background.

On the other side questioner was prepared by categorized Ethiopian banks in to three based on NBE directives and researcher took three banks to represent (big size (CBE), Medium (AwB) and small (AbB)). So with this respect, the large number of respondent is a customer of CBE (86.4%) because its customer base is very large, AwB and AbB have respondent of 11.2% and 2.4% respectively. In terms of customer type, 68 % (85 in number) of the respondents are retail whereas only 40 (or 32%) are business customers. The study therefore indicates that majority of the Bank customers are retail customers. This would be a good implication for deposit mobilization or saving.

Concerning the education qualification, all most of the respondents had professional qualification. This revealed by respondents with Diploma, Degree and postgraduate and above qualifications being 36 (or 28.8%), 61 (or 48.8%), 18 (or 14.4%) and 4(or 3.2) customers, respectively. Respondents in the category of none also include students and others and these results indicate that majority of respondent customers are learned.

Lastly in regard to bank use frequency, 58 (or 46.4%) respondents have been visited the bank weekly and 37(or 29.6%) come to bank daily and 30(or 24%) are visit the bank once in a month. This indicates that majority of the respondents had Knowledge and experience about the bank since they come regularly to use the bank product and service delivery. And the frequency of bank visited period would be reduced if customers try to use different types of banks product like, ATM, Mobile banking and others.

4.2. LEVEL OF SERVICE QUALITY

The second objective was set to determine the level service quality in private and public banks of Ethiopia. In this study, service quality was measured using 25 quantitative questions in which respondents were required to indicate the extent to which they agree or disagree with each statement by indicating the number that best describe their perceptions. All the 25 items on service quality were likert scaled using five points ranging between 1=Strongly Disagree to 5=Strongly Agree. Their responses were analyzed and described using Means and Standard deviations as summarized in Table 4.2 below.

Table 4. 2. Description of the level of service quality

Description of variables	Items (Independent variables)	Means	Standard deviation	Interpretation	Rank
Reliability	If a response is promised in a certain time, does it happen?	3.4560	.92896	Very high	4
	Are exact specifications of client followed?	3.7520	.74764	Very high	1
	Are statements or reports free of error?	3.5040	1.01301	Very high	3
	Is service performed right the first time?	3.7280	.80699	Very high	2
	Is level of service same at all times of day and for all members of staff?	3.4560	1.00406	Very high	4
	Sub total	3.5792	.900132	Very high	
Assurance	Can staff provide service without fumbling around?	3.6080	.82204	Very high	4
	Are materials provided appropriate and up to date?	3.8080	.66836	Very high	2
	Can staff use the technology quickly and skillfully?	3.8000	.75134	Very high	3
	Does staff appear to know what they are doing?	3.8640	.78642	Very high	1
	Sub total	3.7700	.75704	Very high	
Tangibles	Are facilities attractive?	3.8320	1.92075	Very high	4
	Are staffs dressed appropriately?	3.9360	.87753	Very high	2
	Are written materials easy to understand?	4.0320	.67125	Very high	1
	Does technology look modern?	3.8560	.90433	Very high	3
	Sub total	3.91400	1.09346	Very high	
Empathy	Does someone on staff recognize each regular client and address them by name?	3.5040	1.11170	Very high	6
	Do staffs try to determine what client's specific objectives are?	3.4640	.89392	Very high	7
	Is level of service and cost of service consistent with what client requires and can afford?	3.5120	.85775	Very high	5

	Are service providers showing politeness, respect, consideration and friendliness?	3.8560	.75886	Very high	1
	Does staff member have a pleasant demeanor?	3.8320	.76975	Very high	2
	Does staff refrain from acting busy or being rude when clients ask questions?	3.3840	1.00630	Very high	8
	Are those who answer the telephone (or emails) considerate and polite?	3.6240	.88595	Very high	3
	Do staffs observe consideration of the property and values of clients?	3.6160	.93139	Very high	4
	Sub total	3.59900	0.90195	Very high	
Responsiveness	When there is a problem, does the organization respond to it quickly?	3.3680	1.06662	Very high	4
	Are staffs willing to answer client questions?	3.6000	.96720	Very high	2
	Are specific times for service accomplishments given to client?	3.5520	.89313	Very high	3
	Are public situations treated with care and seriousness?	3.6480	.82556	Very high	1
	Sub total	3.54200	.93813	Very high	

Source: Primary data 2018

Key: Mean range Interpretation on the level of service quality

3.26 – 4.00 Very high level

2.51 – 3.25 High level

1.76 – 2.50 Low level

1.00 – 1.75 Very low levels

According to Scott (1997), if the distribution of sample is normal or approximately normal, likert type scale ranging from 1(strongly disagree/Highly dissatisfied) to 5 (strongly agree/highly satisfied) interpretations should be like following:

Mean up to 2.8=Disagree/Dissatisfy

2.9 to 3.2=Neutral

Above 3.2=Agree

According to the above table, service quality exists in private and public bank of Ethiopia at high level because, all variables means are above 3.2(or strongly agree) but at different rate. i.e, the greater mean=3.914 for tangibles, it implies banks are exercised care in what is being produced and how it is produced. And among the variables responsiveness get minimum mean=3.542, it have a good implication because it also has a greater mean of respondents it indicates banks requires to work more on customer expectation and recognizes the limitation of service delivery to align customer needs.

4.3. LEVEL OF CUSTOMER SATISFACTION

The third study objective was to determine the level of customer satisfaction in private and public banks of Ethiopia. It was measured using 3 questions in which respondents were requested to indicate the extent to which they satisfied or dissatisfied with the statement by writing the number that best describes their perception. Each of the items in the questionnaire was rated with the aid of four likert scaled subjects ranging between one and five; where 1=Very dissatisfied, 2=Dissatisfied, 3=Neutral, 4=Satisfied, 5=Very satisfied. Their responses were described using means and standard deviations as summarized in Table 4.3.

Table 4. 3. Description of the level of customer satisfaction

Description of variables	Items (Dependent variables)	Means	Standard deviation	Interpretation	Rank
Customer Satisfaction	a response is promised in a certain time, will happen I am very satisfied with the way (company) performed (is performing)	3.6480	.96098	Very high	3
	I am satisfied with the(Company) service representative	3.7520	.83912	Very high	1
	I am satisfied with the amount of contact between me/my organization and banks service management	3.7360	.83419	Very high	2
	Sub total	3.7120	.87810	Very high	

Source: Primary data 2018

Key: Mean range Interpretation on the level of customer satisfaction

3.26 – 4.00 Very high level

2.51 – 3.25 High level

1.76 – 2.50 Low level

1.00 – 1.75 Very low levels

From the above table, the researcher get, all mean are greater than 3.2, that shows the respondent are strongly satisfied with over all the bank service representative (mean=3.7520, the greater mean the amount of contact with banks (Mean=3.7360) and lastly the bank performance (mean=3.6480).In the literature the researcher put how customer satisfaction is useful to run a business, and the above table indicates a customer loyalty of use of bank product, and also increase customer lifetime value.

4.4. RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION

The fourth objective of this study was to determine if there is a significant relationship between service quality and customer satisfaction in Private and Public banks of Ethiopia, to get an overall picture of the relationship, the researcher combined all the mean perceptions computed in Tables 4.2 and 4.3 above, after which the three indices were correlated using the Pearson's linear correlation coefficient (PLCC, or r). Results of this test are indicated in Table 4.4 below.

Table 4.4. Correlation results between service quality and customer satisfaction.

Variables correlated	R-value	Sig-value	Interpretation (relationship)	Decision on Ho
Reliability and customer satisfaction of the company performance	0.1558	0.1684	Positive and insignificant	Reject
Assurance and customer satisfaction of the company performance	0.3067	0.0015	Significant	Accept
Tangibles and customer satisfaction of the company performance	0.2443	0.0152	Significant	Accept
Empathy and customer satisfaction of the company performance	0.3712	0.0007	Significant	Accept
Responsiveness and customer satisfaction of the company performance	0.4082	0.0002	Significant	Accept
Reliability and customer satisfaction of the company representatives	0.2226	0.0806	Positive and insignificant	Reject
Assurance and customer satisfaction of the company representatives	0.4687	0.0000	Significant	Accept
Tangibles and customer satisfaction of the company representatives	0.3065	0.0037	Significant	Accept
Empathy and customer satisfaction of the company representatives	0.4480	0.0001	Significant	Accept
Responsiveness and customer satisfaction of the company representatives	0.5335	0.0000	Significant	Accept
Reliability and customer satisfaction on the amount of contact between organization and banks service management	0.1984	0.1002	Positive and insignificant	Reject
Assurance and customer satisfaction on the amount of contact between organization and banks service management	0.4070	0.0002	Significant	Accept
Tangibles and customer satisfaction on the amount of contact between organization and banks service management	0.3237	0.0010	Significant	Accept
Empathy and customer satisfaction on the amount of contact between organization and banks service management	0.4009	0.0005	Significant	Accept
Responsiveness and the amount of contact between organization and banks service management	0.4237	0.0002	Significant	Accept

Source: Primary data 2018

The above table revealed that, Positive reliability are not significantly related with customer satisfaction of the company performance, customer satisfaction of companies representatives and customers satisfaction of amount of contact between the organization and banks at ($r=0.1558$, $sig=0.1684$), ($r=0.2226$, $sig=0.0806$) and ($r=0.1984$, $sig=0.1002$) respectively. This implies the result of data does not proof the hypothesis of the study and accordingly reliability has not significantly related with customer satisfaction.

The study supports Frehiwot(2016) paper that have conclusion of, reliability are not an influential factor for the satisfaction of customers and Changes in this variable are not associated with the satisfaction of customers so that the dimensions are not as such the important concerns for three banks.

The above table shows that, Assurance are significantly related with customer satisfaction of the company performance, customer satisfaction of companies representatives and customers satisfaction of amount of contact between the organization and banks at ($r=0.3067$, $sig=0.0015$), ($r=0.4687$, $sig=0.000$) and ($r=0.4070$, $sig=0.0002$) respectively. This implies the result is aligning with the hypothesis of the study.

Frehiwot(2016) pointed out that customers satisfaction is influenced by Assurance and opposite to Munusamy et al (2010) finding of Assurance, Reliability, Empathy and Responsiveness have no significant effect on Customer Satisfaction. Only Tangibles have significant effect on Customer Satisfaction.

Based on the above table, Tangibles are significantly related with customer satisfaction of the company performance, customer satisfaction of companies representatives and customers satisfaction of amount of contact between the organization and banks at ($r=0.2443$, $sig=0.0152$), ($r=0.3065$, $sig=0.0037$) and ($r=0.3237$, $sig=0.0010$) respectively. This implies the result is matching with the hypothesis of the study. And also support Munusamy et al (2010) finding, Only Tangibles have significant effect on Customer Satisfaction.

Table 4.4. Shows, Empathy are significantly related with customer satisfaction of the company performance, customer satisfaction of companies representatives and customers satisfaction of amount of contact between the organization and banks at ($r=0.3712$, $\text{sig}=0.0007$), ($r=0.4480$, $\text{sig}=0.001$) and ($r=0.4009$, $\text{sig}=0.0005$) respectively. This implies the result is matching with the hypothesis of the study and will clash with Munusamy et al (2010) finding and support Hong and Marimuthu(2014) paper that says all five dimensions have significant relationship with customer satisfaction.

According to the above table, responsiveness are significantly related with customer satisfaction of the company performance, customer satisfaction of companies representatives and customers satisfaction of amount of contact between the organization and banks at ($r=0.3712$, $\text{sig}=0.0007$), ($r=0.4480$, $\text{sig}=0.001$) and ($r=0.4009$, $\text{sig}=0.0005$) respectively. This implies the result is similar with the hypothesis of the study. But it differs from Munusamy et al (2010) finding, also Frehiwot(2016) papers. Hong and Marimuthu(2014) paper that says all five dimensions have significant relationship with customer satisfaction would the support this results.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

On the basis of the findings of the results presented in the preceding chapter, this chapter attempts to give summary of findings, conclusions and recommendations.

4.1. SUMMARY OF FINDINGS

The objective of the study was to assess relationship between bank service quality and customer satisfaction in private and public banks of Ethiopia. The literature tries to identify theoretical view of service quality and customer satisfaction, use of customer satisfaction for business and banking sector and empirical evidences from abroad and within the county. Based on the literature, the selected independent (reliability, assurance, tangibles, empathy and responsiveness) and dependent variables (Customer satisfaction) are set.

A descriptive research design was adopted to explain the relationship between the study variables. A quantitative research approaches were employed to collect data. The data sources for the research were both primary and secondary. The primary data were collected and computed and analyzed based on distributed questioners for three representative banks (sample of CBE (#108),AwB (#14), and AbB (#3)).The secondary data were collected from different books ,journals.

The analysis employed, frequency and percentage to describe the demographic characteristics and compare the mean and standard deviation of services quality dimensions to get relationship with customer satisfaction.

The results from the analysis revealed that, high mean and low standard deviation of independent variables shows the service quality existence and practice of three banks. And also customer satisfaction also high, this would proof customer loyalty. And lastly, from Pearson's correlation test results, all independent variables are significantly related with dependent variable except reliability. This will support the study hypothesis.

4.2. CONCLUSIONS

In this subsection, the researcher makes conclusion of the study findings in relation to the study objectives set in chapter one.

Level of service quality in Private and public banks of Ethiopia

Based on the research findings, service quality exists and practiced in private and public and private banks of Ethiopia at high rate.

Level of customer satisfaction among Private and public banks of Ethiopia

Based on the research findings, customer satisfaction of private and public banks are high. And it assures loyalty of customers.

Relationship between service quality and customer satisfaction in private and public banks of Ethiopia

Based on the research findings, independent variables (Assurance, Tangibles, Empathy and responsiveness are significantly related with customer satisfaction. But reliability has positive relation with no significance.

Strategies to enhance customer satisfaction in private and public banks

Basing on the study findings, there is high customer satisfaction related to service quality of banks. Though, to continue this way, the researcher recommend 3 strategies for banks, from web (Aug 16, 2013), to sustain with their customer base and to improve their product differentiation.(1)Treat your customers like they are your boss.(2)Build customer loyalty to increase customer satisfaction.(3)Set customer expectations early .

4.3. RECOMMENDATIONS

Based on the findings of the study, the following possible recommendations were forwarded as follows:

According to the study findings, to continue with high customer satisfaction, the researcher would recommend banks to improve the quality of their service and to increase the level of customer satisfaction; they should treat their customers like they are their boss; they should build customer loyalty to increase customer satisfaction; and they should set customer expectations early to satisfy their needs.

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Appendix

Appendix 1

**ST.MARY'SUNIVERSTY
SCHOOLOFGRADUATESTUDIES
Masters in Accounting and Finance**

Researcher: HIWOT ATILABACEW(hiwotatilabachew@gmail.com & (+251911036041)

Research topic: the effect of Bank Service Quality on Customer Satisfaction in Private and Public banks of Ethiopia

Dear Participant,

This questionnaire designed to conduct a research on the topic of ‘Assessment of relationship between Bank Service Quality and Customer Satisfaction in Private and Public banks of Ethiopia’. The purpose of the study is for the partial fulfillment of the requirement of the Master’s Degree at St. Mary’s university. For the successful accomplishment of the study, their responses of employees of the bank have key roles. So, you are kindly requested to genuinely fill the questionnaire, please be sure that the information you provide will be treated confidentially and used for the purpose of the study only.

Thank you in advance for your cooperation!

Part I. General information

1. Sex 1.Male 2.Female
2. Age _____
3. Occupation _____
4. Which Bank you are customer? _____
5. What kind of customer you are
 1. Retail 2.Business
6. Educational level
 1. Diploma 2.BAdegree 3.MAdegree 4.Above
 - 5.None
7. How often do you typically use the bank Product?
 1. Once a year 2. Daily 3.Weekly 4.Once a month
 - 5.Do not use

	quickly?					
	Are staffs willing to answer client questions?					
	Are specific times for service accomplishments given to client?					
	Are public situations treated with care and seriousness?					

Part III: Questionnaires related to Customer Satisfaction

1=Very dissatisfied

2=Dissatisfied

3=Neutral

4=Satisfied

5 =

Very satisfied

SI NO	Customer satisfaction measurement	Rating				
		1	2	3	4	5
	I am very satisfied with the way (company) performed (is performing)					
	I am satisfied with the(Company) service representative					
	I am satisfied with the amount of contact between me/my organization and banks service management					

THANKYOU

Appendix 2

Reliability Statistics

Cronbach's Alpha	N of Items
.777	4

Reliability Statistics

Cronbach's Alpha	N of Items
.806	8

Reliability Statistics

Cronbach's Alpha	N of Items
.780	4

Reliability Statistics

Cronbach's Alpha	N of Items
.902	3

Reliability Statistics

Cronbach's Alpha	N of Items
.786	4

Reliability Statistics

Cronbach's Alpha	N of Items
.707	5

Reliability Statistics

Cronbach's Alpha	N of Items
.904	28

Appendix 3

Sex

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	81	64.8	64.8	64.8
Female	44	35.2	35.2	100.0
Total	125	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 14-17	1	.8	.8	.8
18-24	24	19.2	19.2	20.0
25-30	47	37.6	37.6	57.6
31-35	28	22.4	22.4	80.0
36-45	16	12.8	12.8	92.8
46-55	5	4.0	4.0	96.8
above	4	3.2	3.2	100.0
Total	125	100.0	100.0	

Occupation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Student	5	4.0	4.0	4.0
private	35	28.0	28.0	32.0
Government officer	23	18.4	18.4	50.4
Banker	11	8.8	8.8	59.2
Others	51	40.8	40.8	100.0
Total	125	100.0	100.0	

which bank you are customers

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid CBE	108	86.4	86.4	86.4
Awash Bank	14	11.2	11.2	97.6
Abay Bank	3	2.4	2.4	100.0
Total	125	100.0	100.0	

Customer type

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Retail	85	68.0	68.0	68.0
Valid Business	40	32.0	32.0	100.0
Total	125	100.0	100.0	

education level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid diploma	36	28.8	28.8	28.8
Valid BA degree	61	48.8	48.8	77.6
Valid MA degree	18	14.4	14.4	92.0
Valid Above	4	3.2	3.2	95.2
Valid None	6	4.8	4.8	100.0
Total	125	100.0	100.0	

how often do you typically use the bank product

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Daily	37	29.6	29.6	29.6
Valid Weekly	58	46.4	46.4	76.0
Valid Once a month	30	24.0	24.0	100.0
Total	125	100.0	100.0	

Appendix 4

Descriptive Statistics-Reliability

	N	Minimum	Maximum	Mean	Std. Deviation
If a response is promised in a certain time	125	1.00	5.00	3.4560	.92896
exact specification of client followed	125	2.00	5.00	3.7520	.74764
Are statment or reports free of error	125	1.00	5.00	3.5040	1.01301
Is service performed right the first time	125	1.00	5.00	3.7280	.80699
Is level of service same at all times of day and for all members of staffs	125	1.00	5.00	3.4560	1.00406
Valid N (listwise)	125				

Descriptive Statistics-Assurance

	N	Minimum	Maximum	Mean	Std. Deviation
can staff provide service with out fumbling around	125	1.00	5.00	3.6080	.82204
Are materials provided appropriate and up to date?	125	1.00	5.00	3.8080	.66836
Can staff use the technology quickly and skillfully?	125	1.00	5.00	3.8000	.75134
Does staff appear to know what they are doing?	125	1.00	5.00	3.8640	.78642
Valid N (listwise)	125				

Descriptive Statistics-Tangibles

	N	Minimum	Maximum	Mean	Std. Deviation
Are facilities attractive?	125	1.00	22.00	3.8320	1.92075
Are staffs dressed appropriately?	125	1.00	5.00	3.9360	.87753
Are written materials easy to understand?	125	1.00	5.00	4.0320	.67125
Does technology look modern?	125	1.00	5.00	3.8560	.90433
Valid N (listwise)	125				

Descriptive Statistics-Empathy

	N	Minimum	Maximum	Mean	Std. Deviation
Does someone on staff recognize each regular client and address them by name?	125	1.00	5.00	3.5040	1.11170
Do staffs try to determine what client's specific objectives are?	125	1.00	5.00	3.4640	.89392
Is level of service and cost of service consistent with what client requires and can afford?	125	1.00	5.00	3.5120	.85775
Are service providers showing politeness, respect, consideration and friendliness?	125	1.00	5.00	3.8560	.75886
Does staff member have a pleasant demeanor?	125	1.00	5.00	3.8320	.76975
Does staff refrain from acting busy or being rude when clients ask questions?	125	1.00	5.00	3.3840	1.00630
Are those who answer the telephone (or emails) considerate and polite?	125	1.00	5.00	3.6240	.88595
Do staffs observe consideration of the property and values of clients?	125	1.00	5.00	3.6160	.93139
Valid N (listwise)	125				

Descriptive Statistics-responsiveness

	N	Minimum	Maximum	Mean	Std. Deviation
When there is a problem, does the organization respond to it quickly?	125	1.00	5.00	3.3680	1.06662
Are staffs willing to answer client questions?	125	1.00	5.00	3.6000	.96720
Are specific times for service accomplishments given to client?	125	1.00	5.00	3.5520	.89313
Are public situations treated with care and seriousness?	125	1.00	5.00	3.6480	.82556
Valid N (listwise)	125				

Descriptive Statistics-Customer Satisfaction

	N	Minimum	Maximum	Mean	Std. Deviation
I am very satisfied with the way (company) performed (is performing)	125	1.00	5.00	3.6480	.96098
I am satisfied with the(Company) service representative	125	1.00	5.00	3.7520	.83912
I am satisfied with the amount of contact between me/my organization and banks service management	125	1.00	5.00	3.7360	.83419
Valid N (listwise)	125				

Appendix 5

Correlations-reliability and customer satisfaction of company performance

		If a response is promised in a certain time	exact specification of client followed	Are statment or reports free of error	Is service performed right first time
If a response is promised in a certain time	Pearson Correlation	1	.141	.259**	
	Sig. (2-tailed)		.117	.003	
	N	125	125	125	
exact specification of client followed	Pearson Correlation	.141	1	.262**	.2
	Sig. (2-tailed)	.117		.003	
	N	125	125	125	
Are statment or reports free of error	Pearson Correlation	.259**	.262**	1	.3
	Sig. (2-tailed)	.003	.003		
	N	125	125	125	
Is service performed right the first time	Pearson Correlation	.156	.248**	.366**	
	Sig. (2-tailed)	.082	.005	.000	
	N	125	125	125	
Is level of service same at all times of day and for all members of staffs	Pearson Correlation	.078	.216*	.288**	.3
	Sig. (2-tailed)	.388	.015	.001	
	N	125	125	125	
I am very satisfied with the way (company) performed (is	Pearson Correlation	.190*	.091	.076	.2
	Sig. (2-tailed)	.034	.314	.399	

performing)	N	125	125	125
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** . Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlations- Assurance and customer satisfaction on company performance

		can staff provide service with out fumbling around	Are materials provided appropriate and up to date?	Can staff use the technology quickly and skillfully?	Does staff appear to know what they are doing?
can staff provide service without fumbling around	Pearson Correlation	1	.522**	.420**	.329*
	Sig. (2-tailed)		.000	.000	.000
	N	125	125	125	125
Are materials provided appropriate and up to date?	Pearson Correlation	.522**	1	.485**	.395*
	Sig. (2-tailed)	.000		.000	.000
	N	125	125	125	125
Can staff use the technology quickly and skillfully?	Pearson Correlation	.420**	.485**	1	.677*
	Sig. (2-tailed)	.000	.000		.000
	N	125	125	125	125
Does staff appear to know what they are doing?	Pearson Correlation	.329**	.395**	.677**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	125	125	125	125
I am very satisfied with the way (company) performed (is performing)	Pearson Correlation	.314**	.245**	.326**	.342*
	Sig. (2-tailed)	.000	.006	.000	.000
	N	125	125	125	125

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

Correlations-tangibles and customer satisfaction on company performance

		Are facilities attractive?	Are staffs dressed appropriately?	Are written materials easy to understand?	Does technology look modern?
Are facilities attractive?	Pearson Correlation	1	.252**	.192*	.04
	Sig. (2-tailed)		.005	.032	.60
	N	125	125	125	125

	Pearson Correlation	.252**	1	.496**	.364*
Are staffs dressed appropriately?	Sig. (2-tailed)	.005		.000	.000
	N	125	125	125	125
	Pearson Correlation	.192*	.496**	1	.512*
Are written materials easy to understand?	Sig. (2-tailed)	.032	.000		.000
	N	125	125	125	125
	Pearson Correlation	.046	.364**	.512**	
Does technology look modern?	Sig. (2-tailed)	.608	.000	.000	
	N	125	125	125	125
	Pearson Correlation	.217*	.183*	.330**	.247*
I am very satisfied with the way (company) performed (is performing)	Sig. (2-tailed)	.015	.041	.000	.000
	N	125	125	125	125

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

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations-empathy and customer satisfaction

		Are service providers showing politeness, respect, consideration and friendliness?	Does someone on staff recognize each regular client and address them by name?	Do staffs try to determine what client's specific objectives are?	Is level of service and cost of service consistent with what client requires and can afford?
Are service providers showing politeness, respect, consideration and friendliness?	Pearson Correlation	1	.316**	.325**	
	Sig. (2-tailed)		.000	.000	
	N	125	125	125	
Does someone on staff recognize each regular client and address them by name?	Pearson Correlation	.316**	1	.712**	
	Sig. (2-tailed)	.000		.000	
	N	125	125	125	
Do staffs try to determine what client's specific objectives are?	Pearson Correlation	.325**	.712**	1	
	Sig. (2-tailed)	.000	.000		
	N	125	125	125	
Is level of service and cost of service consistent with what client requires and can afford?	Pearson Correlation	.350**	.294**	.445**	
	Sig. (2-tailed)	.000	.001	.000	
	N	125	125	125	
Does staff member have a pleasant demeanor?	Pearson Correlation	.635**	.298**	.302**	
	Sig. (2-tailed)	.000	.001	.001	
	N	125	125	125	
Does staff refrain from acting busy or being rude when clients ask questions?	Pearson Correlation	.157	.193*	.177*	
	Sig. (2-tailed)	.079	.031	.048	
	N	125	125	125	

Are those who answer the telephone (or emails) considerate and polite?	Pearson Correlation	.543**	.309**	.334**
	Sig. (2-tailed)	.000	.000	.000
	N	125	125	125
Does technology look modern?	Pearson Correlation	.404**	.201*	.213*
	Sig. (2-tailed)	.000	.025	.017
	N	125	125	125
I am very satisfied with the way (company) performed (is performing)	Pearson Correlation	.571**	.386**	.370**
	Sig. (2-tailed)	.000	.000	.000
	N	125	125	125

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

*. Correlation is significant at the 0.05 level (2-tailed).

Correlations-Responsiveness and customer satisfaction on company performance

		When there is a problem, does the organization respond to it quickly?	Are staffs willing to answer client questions?	Are specific times for service accomplishments given to client?	Are public situations treated with care and seriousness?
When there is a problem, does the organization respond to it quickly?	Pearson Correlation	1	.472**	.496**	.423**
	Sig. (2-tailed)		.000	.000	.000
	N	125	125	125	125
Are staffs willing to answer client questions?	Pearson Correlation	.472**	1	.398**	.519**
	Sig. (2-tailed)	.000		.000	.000
	N	125	125	125	125
Are specific times for service accomplishments given to client?	Pearson Correlation	.496**	.398**	1	.561**
	Sig. (2-tailed)	.000	.000		.000
	N	125	125	125	125
Are public situations treated with care and seriousness?	Pearson Correlation	.423**	.519**	.561**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	125	125	125	125
I am very satisfied with the way (company) performed (is performing)	Pearson Correlation	.631**	.333**	.369**	.300**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	125	125	125	125

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

Correlations-reliability and customer satisfaction on company representative

		If a response is promised in a certain time	exact specification of client followed	Are statement or reports free of error	Is service performed right first time
If a response is promised in a certain time	Pearson Correlation	1	.141	.259**	
	Sig. (2-tailed)		.117	.003	
	N	125	125	125	
exact specification of client followed	Pearson Correlation	.141	1	.262**	.2
	Sig. (2-tailed)	.117		.003	
	N	125	125	125	
Are statement or reports free of error	Pearson Correlation	.259**	.262**	1	.3
	Sig. (2-tailed)	.003	.003		
	N	125	125	125	
Is service performed right the first time	Pearson Correlation	.156	.248**	.366**	
	Sig. (2-tailed)	.082	.005	.000	
	N	125	125	125	
Is level of service same at all times of day and for all members of staffs	Pearson Correlation	.078	.216*	.288**	.3
	Sig. (2-tailed)	.388	.015	.001	
	N	125	125	125	
I am satisfied with the(Company) service representative	Pearson Correlation	.281**	.210*	.082	.3
	Sig. (2-tailed)	.002	.019	.364	
	N	125	125	125	

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

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations-Assurance and customer satisfaction on company representative

		can staff provide service without fumbling around	Are materials provided appropriate and up to date?	Can staff use the technology quickly and skillfully?	Does staff appear to know what they are doing?
can staff provide service with out fumbling around	Pearson Correlation	1	.522**	.420**	.329*
	Sig. (2-tailed)		.000	.000	.000
	N	125	125	125	125
Are materials provided appropriate and up to date?	Pearson Correlation	.522**	1	.485**	.395**
	Sig. (2-tailed)	.000		.000	.000
	N	125	125	125	125
Can staff use the technology quickly and skillfully?	Pearson Correlation	.420**	.485**	1	.677**
	Sig. (2-tailed)	.000	.000		.000

	N	125	125	125	125
Does staff appear to know what they are doing?	Pearson Correlation	.329**	.395**	.677**	
	Sig. (2-tailed)	.000	.000	.000	
	N	125	125	125	125
I am satisfied with the(Company) service representative	Pearson Correlation	.466**	.375**	.560**	.474*
	Sig. (2-tailed)	.000	.000	.000	.000
	N	125	125	125	125

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

Correlations-Tangibles and customer satisfaction on company representative

		Are facilities attractive?	Are staffs dressed appropriately?	Are written materials easy to understand?	Does technology look modern?
Are facilities attractive?	Pearson Correlation	1	.252**	.192*	.046
	Sig. (2-tailed)		.005	.032	.608
	N	125	125	125	125
Are staffs dressed appropriately?	Pearson Correlation	.252**	1	.496**	.364*
	Sig. (2-tailed)	.005		.000	.000
	N	125	125	125	125
Are written materials easy to understand?	Pearson Correlation	.192*	.496**	1	.512*
	Sig. (2-tailed)	.032	.000		.000
	N	125	125	125	125
Does technology look modern?	Pearson Correlation	.046	.364**	.512**	1
	Sig. (2-tailed)	.608	.000	.000	
	N	125	125	125	125
I am satisfied with the(Company) service representative	Pearson Correlation	.224*	.263**	.372**	.367*
	Sig. (2-tailed)	.012	.003	.000	.000
	N	125	125	125	125

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

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations-Empathy and customer satisfaction

		Does someone on staff recognize each regular client and address them by name?	Do staffs try to determine what client's specific objectives are?	Is level of service and cost of service consistent with what client requires and can afford?	Are staffs polite and considerate to the client's friend?
Does someone on staff recognize	Pearson Correlation	1	.712**	.294**	

each regular client and address them by name?	Sig. (2-tailed)		.000	.001
	N	125	125	125
Do staffs try to determine what client's specific objectives are?	Pearson Correlation	.712**	1	.445**
	Sig. (2-tailed)	.000		.000
	N	125	125	125
Is level of service and cost of service consistent with what client requires and can afford?	Pearson Correlation	.294**	.445**	1
	Sig. (2-tailed)	.001	.000	
	N	125	125	125
Are service providers showing politeness, respect, consideration and friendliness?	Pearson Correlation	.316**	.325**	.350**
	Sig. (2-tailed)	.000	.000	.000
	N	125	125	125
Does staff member have a pleasant demeanor?	Pearson Correlation	.298**	.302**	.241**
	Sig. (2-tailed)	.001	.001	.007
	N	125	125	125
Does staff refrain from acting busy or being rude when clients ask questions?	Pearson Correlation	.193*	.177*	.069
	Sig. (2-tailed)	.031	.048	.442
	N	125	125	125
Are those who answer the telephone (or emails) considerate and polite?	Pearson Correlation	.309**	.334**	.319**
	Sig. (2-tailed)	.000	.000	.000
	N	125	125	125
Do staffs observe consideration of the property and values of clients?	Pearson Correlation	.438**	.439**	.339**
	Sig. (2-tailed)	.000	.000	.000
	N	125	125	125
I am satisfied with the(Company) service representative	Pearson Correlation	.386**	.445**	.290**
	Sig. (2-tailed)	.000	.000	.001
	N	125	125	125

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

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations-responsiveness and customer satisfaction on company representatives

		When there is a problem, does the organization respond to it quickly?	Are specific times for service accomplishments given to client?	Are staffs willing to answer client questions?	Are public situations treated with care and seriousness?
When there is a problem, does the organization respond to it quickly?	Pearson Correlation	1	.496**	.472**	.423*
	Sig. (2-tailed)		.000	.000	.000
	N	125	125	125	125
Are specific times for service accomplishments given to client?	Pearson Correlation	.496**	1	.398**	.561*
	Sig. (2-tailed)	.000		.000	.000

	N	125	125	125	12
Are staffs willing to answer client questions?	Pearson Correlation	.472**	.398**	1	.519*
	Sig. (2-tailed)	.000	.000		.00
	N	125	125	125	12
Are public situations treated with care and seriousness?	Pearson Correlation	.423**	.561**	.519**	
	Sig. (2-tailed)	.000	.000	.000	
	N	125	125	125	12
I am satisfied with the(Company) service representative	Pearson Correlation	.634**	.550**	.413**	.537*
	Sig. (2-tailed)	.000	.000	.000	.00
	N	125	125	125	12

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

Correlations-Reliability and customer satisfaction on the amount of contact between organization and

		If a response is promised in a certain time	exact specification of client followed	Are statment or reports free of error	Is service performed right first time
If a response is promised in a certain time	Pearson Correlation	1	.141	.259**	
	Sig. (2-tailed)		.117	.003	
	N	125	125	125	
exact specification of client followed	Pearson Correlation	.141	1	.262**	.2
	Sig. (2-tailed)	.117		.003	
	N	125	125	125	
Are statment or reports free of error	Pearson Correlation	.259**	.262**	1	.3
	Sig. (2-tailed)	.003	.003		
	N	125	125	125	
Is service performed right the first time	Pearson Correlation	.156	.248**	.366**	
	Sig. (2-tailed)	.082	.005	.000	
	N	125	125	125	
Is level of service same at all times of day and for all members of staffs	Pearson Correlation	.078	.216*	.288**	.3
	Sig. (2-tailed)	.388	.015	.001	
	N	125	125	125	
I am satisfied with the amount of contact between me/my organization and banks service management	Pearson Correlation	.219*	.140	.082	.3
	Sig. (2-tailed)	.014	.120	.361	
	N	125	125	125	

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

*. Correlation is significant at the 0.05 level (2-tailed).

Correlations-Assurance and customer satisfaction on the amount of contact between organization and bank

		can staff provide service with out fumbling around	Are materials provided appropriate and up to date?	Can staff use the technology quickly and skillfully?	Does staff appear to know what they are doing?
can staff provide service with out fumbling around	Pearson Correlation	1	.522**	.420**	.329*
	Sig. (2-tailed)		.000	.000	.000
	N	125	125	125	125
Are materials provided appropriate and up to date?	Pearson Correlation	.522**	1	.485**	.395**
	Sig. (2-tailed)	.000		.000	.000
	N	125	125	125	125
Can staff use the technology quickly and skillfully?	Pearson Correlation	.420**	.485**	1	.677**
	Sig. (2-tailed)	.000	.000		.000
	N	125	125	125	125
Does staff appear to know what they are doing?	Pearson Correlation	.329**	.395**	.677**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	125	125	125	125
I am satisfied with the amount of contact between me/my organization and banks service management	Pearson Correlation	.401**	.299**	.455**	.473**
	Sig. (2-tailed)	.000	.001	.000	.000
	N	125	125	125	125

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

Correlations-Tangibles and customer satisfaction on the amount of contact between organization and bank

		Are facilities attractive?	Are staffs dressed appropriately?	Are written materials easy to understand?	Does technology look modern?
Are facilities attractive?	Pearson Correlation	1	.252**	.192*	.04
	Sig. (2-tailed)		.005	.032	.60
	N	125	125	125	125

	Pearson Correlation	.252**	1	.496**	.364*
Are staffs dressed appropriately?	Sig. (2-tailed)	.005		.000	.000
	N	125	125	125	125
	Pearson Correlation	.192*	.496**	1	.512*
Are written materials easy to understand?	Sig. (2-tailed)	.032	.000		.000
	N	125	125	125	125
	Pearson Correlation	.046	.364**	.512**	
Does technology look modern?	Sig. (2-tailed)	.608	.000	.000	
	N	125	125	125	125
	Pearson Correlation	.269**	.274**	.375**	.377*
I am satisfied with the amount of contact between me/my organization and banks service management	Sig. (2-tailed)	.002	.002	.000	.000
	N	125	125	125	125

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

* . Correlation is significant at the 0.05 level (2-tailed).

Correlation-Empathy and customer satisfaction on the amount

		Does someone on staff recognize each regular client and address them by name?	Do staffs try to determine what client's specific objectives are?	Is level of service and cost of service consistent with what client requires and can afford?	Are service providers showing politeness, respect, consideration and friendliness?
Does someone on staff recognize each regular client and address them by name?	Pearson Correlation	1	.712**	.294**	
	Sig. (2-tailed)		.000	.001	
	N	125	125	125	
Do staffs try to determine what client's specific objectives are?	Pearson Correlation	.712**	1	.445**	
	Sig. (2-tailed)	.000		.000	
	N	125	125	125	
Is level of service and cost of service consistent with what client requires and can afford?	Pearson Correlation	.294**	.445**	1	
	Sig. (2-tailed)	.001	.000		
	N	125	125	125	
Are service providers showing politeness, respect, consideration and friendliness?	Pearson Correlation	.316**	.325**	.350**	
	Sig. (2-tailed)	.000	.000	.000	
	N	125	125	125	
Does staff member have a pleasant demeanor?	Pearson Correlation	.298**	.302**	.241**	
	Sig. (2-tailed)	.001	.001	.007	
	N	125	125	125	
Does staff refrain from acting busy	Pearson Correlation	.193*	.177*	.069	

or being rude when clients ask questions?	Sig. (2-tailed)	.031	.048	.442
	N	125	125	125
Are those who answer the telephone (or emails) considerate and polite?	Pearson Correlation	.309**	.334**	.319**
	Sig. (2-tailed)	.000	.000	.000
	N	125	125	125
Do staffs observe consideration of the property and values of clients?	Pearson Correlation	.438**	.439**	.339**
	Sig. (2-tailed)	.000	.000	.000
	N	125	125	125
I am satisfied with the amount of contact between me/my organization and banks service management	Pearson Correlation	.440**	.404**	.258**
	Sig. (2-tailed)	.000	.000	.004
	N	125	125	125

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

* . Correlation is significant at the 0.05 level (2-tailed).