St. Mary's University, Ethiopia

EFFECTS OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN AWASH BANK

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EFFECTS OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN AWASH BANK

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ST.MARRY UNIVERSITY
SCHOOL OF GRADUATE STUDIES

This is to certify that the thesis prepared by Gezahegn Kuma , entitled: effect of Customer Service Quality on Customer Satisfaction in Awash bank and submitted in partial fulfillment of the requirements for Masters Degree in Marketing Management complies with the regulations of the university and meets the accepted standard with respect to originality and quality.

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Internal Examiner   **Signature& Date**

STATEMENT OF DECLARATION

I hereby declare that this thesis titled *"The Effects of Service Quality on customer Satisfaction In Awash Bank S.C"* has been carried out by me under the guidance and supervision of my Advisor Dr. Mesfin Lemma. The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

Researcher Name	**Signature**	**Date**
Gezahegn Kuma	_____	January, 2018

STATEMENT OF CERTIFICATION

This is to certify that the thesis titled *"The Effects of Service Quality on customer Satisfaction In Awash Bank S.C",* submitted to St.marry University, Department of Management for the award of Degree of Marketing Management and is a record of genuine research work carried out by *Gezahegn Kuma*, under my guidance and supervision.

Therefore, I hereby declare that no part of this thesis has been submitted to any other university or institution for the award of any degree or diploma.

Advisor's Name   Signature   Date

Dr. Mesfin Lemma   _____   **January, 2018**

ACKNOWLEDGEMENTS

LIST OF TABLES

Acronyms

CSQ: Customer Satisfaction Questionnaire

SERVQUAL: Service Quality

SQQ: Service Quality Questionnaire

SPSS: Statistical Package for Social Sciences

AB: Awash bank s.c

ABSTRACT

This research examined effect of service quality on customer satisfaction in Awash bank s.c. Service quality has been defined as a degree and direction of discrepancy between customers' service perception and expectations. Customer satisfaction is defined as the customer's subjective evaluation of a consumption experience, based on some relationship between the customer's perceptions and objective attributes of the product. To achieve the objectives of this study, data was collected through questionnaire from a sample of 96 customer of the bank. These respondents were selected using simple random sampling method. The data collected from the questionnaire were analyzed using Statistical tools such as mean, standard deviation, correlation, and multiple regression analysis. The results of this study indicate that, except reliability the four service quality dimensions (tangibility, assurance, empathy and responsiveness) have positive and significant relationship with customer satisfaction. The finding of this study also indicates that customers were most satisfied with the empathy dimensions of service quality. On the contrary, customers were less satisfied with reliability and tangibility dimensions of service quality. Furthermore, the service quality dimensions (tangibility, reliability, assurance and empathy) significantly explain 80% of the variations in customer satisfaction in awash bank s.c. Based on the findings of the study, the researcher forwards some recommendations to the banks management and suggestions for other researchers. Empathy dimension was considered as one of the most important factors influencing customer satisfaction in awash bank was one of the vital finding of these research. Awash bank must work hard in addressing Empathy dimension of service quality and so that they can retain their customer and attract even new customer.

Key Word:- Customer satisfaction , service quality ,service quality dimension .

Contents

The study was conducted to examine the effect of customer service quality on customer satisfaction in Awash Bank. The effects of each service quality dimension have been examined and investigated in deeps and the researcher have been drawn some recommendation............... 74

CHAPTER ONE
INTRODUCTION

This paper deals about the effects of service quality on customer satisfaction in Awash Bank. The introduction section of the research includes background of the study, statements of the problem, objectives of the study, limitation of the study, scope, definition of key terms and organization of the study.

1.1. BACKGROUND OF THE STUDY

After the overthrow of the military regime Dergue and new economic policy announcement by the EPRDF, Awash Bank was established in 1991 which is pioneer private commercial bank in Ethiopia. It was established by 486 shareholders, who are considered as founders, with a paid-up capital of birr 24.2million. After having licensed on 10 November 1994, the bank started its operation on 13 February1995. The bank's total deposit during 2017 financial year has reached over birr 32.78 billion (Annual report 2016/2017).

At the end of 2017 financial year, the bank has registered a gross profit of birr 1.44 Billion, which shows an increase of 44% as compared to 2016 financial year. More importantly, the surge in the deposit level of the bank indicates the rise of public confidences on the bank on the one hand and growing awareness of the general public to use modern banking services on the other hand. As to expansion activities, so far, the bank has opened over 76 new branches during 2017 financial year. Some are located in Addis Ababa and others in various regional cities and towns. As of June 2017, the total branch networks of the bank stood at 316. In 2017 fiscal year alone, the bank has created permanent job opportunities for 769 citizens, which has raised the total labor force of the bank to 6772 (Awash Bank Report, 2016/17).

On 5 July 2012, Awash Bank has launched modern electronic payment using Automated Teller Machine (ATM) and Point of Sale (POS) terminals. Indeed, it has launched jointly with Nib Bank And United Bank by deploying shared switch card payment system infrastructures. Following The year in 2016 the bank launched mobile banking, internet banking, and agent banking and linked its ATM service with all banks in Ethiopian. This is done through premiere

switch solutions. This all will enhance accessibility of the bank across the country, increase service quality and which in the reverse will enhance customer satisfaction.

Service quality "has become as one of the key driving forces for business sustainability and is vital for firms' accomplishment" (Rust and Oliver, 1994). "Customer service quality is a crucial source of distinctive competence and often considered a key success factor in sustaining competitive advantage in service industries" (Palmer, 2001). "Service quality in banking implies consistently anticipating and satisfying the needs and expectations of customers" (Howcrof 1991). Parasuraman et al., (1985) and Zeithamletal., (1990) "noted that the key strategy for the success and survival of any business institution is the deliverance of quality services to customers."Gefan (2002) "defined Service quality as the subjective comparison that customer's make between the quality of the service that they want to receive and what they actually get."Bolton and Drew (1991) "described service quality as a form of attitude that results from the comparison of expectations with performance." Berry et al., (1990) "pointed out that since customers are the "sole judge of service quality", an organization can build strong reputation for quality service when it can constantly meet customer service expectations."Similarly, "customer satisfaction is crucial in the banking sector because of the special nature of the financial services which are characterized by intensive contacts with customers who have different needs and require customized solutions" (Molina et al.,2007). "Customer satisfaction is known to be one of the most important and serious issues towards success in today's competitive business environment, as it affects company market shares and customer retention" (Ooi, et al., 2011).

According to Hansemark and Albinson (2004) "satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals or desire". "Customer satisfaction is a collective outcome of perception, evaluation and psychological reactions to the consumption experience with a product/service" (Yi, 1990). "Customer satisfaction leads to repeat purchases, loyalty and to customer retention" (Zairi, 2000). However, "dissatisfied customers may try to reduce the dissonance by abandoning or returning the product, or they may try to reduce the dissonance by seeking information that might confirm its high value" (Kotler, 2000).Many empirical and conceptual studies have been done on customer

service quality and customer satisfaction. The finding of Mohammad and Alhamadani (2011) indicated that service quality is an important antecedent of customer satisfaction.

Parasuraman et al., (1985) "found that service quality is significant predictor of customer satisfaction by using SERVQUAL instrument." Service quality and customer satisfaction "have been identified as key elements of the service-profit chain" (Heskett et al., 1997).The successfulness of organization is, therefore, determined partly by the customer satisfaction. Accordingly, Newman and Cowling (1996) "believes that excellent service quality is vital to business profitability and survival." Thus, from the finding of Newman and cowling, the researcher understands that if service quality is going down in the organization, it will have negative effects on the organization's profitability. Thus the intention of this paper is to assess service quality dimension in Awash Bank and to ascertain what changes in service quality dimension will have on customer satisfaction and profitability of the firms.

1.3. Statement of the Problem

The banking industry can make an economy strong and they are just in economy as there is backbone in human body. Modern banks are playing lots of new roles and making life of common consumer as well as business men easy. In the past decade, the banking sector has undergone radical changes, resulting in a market place, which is characterized by intense competition, little growth in primary demand and increased deregulation. The government of Ethiopia increased deregulation, in order to encourage the investors to participate in the banking sectors, as a result the number of bank has been increased which further raises the competition and difficulty among the banks. In this competitive environment, each bank wants to attract the customers. This can be achieved through providing quality services to its customers.

Several studies have been done on service quality and customer satisfaction in service organization in Ethiopia. However, most of these studies were conducted on non-banking service organization (Electric Power Corporation, insurance, hotels). Only a few studies have been done on banks, but the studies were conducted in four selected private bank namely Nib International Bank, Wegagen Bank, United Bank and Buna international Bank (Tizazu 2012). It is not sufficient to give generalization about banks with four bank. So, the researcher wanted to see the

effects of customer service quality on customer satisfaction in Awash Banks either to approve previous research or to reject. For example, Workashe (2006) conducted research on the assessment of customer satisfaction and loyalty in banking sector: The case of Abyssinia Bank. The results indicate that the service quality positively affects customer satisfaction. Levesque and McDougall (1996) "confirmed and reinforced the idea that unsatisfactory customer service leads to a drop in customer satisfaction and willingness to recommend the service to a friend." This would in turn lead to an increase the number of customer's shifts to competitors. this study examine the effect of customer Service quality on customer satisfaction and differentiating factors of banks how Awash Bank provide their services and treat customers based on service quality dimension suggested by parasuraman.

1.4. Research Questions

The questions being raised in this study are:-

1. What is the effects of service quality dimension have on customer satisfaction?
2. What influence do the five service quality dimensions have on customer satisfaction?

1.5. Objectives of the Study

1.5.1. General Objective

The main objective of this study was to examine effects of service quality dimensions on customer's satisfaction in Awash Bank S. C.

1.5.2. Specific Objectives

➢ To identify the effect of tangibility dimension of service quality on customer's Satisfaction of Awash Bank;
➢ To examine the effect of reliability on customers' satisfaction of the Bank;
➢ To examine the effect of responsiveness on customers' satisfaction of the Bank;
➢ To investigate the effect of assurance on customers' satisfaction of the Bank;
➢ To examine the effect of empathy on customers' satisfaction of the Bank; and
➢ To identify the overall level of customers' satisfaction of the Bank.

1.6. Hypothesis of the Study

In light of the objectives articulated above, the following hypotheses were investigated:

H1: Tangibility has a positive and significant effect on customer satisfaction.

H2: Reliability has a positive and significant effect on customer satisfaction.

H3: Responsiveness has a positive and significant effect on customer Satisfaction.

H4: Assurance has a positive and significant effect on customer satisfaction.

H5: Empathy has a positive and significant effect on customer satisfaction.

1.7. Significance of the Study

The ultimate goal of any business establishment is to remain in business profitably through production and sale of products or services. Without optimal profit, a business firm cannot survive. One of the core activities in a business organization is providing quality service to its customers.

The ultimate success or failure of a company depends on its ability to sell what it produces and continues offering quality services for relatively a longer period. This study is therefore intended to help the company management to direct their attention to this highly essential function of business**.**

The study has also the following importance:

- ➤ The findings of this research will help management of the banks, board of director and stake holder of the bank to understand the role of good customer service on customer satisfaction.
- ➤ It provides literature for the bank industry under customer service quality.
- ➤ It helps to other researchers who want to conduct further study on the subject in the future.
- ➤ It provides solution for bank industry service quality problems and it may give them an idea of where they are presently in terms of their service quality and what they should do in the future.

1.8. Scope of the Study

Scope refers to the coverage aspects related to the particular study area/geographical boundary. The study is limited to a section of the impact of customer service quality on customer satisfaction measures in awash banks. Besides, the study helps as a guideline for those who conduct their study on similar topic and it gives brief information for the shareholders, prospective customers and creditors of a firm regarding service quality dimension. Due to time

and financial constraints in taking large sample size, it is difficult and unmanageable to include all branches of awash bank. Thus, the study was delimited to collect primary data from Awash Bank considering three branch of the bank namely kolfe branch, rufael branch and Gojam Berenda branch by using questioner. Methodologically, the study employed stratified random sampling technique. Finally, the study benefits the researcher to obtain new knowledge about the problem under study and gives clear picture about the discipline called research.

1.9. Limitations of the Study

All the customer of the banks was not taken as the subject of the study. Not only this but also, the fact that the study is only conducted in Awash Banks which limits the generalizability of the research findings.

1.10. Organization of the Study

This research is organized into five chapters. Chapter one contains background of the Study, Historical back ground of bank, statement of the problem, research objectives, hypothesis of the study, significance of the study, limitations and scope of the study. Chapter two provides a literature review informing the reader of what is already known in this area of study. Chapter three discusses the methodology employed in the study, including, research design, sample size and sampling technique, data source and collection method, procedure of data collection and method of data analysis. Chapter four is about data analysis and discussion of results. Finally, chapter five contains summary, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

This chapter is based on the introduction given lately and the research problem presented in the introduction and the previous studies that have been done within these constructs. It provides the reader with a literature review concerning the research area. Large number of studies has been conducted in the field of service quality and customer satisfaction. There are useful contributions expressed by so many authors about service quality dimensions, tangibles, reliability, responsiveness, assurance, and empathy as important factors of quality service delivery. The definitions of customer service, service quality, characteristics of service, dimensions of service quality, multiple customer listening tools, customer satisfaction, and distinction between service quality and customer satisfaction literature will be discussed.

2.1. Theoratical Review

2.1.1 Definitions of Customer Service

Kotler (2000) defined satisfaction as: "a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations". Philip Kotler defined customer satisfaction as benefits – costs + competitive advantage = customer satisfaction. Customer satisfaction directly ties into a customer retention definition. According to Hansemark and Albinsson (2004), "satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some need, goal or desire". In order to achieve customer satisfaction, organizations must be able to satisfy their customers' needs and wants (La Barbera and Mazursky, 1983). Customers' needs state the felt deprivation of a customer (Kotler, 2000). Whereas customers' wants, according to Kotler (2000) refer to "the form taken by human needs as they are shaped by culture and individual personality".

This is shown in figure 2.1 below.
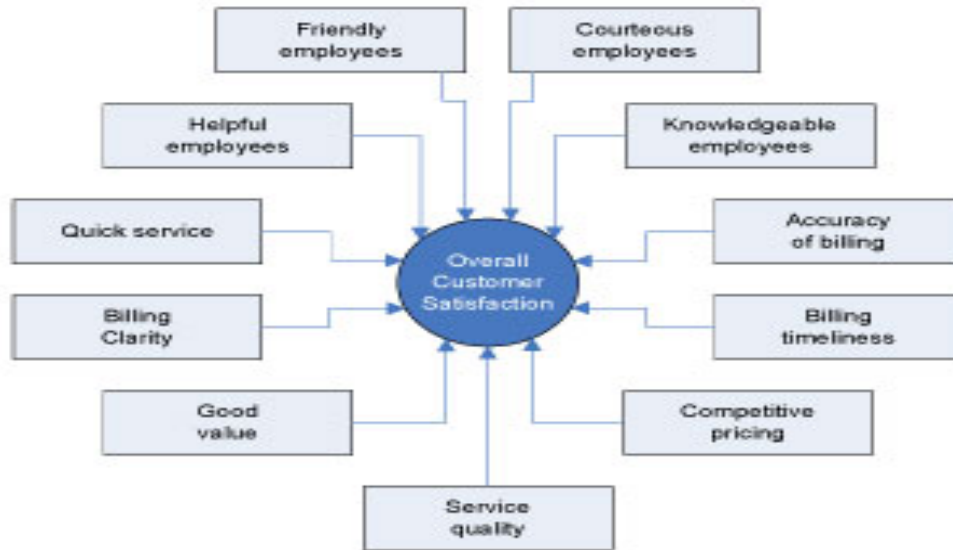
Figure 2.1: Factors that affect customer satisfaction.

Source**:** Parasuraman et al., (1988).

Hoyer and MacInnis (2001) said that satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight. There are many factors that affect customer satisfaction. According to Hokanson (1995), these factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service.According to Robert W.L. (2005) "customer service is defined as the ability of knowledgeable, capable and enthusiastic employees to deliver products and services to their internal and external customers in a manner that satisfies identified and unidentified needs and ultimately result in positive word-of-mouth publicity and return business." "Customer service is concerned establishing, maintaining and enhancing relationships between and/or among relevant business parties in order to achieve the objective of the relevant parties" Osuagwu (2002). According to Davidow and Uttal (1989) "customer service means all features, acts and information that augment the customer's ability to realize the potential value of a core product or service."

2.1.2. Service Quality

"Quality research in the goods sector was established long before it was established in the service sector" (Gummesson, 1991). Bandyopadhyay (2003) claimed that quality in goods sectors is "commonly defined as the product's fitness for its intended use, which means how well the product meet the needs and the expectations of its customer". Garvin (1983) referred to "the product oriented quality approach as 'objective quality." (Clemes, Gan, and Kao, 2007). However, "understanding quality in the goods sector is inadequate for understanding service quality because of the fundamental difference between the two terms" (Parasuraman, et al., 1985). (Parasuraman, et al., 1985, pp. 42) "Suggest that service quality is performance based rather than objects, therefore precise manufacturing specifications concerning uniform quality can rarely be set". Service quality is "more difficult for consumers to evaluate than product quality; this is due to a lack of tangible evidence associated with the service" (Hong and Goo, 2004).

Several researchers pointed out that service quality is difficult to measure as it is an elusive and abstract construct (Carman 1990; Garvin 1983; Parasuraman et al., 1985, 1988 as cited in Wei2010). Shostack (1977) "described the intangibility of service that can only be rendered or experienced but not change the physical ownership after consumption."Parasuraman et al., (1985) "argue that service quality involves not only the outcome but also the delivery process. "And also, service quality relates to satisfaction but the two are not the same" (Cronin and Taylor, 1992; Parasuraman et al., 1985).In addition, other researchers defined service quality in different ways. Lovelock and Wright (1999) "define quality as the degree to which a service satisfies customers by meeting their needs, wants and expectations."Bitner and Hubbert (1994) "define service quality as the customers' overall impression of the relative inferiority or superiority of the organization and its services. Berry et al., (1990) also "defined service quality as the discrepancy between customers' expectations or desire and their perceptions.""The previous literature suggests that the evaluation of quality in services is more difficult than goods (Parasuraman et al., 1985) and that delivering quality services is increasingly recognized as the key to success for service providers" (Cronin and Taylor,1992 as cited in Wei 2010). But, "perceived service quality has confirmed to be a complex concept to understand" (Brady and

Cronin, 2001, pp.34). Therefore, Rust and Oliver (1994) propose that it is essential for companies to develop the awareness of customers' perceptions of service quality.

2.1.3. Characteristics of Services

According to Bitner et al., (1993) service has four characteristics: intangibility, inseparability, heterogeneity and perishability.

Intangibility of Services

Regan (1963) "introduced the idea of services being activities, benefits or satisfactions which are offered for sale, or are provided in connection with the sale of goods". The degree of intangibility has been suggested as a means of differentiating tangible products with services (Levitt, 1981). Most of the time, services are explained as being intangible since their outcome is considered to be an action rather than a physical product (Johns1999). (Darby and Karni 1973 and Zeithaml 1981 as citied in Wolak et al., 1998) highlight the fact that the degree of tangibility has implications for the ease with which consumers can evaluate services and products. Other researchers propose that intangibility cannot be used to differentiate clearly services with all products. (Bowen1990 and Wyckham, Fitzroy and Mandry 1975 as citied in Wolak et al., 1998) suggest that the intangible-tangible concept is difficult for people to grasp. Bowen (1990)"provides empirical evidence to support this view." Onkvisit and Shaw (1991) "feel thatthe importance of intangibility is over- emphasized".

Inseparability of Services

Inseparability is taken to reflect the simultaneous delivery and consumption of services (Regan 1963; Wyckham et al 1975; Donnelly 1976; Grönroos 1978; Zeithaml 1981; Carman and Langeard 1980; Zeithaml et al., 1985; Bowen 1990 and Onkvisit and Shaw1991) and it is believed to enable consumers to affect or shape the performance and quality of the service (Grönroos, 1978; Zeithaml, 1981 as citied in Wolak et al., 1998).

Heterogeneity of Services

Heterogeneity "reflects the potential for high variability in service delivery" (Zeithaml*etal,* 1985). This is a particular problem for services with high labor content, as the service

performance is delivered by different people and the performance of people can vary from day to day (Rathmell, 1966; Carman and Langeard, 1980; Zeithaml, 1985; Onkvisitand Shaw, 1991 as citied in Wolak et al., 1998). Onkvisit and Shaw (1991) consider "heterogeneity to offer the opportunity to provide a degree of flexibility and customization of the service." Wyckham et al., (1975) suggest that "heterogeneity can beintroduced as a benefit and point of differentiation."

Perishability of Services

In general, services cannot be stored and carried forward to a future time period (Rathmell, 1966; Donnelly, 1976; and Zeithaml et al., 1985 as citied in Wolak et al,1998). Onkvisit and Shaw (1991) suggest that "services are "time dependent" and "time important" which make them very perishable." Hartman and Lindgren (1993) claim that the "issue of perishability is primarily the concern of the service producer" and that the consumer only becomes aware of the issue when there is insufficient supply and they have to wait for the service."

2.1.4. Service quality Dimensions

"Service's unique characteristics of intangibility, heterogeneity, and inseparability lead them to possess high levels of experience and credence properties, which, in turn, make them more difficult to evaluate than tangible goods" (Bitner 1990; Zeithaml 1981)."Identification of the determinants of service quality is necessary in order to be able to specify measure, control and improve customer perceived service quality" (Johnston1995).The SERVQUAL "is a concise multiple-item scale with good reliability and validity that researcher can use to better understand the service expectations and perceptions of consumers and, as a result, improve service" (Parasuraman et al., 1988). SERVQUAL was also selected since it is important when it is used occasionally to track the service quality trends, and when it is used in combination with other forms of service quality instrument (Parasuraman et al., 1985).Parasuraman et al., (1985)" identify ten determinants for measuring service quality which are tangibility, reliability, responsiveness, communication, access, competence, courtesy, credibility, security, and understanding/knowledge of customers." Later "these ten dimensions were further purified and developed into five dimensions i.e. tangibility, reliability, responsiveness, assurance and empathy to measure service quality, SERVQUAL" (Parasuraman et al., 1988). These five dimensions identified as follows:
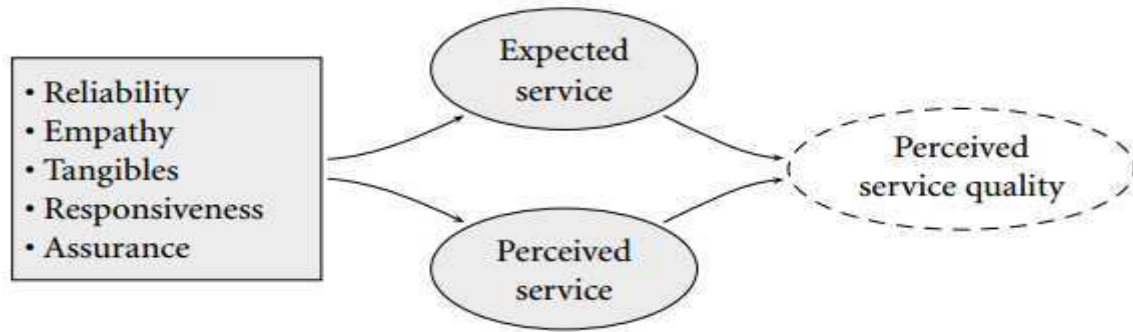
Figure-2.2 -SERVQUAL-Model-adapted-from-Parasuraman-and-others-1988

Tangibility refers to physical facilities, equipment, and appearance of personnel. Jabnoun and Al-Tamimi, (2003) indicated that customers choose tangibility factor of service quality in the banking industry "Bank could build customer relationships by delivering added tangible and intangibility elements of the core products" (Zineldin,2005).

Reliability means ability to perform the promised service dependency and accurately. Reliability is a significant factor of product quality in addition to good personal service, staff attitude, knowledge and skills (Walker, 1990). "It is found that service reliability is the service "core" to most customers and managers should use every opportunity to build a "do-it-right-first" attitude" (Berry et al.,1990).

Responsiveness means willingness to help customers and provide prompt service. "Customers are very sensitive to employees' working environment in service organizations" (Brown and Mitchell, 1993). (Gollway and Ho, 1996) reported that proper balance between staff skills and customers' expectation resulted in superior service quality towards customers.

Assurance indicates knowledge and courtesy of employees and their ability to inspire trust and confidence. (Parasuraman et al., 1988) found that assurance is an important factor of service quality next to reliability and responsiveness towards customer satisfaction. Assurance has "the strongest impact on customer satisfaction that leads to positive word of mouth outcome" (Arasli et al., 2005).

Empathy refers to caring, individualized attention the firm provides its customers (ibid).Jabnoun and Al-Tamimi, (2003) found that bank customers believed empathy as an essential factor of

service quality. "It is suggested that employees' commitment to deliver quality services, skillfully handling of conflicts and efficient delivery of services resulted in satisfied customers for long term benefits" (Nelson and Chan, 2005).

2.1.5. Multiple Customer Listening Tools
There are different customer listening tools; these are: relationship surveys, transaction surveys, customer complaints, total market and life cycle surveys, in-depth interviews, focus groups and observation.

2.1.6. Customer satisfaction
According to Drucker (1954), "the principle purpose of a business is to create satisfied customers". Increasing customer satisfaction has been found to lead to higher future profitability (Anderson, Fornell, and Lehmann 1994), lower costs related to defective goods and services (Anderson, Fornell, and Rust 1997), increased buyer willingness to pay price premiums, provide referrals, and use more of the product (Reichheld 1996; Anderson and Mittal 2000), and higher levels of customer retention and loyalty (Fornell1992; Anderson and Sullivan 1993; Bolton 1998 as cited in Malthouse et al., 2003). A firm's future profitability depends on satisfying customers in the present – retained customers should be viewed as revenue producing assets for the firm (Anderson and Sullivan 1993; Reichheld 1996; Anderson and Mittal 2000 as cited in Malthouse et al., 2003). Empirical studies have found evidence that improved customer satisfaction need not entail higher costs, in fact, improved customer satisfaction may lower costs due to a reduction in defective goods, product re-work, etc. (Fornell 1992;Anderson, Fornell, and Rust 1997 as cited in Malthouse et al., 2003). "Customer satisfaction and retention that are bought through price promotions, rebates, switching barriers, and other such means are unlikely to have the same long-run impact on profitability as when such attitudes and behaviors are won through superior products and services" (Anderson and Mittal 2000).

Customer satisfaction is "a collective outcome of perception, evaluation, and psychological reaction to the consumption expectation with a product or services" (Yi, 1990). Kotler (2000) defined satisfaction as "a person's feelings of pleasure or disappointment resulting from comparing product's perceived performance or outcome in relation to his or her

expectations."According to Hansemark and Albinson (2004) satisfaction is "an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals or desire Jamal and Kamal (2002) describes customer satisfaction as "a feeling or attitude of a customer towards a product or service after it has been used."

2.1.7. Distinction Between Service quality and Customer satisfaction

The literature on services has made a distinction between service quality and customer satisfaction (Bitner, 1990; Bolton & Drew, 1991; Parasuraman et al., 1988 as cited in Harr, 2008). This differentiation is important for firms to concentrate on enhancing their capability to satisfy customers through providing high service quality. The position of scholars characterized by Parasuraman et al., (1988), is that "service quality involves an attitude and is an evaluation over several service encounters overtime. "In support of this, respondents in Parasuramanet al., (1988)'s study demonstrated satisfaction with specific service encounters but were not happy with the service quality of the firm. Oliver (1981) distinguished customer satisfaction from service quality in his definition of attitude as "the consumer's relatively enduring affective orientation for a product, store, or process while satisfaction is the emotional reaction following a disconfirmation experience which acts on the base attitude level and is consumption-specific" (Oliver, 1981, p. 42).

Therefore, service quality is "more stable and is situational oriented" (Oliver, 1981, p. 42). "Initially, scholars take the position that satisfaction is an antecedent of service quality since to reach an overall attitude (service quality) implies an accumulation of satisfactory encounters" (Bitner, 1990;Bolton & Drew, 1991). However, other scholars take the opposite view that service quality is the antecedent of customer satisfaction (Cronin & Taylor, 1992; Ekinci, 2004; Rust & Oliver, 1994; Swan & Bowers, 1998 as cited in Harr, 2008).Empirical research by Cronin & Taylor (1992) "showed that service quality has a significant effect on customer satisfaction." Similarly, recent studies by (González &Brea, 2005; &Ekinci 2004 as cited in Harr, 2008) using recursive structural models provided empirical support that service quality results in customer satisfaction. According to Zeithaml et al.(2006), customer satisfaction "is broader concept than service quality which focuses specifically on dimensions of service".

2.2. Historical Background of the Bank in Ethiopia

Bank is a financial institution licensed to receive a deposit and make a loans. It may also provide financial service, such as Wealth management, currency exchange and safe boxes. Generally Bank is a contemporary source as an organization which provides facilities for acceptance of deposits and provision of loans. During 2000 BC the first merchant bank of ancient world was begin which made grain loans to farmers and traders who carried goods between cities. Later, in ancient Greece and during the Roman Empire, lenders based in temples made loans and added two important innovations: they accepted Deposit and changed money. The most famous Italian bank was the Medici bank, established by Giovanni Medici in 1397. The development of banking spread from northern Italy throughout the Holy Roman Empire, and in the 15th and 16th century to northern Europe. This was followed by a number of important innovations that took place in Amsterdam during the Dutch Republic in the 17thcentury and in London in the 18th century. During the 20th century, developments in telecommunications and computing caused major changes to banks' operations and let banks dramatically increase in size and geographic spread.

It was in 1905 that the first bank, the "Bank of Abyssinia", was established based on the agreement signed between the Ethiopian Government and the National Bank of Egypt, which was owned by the British. Its capital was 1 million shillings. According to the agreement, the bank was allowed to engage in commercial banking (selling shares, accepting deposits and effecting payments in cheques) and to issue currency notes. The agreement prevented the establishment of any other bank in Ethiopia, thus giving monopoly right to the Bank of Abyssinia. The Bank, which started operation a year after its establishment agreement was signed, opened branches in Harar, Dire Dawa, Gore and Dembi- Dolo as well as an agency office in Gambela and a transit office in Djibouti.

The Ethiopian Government, under Emperor Haile Sellassie, closed the Bank of Abyssinia, paid compensation to its shareholders and established the Bank of Ethiopia which was fully owned by Ethiopians, with a capital of pound Sterling 750,000. The Bank started operation in 1932. With the Italian occupation (1936-1941), the operation of the Bank of Ethiopia came to a halt, but a number of Italian financial institutions were working in the country. These were Banco Di Roma,

Banco Di Napoli and Banca Nazionaledel Lavora. It should also be mentioned that Barclays Bank had opened a branch and operated in Ethiopia during 1942-43.

In 1946 Banque Del Indochine was opened and functioned until 1963. In 1945 the Agricultural Bank was established but was replaced by the Development Bank of Ethiopia in 1951, which changed in to the Agricultural and Industrial Development Bank in 1970. In 1963, the Imperial Savings and Home Ownership Public Association (ISHOPA) and the Investment Bank of Ethiopia were founded. The later was renamed Ethiopian Development Corporation S.C. in 1965. In the same year, the Savings and Mortgage Company of Ethiopia S.C. was also founded.

With the departure of the Italians and the restoration of Emperor Haile Selassie's government, the State Bank of Ethiopia was established in 1943 with a capital of 1 million Maria Theresa Dollars by a charter published as General Notice No. 18/1993 (E.C).

In 1963, the State Bank of Ethiopia split into the National Bank of Ethiopia and the Commercial Bank of Ethiopia S.C. with the purpose of segregating the functions of central banking from those of commercial banking. The new banks started operation in 1964.

The first privately owned company in banking business was the Addis Ababa Bank S.C., established in 1964. 51% of the shares of the bank were owned by Ethiopian shareholders, 9% by foreigners living in Ethiopia and 40% by the National and Barclays Bank of London. The Bank carried our typical commercial banking business.

Thus, until the end of 1974, there were state owned, foreign owned and Ethiopian owned banks in Ethiopia. The banks were established for different purposes: central banking, commercial banking, development banking and investment banking. Such diversification of functions, lack of widespread banking habit among the wider population, the uneven and thinly spread branch network, and the asymmetrical capacity of banks, made the issue of completion among banks almost irrelevant.

Following the 1974 Revolution, on January 1, 1975 all private banks and 13 insurance companies were nationalized and along with state owned banks, placed under the coordination, supervision and control of the National Bank of Ethiopia. The three private banks, Banco Di

Roman, Banco Di Napoli and the Addis Ababa Bank S.C. were merged to form "Addis Bank." Eventually in 1980 this bank was itself merged with the Commercial Bank of Ethiopia S.C. to form the "Commercial Bank of Ethiopia," thereby creating a monopoly of commercial banking services in Ethiopia.

In 1976, the Ethiopian Investment and Savings S.C. was merged with the Ethiopian government Saving and Mortgage Company to form the Housing and Savings Bank .The Agricultural and Industrial Development Bank continued under the same name until 1994 when it was renamed as the Development Bank of Ethiopia.

Thus, from 1975 to 1994 there were four state owned banks and one state owned insurance company, i.e., the National Bank of Ethiopia (The Central Bank), the Commercial Bank of Ethiopia, the Housing and Savings Bank, the Development Bank of Ethiopia and the Ethiopian Insurance Corporation.

After revolutionary period 1975, which merge all private bank together Awash Bank was formed by private owner in 1995. As a private or commercial banks starting from its point of formation Awash Bank is one of the leading bank by profit, by deposit and also by granting loan by having 316 branches across the country. out of 316 branches of the bank 145 branches are located in Addis Ababa and the other are located across the regional state of Ethiopian. The whole branches of the banks are managed through district administration. Addis Ababa city branch are administered under North Addis Ababa, South Addis Ababa, East Addis Ababa and west Addis Ababa district. Outlying branches are managed under Hawasa district, Nekemte district, dire dewa district, North district and Bahir Dar district. based on their performance Awash bank have for level of branches which are grade one, grade two , grade three, and grade four branches. Grade one branches are those branches which generate high profit, high deposit and which have high number of loan.

2.3 Empirical Review

Research on quality of service currently has received special attention from marketing researchers. Below is a summary of results of previous studies regarding the service quality and its influence on satisfaction, published in various scientific journals.

Table 2.2: A summary of previous studies

Authors	Antecedents	Result
Munusamy et al.,(2010)	Five dimensions of service quality (tangibility, reliability, responsiveness, assurance and empathy)	The three service quality dimensions (assurance, empathy, and responsiveness) have positive and Insignificant effect on customer satisfaction. Tangibility has a positive and significant impact on customer satisfaction. However, reliability has a negative and insignificant effect on customer satisfaction.
Mohammad and Alhamadani (2011)	Five dimensions of Service quality(tangibility, reliability, responsiveness, assurance and empathy)	The five service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) have a positive and significant effect on customer satisfaction.
Al-Hawary et al., (2011)	5 dimensions of SERVQUAL (tangibility, reliability, responsiveness, assurance and empathy	The four service quality dimensions (tangibility, reliability, assurance, and responsiveness) have a positive and significant effect on customer satisfaction. Empathy has a negative and significant effect on customer satisfaction.
Malik et al., (2011)	5 dimensions of SERVQUAL(tangibility ,reliability, responsiveness, Assurance and empathy)	The two dimensions of service quality (Reliability, assurance) have a significant and positive effect on customer satisfaction. However, the rest three service quality dimensions (tangibility and responsiveness and Empathy) have no contribution to customer satisfaction.

2.4 Conceptual Framework

Service Quality is a vital antecedent of customer's satisfaction (Cronin and Taylor, 1992).In turn customer satisfaction is believed to affect post-purchase and perception and future decisions. Following from the literature review done above, the relationship between service quality variables and customer satisfaction can be shown as following. In this conceptual model the five Service quality dimensions have been selected form the study conducted by Parasuraman et al., (1988). Parasuraman et al., (1985) conducted research on different service organization (Bank,Hotel, Electrical Corporation, Hospital, Transportation) by using ten service quality dimensions (tangibility, reliability, responsiveness, communication, access, competence, courtesy, credibility, security, and knowledge). Later Parasuraman et al., (1985) conducted research and then the ten dimensions were further purified and developed in to five dimensions (tangibility, reliability, responsiveness, assurance and empathy). The reason behind purified the ten dimensions into five dimensions was the appropriateness of each service quality dimensions to different service organizations for example security dimension is appropriate for transportation, credibility dimension is appropriate for hotel. Therefore, this convinced me to use Parasuraman et al., (1988)'s model.
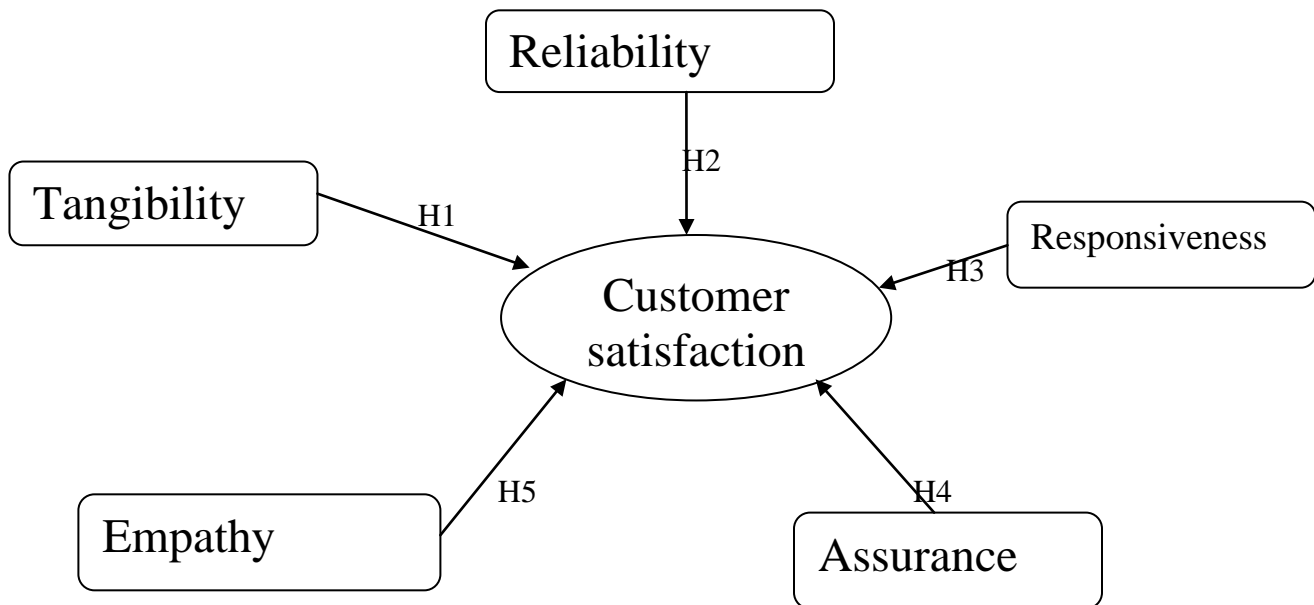
Figure 2.2. Conceptual framework of the effect of customer service quality on customer Satisfaction

Source: Parasuraman et al., (1988).

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CHAPTER THREE
RESEARCH DESIGN AND METHODS

This chapter presents details of the research design and methodology. This includes the research design, sample size and sampling technique, data source and collection method, procedure of data collection, questionnaire and reliability test. At the end the method of data analysis was presented.

3.1 Research Design

Causal research, also known as explanatory research is conducted in order to identify the extent and nature of cause-and-effect relationships. Causal research can be conducted in order to assess impacts of specific changes on existing norms, various processes etc. Causal studies focus on an analysis of a situation or a specific problem to explain the patterns of relationships between variables. Experiments are the most popular primary data collection methods in studies with causal research design. This means that if changes in service quality what will happen on customer satisfaction and also testing the relationship between service quality and customer satisfaction. Checking that they have positive relationship or negative relationship and to what extent.

3.2. Research Approach

The research is conducted by using different methods, techniques and guidelines. However, the most appropriate method of conducting a research is qualitative and quantitative approach.

Qualitative Approach analyzes, interprets and collects data by studying people's behavior, the way they act and response (Creswell, 1994). It is considered as an inductive approach in which interviews and case study methods are used to collect and analyze data. As Garson (2002) said, "qualitative research design strive for in-depth understanding of subjects, through such techniques participant observation or narrative analysis, or they may strive for in-depth understanding of texts through such methods as exegesis or deconstruction". The qualitative research approach is non statistical and it is used to understand the motivations and reasons in a qualitative way (Creswell, 1994).

Quantitative approach involved number of respondents, listed questions are raised and response choices are predetermined. According to Svensson (2003) the quantitative research approach is best to investigate the perceptions and problem of the study and to discover the

hidden values, feelings attitudes and motivations. It uses deductive approach; the focus is on testing the theories related to the topic by analyzing and collecting the data (Bryman and Bell, 2007).This research used both approaches in coming out with the necessary data. Qualitative research techniques is used to explore describes the service quality dimensions that lead to customer satisfaction. The research was based on a structured questionnaire that allowed collecting quantitative data in a standardized format suitable for analysis. The quantitative data was collected through an interview. The measurement scale is developed with reference to SERVQUAL model (Parasuraman et al., 1988). In this proposed model of service quality measurement, gap or cause analysis is used to find the difference between customers' expected service performance and actual service performance. Parasuraman et al., (1994) stated that service quality is assessed by the following conditions: If the perceived service is greater than the expected service, it results in "QUALITY SURPRISE or EXCEPTIONAL QUALITY". If the customers' expectations match with the actual service performance, then it results in "SERVICE QUALITY or SATISFACTORY QUALITY". If the customers' expectations are unmet or unfulfilled or falls short, then it results in "UNACCEPTABLE QUALITY".

3.3. Population Sample size and Sampling technique

The sample size of banks has been determined by using simple random sampling method. The total number of branches in Addis Ababa was one hundred thirty three (133). Among this, three branches were selected namely Kolfe branch, Rufael branch and Gojam Berenda branch. The three branches were selected on the assumption that they could represent the all Awash Bank branches. banks. The selection of those banks were one from grade one branch, one from grade two branch, and one from grade three branches. In selecting the research subjects, stratified random sampling was used. Under stratified sampling the population of the study was divided into two: customer service officers (front line staff) and customer of the bank (any person who uses the service of the bank). For the purpose of the study the strata were formed on the basis of common characteristics of the items to be put in each stratum. Thus, strata were purposively formed on the basis of personal judgment of the researcher.

 The researcher took small samples of equal size from each of the proposed strata (customer and customer service Officers) and then examining the variances within and among the possible

stratifications, deciding an appropriate stratification. While using stratified sampling method, selection of items for the sample from each stratum of the study, resorted to simple random sampling. Considering the study, the researcher used proportional allocation method under which the sizes of the samples from the different strata were kept proportional to the sizes of the strata. In this study, if Pi represents the proportion of population included in stratum i and n represents the total sample size, the number of elements selected from stratum i was (n.Pi). The formula was developed by Taro Yamane (1967).

It is calculated as follows:

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

Where **n** is the sample size,

N is the population size, and

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

$$n = \frac{127}{1 + 127(0.05)^2} = \mathbf{96}$$

The total population of the study were 1843(1200 from Kolfe branch ,326 from Gojam Berenda branch and 317 from Rufael branch). From the total population of the study 127(6.8%) respondent have been selected (source primary data) and which were divided into three strata of size N1 =29, N2 = 73, and N3 = 25. Based on proportional allocation, the sample sizes under the different strata: For strata with N1 = 29, we had n1 = n. P1 = 96 (29/127) = 22.Similarly, for strata with N2 = 73, then n2 = n. P2 = 96 (73/127) = 55, and for strata with N3=25, then n3 = n.P3 =96(25/127) = 19 Thus, using proportional allocation, the sample sizes for different strata were 22,55 and 19 respectively which was proportional to the sizes of the strata viz., 29: 73: 25.The researcher designed a sample of size n = 96,desired to be more representative in relation with population of the study size (kolfe branch, rufael branch and Gojam Berenda branch) and the population of the study was represented as N1 = kolfe branch, N2 = rufael branch, and N3 = Gojam Berenda branch. proportional allocation is considered most efficient and an optimal design when the cost of selecting an item is equal for each stratum, there was no difference within-stratum variances, and the purpose of sampling happens to be to estimate the population value of some characteristic (Kothari ,2004:63).

3.4. Data Source and Collection Method

For the proper achievement of the objectives of the study; the researcher was used primary data source. Primary data was collected using close ended questionnaires. Questionnaires were distributed to the customers of the banks. The variables were attitudinal and measured using Likert scale with five response categories (strongly disagree, disagree, neither agree nor disagree, and agree strongly, agree) and dichotomous with description under each category. "The Likert scale method was preferred to make questions interesting to respondents and there by enhance their cooperation, ultimately to ensure maximum response rate" (Robson Colin, 2002).The questionnaire has two parts. These are: - Service Quality Questionnaire (SQQ) and Customer Satisfaction Questionnaire (CSQ)

1. Service Quality Questionnaire (SQQ)

The first part of the questionnaire measures the banks service quality by using a five – point Likert response scale which includes strongly disagree (1), disagree(2), neither agree nor disagree (3), agree (4) and strongly agree (5). After a review of the literature, 23 service quality attributes were developed in the questionnaire. SERVQUAL instrument served as a foundation for development of questionnaire.

2. Customer Satisfaction Questionnaire (CSQ)

The second part of the questionnaire measures customer satisfaction level by using a five -point Likert response scale which includes strongly disagree (1), disagree(2), neither agree nor disagree (3), agree (4) and strongly agree (5). 6 customer satisfaction items were developed in the questionnaire. Accordingly, a mean score range of 4.00 - 5.00 was ranked to a very large extent level, a mean score range of 3.00 - 4.00 was ranked to a large extent, a mean score range of 2.00 - 3.00 was ranked to a small extent, a mean score range of 1.00 – 2.00 was ranked to a very small extent level, and the mean score range of 0.00 – 1.00 was ranked to no extent level.

3.5. Procedure of Data Collection

The researcher sought permission from all 3 branches of the banks from Addis Ababa city branches. After permission is granted, the questionnaires were distributed to the respondents.

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The survey pack included a copy of the cover letter, and the questionnaire. Collection of responded questionnaire was started after a week from date of administration and continued for a month.

3.6. Validity and reliability

3.6.1 Validity Test

According to Patton (2001) the two factors validity and reliability should be considered by a qualitative researcher in order to judge the quality of the study, designing the study and analyzing results. Generally research approaches are linked with various research philosophies (Saunders et al. 2007). Therefore to ensure the validity of this study the research purpose and approaches were carefully analyzed. To keep the validity of the research, questioner were developed based on the existing theories and literature in relevance with the topic of the study. While developing the questioner it was targeted to focus on the research questions, research agenda, relevant theories and main purpose of the study. The interview guide and questions were checked carefully prior to the interviewees. The research focuses on service quality and customer satisfaction and it mainly targets the service industry aiming to improve services standards to satisfy the customers. The results of this study can be implemented in a banking sector or some other hospitality institute (mainly 17 banks, restaurants, and insurance company's e.t.c) but cannot be generalized as such because of the limited area of the research as it is conducted only in one banks. The reliability of the study is considered high because all the information is gathered mainly from primary source by interview ad questioner and relevant theories. The respondents selected are customer and customer service officer of the bank. The research work is done by following a proper structural process at each stage for better understanding that confirms the reliability of the study. The concept of Reliability in quantitative study is to evaluate with a "purpose of explaining" whereas in qualitative study the concept of quality is "generating understanding (Stenbacka, 2001).

3.6.2 Reliability Test

In order to prove the internal reliability, this study has performed Cronbach"s Alpha Test of Reliability. Cronbach,,s alpha is a reliability coefficient that indicates how well the items in a set are positively related to one another. This test specifies whether the items pertaining to each

dimension are internally consistent and whether they can be used to measure the same construct or dimension of service quality. it is computed in terms of the average inter correlations among the items measuring the concept. According to Nunnally (1978) Cronbach's alpha should be 0.700 or above. But, some of studies 0.600 also considered acceptable (Gerrard, et al., 2006). According to Hair, et al., (2006), if α is greater than 0.7, it means that it has high reliability and if α is smaller than 0.3, then it implies that there is low reliability. To meet consistency reliability of the instrument, the questionnaire was distributed to 10 customers of awash Bank and Cronbach's alpha was found to be 0.750 and 0.923 for service quality questionnaire and customer satisfaction questionnaire, respectively; which is above 0.7. See table 3.1 for the summary.

Table 3:- Summary of Reliability Test Result of the variables

Independent Variables	Cronbach's Alpha	Number of Items
Tangibility	.835	5
Responsiveness	.750	5
Reliability	.858	4
Assurance	.862	5
Empathy	.843	4
Dependent Variable	**Cronbach' Alpha**	**Number of Items**
Customer Satisfaction	.923	6

3.7. Methods of Data Analysis

Statistical Package for Social Science (SPSS) software for version 20.0 was employed to analyze and present the data through the statistical tools used for this study, namely descriptive analysis, correlation and multiple regression analysis.

Descriptive Analysis

The descriptive statistical results were presented by tables, frequency distributions and percentages to give a condensed picture of the data. This was achieved through summary statistics, which includes the means, standard deviations values which are computed for each variable in this study.

Pearson Correlation Analysis

In this study, Spearman's rho Pearson's correlation coefficient was used to determine the relationships between service quality dimensions (Tangibility, reliability, responsiveness, assurance and empathy) and customers' satisfaction of the Bank

Multiple Regression Analysis

Multiple regression analysis was used to investigate the effect of service quality dimensions (Tangibility, reliability, responsiveness, assurance, and empathy) on customer satisfaction.

Regression functions

The equation of multiple regression on this study is generally built around two sets of variable, namely dependent variables (customer satisfaction) and independent variables (Tangibility, reliability, responsiveness, assurance, and empathy). The basic objective of using regression equation on this study is to make the researcher more effective at describing, understanding, predicting, and controlling the stated variables.

3.8 Model Specification.

a) Dependent variable

Customer satisfaction: customer satisfaction is defined as delivery service performed more than of the customers" expectation. Customers satisfaction was measured using a 5 point Likert scale (1=highly dissatisfied and 5= highly satisfied) to identify the overall level of respondents" satisfaction

b) Independent variables

The following are the dimensions of service quality used as independent variables in this study:

Independent variables   **dependent variables**

Tangibility   Customer satisfaction

Reliability

Responsiveness

Assurance

Empathy

In regression model the relationship between the dependent variable and the independent variables is expressed as a linear combination of the independent variables plus an error term. Following Greene (2003), the multiple linear regression models is specified as:

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 x_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \mathcal{E}$$

Where: Y= Customer Satisfaction in Awash Bank

β_0 = Constant term

X_1= Sex of respondents (1=Female, 0=Male)

X_2=Age of respond

X_3= Educational back ground of respondent

X_4= Tangibility

X_5= Responsiveness

X_6= Reliability

X_7= Assurance

X_8= Empathy

Where the βs are coefficients of independent variables, Xs are column vectors for the independent variables in this case; tangibility, responsiveness, reliability, assurance, empathy, gender, age and Educational back ground and $\mathcal{E}$ is a vector of errors of prediction. The errors are assumed to be normally distributed with an expected value of zero and a common variance

Table 2:- Definition of the independent variables

Variable	Attributes	Expected effect on Customer satisfaction
Tangibility	Comfortable designs, up-to-date equipment for customers use and sufficient staff to provide service.	+
Responsiveness	Has incorporated the statement due date on SMS alerts sent to cardholders (HSBC, 2011)	+
Reliability	Understanding the needs of each individual customer,	+

	such as knowing the customers" expected retirement age, annual income, and hobbies.	
Assurance	Clear explanation of each product to customers	+
Empathy	Friendly customer service pleases customers when they walk into a bank	+

3.9. Ethical Consideration

According to (Bhattacherjee, 2012) research ethics include voluntary participation and harmlessness, informed consent, anonymity and confidentiality and research obligation in disclosure. Based on this, all ethical consideration listed above are applied throughout the research process. The research have not been exposed to any other person other than the principal investigator and all the study subject will be assured their responses are kept confidential**.**

CHAPTER FOUR
DATA ANALYSIS AND DISCUSSION OF RESULTS

This chapter presents data analysis and their discussion in the light of the findings of other similar studies undertaken elsewhere in different parts of the world. In addition to this, background information of respondents will be presented and described. Finally, the statistical methods of analysis were discussed, which included a descriptive analysis, a correlation analysis, and a multiple regression analysis through SPSS version 20.

4.1. Background Information of Respondents

Ninety-six questionnaires were distributed to the respondents. Out of these questionnaires, a total of 92 of them were collected with a response rate of 95.83% (about ninety six percent). However, only 87 questionnaires were valid with complete answers. Finally, the response rate was computed to be 90.63%. Thus, it is possible to proceed to analyze the data and report the results of the study. Babbie (2012) and Creswell (2014) argue that any response rate of 70.0% and above is adequate for further analysis. The socio-demographic characteristics include: gender, age, education level, occupation, and length of customership or membership with Awash Bank. This aspect of the data analysis deals with the personal data on the respondents of the questionnaires given to them. As shown below, Table 4.1 indicates the socio-demographic characteristics of the respondents in the study.

The sample included 87 respondents that were composed of customer service officers and customers of Awash Bank. Table 4.1 presents the background information of the respondents in this study. The survey findings showed that there were more males than females. Male respondents represented 53(60.9%), while 34(39.1%) were females. Thus, the sample respondents are mainly dominated by males albeit there are more females than males in cities of Ethiopia.

Table4.1. Socio-demographic characteristics of respondents

Socio-demographic characteristics	Category	Frequency	%
Gender	Male	53	60.9
	Female	34	39.1
	Total	**87**	**100.0**
Age	**Age category (years)**	**Frequency**	**%**
	18-25	18	20.7
	26-35	49	56.3
	36-45	17	19.5
	46-55	3	3.4
	Above 55	0	0.0
	Total	**87**	**100.0**
Educational Level	**Category**	**Frequency**	**%**
	High School	6	6.9
	Certificate	6	6.9
	Diploma	16	18.4
	Degree	54	62.1
	Master and Above	5	5.7
	Total	**87**	**100.0**
Occupation	**Category**	**Frequency**	**%**
	Government employee	7	8.0
	Private employee	64	73.6
	Self-Employed	6	6.9
	Student	8	9.2
	Other(s)	2	2.3
	Total	**87**	**100.0**

Source: Own Survey Results, 2017

All of the respondents in this study have achieved a certain level of educational status. Concerning age of respondents, a total of 49 (56.3%) of them were found in the age bracket of 26 -35 years. Eighteen (20.7%) of the respondents were in the age range of 18- 25 years, seventeen (9.5%) were in the range of 36-45 years, and only three (3.4%) of them were aged between 46 years and 55 years. The age of the respondents was about 32 years and the standard deviation was 6.8 standard units. Accordingly, there is generally variability among the ages of the sample respondents. Therefore, about three-fifth of the respondents in the study are relatively young adults. In addition, this age category is at least lower than the average age life expectancy in the country which is good age bracket in relation to the life span of their customer ship to the Bank.

With regard to educational level of respondents, fifty-four (62.1%) of the respondents were degree holders, followed a total of 16 (18.4%) were diploma holders, but the highest educational status holders among the respondents accounted for 5.7%. It can be deduce that out of the said customers of the Bank, a significant majority of them are degree holders. Moreover, the customers have generally achieved a certain level of educational statuses.

Table 4.1 shows that the majority of the respondents in this study were employees of privately-owned organizations and institutions. As to the types of the respondents' occupation, a total of 64(73.6%) of them were engaged in the private sector which was followed by eight students (9.2%) at different levels of the educational system in the country. Therefore, about three-fourth of the customers are employees of the private sector in the City Government of Addis Ababa.

With regard to length of customership with the Bank, the customers who participated in the study were, on average, about 2.4 years with standard deviation of .085 standard units. Thus, the customers are not long-stayed customers to the Bank and there is not as such dispersion among them in terms of their length of being customers to Awash Bank.

In summary, the socio-demographic characteristics of the respondents in the study can be described as males in the age brackets of 26 -35 years, degree holders, private sector employees who have about two and a half years of relationships as customers of Awash Bank. On average, they are also about 32 years old.

4.2 Service quality of the Bank in terms of Tangibility dimension

In order to analyze and interpret the values of service quality dimension in the study, there should be bench marked standardized levels of their qualities. Thus, all factors in this study had a maximum ranking of 5 and a minimum ranking of 1 on the Likert scale. Accordingly, a mean score range of 4.00 - 5.00 was ranked to a very large extent level, a mean score range of 3.00 - 4.00 was ranked to a large extent, a mean score range of 2.00 - 3.00 was ranked to a small extent, a mean score range of 1.00 – 2.00 was ranked to a very small extent level, and the mean score range of 0.00 – 1.00 was ranked to no extent level.

Table 4.2. Tangibility service quality dimension of the Bank

Scale	The Bank has modern-looking equipment		The Bank has neat and disciplined e employees		The room of the Bank is clean and provides adequate of space		Employees' uniforms are attractive		Printed materials (forms, brochures, bank cards, etc.) look attractive.		Average mean	Average standard deviation (SD)
	f	%	f	%	f	%	f	%	f	%		
Strongly disagree	10	11.5	4	4.6	11	12.6	22	25.3	7	8.0		
Disagree	10	11.5	13	14.9	12	13.8	19	21.8	11	12.6		
Neither agree nor disagree	15	17.2	9	10.3	7	8.0	12	13.8	11	12.6		
Agree	33	37.9	39	44.8	31	35.6	23	26.4	36	41.4		
Strongly agree	19	21.8	22	25.3	26	29.9	11	12.6	22	25.3		
Mean	3.47		3.71		3.56		2.79		3.63		**3.43**	
Standard deviation (SD)	1.274		1.140		1.378		1.407		1.221			**1.284**

Source: Own survey, April 2017

On the other hand, standard deviation values measured how spread out the empirical observations were in that a standard deviation (SD) of greater than 1 indicates the presence of significant variation in the customer respondents' service quality satisfaction level, while a SD of less than 1 indicates that there was no significant variation between the respondents' satisfaction level of service quality regarding the attribute of service quality dimension under investigation.

Next, let me present the empirical data on those five dimensions of service quality, analyze them and interpret the results of the study.

Table 4.2 presents data on tangibility dimension of service quality in Awash Bank. The respondents expressed their agreement with statements on the Bank has modern-looking equipment (37.9%), the Bank has neat and disciplined employees (44.8%), the room in Awash Bank is clean and provides adequate of space (35.6%), employees' uniforms are attractive (26.4%), and the printed materials (like forms, brochures, bank cards, etc.) look attractive (41.4%). Thus, the customers generally agree with the tangibility dimension of service quality at the Awash Bank.

4.3 Service quality of the Bank in terms of Reliability dimension

As illustrated in Table 4.3, the respondents also confirmed that the employees of the Bank were reliable in terms of those presented statements on the reliability dimension of the service quality. Accordingly, they were in agreement with the following statements on reliability dimension of the service quality: The Bank provides its services at promised times (44.8%), Employees are consistently courteous (56.3%), The employees handled customers' complaints effectively (50.6%), Employees provide accurate information to customers (46.0%), and Employees show dependability in handling service problem (41.4%). Here, one can deduce that the employees in the Bank are consistently well-mannered and have been handling the customers' complaints effectively.

Table 4.3. Reliability service quality dimension of the Bank

Scale	The Bank provides its services at promised		Employees are consistently courteous		The employees handled customer's		Employees provide accurate information to customers		Employees show dependability in handling service problem		Average mean	Average standard deviation (SD)
	F	%	f	%	f			%	f	%		
Strongly disagree	8	9.2	6	6.9	12			5.7	4	4.6		
Disagree	12	13.8	3	3.4	1			11.5	14	16.1		
Neither agree nor disagree	9	10.3	16	18.4	14			19.5	21	24.1		
Agree	39	44.8	49	56.3	44			46.0	36	41.4		
Strongly agree	19	21.8	13	14.9	16			17.2	12	13.8		
Mean	3.56		3.69		3.59		3.57		3.44		**3.57**	
Standard deviation (SD)	1.236		1.004		1.216		1.085		1.064			**1.121**

Source: Own survey, 2017

4.4 Service quality of the Bank in terms of Responsiveness dimension

The responsiveness dimension of the quality service at the Bank documents the agreement of its customers (see Table 4.4). The employees of Awash Bank are responsive to its diversified customers and providing them with prompted services. These aspects of the responsiveness dimension of the quality service were supported by stated agreements of 51.7%, and 52.9% of the respondents in the study, respectively. Therefore, the employees at the Bank are responsive in providing them with prompted services to its diversified types of customers who are visiting the Branches of Awash Bank. Nevertheless, such responsiveness is expressed with high level of variability among the customers who have participated in the study.

Table 4.4. Responsiveness service quality dimension of the Bank

Scale	Employees are happy and willing to serve the customer		The Bank provides diversified services to the customers		The Bank gives prompt service.		The Bank gives quick response to customer's		Average mean	Average SD
	f	%	f	%	f	%	f	%		
Strongly disagree	16	18.4	9	10.3	4	4.6	10	11.5		
Disagree	9	10.3	3	3.4	9	10.3	13	14.9		
Neither agree nor disagree	12	13.8	10	11.5	10	11.5	12	13.8		
Agree	32	36.8	45	51.7	46	52.9	35	40.2		
Strongly agree	18	20.7	20	23.0	18	20.7	16	18.4		
Mean	3.31		3.74		3.75		3.74		**3.64**	
Standard deviation (SD)	1.400		1.166		1.048		3.418			**1.758**

Source: Own survey, April 2017

4.5 Service quality of the Bank in terms of Assurance dimension

The findings of this study in Table 4.5 indicated that the trustworthiness of the employees of Awash Bank gave assurance to its customers. Specifically, the following aspects of the assurance dimension of the service quality were accepted as agreed ones by the sample respondents: The employee has the required skills in providing services (46.0%), The employees of the Bank are

trustworthy (54.0%), The employees have sufficient knowledge of service information (48.3%), The employees make customers feel safe in their transactions (46.0%), and Employee instills confidence in customers (48.3%). One may conclude that the overall description of the employees of the Bank has assured the customers' quality service. Amongst of the given scale items, the employees' trustworthiness appear to be an outstanding indicate or for assurance of the quality services provided to the customers of Awash Bank.

Table 4.5. Assurance service quality dimension of the Bank

Scale	The employee has the required skills in providing services		The employees of the Bank are trustworthy		The employees have sufficient knowledge of service information		The employees make customers feel safe in their		Employee instills confidence in customers		Average mean	Average SD
	f	%	f	%	f	%	f	%	f	%		
Strongly disagree	4	4.6	9	10.3	3	3.4	9	10.3	2	2.3		
Disagree	11	12.6	2	2.3	11	12.6	8	9.2	12	13.8		
Neither agree nor disagree	15	17.2	9	10.3	17	19.5	8	9.2	7	8.0		
Agree	40	46.0	47	54.0	42	48.3	40	46.0	42	48.3		
Strongly agree	17	19.5	20	23.0	14	16.1	22	25.3	24	27.6		
Mean	3.63		3.77		3.61		3.67		3.85		**3.71**	
Standard deviation (SD)	1.086		1.148		1.016		1.245		1.051			**1.108**

Source: Own survey, April 2017

4.6 Service quality of the Bank in terms of Empathy dimension

Table 4.6 documents that the employees of Awash Bank were friendly in their manner and serving the customers with great respect, and by understanding their specific needs to be fulfilled on the part of the Bank. All these were generally expressed in agreement by the respondents in the study. The first item scored 54.0%, the third item was chosen by 51.7% of them, and the second item by 50.6% of the total respondents in the study. Thus, the employees are empathic towards the customers of the Bank in terms of their friendly manner, great respect and

understand their specific needs. On the whole, there are tangibility, reliability, responsiveness, assurance and empathy in providing its customers with quality services at Awash Bank.

Table 4.6. Empathy service quality dimension of the Bank

Scale	Employees always treat customers in a friendly manner		Employees understand customers' specific needs		Employees treat customers with great respect		Employees give individual attention to customers		Average mean	Average SD
	f	%	f	%	f	%	f	%		
Strongly disagree	3	3.4	6	6.9	3	3.4	8	9.2		
Disagree	5	5.7	2	2.3	3	3.4	14	16.1		
Neither agree nor disagree	7	8.0	18	20.7	12	13.8	18	20.7		
Agree	47	54.0	44	50.6	45	51.7	33	37.9		
Strongly agree	25	28.7	17	19.5	24	27.6	14	16.1		
Mean	3.99		3.74		3.97		3.36		**3.77**	
Standard deviation (SD)	.958		1.028		.933		1.201			**1.030**

Source: Own survey, April 2017

In the same framework, let me consider measures of central tendency and measure of variability of the distributions of the observation using mean and standard deviation, respectively. Table 4.7 indicates that Empathy has the highest mean value and tangibility and reliability have least mean value. Therefore, based on empirical evidence presented in Table 4.7, it can be concluded that the respondents are most satisfied with Empathy dimensions of the services of the Bank with a mean of 3.77 and standard deviation of 1.03 standard units, followed by Assurance (mean=3.71 and SD=1.11) and responsiveness with a mean of 3.64 and a standard deviation of 1.76 units. However, customers are generally less satisfied with Tangibility and Reliability dimensions at mean scores of 3.43 and 3.57 and standard deviation scores of 1.28, and 1.12 units, respectively. Therefore, the customers' satisfaction has a mean score 3.65 and standard deviation of 1.20 which indicate that overall customers are slightly satisfied with the service quality of Awash Bank.

Table 4.7. Mean and standard deviation of service quality dimensions and customer's satisfaction

	N	Mean	Std deviation
Tangibility	87	3.43	1.28
Reliability	87	3.57	1.12
Responsiveness	87	3.64	1.76
Assurance	87	3.71	1.11
Empathy	87	3.77	1.03
Customer satisfaction	87	3.65	1.20
Valid N (Listwise)	87		

Source: Own survey, April 2017

4.2. Overall satisfaction level on the banking services in Awash Bank

Based on the overall mean and standard deviation of the five dimensions of service quality, it can be possible to argue the customers of the Awash Bank stated their agreement of satisfaction with Reliability, Empathy, Responsiveness, Assurance, and Tangibility dimensions of the services provided at the Bank in the given order., but there are also noticeable standard units of variability among the satisfaction level of the customers (see Table 4.8).

Table 4.8. Mean and standard deviation of satisfaction

	Customer satisfaction	Mean	SD
1	I am satisfied by Awash Bank's up - to -date equipment and technology - Tangibility	3.54	1.27
2	I am satisfied with the Bank's professional competence and its complete range of services provided - Assurance	3.55	1.17
3	I am satisfied of being a client of this Bank - Reliability	3.82	1.08
4	Employees of the Bank give you individual attention - Empathy	3.71	1.19
5	I am satisfied with the quick service of this Bank- Responsiveness	3.62	1.26
6	Overall, I am satisfied by all service quality dimensions of the Bank	3.89	1.16
	Average customer satisfaction (1 – 6)	3.69	1.19

Source: Own survey, April 2017

Additionally, less than a half (35, 40.2%) of the respondents in the study agreed that they experienced the overall satisfaction from the employees' services provided in different Branches of Awash Bank .

Next, there may be an imperative need for considering the magnitude or strength and direction of relationships among the five dimensions of service quality with customers' satisfaction in Awash Bank S.C. For this purpose, let me employ Spearman's rho correlation coefficients as the independent variables, as well as the dependent variables were measured at ordinal scale (McKillup, 2015).

4.3. Relationship between the dimensions and customers' satisfaction

In order to examine the relationship between service quality dimensions (tangibility, reliability, responsiveness, assurance, and empathy) and customer satisfaction; Spearman's rho correlation coefficient was computed and used. Table 4.10 below presents the results of Pearson correlation on the relationship between service quality dimension and customer satisfaction.

Correlation coefficient is a measure of positive or negative relationship and strength of association between two variables under investigation. Akalu (2015) states the correlation coefficient value ranges between -1 and 1. If the two variables are in perfect positive linear relationship, the correlation coefficient will be 1, and if they are in perfect negative (inverse) relationship, the correlation coefficient will be -1. The correlation coefficient is 0 (zero) indicates that there is no linear relationship between the variables.

Eva Nyawira Gatari (2016) argues that a low correlation coefficient (r_{rho}) between the values of 0.1 and 0.29 suggests that the relationship between the two variables is weak or non-existent. If the value of r_{rho} is between 0.3 and 0.49, the relationship is considered as moderate and a high correlation coefficient (i.e. $r_{rho} > 0.5$) indicates a strong relationship between the variables. Generally, the direction of the dependent variables change depends on the sign of the coefficient. If the coefficient is a positive number, then the dependent variable will move in the same direction as the independent variable and if the coefficient is negative, then the dependent variable will move in the opposite direction of the independent variable.

Accordingly, Spearman's rho correlation coefficient was employed to find out the relationship between the service quality dimensions and the customers' satisfaction. Table 4.10 exhibits the results of the correlation analysis made using bivariate correlation data analysis technique.

Table 4.9. Spearman's rho correction coefficient and tangibility dimension of service quality

Dimension of service quality			Tangibility	Customer's satisfaction level
Spearman's rho	Tangibility	Correlation Coefficient	1.000	$.540^{**}$
		Sig. (2-tailed)		.000
		N	87	87
	Customer's satisfaction level	Correlation Coefficient	$.540^{**}$	1.000
		Sig. (2-tailed)	.000	
		N	87	87

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

Source: Own data analysis outputs, April 2017

Table 4.9 shows that there was positive and strong relationship tangibility dimension of the service quality and the customers' overall satisfaction at [r_{rho}= .540, df= 86 and p < .005]. Generally, there is a strong statistically relationship tangibility service quality dimension and the customers' satisfaction. One can thus deduce that tangibility dimension of the qual.ity service provided at the Bank has strong contribution to the satisfaction of customers.

Table 4.10. Spearman's rho correction coefficient and reliability dimension of service quality

Dimension of service quality			Reliability	Customer's satisfaction level
Spearman's rho	Reliability	Correlation Coefficient	1.000	$. 666^{**}$
		Sig. (2-tailed)		.000
		N	87	87
	Customer's satisfaction level	Correlation Coefficient	$.666^{**}$	1.000
		Sig. (2-tailed)	.000	
		N	87	87

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

Source: Own data analysis outputs, April 2017

The findings of the study document that there was a strong and positive correlation between reliability service quality dimension and the customers' satisfaction at [r_{rho}= .666, df= 86, and p < .005]. Accordingly, the workers' reliable services provided to the requests of the Bank's customers have had its effects on their satisfaction. Such practice of reliable services at the Bank may generally satisfy its customers.

Table 4.11. Spearman's rho correction coefficient and responsiveness service quality dimension

Dimension of service quality			Customer's satisfaction level	Responsiveness
Spearman's rho	Customer's satisfaction level	Correlation Coefficient	1.000	.535[**]
		Sig. (2-tailed)		.000
		N	87	87
	Responsiveness	Correlation Coefficient	.535[**]	1.000
		Sig. (2-tailed)	.000	
		N	87	87

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Own data analysis outputs, April 2017

As shown in Table 4.11, there was a strong and positive relationship between the responsiveness dimension of service quality and the customers' satisfaction at [r_{rho}= .535, df= 86 and p < .005]. Therefore, the responsiveness service quality dimension results in the satisfaction of the customers of Awash Bank. Here, one can conclude that positive responsiveness of the workers at the Bank has brought about its customers' satisfaction.

Table 4.12 reveals that the correlation between the assurance dimension of service quality and the customers' satisfaction level was found to be strong and positive at [r_{rho}= .512, df= 86 and p < .005]. Thus, the practice of assurance services provided by the employees of the Bank may increase its customers' level of satisfaction.

Table 4.12. Spearman's rho correction coefficient and assurance dimension of service quality

Dimension of service quality			Assurance	Customer's satisfaction level
Spearman's rho	Assurance	Correlation Coefficient	1.000	.512[**]
		Sig. (2-tailed)		.000
		N	87	87
	Customer's satisfaction level	Correlation Coefficient	.512[**]	1.000
		Sig. (2-tailed)	.000	
		N	87	87

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

Source: Own data analysis outputs, April 2017

A moderate and positive relationship was found between the empathy service quality dimension and the customers' satisfaction at Awash Bank positive at [r_{rho}= .481, df= 86 and p < .005] (see Table4.13). The empathetic services provided by the Bank's workers moderately satisfy the customers.

Table 4.13. Spearman's rho correction coefficient and empathy dimension of service quality

Dimension of service quality			Empathy	Customer's satisfaction level
Spearman's rho	Empathy	Correlation Coefficient	1.000	.481[**]
		Sig. (2-tailed)		.000
		N	87	87
	Customer's satisfaction level	Correlation Coefficient	.481[**]	1.000
		Sig. (2-tailed)	.000	
		N	87	87

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

Source: Own data analysis outputs, April 2017

In summary, there are strong and positive relationships between the tangibility, reliability, responsiveness, and assurance dimensions of service quality and the customers' satisfaction, but there is a moderate positive correlation between the empathy dimension and the satisfaction of the customers.   However, there are no statistically significant relationships between the customers' gender, age, educational status, occupation types, as well as the length of customership and all dimensions of the quality services at Awash Bank S. C.

4.4 Assumption testing

Table 4.14. Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.757[a]	.573	.546	.779	1.612

a. Predictors: (Constant), I am satisfied with the quick service of this Bank - Responsiveness, I am satisfied of being a client of this Bank - Reliability, I am satisfied by Awash International Bank's up - to -date equipment and technology - Tangibility, Employees of the Bank give you individual attention - Empathy, I am satisfied with the Bank's professional competence and its complete range of services provided - Assurance

b. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

Table 4.15 ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	65.756	5	13.151	21.698	.000[b]
	Residual	49.095	81	.606		
	Total	114.851	86			

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

b. Predictors: (Constant), I am satisfied with the quick service of this Bank - Responsiveness, I am satisfied of being a client of this Bank - Reliability, I am satisfied by Awash International Bank's up - to -date equipment and technology - Tangibility, Employees of the Bank give you individual attention - Empathy, I am satisfied with the Bank's professional competence and its complete range of services provided - Assurance

Table 4.16 Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
(Constant)	.668	.331		2.015	.047					
I am satisfied by Awash International Bank's up - to -date equipment and technology - Tangibility	.056	.127	.061	.438	.662	.516	.049	.032	.268	3.727
I am satisfied with the Bank's professional competence and its complete range of services provided - Assurance	-.231	.138	-.233	-1.669	.099	.486	-.182	-.121	.270	3.698
I am satisfied of being a client of this Bank - Reliability	.737	.120	.691	6.164	.000	.679	.565	.448	.419	2.384
Employees of the Bank give you individual attention - Empathy	-.087	.134	-.090	-.655	.514	.517	-.073	-.048	.279	3.582
I am satisfied with the quick service of this Bank - Responsiveness	.373	.094	.407	3.974	.000	.569	.404	.289	.504	1.984

(Model column label: 1)

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

Table 4.17 Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions					
				(Constant)	I am satisfied by Awash International Bank's up-to-date equipment and technology - Tangibility	I am satisfied with the Bank's professional competence and its complete range of services provided -	I am satisfied of being a client of this Bank - Reliability	Employees of the Bank give you individual attention - Empathy	I am satisfied with the quick service of this Bank - Responsiveness
1	1	5.812	1.000	.00	.00	.00	.00	.00	.00
	2	.070	9.126	.58	.08	.01	.02	.01	.06
	3	.055	10.320	.08	.00	.07	.10	.02	.58
	4	.026	15.069	.32	.44	.00	.41	.00	.33
	5	.021	16.726	.00	.02	.38	.00	.84	.02
	6	.018	18.116	.02	.46	.55	.46	.14	.00

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

Table 4.18 Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.34	5.17	3.89	.874	87
Residual	-2.433	1.829	.000	.756	87
Std. Predicted Value	-2.909	1.469	.000	1.000	87
Std. Residual	-3.125	2.350	.000	.970	87

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

4.5. Effects of Service Quality and Customers' Satisfaction

A research which deals with small samples (i.e. virtually all modern research) suffers from the risk of erroneous interpretations of any apparent trends in the data. This is because samples are intrinsically variable. Hypothesis testing generally refers to the Neyman–Pearson strategy for reducing the risk of faulty interpretations of data (Cramer & Howitt, 2014). In the Neyman–Pearson Approach, the alternative hypothesis of a relationship between two variables is rigorously/strictly/ distinguished from the null hypothesis (which states that there is *no* relationship between the same two variables).

The reason for concentrating on the null hypothesis is that by doing so some fairly simple inferences can be made about the population which the null hypothesis defines. According to the null hypothesis, the population distribution should show no relationship between the two

variables. Usually, this means that their correlation is 0.00 or there is a value of 0.00 differences among the sample means. It is assumed, however, that other information taken from the sample (such as the standard deviation of the scores or any other statistic) adequately reflects the characteristics of the population.

Hypothesis testing then works out the likely distribution of the characteristics of all samples taken from this theoretical population defined by the null hypothesis and aspects of the known sample(s) studied in the research. If the actual sample is very different from the population as defined by the null hypothesis then it is unlikely to come from the population as defined by the null hypothesis. Here, the conventional criterion is that samples which come in the extreme 5% (0.05) are regarded as supporting the hypothesis; the middle 95% of samples support the null hypothesis. If a sample does not come from the population as defined by the null hypothesis, then the sample must come from a population in which the null hypothesis is false.

Hence, the more likely it is that the alternative hypothesis is true. In contrast, if the sample(s) studied in the research is typical of the vast majority of samples which would be obtained if the null hypothesis were true, then the more the actually obtained sample leads us to prefer the null hypothesis. One difficulty with this lies in the way that the system imposes a rigid choice between the hypothesis and the null hypothesis based solely on a simple test of the likelihood that the data obtained could be explained away as a chance variation if the null hypothesis were true. Few decisions in real life would be made on the basis of such a limited number of considerations and the same is true in terms of research activity. Therefore, the test of the null hypothesis is merely a stage in the process and quite a crude one at that – just answering the question of how well the findings fit the possibility that chance factors alone might be responsible. Of course, there are any number of other reasons why a hypothesis or null hypothesis may need consideration even after statistical significance testing has indicated a preference between the hypothesis and null hypothesis.

In this study, the researcher collected data for the five variables on dimensions of service quality measured on the ordinal scale because they are interested in whether these variables are related and, if so, the type of functional relationship between them. If two variables are related, they vary together – as the value of one variable increases or decreases, the other also changes in a

consistent way. If two variables are functionally related, they vary together and the value of one variable can be predicted from the value of the other.

In order to detect a relationship between two variables, both are measured on each of several respondents units and these bivariate data examined to see if there is any pattern. But it does not show whether or not two variables are significantly related, or have a significant functional relationship. This is another case where you have to use a statistical test, because an apparent relationship between two variables may only have occurred by chance in a sample from a population where there is no relationship.

Accordingly, a statistic will indicate the strength of the relationship, together with the probability of getting that particular result, or an outcome even more extreme, in a sample from a population where there is no relationship between the two variables. Two parametric methods for statistically analyzing relationships between variables are linear correlation and linear regression - both of which can be used on data measured on ordinal scale, for example. Correlation and regression have very different uses.

Correlation is generally an exploratory technique used to examine whether or not the values of two variables are significantly related, meaning whether or not the values of both variables change together in a consistent way. There is no expectation that the value of one variable can be predicted from the other, or that there is any causal relationship between them.

In contrast, regression analysis is used to describe the functional relationship between two or more variables so that the value of one can be predicted from the other. A functional relationship means that the value of one variable (called the dependent variable) can be determined by the value of the second (the independent variable). Regression analysis can also be used provided there is a good reason to hypothesize that one variable (the dependent one) can be determined by another (the independent one), but it does not necessarily have to be caused by it (McKillup, 2015).

Based on all those assumption, multiple regression analysis was employed to test five hypotheses on dimensions of service quality in Awash Bank in relations to customers' satisfaction. Accordingly, the researcher applied multiple regression analysis to examine effects of service quality dimensions (i.e. Tangibility, Reliability, Responsiveness, Assurance, and Empathy) on customers' satisfaction.

Here, if the calculated or computed p-value is less than or equal to .05, the null hypothesis (H_0) is rejected and the alternative hypothesis is thus accepted. The relationship between the two variables under consideration in the hypothesis testing is statistically significant. In contrast, if the computed p-value is found to be greater than .05, then the alternative hypothesis is rejected (or the researcher failed to accept this hypothesis), but the null hypothesis is accepted. Therefore, the relationship between the variable under discussion is found to be not statistically significant. The following sub-sections present the results of multiple regressions analysis to test those hypotheses.

Hypothesis testing

In light of the objectives of the study articulated above, the following hypotheses were proposed and tested:

4.5.1. Tangibility and overall satisfaction of customers

H_0: There is no positive and statistically significant effect of tangibility dimension of service quality on customers' satisfaction.

H_1: There is positive and statistically significant effect of tangibility dimension on customers' satisfaction.

Table 4.19 presents outputs of the multiple regression analysis in order to examine the effect of tangibility dimension of service quality delivery on customers' satisfaction. The results showed that there was positive and moderate effect of tangibility dimension of service quality on the customers' satisfaction in Awash Bank which was found at [$F_{(5, 81)}$ =.545, $p < .001$], with a value of Pearson's correlation of coefficient (r=.545), 5 and 81 degrees of freedom, and with R square which is coefficient of determination (R square= .297). Therefore, the customers' satisfaction increased by 29.7% with an increase of one level of tangibility dimension in quality service at the Bank.

Table4.19. Model summary for Tangibility

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.545[a]	.297	.254	.998
a. redictors: (Constant), Printed materials (forms, brochures, bank cards, etc.) look attractive, The Bank has neat and disciplined employees, Employees' uniforms are attractive., The room of the Bank is clean and provides adequate of space., The Bank has modern-looking equipment.				
Source: Own survey, April 2017				

In other words, the multiple regression analysis obtained a Pearson's correlation of .545, and an R square of .297 as shown in Table 4.19. There is also a positive and moderate relationship between Tangibility dimension of service quality and customers' satisfaction. The R square which is coefficient of determination gives us the proportion of the variance of the dependent variable (i.e. customers' satisfaction) that can be attributed to variation in the independent variables (item scales of Tangibility dimension). Accordingly, 29.7% of the variation in the customers' satisfaction can be explained by differences in the Tangibility dimension. Therefore, the Bank with Tangibility service quality could contribute less to its customers' satisfaction. Table 4.15 presents an ANOVA results in F= 6.857 with 5 and 81 degrees of freedom. The F was found to be statistically significant at the less than .001 confidence level. Thus, these results are presented as follows:

A multiple linear regression was run and computed to examine the effect of Tangibility on the customers' satisfaction based on those items of the dimension of service quality. A significant relationship was found at [$F (5, 81) = 6.857$, $p < .001$], with an R square of .297. Accordingly, Tangibility dimension is not significant predictor of the customers' satisfaction in Awash Bank. In conclusion, there is an increased and moderate statistically significant relationship between Tangibility dimension and customers' satisfaction at p-value of less than .001 which is also less than .05 confidence level.

Table 4.20. Analysis of variance (ANOVA[a]) for Tangibility and customers' Satisfaction

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	34.157	5	6.831	6.857	.000[b]
	Residual	80.693	81	.996		
	Total	**114.851**	**86**			

Source: Own survey results, April 2017

In order to examine the effect or influence of Tangibility on the customers' satisfaction, let me consider the values of Beta standardized coefficients of correlation as illustrated in Table 4.21. Generally, on average, the Beta standardized coefficient was computed to be 0.1308 which could considered as low statistically significant effect. As known, service quality dimensions represent the total feeling of customers of the Bank regarding their knowledge of automated banking services.

Table 4.21. Coefficients[a] for Tangibility

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.117	.427		4.963	.000
The Bank has modern-looking equipment	.138	.120	.152	1.154	.252
The Bank has neat and disciplined employees	.036	.129	.036	.280	.780
The room of the Bank is clean and provides adequate of space.	.187	.104	.223	1.804	.075
Employees' uniforms are attractive.	.249	.096	.304	2.587	.011
Printed materials (forms, brochures, bank cards, etc.) look attractive.	-.057	.108	-.061	-.535	.594

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

Source: Own survey, 2017

Based on 95% Confidence Interval which is also with probability level (p) = .005, there was no statistically significant relationships between most criteria of Tangibility dimension (such as the Bank has modern-looking equipment, the Bank has neat and disciplined employee, the room of the Bank is clean and provides adequate of space, and printed materials look attractive which had values of two-tailed significance levels greater than .005, and then one can deduce that there are no correlations between these variables and the customers' satisfaction), but the criterion like employees' uniforms are attractive was found to have a weak positive correlation with the customers' satisfaction.

4.4.1 Reliability and overall satisfaction of customers

H_o: Reliability dimension of service quality has no positive and significant effect on customers' satisfaction.

H_1: Reliability dimension of service quality has positive and significant effect on customers' satisfaction.

From the regression analysis results in Table 4.22, one can see that there is a positive and statistically significant relationship between reliability (the independent variable) and customer satisfaction (the dependent variable) at $[F_{(5, 81)}= 10.675$ and $p< .001]$.   The Pearson's' correlation coefficient was found to be (r) .630 and a coefficient of determination (R-square) was

39.7% which, in turn, indicated about forty percent of variation in Reliability dimension could explain the unit change or variation in the customers' satisfaction.

Table 4.22. Model summary for Reliability

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.630[a]	0.397	0.36	0.925

a. Predictors: (Constant), Employees show dependability in handling service problem, Employees are consistently courteous, The Bank provides its services at promised times, The employees handled customer's complaints effectively, and Employees provide accurate information to customers.

Source: Own survey, 2017

In order to determine the correlation between the five dimension of service quality and the overall customer satisfaction the researcher ran multiple linear regression analysis. The model summery table indicated in table below there was very strong positive correlation between these dimension of service quality at [$r(4)=.757, p<.05$]. Thus ,there is a statistically significant relationship between the five dimension service quality (such as tangibility, reliability, responsiveness, assurance and empathy) and the customer satisfaction. The bank employees tangibility, reliability, responsiveness, assurance and empathy tends to increase the customer satisfaction .

The R square (coefficient of determination) which give us the proportion of the variables of the customer satisfaction(dependent variable) that can be explained by variation in the independent variables (tangibility, reliability, responsiveness, assurance and empathy dimension). Thus 57.3% of the variation in customer satisfaction can be explained by differences in these five dimension of service quality.

Table 4.23. Analysis of variance (ANOVA[a]) for Reliability and customers' Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.757[a]	.573	.546	.779

a. Predictors: (Constant), I am satisfied with the quick service of this Bank- Responsiveness, I am satisfied of being a client of this Bank - Reliability, I am satisfied by Awash International Bank's up - to -date equipment and technology - Tangibility, Employees of the Bank give you individual attention - Empathy, I am satisfied with the Bank's professional competence and its complete range of services provided - Assurance

The second part of the input of the multiple linear regression analysis is the ANOVA summery tables as shown in below table. As the two tailed significance was found to be 0.001 which value less than 0.05, there is significant linear regression at $[f(5,81)=21.698, p<.05]$ with R square of 0.573. Accordingly, tangibility, reliability, responsiveness, assurance and empathy dimension of service quality in Awash Bank are a significant predictor of the customer satisfaction.

Table 4.24. ANOVA[a] summery of dimension

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	65.756	5	13.151	21.698	.000[b]
1	Residual	49.095	81	.606		
	Total	114.851	86			

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank.
b. Predictors: (Constant), I am satisfied with the quick service of this Bank- Responsiveness, I am satisfied of being a client of this Bank - Reliability, I am satisfied by Awash Bank's up - to -date equipment and technology - Tangibility, Employees of the Bank give you individual attention - Empathy, I am satisfied with the Bank's professional competence and its complete range of services provided - Assurance

Source: Own survey, 2017

The final section of the regression output in the table of coefficient in which the standardized coefficient are indicated in the table below. Tangibility contribute small to the variation of customer satisfaction (Beta=0.61),the assurance dimension had reasonable amount to the satisfaction level (Beta = -0.233),the reliability dimension had significant contribution to the increase in customer satisfaction (Beta =.691), the empathy dimension had minor contribution (Beta =.090) to variation in customer satisfaction ,and responsiveness dimension contributed noticeable (Beta =.407) to the variation in customer satisfaction. Thus one can argue that the existence of overall tangibility, reliability, responsiveness, assurance and empathy dimension of service at the head office Awash Bank have a significant contribution to the increment in customer satisfaction.

Table 4.25. Coefficients[a] for service quality dimension.

Model	...ed Coefficients B	Std. Error	Coefficients Beta	T	Sig.	95.0% Confidence Interval for B Lower Bound	Upper Bound	Correlations Zero-order	Partial	Part	Collinearity Statistics Tolerance	VIF
1 (Constant)	.668	.331		2.015	.047	.008	1.327					
I am satisfied by Awash International Bank's up - to - date equipment and technology - Tangibility	.056	.127	.061	.438	.662	-.197	.309	.516	.049	.032	.268	3.727
I am satisfied with the Bank's professional competence and its complete range of services provided - Assurance	-.231	.138	-.233	-1.669	.099	-.505	.044	.486	-.182	-.121	.270	3.698
I am satisfied of being a client of this Bank - Reliability	.737	.120	.691	6.164	.000	.499	.975	.679	.565	.448	.419	2.384
Employees of the Bank give you individual attention - Empathy	-.087	.134	-.090	-.655	.514	-.353	.178	.517	-.073	-.048	.279	3.582
I am satisfied with the quick service of this Bank- Responsiveness	.373	.094	.407	3.974	.000	.186	.560	.569	.404	.289	.504	1.984

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank
Source: Own survey, 2017

Table 4.26. ANOVA[a] for Reliability

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	45.619	5	9.124	10.675	.000[b]
	Residual	69.231	81	.855		
	Total	114.851	86			

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

b. Predictors: (Constant), Employees show dependability in handling service problem, Employees are consistently courteous, The Bank provides its services at promised times, The employees handled customer's complaints effectively., Employees provide accurate information to customers.

Source: Own survey, 2017

On average, a unit change in the Reliability dimension of service quality may bring about an increase .165 in the satisfaction of customers (see Table 4.27). Therefore, there is positive and

Table 4.27. Coefficients[a] for Reliability

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.959	.490		1.957	.054
	The Bank provides its services at promised times.	.394	.096	.422	4.126	.000
	Employees are consistently courteous.	.075	.115	.065	.653	.515
	The employees handled customer's complaints effectively.	.040	.105	.042	.383	.702
	Employees provide accurate information to customers.	.000	.118	.000	.004	.997
	Employees show dependability in handling service problem.	.319	.120	.294	2.669	.009

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank
Source: Own survey, 2017

In table 4.22 above there was strong and positive correlation between the item on employees are consistently courteous and customer satisfaction level at[$r_{rho}86=.653, p>.05$]. Accordingly ,there is no statistically significant correlation between the two variables under consideration. The empirical evidence show that there was a strong positive relationship between the scale item which state that the employees handled customer compliant effectively and the customer satisfaction at [$r_{rho}(86) = .383$ p>.05) one can thus conclude that there is no relationship between these variables. likewise there was very strong positive correlation between the item that states the employees provide accurate information to the bank customer and their level of satisfaction which was found at [$r_{rho}=.004$, p>.05].contrarily the scale item on employee s shows dependability in handling service problem was found to have weak positive correlation with customers satisfaction. Accordingly, it is possible to deduce that there is statistically significant correlation between these variable.

Statistically significant effect of Reliability on customers' satisfaction in Awash Bank. As a result, the null hypothesis is rejected at p <.001. Therefore, the Reliability dimension has considerable effect on the customers' satisfaction. Here, one may deduce that Reliability contributes noticeably to the achievement of customers' satisfaction in the banking industry.

4.4.2 Responsiveness and customers' satisfaction

H_o: Responsiveness has a positive and significant effect on customers' satisfaction.

H_1: Reliability dimension of service quality has no positive and significant effect on customer satisfaction.

Table4.28. Model Summary for Responsiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.593[a]	.351	.311	.959

a. Predictors: (Constant), The Bank gives quick response to customer's requests. Employees s handling service problem. The Bank provides diversified services to the customers. The Bank Employees are happy and willing to serve the customer.

Source: Own Survey, 2017

Table 4.17 documents .593 value of Pearson's correlation of coefficient, and R square of .311 which is the coefficient of determination of 31.1%. Consequently, 31.1% of the change in the Responsiveness dimension could be attributed to a unit variation in the satisfaction of customers. Nevertheless, contributions of standardized Beta weight coefficients to such a change in the customers' satisfaction were not that much on the part of each item of the dimension. Therefore, one can reject the null hypothesis at [F (5, 81) =8.775 and p < .001] (see Table 4.14) and then conclude that there is positive and statistically significant effect of Responsiveness on the customers' satisfaction, but the influence is less-marked on them.

Table 4.29. ANOVA[a] for Responsiveness

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	40.353	5	8.071	8.775	.000[b]
	Residual	74.497	81	.920		
	Total	114.851	86			

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

b. Predictors: (Constant), The Bank gives quick response to customer's requests, Employees show dependability in handling service problem, The Bank provides diversified services to the customers, The Bank gives prompt service, and Employees are happy and willing to serve the customer.

Source: Own survey, April 2017

Table 4.30. Coefficients[a] for Responsiveness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.101	.447		2.462	.016
	Employees show dependability in handling service problem.	.246	.111	.227	2.226	.029
	Employees are happy and willing to serve the customer.	.075	.104	.091	.718	.475
	The Bank provides diversified services to the customers.	.114	.125	.115	.913	.364
	The Bank gives prompt service.	.355	.138	.322	2.576	.012
	The Bank gives quick response to customer's requests.	-.017	.032	-.052	-.546	.586

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

Source: Own survey, April 2017

The finding of the study indicate that there was moderate positive relationship between the scale on employees are happy and willing to serve the customer at $[r_{rho}(86)=.218, p>.475]$, and the bank provides diversified service to the customer ,and the customer satisfaction respectively. There for, there were no statically significant relationship between these independent variables and the dependent variables under discussion. In the same vein, there was strong positive correlation between the scald item on the bank gives quick response to customer request ,and the customer satisfaction level found at $[r_{rho}(86)=-.546,p>.05]$ here, one may argue that there is no statistically significant correlation between the two variables. In contrast , the remaining two scaled items in the table 4.19have very weak positive relationship the item on customer satisfaction at $[r_{rho}(86)=2.226,P<.05]$ and at $[r_{rho}(86)=2.576,P<05]$, respectively. thus , there are statistically significant relationships between the two independent variable, and the dependent variables under consideration.

4.4.3 Assurance and customers' satisfaction

H_o: Assurance dimension of service quality has no positive and statistically significant effect on customers' satisfaction.

H_1: Assurance dimension of service quality has a positive and significant effect on customers' satisfaction.

Table 4.31 shows the computed values of Pearson's correlation coefficient and R square (coefficient of determination) were .661 and .437 (or 43.7%), respectively. There is a positive and statistically significant influence of Assurance dimension on customers' satisfaction which was found at [F (5, 81) = 12.559 and p < .001) according to the results presented in Table 4.27. Even as can be observed in Table 4.28, there was no significant effect of each item of Assurance dimension. Thus, it can be deduced that the null hypothesis is rejected. Generally, there is positive and statistically significant effect of Assurance on the satisfaction of customers.

Table 4.31. Model Summary for Assurance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.661[a]	.437	.402	.894

a. Predictors: (Constant), Employee instills confidence in customers, The employee has the required skills in providing services. The employees make customers feel safe in their transactions. The employees have sufficient knowledge of service information, The employees of the Bank are trustworthy.

Source: Own survey, 2017

Table 4.32. ANOVA[a] for Assurance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	50.154	5	10.031	12.559	.000[b]
	Residual	64.696	81	.799		
	Total	114.851	86			

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

b. Predictors: (Constant), Employee instills confidence in customers, The employee has the required skills in providing services, The employees make customers feel safe in their transactions, The employees have sufficient knowledge of service information, The employees of the Bank are trustworthy.

Source: Own survey, 2017

In table 4.33 there was very weak positive correlation between the item which states that the employees the required skills in providing service , and the satisfaction of the customer found at $[r^{rho}(86)=442,p>.05]$. Accordingly, there is no statistically significant correlation between these variable. Additionally ,the scaled item on the employee make customer feel safe in their transaction was found to have very weak positive relationship with the customer satisfaction at $[r_{rho}(86)=3.527,P<.05]$. Here ,it can be stated that there is relationship between the two variables .However, there was strong positive correlation between the item which states employees have sufficient knowledge of service and the customer satisfaction at $[r_{rho}(86)=-1.451,p>.05]$. Thus, one may deduce that there is no statistically significant correlation between these variable under discussion. moreover ,the item on employee instills confidence in customers, and the customer satisfaction level had weak positive relationship at $[r_{rho}(86)=1.082,p>.05]$. Therefore , there is no statistically significant relationship between the two variable considered.

Table4.33. Coefficients[a] for Assurance

Model		Unstandardized Coefficients		Standardized		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.310	.441		2.970	.004
	The employee has the required skills in providing services.	.053	.119	.049	.442	.659
	The employees of the Bank are trustworthy.	.292	.121	.290	2.404	.019
	The employees have sufficient knowledge of service information	-.191	.132	-.168	-1.451	.151
	The employees make customers feel safe in their transactions.	.398	.113	.429	3.527	.001
	Employee instills confidence in customers.	.133	.123	.121	1.082	.282

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

Source: Own survey, April 2017

4.4.4 Empathy and customers' satisfaction

$H_{o:}$ Empathy does not have a positive and significant effect on customers' satisfaction.

H_1: Empathy has a positive and statistically significant effect on customers' satisfaction.

The three important results of regression analysis are shown in Tables 4.29 through 4.31. Like other dimensions of service quality, there is a positive and statistically significant influence of

Empathy (r= .660 and R square= .360 or coefficient of determination value of 32.9%) on the customers' satisfaction. These results were found at [$F_{(5, 81)} = 11.554$ and $p < .001$]. Accordingly, the researcher failed to accept the null hypothesis in this study. Therefore, it can be concluded that there is positive and statistically significant effect of Empathy dimension on the customers' satisfaction in Awash Bank.

Table 4.34. Model Summary for Empathy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.600[a]	.360	.329	.946

a. Predictors: (Constant), Employees give individual attention to customers, Employees always treat customers in a friendly manner, Employees understand customers' specific needs, Employees treat customer with great respect.

Source: Own survey, 2017

Based on values of standardized coefficients of Beta weight on Empathy dimension in the study, the data analysis results indicated that there was no significantly weighty influence of each item of the Empathy. In general, a unit variation in the satisfaction of customers of the Bank could be explained by 36.0% of variation in those items of the Empathy dimension of service quality.

Table 4.35. ANOVA[a] for Empathy

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.399	4	10.350	11.554	.000[b]
	Residual	73.452	82	.896		
	Total	114.851	86			

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

b. Predictors: (Constant), Employees give individual attention to customers, Employees always treat customers in a friendly manner, Employees understand customers' specific needs, Employees treat customer with great respect.

Source: Own survey, 2017

Table 4.31 depicts the presence of mixed type of relationship between the given variable under consideration. The scaled item which focus on employees always treat customer in a friendly manner and the customer satisfaction level had a weak relationship at [$r_{rho}(86)=-1.290, p>.05$]. Accordingly there is no statistically significant relationship between the two variables. similarly there was a moderate positive correlation between the scaled item on employee treat customer with great respect and the customer satisfaction in this study . here one can argue that there is no

correlation between these variable under discussion. On the contrary ,the scaled item on employees understand customer specific needs was found to have very weak positive relationship with customer satisfaction at $[r_{rho}(86)=3.102,p<.05]$. There for there is relationship between these two variables under consideration. In addition there was very weak positive relationship between the item which states employees give individual attention to customer and the customer satisfaction at $[r_{rho}(86)=3.477.p<.05]$.Thus , there is statistically significant correlation between these variables under consideration.

Table 4.36. Coefficients[a] for Empathy

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.533	.522		2.939	.004
	Employees always treat customers in a friendly manner.	-.165	.128	-.137	-1.290	.201
	Employees understand customers' specific needs.	.387	.125	.344	3.102	.003
	Employees treat customer with great respect.	.098	.146	.079	.672	.503
	Employees give individual attention to customers.	.350	.101	.364	3.477	.001

a. Dependent Variable: Overall, I am satisfied by all service quality dimensions of the Bank

Source: Own survey, 2017

On the whole, there are positive and statistically significant effects of Tangibility, Reliability, Responsiveness, Assurance and Empathy on customers' satisfaction in Awash Bank. However, each item under the respective dimension has not been that much influencing the customers' satisfaction on individual manner.

4.5. Overall Customers' Satisfaction

As indicated in Table 4.9 above, a total of 65(about seventy-five percent) of the respondents in the study agreed that those five dimensions of service quality positively and significantly influenced on the customers' satisfaction in Awash Bank S.C. In the final analysis, one can conclude that there are positive and statistically significant effects of Tangibility, Reliability, Responsiveness, Assurance and Empathy dimensions of service quality on the customers' satisfaction in Awash Bank.

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

The basic intent of this chapter is to present the overall overviews of the research by summing the main findings of the analysis part and give future research directions. Accordingly, the chapter started it discussion by briefly sum up the overviews of the study and its main findings. In section two and three based on the study finding the researcher highlight some conclusion and recommendations respectively for the target populations the study pivoting on. Finally, the research strengths together with the limitations of the study, future research directions are presented in section three.

5.1. Summary of Finding

The study was intended to investigate the effect of customer service quality on customer satisfaction in awash bank s.c based on the questionnaire consisting of 96 selected customers of the banks. The results of background information of respondents indicated that majority of the total respondents 53(60.9%) are male while 34(39.1%) are female, (56.3%) aged in the range of 26-35 years, (62.1%) are degree holders, and (73.6%) of the respondents are private employees. with regard to length of customer ship for the bank, the customer who participated in the study were on average about 2.4 years with slandered deviation of 0.085 slandered unit.

The results of the descriptive statistical analysis also indicated that, customers were most satisfied with the Empathy dimensions of service quality followed by Assurance, responsiveness. However, customers were less satisfied with Tangibility and Reliability dimensions of service quality. The correlation result show that there was positive and weak relationship between empathy dimension of the service quality and customers' satisfaction at [r_{rho} =.216, df=86, and p< 0.05).

Generally, there is statistically weak and significant relationship between empathy dimension and customers' satisfaction. One can thus deduce that empathy dimension of the quality service provided at the Bank has weak contribution to the satisfaction of customers. However, there are no statistically relationships between the customers' gender, age, educational status, occupation types, as well as length of customer ship and all dimensions of the quality services at Awash

Bank S.C. However, the results also indicate that, there is negative and insignificant relationship between reliability and customer satisfaction. The finding also indicates that the highest relationship was found between empathy and customer satisfaction, while the lowest relationship was found between responsiveness and customer satisfaction. Furthermore, the multiple regression results showed that except reliability the four service quality dimensions (tangibility, responsiveness, assurance and empathy) have positive and significant effect on customer satisfaction.

The findings of this study also indicated that Empathy is the most important factor to have positive effect on customer satisfaction, followed by assurance and Responsiveness.

5.2. Conclusion

The study was conducted to examine the effect of customer service quality on customer satisfaction in Awash Bank. This research uses explanatory (causal and relational) Research design. Quantitative and qualitative research approach was used in this research. Konfe, Rufael and Gojam berenda branch was selected to draw sample and research subject was selected by using stratified random sampling.

The finding of the study indicates that customer's of Awash bank were satisfied by the five service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy). The finding of the study also indicates that, customers were most satisfied with the Empathy dimensions of service quality. However, customers were less satisfied with reliability and tangibility dimensions of service quality. The correlation result shows that, unlike reliability the four service quality dimensions (tangibility, assurance, empathy and reliability) are positively and significantly related with customer satisfaction.

In terms of the stated research hypotheses the following specific empirical findings emerged from the investigation: The four service quality dimensions including tangibility, responsiveness, assurance and empathy have positive and significant effect on customer satisfaction. The findings of this study also indicated that empathy is the most important factor to have a positive and significant effect on customer satisfaction. In addition to this, except reliability the four service quality dimensions significantly explain the variations in customer satisfaction. This

means that the bank is not working on every point of service quality to maximize its customer satisfaction. The bank have no loyal customer window and retail window. The bank have no model of personal service to customer.

5.3. Recommendations

The study was conducted to examine the effect of customer service quality on customer satisfaction in Awash Bank. The effects of each service quality dimension have been examined and investigated in deeps and the researcher have been drawn some recommendation.

Based on the findings and conclusions of the study, the researcher forwards the following recommendations to the management of the banks and suggestion for other researchers. Awash bank is exceeding customer expectation in one of service quality i.e. "Empathy" and lucking the other four service quality dimension. Empathy dimension was considered as one of the most important factors influencing customer satisfaction. One way of addressing this could be by always treating customers in a friendly manner, understanding customers' specific needs, treating customer with great respect and giving individual attention to customers. This is to say, the bank management should focus on this factor to maximize customer satisfaction.

 Furthermore, assurance dimension was considered as one of the most important factors influencing customer satisfaction. One way of handling this problem is by having the required skills in providing services, instilling trustworthiness, having sufficient knowledge of service information, making customers feel safe in their transactions and instilling confidence in customers. The finding of the study also indicates that customer's of Awash bank were satisfied by the five service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy). By working hard on all service quality dimension at every point the bank can maximize its customer satisfaction. In addition we recommend the bank that they should classify their customer in to loyal customer, big customer and retail customer If they work separately it will add one or two of service quality dimension.

5.4. Direction for Future Research

This study was conducted to examine the effect of customer service quality on customer satisfaction in awash bank s.c. The sample was drawn from only three branches of the banks, thus this study may be limited in its generalisibility of the findings to others private banks. So, future research should have to draw sample of respondents on more number of awash bank branch as well as private banks for the sake generalizing the results of the study.

This study included only five factors, there could be some other relevant factors that may be perceived as important by customers, but those were excluded from this study. Future researches, therefore, may consider more factors, like corporate image, location, price, staff attitude and other variables which can influence customer satisfaction.

Moreover, including moderator factors and looking forward to direct or indirect relationship towards customer loyalty can also be made in the research models of the new research by the other scholars in future. Furthermore, conducting a replication study in other service industries is also needed; for example in the hotel service, telecommunication service, post office service and so on.

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APPENDIX I

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTEMENT OF MARKETING MANAGEMENT

Dear respondent: This questionnaire is prepared by Mr. Gezahegn Kuma Gebisa who is a post graduate student in the Department of Marketing Management of St. Mary's University in order to fulfill requirements for partial fulfillment of a master degree. The purpose of the study is to gather adequate data on **"Effects of Service Quality on Customer's Satisfaction** in Awash Bank S.C." To make the study more fruitful, your sincere and reliable responses to the given questions would be highly appreciable. Finally, all of your responses to the given questions would be used only for the research purpose and will also be kept confidential.

Do you consent to answer the questions in this questionnaire?   Yes= Ο   **No=** Ο

General instructions:

1. Please do not write your name in the questionnaire.
2. Your participation is voluntary. That is, there is no penalty if you do not participate.

To the end, I would like to forward my deepest gratitude for your unreserved cooperation in filling the responses of those questions in the questionnaire.

Gezahegn Kuma Gebisa

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PART ONE

Directions 1: **Please choose and circle the alternative that is most applicable answer to you in respect of each of the following items:**

1. Sex:

        1. Male   **2**. Female

2. Age: _____ years

       1. 18- 25   **2**. 26-35   3. 36-45   **4**. 46-55   **5**. Over 55 years old

3. Educational level

       1. High school   **2**. Certificate   **3**. Diploma   **4**. Degree   **5**. Master and above

4. Occupation

   1. Government employee   **2.** Private employee   **3.** Self-employed   **4**. Student

   5. Others (please specify)……………………………………………………..

5. How long have you being customer of AIB

   1, Less than 1 year   2, 1 - 3 years   3, 4 - 6 years 4,   7 years and above   5, Undecided

PART II: Dimensions of service quality and customer's satisfaction questionnaire (SQQ)

Instructions 2: Please tick (☑) the level of agreement which you feel is the most appropriate using the scales ranging from 1 to 5 (Where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, and 5 = strongly agree).

		Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
	Tangibility					
1	The Bank has modern-looking equipment.					
2	The Bank has neat and disciplined employees.					
3	The room of the Bank is clean and provides adequate of space.					
4	Employees' uniforms are attractive.					
5	Printed materials (forms, brochures, bank cards, etc.) look attractive.					
	Reliability					
6	The Bank provides its services at promised times.					
7	Employees are consistently courteous.					
8	The employees handled customer's complaints effectively.					

9	Employees provide accurate information to customers.					
10	Employees show dependability in handling service problem.					
	Responsiveness					
11	Employees are happy and willing to serve the customer.					
12	The Bank provides diversified services to the customers.					
13	The Bank gives prompt service.					
14	The Bank gives quick response to customer's requests.					
	Assurance					
15	The employee has the required skills in providing services.					
16	The employees of the Bank are trustworthy.					
17	The employees have sufficient knowledge of service information					
18	The employees make customers feel safe in their transactions.					
19	Employee instills confidence in customers.					
	Empathy					
20	Employees always treat customers in a friendly manner.					
21	Employees understand customers' specific needs.					
22	Employees treat customer with great respect.					
23	Employees give individual attention to customers.					
		Strongly Disagree	**Disagree**	**Neither agree nor disagree**	**Agree**	**Strongly agree**
	PART III. Customer satisfaction					
1	I am satisfied by Awash Bank's up - to -date equipment and technology - Tangibility					
2	I am satisfied with the Bank's professional competence and its complete range of services provided - Assurance					
3	I am satisfied of being a client of this Bank - Reliability					
4	Employees of the Bank give you individual attention - Empathy					
5	I am satisfied with the quick service of this Bank- Responsiveness					
6	Overall, I am satisfied by all service quality dimensions of the Bank					

Thank you!