



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

**SERVQUAL AND SERVPERF MODEL TO ASSESS SERVICE QUALITY
AND CUSTOMER SATISFACTION: THE CASE OF BANK OF
ABYSSINIA SHARE COMPANY**

**BY:
ABAYNESH FEKADU**

**JUNE, 2018
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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE
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BY:
ABAYNESH FEKADU

APPROVED BY BOARD OF EXAMINERS

Asrat Bulbula (Asst. Prof.)
Advisor

Signature

Alula Tessema (PhD)
External Examiner

Signature

Amare Matebu (PhD)
Internal Examiner

Signature

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Asst. Prof. Asrat Bulbula. All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Abaynesh Fekadu

Name

St. Mary's University, Addis Ababa

Signature

June, 2018

ENDORSEMENT

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

Asst. Prof. Asrat Bulbula

Advisor

St. Mary's University, Addis Ababa

Signature

June, 2018

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ABSTRACT

The purpose of this study was to investigate customers' expectations and perceptions of banking service quality and attempts to measure and compare service quality and customer satisfaction in Bank of Abyssinian S.C. (BOA). The significance of the study is to give sufficient information on the impact of a number of relevant concepts that influence customers' satisfaction. In addition, this study will help BOA to improve its service quality for better customer satisfaction. The research used a descriptive form of research design and quantitative approach to collect data. The total population and sample selected were 554,333 and 400 of BOA customers respectively. The research used questionnaire data collection procedure; and the questionnaire developed for this study was based on a modified SERVQUAL and SERVPERF models. The software used to analyze and interpret the data was Statistical Package for Social Science (SPSS). The findings revealed that the level of service quality had negative discrepancy between BOA customers' expectations and perceptions but the overall customer satisfaction was at mean ≈ 2 (high level). The study results show that service quality is at the root of customer satisfaction. Finally, this research concludes that Assurance is the dominant service quality dimension which affects customer satisfaction and recommends BOA should get experience sharing with best customer service performing companies. SERVQUAL and SERVPERF are suitable instruments for measuring service quality in the retail banking sector in Ethiopia.

Key works: Service Quality, Expectation, Perception, SERVQUAL, SERVPERF, Customer Satisfaction

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	iii
ABSTRACT.....	iv
LIST OF TABLES	vii
CHAPTER ONE: INTRODUCTION	1
1.1. Backgrounds	1
1.1.1. Background of the Study.....	1
1.1.2. Background of the Company	4
1.2. Statement of the Problem.....	5
1.3. Research Questions.....	7
1.4. Objectives of the Study	7
1.4.1. General Objective	7
1.4.2. Specific Objectives	7
1.5. Hypothesis.....	8
1.6. Significance of the Study	8
1.7. Delimitation /Scope of the Study	8
1.8. Limitation of the study.....	9
1.9. Definition of Key Terms.....	9
1.10. Organization of the Paper	10
CHAPTER TWO: LITERATURE REVIEW	11
2.1. Services.....	11
2.1.1. Characteristics of Service.....	12
2.1.2. Customer Service	13
2.1.3. Scope of Service Sector	13
2.1.4. Service in Banking Sector.....	14
2.2. Quality.....	14
2.2.1. Service Quality.....	16
2.2.2. Service Quality and Customer Satisfaction.....	18
2.2.3. Measuring Service Quality.....	20
2.3. Service Quality Measurement Models	21
2.3.1. SERVQUAL Scale.....	23
2.3.2. SERVPERF Scale	25

2.4.	Quality Dimensions in Relation to the Banking Sector	27
2.5.	Bank Service Quality Measurement	29
2.6.	Current Practices of Service Quality Measurement in BOA	30
2.7.	Service Quality Improvement for Retail Banking Industry	30
2.8.	Advantages of Customer Satisfaction Measurement Programs	32
CHAPTER THREE: RESEARCH METHODOLOGY.....		33
3.1.	Research Design and Methodology	33
3.2.	Tools and Sources of Data Collection.....	34
3.3.	Data collection Instruments	35
3.4.	Target Population.....	36
3.5.	Sampling Technique and Sample Size	36
3.6.	Procedure for Data Collection.....	37
3.7.	Methods of Data Processing and Analysis.....	38
3.8.	Reliability and validity of the instrument	38
3.9.	Ethical Considerations	39
CHAPTER FOUR: RESULTS AND DISCUSSION		40
4.1.	Respondents' Demographic Characteristics	40
4.2.	Descriptive Analysis of Service Quality Measurement	43
4.2.1.	Customer's Response on SERVQUAL Dimensions.....	43
4.2.2.	Customer's Response on SERVPERF Dimensions	49
4.3.	Customer Satisfaction	51
4.3.1.	Correlation Analysis of Service Quality and Customer Satisfaction	52
4.3.2.	Regression Analysis of Service Quality Dimensions and Customer Satisfaction.....	56
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS		61
5.1.	Summary of Findings.....	61
5.2.	Conclusion	63
5.2.	Recommendations.....	65
REFERENCE.....		I
Appendix I – Cross Tabulation		IX
Appendix II - Reliability Measure/ Testing		XII
Appendix III – Questionnaire		XIII

LIST OF TABLES

Table 1: Sample Proportion Taken from Branches.....	37
Table 2: Demographic Data	41
Table 3: SERVQUAL Score of Tangible Dimension.....	44
Table 4: SERVQUAL Score of Reliability Dimension	44
Table 5: SERVQUAL Score of Responsiveness Dimension.....	45
Table 6: SERVQUAL Score of Assurance Dimension	46
Table 7: SERVQUAL Score of Empathy Dimension.....	47
Table 8: SERVQUAL Score of Convenience Dimension	48
Table 9: SERVPERF/Perception Only Score of Quality Dimensions.....	50
Table 10: Overall Customer Satisfaction Level.....	52
Table 11: Correlations Analysis of Service Qualities Dimensions and Customer Satisfaction ...	53
Table 12: Regression Coefficients Analysis of the Dimensions and Customer Satisfaction	57
Table 13: Model Summary of Service Quality Dimensions and Customer Satisfaction.....	59
Table 14: ANOVA for Service Quality Dimension and Customer Satisfaction	59
Table 15: Model Summary of Regression of the two scales	60

CHAPTER ONE

INTRODUCTION

This chapter presents the general idea of the whole thesis. It covers the background of the study and the bank, statement of the problem, research questions and objectives of the study, significance of the study, scope of the study, limitation and organization of the study.

1.1. Backgrounds

1.1.1. Background of the Study

Banks play a vital and energetic function in the financial and monetary expansion of a nation. A successful banking structure significantly pressures the development of a nation in different sectors of the economy. However, practitioners in the banking industry face various challenges in the international marketplace. It is critical for banks to realize shifting customer requests and implement the most up-to-date information technology infrastructure in order to ensure success with international organizations (Malhotra & Mukherjee, 2004).

Quality customer service has become one of the warmest and mainly pressing topics discussed among people and institutions. This stems from the indisputable truth that currently customers are increasingly stylish and quality focused. They wish for service and value they can count on and they do not want to spend many times looking for it. The quality service component has become a requirement for the survival of the fittest in this severe contest. The voice of the customer offers just accurate course for any organization. Certainly, in the future, citizens do not purchase from businesses that do not go further stapes in watch over their customers (Teh, 2007). Since service quality (SQ), assists in emerging strategies that show the way to customer satisfaction (CS) Service institutes have begun center of attention on the customer perceptions of service quality (Rao and Saravanan, 2007).

According to Gummesson (1994), there has been a move from the focus on goods, lacking a great importance on services to a focus on services thought paying attention on the goods. This pressures the significance of service marketing to the majority of service businesses. This is why perceived service quality has been of high concentration to investigators (Julander and Magi,

1996). In the banking industry, presenting quality service is extremely decisive in the formation of nearer connection with the customer.

Quality of service has the authority to produce customer satisfaction and make them trustworthy. On the other hand, poor service quality effect in customer dissatisfaction and customer desert. This is marked in the excess of complaints received from the customers and their pessimistic opinion towards the service giver. Actually, one satisfied customer informs one single customer but a dissatisfied customer let knows nine additional people concerning the trouble. Creating customer satisfaction comprises on time and valuable response to their desires (Agus, Barker and Kandampully, 2007).

In the banking industry what is served to the customer is service, it is crucial to be aware of the factors that influence customer loyalty. For this reason, it becomes an obligation for banks to consistently measure CS and to improve the quality of services. It is not easy to measure the quality of services since it is difficult to develop definitions and practices that are acknowledged and preferred by all existing and potential customers. However, as the global economy has suffered from financial depression, it is essential for banks to establish a sturdy and solid loyal customer base to weather tough economies and intense competition. Thus, the practice of excellent SQ integrated with consumer products is a powerful generator to cater to customers' needs and engage with them (Rust and Zahorik, 1993).

Service excellence is a powerful weapon of competition that increases market share and boosts productivity and profitability (Garvin, 1987). Banks operate in Ethiopia with lots of pressure due to increase in competition. This attached with rapid technological advancement and improved communication systems, have contributed to the increasing integration and resemblance amongst banks in the financial sector (Harvey, 2010). Various strategies are formulated to retain the customer and the key to it is to increase the service quality level (Ahmossawi, 2001). Increasing the level of Service quality is particularly essential in the banking service contexts because it provides high level of customer satisfaction and hence it becomes means to competitive advantage (Ahmossawi, 2001).

Service quality is an important area to academicians because of its relevancy to service companies for attaining operational efficiency and improved business performance. Therefore, many researchers have tried to develop various models to measure it, even though some claim it is hard to measure because of its intangibility, which is hard to quantify (Eshghi, Ganguli and

Roy, 2008; Douglas and Connor, 2003). As services are intangible in nature, evaluating the customer's perception of quality can be done through the interaction with the personnel offering services (Julander and Magi, 1996).

A vast number of studies were used to identify the significance of service quality. Good service quality is generally regarded as a way to retain existing customers and acquire new ones, reduce costs, and enhance corporate image. Teas (1993) developed the Evaluated Performance model, which measures the gap between perceived performance and the ideal amount of a dimension of SQ, rather than the customer's expectation. This was to solve some of the criticism of some previous models (Gronroos, 1984; Parasuraman, Berry & Zeithaml, 1985).

Service quality and customer satisfaction have received a great deal of attention from both scholars and practitioners because of their relevancy and relationship according to Eshghi et al., (2008) and the main reason for focusing on these issues is improving the overall performance of organizations (Julander and Magi, 1996).

Various definitions of the term 'service quality' have been proposed in the past and, based on different definitions; different scales for measuring service quality have been put forward. SERVQUAL and SERVPERF constitute two major service quality measurement scales. The consensus, however, continues to elude until date as to which one is superior. An ideal service quality scale is one that is not only psychometrically sound but is also diagnostically robust enough to provide insights to the managers for corrective actions in the event of quality shortfalls (James and Kang, 2004).

Considering that many banks offer undifferentiated products in a rival marketplace, banks are paying more attention to SQ in order to gain a competitive advantage. Banks that master SQ can gain a competitive edge in terms of higher revenue, customer loyalty and customer retention (Kumar Charles and Kee, 2010). Thus, this study assesses the most important attributes of service quality considered by customers in the Bank of Abyssinia S.C through measurement toolkit (i.e. SERVQUAL and/or SERVPERF model). It is proposed to address several specific objectives: to find the interrelationships between service quality dimensions and customer satisfaction in the Bank of Abyssinia S.C. It would also assess the diagnostic power of the two service quality scales of SERVQUAL & SERVPERF; validity and methodological soundness of these scales have also been probed in the Banking context.

1.1.2. Background of the Company

The present-day Bank of Abyssinia S.C. (BOA) was established on February 15, 1996 (90 years to the day after the first but defunct private bank was established in 1906 during Emperor Menelik II) in accordance with 1960, Ethiopian commercial code and the Licensing and Supervision of Banking Business Proclamation No 84/1994.

Bank of Abyssinia S.C. started its operation with an authorized and paid up capital of Birr 50 Million and Birr 17.8 Million respectively, and with only 131 shareholders and 32 staff. In about twenty two years since its establishment, guided with clear vision, mission and values, Bank of Abyssinia has shown a significant growth with registered capital of Birr 4 billion and paid up capital of Birr 1.8 billion, respectively. Its total deposit balance is Birr 21.9 Billion and a total loans and advances of Birr 16.6 Billion. In effect, this has enhanced the risk absorbing and the lending capacity of the Bank. It has attracted 4,235 professional staff members, 1,732 shareholders and 950,000 account holders' (customers) from all occupations and works with known money transfer agents such as Western Union, Express Money, Turbo Cash, Ria International, Transfast, Dahabshiil, MoneyGram, kaah and Ezremit. This performance indicates public confidence in the Bank and reliability and satisfaction in its services.

Currently, following a strong demand for better service and products from all directions on the one hand, and a ground-breaking development in ICT, on the other, BOA has replaced its in – house IT system with the state-of- the art technology called T24 and provides various banking products and services in Ethiopia. The bank provides special banking services like term loans, savings and time deposits, overdraft service, youth-targeted savings programs and advance facilities to various sectors. It also issues domestic letters of guarantee, bonds, etc., as well as payment instruments, such as cash payment orders, demand drafts, certified cheques, etc. In addition, it offers international services like import and export letters of credit, cash against documents, money transfer services, foreign exchange services, and remittance services. Further, the Bank provides safe deposit boxes, mobile banking, Muday Abyssinia, Gift card and ATM and POS services with Habesha card. It also strives to serve economic and services sectors via its expanding branch networks throughout the country.

1.2. Statement of the Problem

There are eighteen commercial banks in Ethiopia. Bank of Abyssinia S.C. is the 4th largest bank in terms of deposit (after the Commercial Bank of Ethiopia, Awash Bank and Dashen Bank) as per the strategic plan and organizational transformation study carried out by the Bank in August, 2015. On average, it ranks 6th in terms of profit (return on equity) and 12th in customer deposit growth. The study also indicates that in spite of the positive performance by the Bank, it has not been growing as rapidly as its peers have. As part of the study, external survey is also made on 300 bank customers and the result revealed that service quality followed by accessibility is the main choice driver when customers are selecting a bank. It is also noted from the survey that customer experience delays due to system and network issue (Bank of Abyssinia, 2015).

In the everyday language, quality is the good features of goods and services. In the contemporary understanding of quality, it is not enough to have only good features. It is also necessary to identify customers' preferences and then to fully integrate them into goods and services. Thus, Bank of Abyssinia signed an agreement with Deloitte consulting for consultation of its five-year strategic plan and organizational transformation scheme on July 17, 2015 as a partnership. The partnership seeks to help the bank overhaul its business model and adopt standards consistent with the changing global banking community. The need for a new design of strategy and structure was derived by the Bank's decision to be a premier bank through a customer-centric, segment based operating model to drive growth and enhance shareholder value.

As customer's focus is the key to the new operating model. Customers are treated differently by segment which requires delivery capabilities tuned to the different segments. The current customer view is fragmented and product focused, special focus is on high value corporate segments with which the Bank should cultivate close relationship via single point of contact for these customers' interaction with the Bank.

Despite the efforts provided by BOA to improve its service, an integrated view of customers and systematic management of customer service experience there is still evidence of challenges on quality of the service which leads to customer satisfaction once played down as so many critics were forwarded from different customers on its customer service inconsistent, lacking call centre, customer service desk, relationship capabilities and failure to provide service to its

customers on a promised time. Those things require the bank to identify the gap between the perceptions and expectations of customer from the voice of the customer.

Beside the bank evaluate its performance based on the number of account, the amount of deposit, portfolio of loans and advance extended and what it gained from its international/foreign services. Anderson, Fornell and Lehmann (2010) stated that global perceptions of SQ exert a strong influence on global perceptions of CS with the firm that finally is made by customer loyalty and positive word of mouth communication. The matter has been evaluated particularly in terms of commercial banking sector where competition has knocked at the door.

In addition, for sustainability, expectations of customers should be consistently assessed and satisfied. Given the fact that, firms can survive as long as they have customers and are profitable. Thus, the aim of measuring CS should not only to attract new customers but also to ensure that existing ones will keep being customers. This can be achieved only by maintaining and even improving CS. Therefore, there is a constant need for examining the expected and perceived quality of goods and services (Chang and Yeh, 2002).

One of the determinants of success of a firm is how the customers perceive the resulting service quality, as this is the key driver of perceived quality. It is the perceived value, which determines CS. Many firms including banking industries begin to track their CS through measuring their level of Sq perceived by their customers (Collart, 2000). Thus, in this competitive world, the only way a bank can survive is by being the best and being able to provide the best service that improves CS, which will lead to improved customer loyalty and profitability. Because, customers of the Bank rely on the service delivered to them. Therefore, it is every employee's responsibility to demonstrate good customer service. This is especially critical for those who have day-to-day contact with the customers.

In view of the above stated points, this study would measure the perception of customers concerning services provided by Bank of Abyssinia S.C. and find out whether the Bank has met the perceptions. It also assesses the diagnostic usefulness as well as the methodological soundness of the two widely advocated SQ scales, i.e., SERVQUAL and SERVPERF. In addition, to found the interrelationships between SQ dimensions and CS and to identify the most important attributes of SQ dimension considered by customers as well as determining this factors' significances. Furthermore, suggestions of quality tools that would help the Bank achieve SQ to satisfy the expectation of customers/users would be forwarded.

1.3. Research Questions

The main issues to be addressed in this research were service quality and customer satisfaction using the SERVQUAL and SERVPERF model in Bank of Abyssinia S.C. context. The study was interested in the dimensions of service quality from the consumer's perspective through assessing their expectations and perceptions of service quality. Therefore, the study was designed to answer the following questions:

1. How is the service delivered by Bank of Abyssinia S.C. perceived by its customer and does it meet the expectations of its customer?
2. What is the level of customer satisfaction in overall service of Bank of Abyssinia S.C.?
3. Is there any relationship between customer satisfaction and service quality dimensions at Bank of Abyssinia S.C.? and
4. Which dimension is doing well among all six dimensions within the service provided by Bank of Abyssinia S.C.?

1.4. Objectives of the Study

1.4.1. General Objective

The general objective of this study is to examine service quality and customer satisfaction of Bank of Abyssinia S.C. in the measurement of SERVQUAL and SERVPERF models.

1.4.2. Specific Objectives

The specific objectives are:

1. Analyze the different problems Bank of Abyssinia S.C. is facing in giving service to customers as per the measured service quality dimensions using the models.
2. Determine the influence of service quality dimensions on customer satisfaction at Bank of Abyssinia S.C.
3. Identify the dominant dimension of service quality that drives customers' perceived satisfaction on core products of the Bank. and

4. Suggest that Bank of Abyssinia S.C. need to improve dimensions of service quality from the gap analysis and/or the performance only measurement carried out.

1.5. Hypothesis

The thesis was designed to test the hypothesis that

H₀₁. The SERVQUAL model is not a good instrument to measure service quality because some of the items under the dimensions overlapped and regrouped under different dimensions.

H₀₂. The SERVPERF model is not the best tool to measure service quality in banking sector because the dimensions do not best measure the construct in that context.

1.6. Significance of the Study

This study measures the service provided by Bank of Abyssinia S.C. and its impact on customer satisfaction. It identifies the strengths and weaknesses of the service delivered by the Bank and its effect on customer satisfaction. The significance of the study is to give sufficient information on the impact of a number of relevant concepts that influence customers' satisfaction. In addition, it helps the Bank to know areas, which need improvement in service quality. It also allows stakeholders to provide insight as to the nature of service quality in the banking industry. Moreover, as employees are one of the stakeholders, it would help them to evaluate their service by applying SERVQUAL and/or SERVPERF models to measure customer satisfaction. It would also help those interested in this area to have an insight on theoretical understanding of the issue and used as a reference for evaluating customer service quality in the banking sector.

1.7. Delimitation /Scope of the Study

There are a number of previous and newly emerging commercial banks in Ethiopia. This study could have been conducted on a wider scale not just on Bank of Abyssinia S.C. This is due to limited financial resources, time and accessible information regarding all branches and units of others Banks with in the given time period. The study therefore, will cover the customer

satisfaction with service quality of sample Addis Ababa branches under East and West Addis Ababa districts for the Bank of Abyssinia S.C.

1.8. Limitation of the study

The research has just made a small step to assess the constructs of SQ and CS based on a small sample size and areas covered. Thus, researcher could find a causal link between SQ and CS and their effect on variables mentioned. And it was feared that the use research assistants may render inconsistencies such as differences in conditions and time when the data was obtained from respondents. Even though, this was minimized by orienting and briefing the researcher assistants on the data gathering procedures. Therefore, the results of this study cannot be generalized. However, this study provides an opportunity for the researchers to use larger sample size and arrive at generalization. Future research would examine a wider respondent base across Ethiopia.

1.9. Definition of Key Terms

Service means a non-object that performances cannot be seen, felt, tasted, or touched before an exchange agreement is concluded. (Anonymous, 2013)

Quality is degree to which a set of inherent characteristics fulfils requirements (ISO 9000:2015)

Service Quality defines as a global judgment, or attitude, relating to the superiority of the service', and explicated it as involving evaluations of the outcome. (Parasuraman et al., 1988)

Customer sometimes known as client, buyer, or purchaser is the recipient of a good, service, product or an idea – obtained from a seller, vendor, or supplier via a financial transaction or exchange for money or some other valuable consideration. (Reizenstein, 2004)

Customer Satisfaction can be defined as when the customer's expectation of the service provided matches customers' perceptions of the actual service received. (Parasuraman et al., 1985)

Expectations are reference points against which service delivery is compared only at beginning.

Perceptions are consumer judgments about the actual service performance by a company.

SERVQUAL is a model to measure service quality by identifying the gap between customers' expectation and perceptions of a service along the dimensions that are believed to represent service quality. (Parasuraman et al., 1985)

SERVPERF scale is that it entails gigantic data collection task. Employing a lengthy questionnaire to collect data about customers' expectations as well as perceptions of a firm's performance on each of the service quality scale attributes. (Cronin & Taylor, 1994)

1.10. Organization of the Paper

The study has organized into five chapters. The first chapter provides the introduction and background information about Bank of Abyssinia S.C., statement of the problem, the objectives, scope of study, definition of terms, research question and hypothesis, and significance of the study. The second chapter discusses the relevant customer service quality literature on the problem presented in a detailed manner. The third chapter elaborates the methodology used in the study. It covers research design, data type and source, sampling method and analysis of the study. The results are presented, discussed and analyzed in chapter four and finally the fifth chapter draws conclusions and suggestions to be considered by the Bank and possible remedial recommendations based on the fourth chapter. The suggestions made are purposely tabled to help the Banking sector to continuously improve the quality of customer service.

CHAPTER TWO

LITERATURE REVIEW

In this chapter, review relevant literature connected to topic. This would involve bringing up the theories that are using in the study. Discuss issues on service quality and customer satisfaction concepts that the researchers believe they provide evidence of the variables of the study. Concepts like service, quality; customer satisfactions, service quality, the relationship between service quality and customer satisfaction and the SERVQUAL & SERVPERF service quality measurement models, service quality improvement for retail banking industry are the focuses; in order to enhance understanding of the topic and provide answers to research questions.

2.1. Services

The world economy nowadays is increasingly characterized as a service economy. This is primarily due to the increasing, importance and share of the service sector in the economies of most developed and developing countries. In fact, the growth of the service sector has long been considered as indicative of a country's economic progress (Management study guide, n.d.).

A study carried out by Johns and Earl (1995) points out that the word 'service' has many meanings, which lead to some confusion in the way the concept is defined in management literature, service could mean an industry, a performance, an output or offering or a process. They further argues that services are mostly described as 'intangible' and their output viewed as an activity rather than a tangible object, which is not clear because some service outputs have some substantial tangible components like physical facilities, equipments and personnel.

According to Phillips, Chang and Buzzell (1983), service is any activity or benefit that one party can offer to another that is essentially intangible and may not result in the ownership of anything. According to O'Neill and Palmer (2003), services are products, which are essentially intangible and cannot be owned. From the definitions as presented by the various authorities, it is clear that they all emphasis that service is essentially intangible. This means that a service cannot be seen physical but the customer experiences it. In summary, it is eminent for service firms to consider the physical aspects of quality in order to offer high service quality (Abdullah & Andrew, 2010).

2.1.1. Characteristics of Service

It is important to understand the differences between goods and services so that the service operations can be managed using appropriate tools and methods. According to Zeithaml, Berry, and Parasuraman (1996) and Kotler & Armstrong (2012), the characteristics of services are often described as four unique characters: intangibility, heterogeneity, inseparability and perish-ability (IHIP) which makes services different from physical products and hard to evaluate. These characteristics are described as following:

Intangibility: Services said to be intangible because they cannot be seen, tasted, felt, heard, or smelled before they are purchased. For example, a person receiving a haircut cannot see the result before purchase. They are performance rather than objects. It means that services are more like a process than a thing, more a performance than a physical object and are experienced rather than consumed (Levitt, 1981).

Heterogeneity: Refers to the service performance are highly variable from one service transaction to another and one time to another since services depend on who provide them, when and where they are provided (Zeithaml, 1988). For examples, although branches of a particular bank may be selling and delivering the same service, the quality may not be uniform or homogenous from branch to branch. This is a particular problem for services with high labor content, as different people deliver the service performance and the performance of people can vary from day to day (Rathmell, 1966; Carman, J. (1990); and Parasuraman, et al., 1985).

Inseparability: Refers to that services are produced and consumed simultaneously. For instance, as it is in car hiring. The person rendering the service becomes part of the service as how he does it affect the quality of the service. Article of (Ibid pp 150-152) stated that for the service to be produced and delivered to the end user, service providers integrate their most valuable resources like employees, technologies, physical resources, governing systems and customers as well in the best possible way so that service quality can be assured.

Perish-ability: Means service cannot be stored or saved to a future time. For example, hours when cashiers are idle at the bank cannot be used to expand service on a busy day when long queues are formed. Onkvisit and Shaw (1991) suggest, “Services are “time dependent” and “time important” which make them very perishable.”

2.1.2. Customer Service

Customer service means different things in different industries, but it always boils down to the same basic elements – providing superior levels of service to patrons, constituents and clients. Customer service is the provision of service to customer before, during and after a purchase. The perception of success of such interactions is dependent on employees who can adjust themselves to the personality of the guest. An organization that values good customer service may spend more money in training employees than the average organization of may proactively interview customer for feedback (Aldlaigan and Buttle, 2002).

From the point of view of an overall sales process engineering effort, customer service plays an important role in an organization's ability to generate income and revenue (Paul, 1998). From that perspective, customer service should be included as part of an overall approach to systematic improvement. One good customer service experience can change the entire perception a customer holds towards the organization (Teresa and Dawn, n.d.).

2.1.3. Scope of Service Sector

The wide range of services marketed by profit making firms is reflected in the following classification by industry:

- Housing Rentals of hotels, motels, apartment house and farms;
- Household operations like utilities, house repairs, repairs of equipment in the house land scalping and household cleaning;
- Recreation and entertainment such as theatres, spectator sports, amusement parks rental and repairs of equipment used to participate in recreation and entertainment activities;
- Personal care such as laundry, dry cleaning, beauty care;
- Medical and other health care including all medical services, dental nursing, hospitalization optometry, and other health care;
- Private education like vocational school, nursery schools and some continuing education programs;
- Business and other professional services such as legal, accountancy, and management;

- Insurance, banking and other financial services such as personal and business insurance, credit and loan services, investment, credit unions and credit card companies;
- Transport including flight and passenger services; and
- Communication as in telephone, computer, and copying services (Barnes, James G. 2001)

2.1.4. Service in Banking Sector

Financial service are the economic services provided by the finance industry, which encompasses a broad range of business that manage money, including credit unions, banks, credit card companies, insurance companies, accountancy companies, consumer finance companies, stock brokerages, investment funds, individual managers and some government sponsored enterprises (IMF. March 2012).

As financial service sector, Banks play an important and active role in the financial and economic development of a country. An effective banking system greatly influences the growth of a country in various sectors of the economy. It is crucial for banks to better understand changing customer needs and adopt the latest information technology system in order to compete more effectively with global organizations (Malhotra & Mukherjee, 2004).

However, globalization has altered customer behavior in regards to banking services, and the operating environment for banking industry has become more dynamic and competitive. In addition, the emergent of new forms of banking services such as automated teller machines, internet banking, and phone banking as well as the global competition accelerate the need for bankers to explore the importance of customer satisfaction and customer loyalty. Today, “the bank goes to the customer rather than waiting for the customer to come to the bank” (Firdaus et al., 2010) cited on (Suzana, Jelena and Goran, 2015).

2.2. Quality

The concept of quality is not new: it has always been part of the academic tradition. There are many significant challenges to defining quality, as it is an elusive term for which there is a wide variety of interpretations depending upon the viewpoints of different stakeholders. Since

different definitions of quality are, appropriate under different circumstances various scholars have defined it in a different way (Garvin, 1987; Sebastianelli and Tamimi, 2002).

Feigenbaum's (1961) definition of quality is the total composite of marketing, engineering, manufacturing and maintenance product characteristics through which the product meets the expectations. It is interesting because it brings into consideration departments other than manufacturing which contribute to the quality of product and service provided by the company to meet the expectation of the customer.

Tuchman's (1980) definition of quality is "a degree of excellence"; it is interesting but does not really help in studying the area, as it is too vague. According to this definition, we might be tempted to believe that a high specification car (say, for example, a Rolls Royce) is, inherently of higher quality than a lower specification vehicle (such as Volkswagen Beetle). Juran's simple definition of quality is "fitness for use"; on the other hand, suggests that if both vehicles satisfy the purpose for which they were purchased, they can both be quality products (Graeme, 2011).

The underlying philosophy of all the previous definitions of quality is the same consistency of conformance, performance, and keeping the customer in mind. Garvin (1984) described five basic approaches for quality definition (the transcendent approach; the product-based approach; the manufacturing based approach; value- based approach; and the user-based approach). These approaches have been adapted, refined and expanded throughout the literature to define quality (Forker, 1991; Reeves and Bednar, 1994; Seawright and Young, 1996; Russell and Miles, 1998; Fynes and Voss, 2001; Sebastianelli and Tamimi, 2002; Sousa and Voss 2002; Ojasalo, 2006; and Zu et al., 2008).

According to Flood (1993), Quality means, "meeting customer (agreed) requirements, formal and informal, at the lowest cost, first time every time". Flood has tried to strength his definition by including the meaning of different approaches. In his definition such as the customer based view, product, manufacture based view and the value based view as well, however his definition is still invalid and not reliable according to Routio's (2009) criteria as it ignores the other stakeholders.

The International Organization for Standardization (ISO) definition of quality is a universal definition and adopted by a wide range of organizations all over the world both manufacturing and service organizations as it successfully covers a lot of aspects in defining quality including customer requirements, and product and/or service conformance to predetermined

characteristics. As quoted, directly from ISO 9000:2015 Quality is “degree to which a set of inherent characteristics fulfils requirements”. "Inherent", as opposed to "assigned", means existing in something, especially as a permanent characteristics. “Characteristics”, distinguishing feature. “Requirement”: Need or expectation that is stated, generally implied or obligatory. "Generally implied" means it is custom or common practice for the organization, its Customers and other interested parties.

However, this definition is not reliable because customer expectation cannot be measured, as customers do not know what their expectations are particularly with infrequently purchase of product and/or service (Cameron and Whetten, 1983; Lawrence and Reeves, 1993). This definition is invalid according to Routio’s (2009) criteria as organization interested parties concept may be inappropriate and the better word should be stakeholders and finally this definition fails to cover the continuous review of the quality definition as previously discussed.

2.2.1. Service Quality

The concept of SQ has received a great deal of attention from both academicians and practitioners throughout the past three decades. It is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining and measuring it with no consensus emerging on either (Wisniewski, 2001). The earliest concern for what has become to be known as SQ appeared in 1976.

Churchill and Suprenant (1982) were among the earliest to hold the view later shared by others that SQ was an attitude. One year after this significant research, Lewis and Booms (1983) concluded that satisfaction was similar to attitude, and consequently they noted the significance of processes and outcomes in defining SQ. SQ is defined as the degree of discrepancy between customers’ normative expectations for service and their perceptions of service performance (Parasuraman et al., 1985).

The definition of SQ can be extended to the overall evaluation of a specific service with ten SQ dimensions: tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding/knowing the customer (Parasuraman et al., 1985 & 1988). Zeithaml, Parasuraman and Berry (1990) refined the ten dimensions into five to measure

customer's perceived value of SQ, which is known as SERVQUAL and adopts the meeting expectations paradigm to measure service.

Accordingly, service quality refers to the comparison customers make between their expectations and their perceptions of service performance. An explication would be that it involves evaluations of the outcome and process of service act with propositions put forward by (Gronroos 1982; and Smith Bolton and Wagner, 1999); and Parasuraman, et al., (1985, 1988) who posit service quality as the difference between consumer expectations of "what they want" and their perceptions of "what they get".

Oliver (1980) argues that SQ can be described as the result from customer comparisons between their expectations about the service they will use and their perceptions about the service company. This dependence on subjective feelings means that what is perceived as high quality service may differ between individuals (Caruana, Money & Berthon, 2000).

However, some researchers continue to vacillate between the use of disconfirmation scores and performance-only scores (Brady and Cronin, 2001; Brady, Cronin & Brand 2002). Thus, this paradigm expounds that $SQ = f(\text{Performance (P) of the service})$. Cronin and Taylor (1992), after extensively analyzing the literature, concluded that perceived SQ was best concept as an attitude; "adequacy-importance" model is the most effective operational of SQ.

In short, Quality in service clients' minds is some aggregated net value of benefits perceived in the service encounter over what had been expected (Klaus, 1986). From the client's perspective, a service can be divided into two elements: the actual functional service and the manner in which the service is performed or delivered. SQ is a term that encompasses both elements, although it is most frequently used to refer to the actual functional service (Czepiel, 1986).

Although the four features of services namely (1) intangibility, (2) heterogeneity, (3) simultaneity and (4) perish-ability have been recognized as significant in developing a construct of S. Vargo and Lusch (2004) have argued that these characteristic differences between services and products fail to delineate services from products adequately. They further argue that the delineation represents the producer's orientation, rather than the consumer's view. Lovelock and Gummesson (2004) also argue that the distinctive nature of services requires a distinctive approach to defining and measuring service quality. As a result of the intangible multifaceted nature of many services, it may be harder to evaluate the quality of a service than of a good (Evangelos & Yannis, 2005).

2.2.2. Service Quality and Customer Satisfaction

There has been an ongoing argue on the ways make use of to assess service quality and customer satisfaction since a study by Reichheld (1996) found a positive financial impact because of customer satisfaction, which prompted others to pursue the study of customer satisfaction. Peterson and Wilson (1992) provided additional force to examine customer satisfaction by demonstrating the value of customer satisfaction to a firm as opposed to the previous emphasis of satisfying the customer through the product delivered. Customer satisfaction was considered experiential at a specific level where service quality was an international try to reflect an attitude (Jones and Earl, 1995).

Customer satisfaction provides a vital link between cumulative purchase and post-purchase phenomena in terms of attitude change, repeat purchase and brand loyalty (Churchill & Surprenant, 1982). With the focus of customer satisfaction now turning away from product and to the delivery instrument. Berry, Bennet & Brown (1989) coined the term relationship marketing, which brought about a new approach that resulted in the study, which came to be called customer relationship management (CRM), a process to retain customers while treating the relationships as assets.

Boulding, Kalra, Staelin and Zeithaml (1993) noted that service quality and customer satisfaction were treated as the same by the business press. Parasuraman, et al (1985 & 1986) who called this new measurement device SERVQUAL, introduced the value of gap measurement in customer satisfaction in studies. Business consultants, corporations and others have worked to identify the characteristics of organizations that consistently please their customers, to develop tools for monitoring customer satisfaction, and to build continuous quality improvement systems that respond to consumer feedback (Korda and Snoj, 2010).

Cronin and Taylor's (1992) research yielded a new measurement tool identified as SERVPERF. Their empirical study make use of structural equation modeling, which yielded a finding that service quality should be vision as a determinant of customer satisfaction. Bitner (1990) took a comparative approach to studying service quality satisfaction in a study of travelers in an airport. From this study, she concluded that judgments about satisfaction were merely antecedents of the elements of service quality.

In a study (Lassar, Chris and Winsor, 2000) designed to evaluate SERVQUAL and Technical/Functional Quality-based approaches in one service industry, they sought to compare and contrast these two main notions relating to their skill to use service quality to foresee customer satisfaction. However, by their own admissions, both of these studies (Lassar, et al, 2000) raised more questions than they answered.

Howcroft (1991) originate variables such as age and other demographics influence customer choice and satisfaction. In spite of all the serious evaluations of SERVQUAL Parasuraman, et al (1985 & 1988) with its changes, the dimensions come into sight to offer the best opportunity to compare and measure customer satisfaction gaps against customer perceptions of service. Even the critics of SERVQUAL acknowledge its usefulness in providing a reasonably reliable device for customer satisfaction measurements (Churchill and Suprenant, 1982).

After the two landmark means of measuring SQ and CS were presented, Bitner, Booms and Mohr, (1994) observed that determining what the CS make or what it's meaning consists of is not identical for all individuals or companies. Strong arguments were made to consider CS judgments to be at the very least casual antecedents of SQ (Bitner, 1990). At the other extreme an attempt to interrelate CS and SQ as one entity or process was determined to be problematic by Taylor and Baker (1994) who strongly advocated the position that customer satisfaction and service quality were separate and distinct.

Customer satisfaction is considered to be based upon value; therefore, it is closely related to price, unlike SQ that is not related to price (Anderson, Claes and Donald, 1994). Ennew and Binks (1996) conducted extensive research and adopted specific constructs of SQ and CS in retail banking. A number of studies have identified the dimensions of SQ as the antecedents of CS. Arasli, Smadi and Katircioglu (2005) found that reliability had the highest impact on CS. Satisfaction reinforces quality perception and drives repeat purchases. Mengi (2009) found that responsiveness and assurance are more important, but Bayyurt and Zaim (2010) found that tangibility, reliability and empathy are important for CS.

Service quality has a positive influence on CS (Yee, Yeung & Cheng, 2010). Siddiqi (2010) examined the applicability of SQ of retail banking industry in Bangladesh and found that SQ is positively correlated with CS; empathy had the highest positive correlation with CS, followed by assurance and tangibility. On the other hand, Lo, Osman, Ramayah and Rahim (2010) found that empathy and assurance had the highest influence on CS in the Malaysian retail banking industry.

2.2.3. Measuring Service Quality

In this section, overviews of the service quality measurement models are given. As background information for the discussion, the two contradicting paradigms that form the basis for measuring SQ are given. As indicated in section 2.2.1 of this dissertation, SQ is not only an elusive construct, but it is also indistinct and difficult to define and measure (Rathmell 1966; Pirsig 1974; Crosby 1979; Garvin 1983; Parasuraman et al. 1992; Gronroos 2000).

Over the years, researchers have made many attempts to define and measure the concept of SQ (Lewis and Booms 1983; Gronroos 1984; Parasuraman et al. 1985, 1988 and Westbrook and Peterson, 1998). Two distinct schools of thought are easily identifiable, despite the fact that operationalization of SQ differs from researcher to researcher. One group of researchers supports the disconfirmation paradigm of perceptions minus expectations; and the other group supports the performance-based paradigm of the perceptions-only version of SQ.

In the mid 1980s, Berry and his colleagues Parasuraman (1985) began to study service quality determinants and how customer evaluates the quality of services based on the Perceived SQ, concept (Grönroos, 2005). The 10 determinants were found to characterize customers' perception of the service. One of the determinants, competence, is clearly related to the technical quality of the outcome and another credibility, is closely connected to the image aspect of perceived quality. However, it is interesting to observe that the rest of the determinants are more or less related to the process dimension of perceived quality (Grönroos, 2005).

Consumers evaluate (perceived) service quality by comparing expectations with experiences of the services received, according to Gronroos (1984). Lewis and Booms (1983) further supports this viewpoint argue that SQ is a measure of how well the service level delivered matches customer expectations on a consistent basis. The implication of their viewpoint is that delivering quality service means conforming to customer expectations on a consistent basis. Focus group interviews held by Parasuraman et al. (1985) further affirmed that SQ is derived from the comparison between a customer's expectations for SQ performance versus the actual perceived performance of SQ (perception minus expectations).

Parasuraman et al. (1988) also stated, "Perceived service quality is viewed as the level of discrepancy between consumers' perceptions and expectations". According to Parasuraman et al. (1985, 1988), SQ is an overall evaluation similar to attitude, the "expectancy disconfirmation"

model is an appropriate operationalization of SQ, and SQ (as a form of attitude) results from the comparison of perceptions with expectations.

The performance-based paradigm, which has been discussed in the preceding section, highlighted that there is little theoretical evidence, if any that supports the relevance of perception-minus-expectations gaps as the appropriate basis for assessing SQ (Carman 1990). Brown, Churchill and Peter (1993) further argue that there are serious problems in conceptualizing service quality as a difference score.

In the marketing literature, there has been much support for simple performance-based measures of SQ (Mazis et al. 1975; Woodruff et al. 1983; Bolton and Drew 1991). Cronin and Taylor (1992) have affirmed, as indicated in some sections of this study, that an unweighted performance-based approach is a more appropriate basis for assessing service quality. Babakus and Boller (1992) have also supported the use of performance based measures of service quality over gap measures. The performance-based paradigm can therefore, be best summarized by Cronin and Taylor's (1992) viewpoints that perceived service quality is best conceptualized as an attitude and that current performance adequately captures consumers' perceptions of the service quality offered by a specific service provider.

2.3. Service Quality Measurement Models

A model developed by Gronroos (1984) highlights how consumers compare the service as experienced with the service as expected in evaluating service quality; basically supporting the disconfirmation paradigm. This model attempts to understand how customers perceive the quality of a given service. The model also divides the customer's experiences of any particular service into two dimensions, namely (1) the technical quality (i.e., what the consumer receives or the technical outcome of the service delivery process) and (2) the functional quality (i.e., how the customer receives the technical outcome). In the context of services, Gronroos (1984) suggests that functional quality is generally perceived to be more important than technical quality. The assumption was that the service is provided at a technically satisfactory level. What is important about Gronroos's model is how it discusses service quality to include the way in which it is delivered.

Measuring service quality had always been a challenge for service providers because of the intangible and most notably the inseparable and heterogeneous nature of service. As such services are more akin to performances rather than objects. These distinctions enabled Parasuraman, et al., (1985) to develop an instrument for measuring SQ, SERVQUAL, which has subsequently dominated both academic and practitioner perspectives (Buttle, 1996; Robinson,1999). SERVQUAL measures perceptions of SQ across five dimensions: tangibles; reliability; responsiveness; assurance and empathy.

There have been diverse SQ models such as Cronin and Taylor (1992, 1994); Dabholkar, Thorpe & Rentz, (1996); Grönroos (1984); Parasuraman et al., (1985, 1988); Parasuraman et al., (1994). Among these models, however, there has been attentively emerging an eternal debate centering on between the SERVQUAL scale proposed by Parasuraman et al. (1985, 1988) and the SERVPERF scale proposed by Cronin and Taylor (1992, 1994) so far. It is more likely that SERVQUAL is the most cited measurement tool (Kandampully, 2000).

Subsequent exploratory research conducted by Parasuraman et al. (1985) discussed several insights and propositions concerning consumers' perceptions of SQ. Included in their proposal is a more elaborate SQ model with various SQ determinants based on an interpretation of qualitative data generated through in-depth interviews and focus group discussions in four different service areas, namely (1) retail banking, (2) credit card, (3) securities brokerage, and (4) product repair and maintenance. In fact, the SQ measurement tool has its foundation in SERVQUAL. Parasuraman et al.'s (1988) conceptualization and operationalisation are the foundation of the Sq measurement scale SERVQUAL.

Notwithstanding, Cronin and Taylor (1992) protest that there are several inadequate problems existing inherently in the Parasuraman et al.'s (1985) use of the disconfirmation paradigm to measure the SQ. In particular, Cronin and Taylor (1992) strongly dispute that if the term of SQ is regarded as "similar to attitude" it can be better operationalized if represented under a conceptualization based on attitude. It means SQ should be measured based only on customer perceptions rather than the results of subtracting customer expectations by customer perceptions. Thus, adding the customer expectation scores to evaluate SQ may be incompetent and redundant (Carman, 1990; Cronin & Taylor, 1994). This can be explained by the fact that human beings usually have a consistent intention of giving a high expectation rate to judge about the SQ of the provider and the evaluative scores of their perceptions on SQ (Babakus & Boller, 1992).

Carman (1990) in his study found from six to eight dimensions, while Babakus and Boller (1992) determined that a two-dimension approach offered the most efficient and effective measurement device. Cronin and Taylor's (1992) findings are in favor of statement that the SERVPERF scale is more superior in measuring SQ over SERVQUAL scale. Furthermore, Hope and Mühlemann (1997) suppose that this approach overcomes some of the problems attaching SERVQUAL raising expectations, administration of the two part questionnaire and the statistical properties of different scores. Available literature in Vietnamese affirms that SERVPERF scale is preferable and favorable in the setting like Vietnam both theory and empirically (Le & Nguyen, 2013). The results from Nguyen and Pham (2007) reveal that SERVPERF scale performs superiority in measuring the customers' perceptions.

Numerous studies have been undertaken to assess the superiority of these two scales, but consensus continues to elude as to which one is a better scale. The following two sections provide an overview of the operationalization and methodological issues concerning these two scales.

2.3.1. SERVQUAL Scale

The literature review points to SERVQUAL developed by Parasuraman, et al (1988) as the optimum measuring device that can be modified to accomplish predicting customer perceptions against expectations and the casting of those perceptions and expectations against the service provider perceptions of what it will require to satisfy the customers' service needs.

SERVQUAL (an acronym derived from the term "Service Quality") is a well-tested survey method for measuring SQ, which focuses on five SQ dimensions. The SERVQUAL scale constitutes an important landmark in the SQ literature and is most used model for measuring SQ. On this scale, Parasuraman, et al., (1985, 1988) propose SQ as a function of the differences between expectation and performance along quality dimensions. This is known as the GAP model. Initially the model had 10 dimensions of SQ, which were later reduced to five dimensions that consumers use to evaluate SQ. Reliability, Assurance (communication, competence, credibility, courtesy and security), Tangibles, Empathy (which capture access and understanding customers) and Responsiveness- the firm's willingness to assist its customers by providing prompt service.

Regardless of the conflicting research evidence presented, the SERVQUAL determinants have been widely accepted in the areas of SQ and CS. SERVQUAL surveys usually include 22 service areas distributed throughout the above-mentioned five service quality dimensions. The survey often asks the customers to provide two different ratings on each attribute- one reflecting the level of service they would expect from excellent companies in a given sector and the other reflecting their perception of the service delivered by a specific company within a sector. The difference between the expectation and perception rating constitutes a qualified measure of SQ (Mack H. and Peter Karp, 1989).

In the GAP model, the emphasis is on the relationship of satisfaction to the size and direction of a person's experiences vis-a-vis his or her initial expectations (Churchill and Surprenant 1982; Parasuraman, et al. 1985; Smith and Houston 1982). As explained earlier in this section, the GAP is the difference between customer "expectations" and "perceptions" (Parasuraman et al. 1988). Customers' responses to their expectations and perceptions are obtained on a different-point Likert scale and are compared to arrive at (P-E) gap scores. The higher (more positive) the perception minus expectation score, the higher is perceived to be the level of SQ. In an equation form, their operationalization of SQ can be expressed as follows:

$$SQ_i = \sum_{j=1}^k (P_{ij} - E_{ij})$$

Where: SQ_i = perceived service quality of individual 'i'

k = number of service attributes/items

P = perception of individual 'i' with respect to performance of a service firm attribute 'j'

E = service quality expectation for attribute 'j' that is the relevant norm for individual 'i'

Validity of (P-E) measurement framework has also come under attack due to problems with the conceptualization and measurement of expectation component of the SERVQUAL scale. While perception (P) is definable and measurable in a straightforward manner as the consumer's belief about service is experienced, expectation (E) is subject to multiple interpretations and as such has been operationalized differently by different authors/ researchers (e.g., Babakus and Inhofe, 1989; Brown and Swartz, 1989; Dabholkar, Shepherd & Thorpe, 2000; Gronroos, 1990; Teas, 1993, 1994). Initially, Parasuraman, et al., (1985, 1988) defined expectation close on the lines of Miller (1977) as 'desires or wants of consumers,' i.e., what they feel a service provider *should* offer rather than *would* offer.

This conceptualization was based on the reasoning that the term ‘expectation’ has been used differently in SQ literature than in the CS literature where it is defined as a prediction of future events, i.e., what customers feel a service provider *would* offer. Parasuraman, et al., (1990) labeled this ‘should be’ expectation as ‘normative expectation,’ and posited it as being similar to ‘ideal expectation’ (Zeithaml and Parasuraman, 1991). Later, realizing the problem with this interpretation, they themselves proposed a revised expectation (E*) measure, i.e., what the customer would expect from ‘excellent’ service (Parasuraman, et al., 1994).

The revised SERVQUAL was developed to reduce the number of items, leading to the extended SQ models. The extended model interestingly includes such factors as communication and control process implementation in organizations to manage employees (Huczynski 1992). Although the SERVQUAL model is still widely used, it has been much criticized by academicians on various conceptual and operational grounds. It is because of the vagueness of the expectation concept that some researchers like Babakus and Boller (1992), Bolton and Drew (1991a), Brown, Churchill and Peter (1993), and Carman (1990) stressed the need for developing a methodologically more precise scale. Therefore, Cronin and Taylor (1992) developed a “performance-based” SQ measurement instrument called SERVPERF model. Which pointed out that measuring expectation is not necessary and that respondents are able to evaluate SQ by perceptions of service delivered only.

2.3.2. SERVPERF Scale

Cronin and Taylor (1992) were amongst the researchers who leveled maximum attack on the SERVQUAL scale. According to Cronin and Taylor (1992), their unweighted performance-based SERVPERF instrument was a better method of measuring service quality. Their scale had a reliability rate rating from 0.88 to 0.96 (i.e., indicating a high degree of internal consistency), depending on the type of service industry, and exhibited good convergent validity and good discriminate validity. Besides theoretical arguments, Cronin and Taylor (1992) provided empirical evidence across four industries (namely banks, pest control, dry cleaning, and fast food) to corroborate the superiority of their ‘performance-only’ instrument over disconfirmation-based SERVQUAL scale. Being a variant of the SERVQUAL scale and containing perceived

performance component alone ‘performance only’ scale is comprised of only 22 items. A higher perceived performance implies higher SQ. In equation form, it can be expressed as:

$$SQ_i = \sum_{j=1}^k P_{ij}$$

Where: SQ_i = perceived service quality of individual ‘i’

k = number of service attributes/items

P = perception of individual ‘i’ with respect to performance of a service firm on attribute ‘j’

Methodologically, the SERVPERF scale represents marked improvement over the SERVQUAL scale. Not only is the scale more efficient in reducing the number of items to be measured by 50 percent, it has also been empirically found superior to the SERVQUAL scale for being able to explain greater variance in the overall SQ measured through the use of single-item scale. This explains the considerable support that has emerged over time in favor of the SERVPERF scale (Babakus and Boller, 1992; Bolton and Drew, 1991b; Boulding et al., 1993; Churchill and Surprenant, 1982; Gotlieb, Grewal and Brown, 1994; Hartline and Ferrell, 1996; Mazis, Antola and Klippel, 1975; Woodruff, Cadotte and Jenkins, 1983).

Though still lagging behind the SERVQUAL scale in application, researchers have increasingly started making use of the performance-only measure of SQ (Andaleeb and Basu, 1994; Babakus and Boller, 1992; Cronin et al., 2000; and Cronin and Taylor, 1992, 1994). Also when applied in conjunction with the SERVQUAL scale the SERVPERF measure has outperformed the SERVQUAL scale (Babakus and Boller, 1992; Brady, Cronin and Brand, 2002; Cronin and Taylor, 1992). Seeing its superiority, even Zeithaml (one of the founders of the SERVQUAL scale) in a recent study observed “...Our results are incompatible with both the one-dimensional view of expectations and the gap formation for service quality; Instead, we find that perceived quality is directly influenced only by perceptions (of performance)” (Boulding et al., 1993). This admittance cogently lends a testimony to the superiority of the SERVPERF scale.

Regardless of the service quality measurement used, it is evident that service quality influences customers’ perceived value, satisfaction, re-visit and loyalty. The SERVPERF scale developed by Cronin and Taylor (1992) is one of the important variants of the SERVQUAL scale. For, being based on the perception component alone, it has been conceptually and methodologically posited as a better scale than the SERVQUAL scale, which has its origin in disconfirmation paradigm (McCoy, John, Larry, Frieder, Robert, and Hedges, 1994).

2.4. Quality Dimensions in Relation to the Banking Sector

The most extensive research in to service quality is strongly user oriented. Zeithmal and Berry (1990) cited in Lovelock and Wirtz (2004) identified criteria consumers use in evaluating SQ. In subsequent research, they found a high degree of correlation among several of these variables and so consolidated them into five broad dimensions.

Tangibility: The physical facilities/surroundings represented by interior design and subjects (for example, the appearance of employee). The customer perceives that all the tangible aspects of the service are fit for the task and is customer friendly. Examples of the tangible factor related to banks include comfortable store designs, up-to-date equipment for customer use and sufficient staff to provide service. These aspects are important for retail banks, because there are extensive face-to-face contacts between a customer and an employee (Van Iwaarden, van der Wiele, Ball & Millen 2003).

Reliability: The service provider's ability to provide dependably and accurately services. The major reason for customers to choose banks for investment funds is the dependability and reputation of banks. Banks always promise customers a high level of security during transactions. Banking service can increase customers' confidence and trust if employees are able to provide appropriate service to each customer. For instance, understanding the needs of each individual customer and knowing the customers' (Van Iwaarden et al., 2003).

Responsiveness: This represents the firms' willingness to assist its customers by providing fast and efficient services (Zeithmal et al., 1988). It represents the customer's perception that the service provider responds quickly and accurately to his or her specific needs and demands. In order to be helpful and responsive to customers, HSBC, for example, has incorporated the statement due date on SMS alerts sent to cardholders (HSBC, 2011). This personal service aims to enhance customer satisfaction.

Assurance: Diverse features the knowledge and courtesy of employees and their ability to convey trust and confidence so that the customer feels he or she is in courteous, able and competent hands. Bank commitments are important, as customers may save a large sum of money in banks. For complicated products such as insurance, funds, and margins, employees must provide a clear explanation of each product to customers, so that customers can feel confident about the services provided by banks (Van Iwaarden et al., 2003).

Empathy: Providing caring and individualized attention for customers to make them feel they are receiving caring services and individualized attention. Employees who show understanding of customer needs and are knowledgeable to solve customer problems are success factors for the service industry. Friendly customer service pleases customers when they walk into a bank and these interactions are reflected through empathy dimensions. The purpose of this dimension is to retain customers to keep using the bank service (Van Iwaarden et al., 2003).

Convenience: refers to the availability of offices and ATM machines near to customers, special service for elderly/disabled customers and websites for easy access to information. With the development of information technology, customers increasingly expect higher service; thus convenience is one of major concern for the bank customers. The perception of service “convenience” may affect customers’ overall evaluation of the service, including satisfaction with the service and perceived SQ and fairness (Berry, Parasuraman, Zeithaml, 2006).

These five SQ dimensions have been developed for the service sectors: tangibility, reliability, assurance, responsiveness, and empathy, consisted of 22 statements taken from the SERVQUAL model due to Parasuraman et al. (1985) and Cronin, and Taylor (1992) and the additional dimension, convenience, consisting of four statements are **working as an improvement tools** for the one who does SQ measurement using these scales.

According to Mesay (2012) who made a research on measuring the quality of service offered by private banks operating in Ethiopian banking sector using SERVPERF model in Hawassa city. There is a positive correlation between the dimension of SQ and CS, which in turn leads to high level of customer commitment and loyalty. The research proves that empathy and responsiveness plays the most important role in customer satisfaction level followed by tangibility, assurance and finally the bank reliability.

Since the introduction in 1988 of SERVQUAL by Parasuraman, et al (1988), there have been numerous revisions to the original format, but most researchers who have been frequent critics of this measurement device (e.g., Brown, et al; 1993, Teas, 1993; Dabholkar, et al, 2000) accept and recognize the determinant roles of expectations and perceptions in SQ evaluation. The area that is most troublesome for the critics of SERVQUAL revolves around whether the five key dimensions capture all of the possible determinants of SQ.

Teas (1993) found serious objections to SERVQUAL. He felt that the interpretation of the expectations standard was flawed. Additionally, operationalization of the expectation standard

was not a workable option. He had problems with the evaluation of alternative models specifying the SQ construct as set out in the SERVQUAL instrument. His concerns were similar to Brown et al (1993) with regard to whether the five key dimensions capture all of the possible determinants of service quality.

Dabholkar et al, (2000) also was critical of SERVQUAL's five dimensions. They also found that perceptions and measured disconfirmation are more advantageous than computed disconfirmation, but they suggest further study to determine their study's ability to predict the power of SQ and customer satisfaction evaluations. They also recommend measured disconfirmation if gap analysis is used.

2.5. Bank Service Quality Measurement

The applicability of the service quality measure was tested in the retail banking industry in India (Angur, Nataraajan & Jahera, 1999). There are a number of researchers who have adopted SERVQUAL for measuring SQ in the banking sector (Bahia and Nantel, 2000; Bhat, 2005; Amudha and Banu, 2007; Ladhari, Ladhari and Morales, 2011; Rahaman, Abdullah and Rahman, 2011; Rakesh, 2012; Sulieman, 2013; Ilyas, 2013; Lau, 2013; Panda and Kondasani, 2014). Avkiran (1994) adopted SERVQUAL and developed the BANKSERV model to measure SQ in retail banking as perceived by customers. The BANKSERV model obtained four dimensions of SQ: staff conduct, credibility, communication, and access to teller service. Bahia and Nantel (2000) as well used the SERVQUAL model and developed a new scale for perceived SQ in retail banking. The proposed scale, called banking service quality (BSQ), had 31 items and 6 dimensions, namely: effectiveness and assurance, access, price, tangibles, services portfolio and reliability. Aldaigan and Buttle (2002) developed a new scale called SYSTRASQ, to measure SQ perceptions of bank customers. Their 21-item scale consists of four dimensions: service system quality, behavioral service quality, service transactional accuracy, and machine service quality. Most recently, Vanparia and Tsoukatos (2013) tested SERVQUAL, SERVPERF, BSQ and BANKQUAL for measuring the service quality of public and private banks in India. The purpose of their study was to find which of these models is the most effective for measuring service quality in banks. They discovered that the BANKQUAL scale has the highest reliability in comparison to other instruments tested in their research.

However, based on extensive research spanning 17 years (from 1988 through 2005) Carrillat, Jaramillo, and Mulki (2007) showed that SERVQUAL is a valid predictor of overall SQ. They also showed that while there is no significant difference between SERVQUAL and SERVPURF, the former has advantage of offering better diagnostic capability since, in addition to measuring overall customer satisfaction, it allows evaluation of the gaps, if any, for each dimension as well as the various elements within each dimension. In view of the fact that an important objective of evaluating CS is identifying potential areas for continuous improvement, SERVQUAL therefore has clear advantages over SERVPURF.

2.6. Current Practices of Service Quality Measurement in BOA

Currently BOA does not have any service quality and/or customer satisfaction measurement model rather it measure its performance and customer satisfaction through the number of account holders, the amount of deposit, the loans and advance extended and the number and/or the remittance of its foreign service activities. This motivate the researcher to does this study without doubt, conceptual SQ models are useful in so much as they provide an overview of the factors which have the potential to influence the quality of an organization and its service offerings. Banks by their nature do not produce tangible goods but provide services which must meet the requirements of their customers. In this regard, it is imperative for BOA to set its standards in terms of service quality and continuously measure of customer satisfaction so as to determine existing gaps and how they can be closed.

2.7. Service Quality Improvement for Retail Banking Industry

Banks offer services and they usually experience difficulties in managing them. Thus, service quality has emerged as a key strategy adopted to offer quality service to customers. In consequence, in the retail banking industry, where many similar products are available, banking practitioners have to pay close attention to superior service provision. This is because SQ does not impact only on the customer decision-making process, but also influences CS, purchase retention, loyalty and business survival as shown in many studies (Adebanjo, 2001; Berry et al., 1994; Li et al., 2001; Lim & Tang, 2000; Newman & Cowling, 1996; Youssef et al., 1996).

Banks face great changes in their business environment where adjustments and improvements are needed. Customer expectations and needs for services have substantially increased. As customers become better educated, they demand new products, better and more reliable delivery, as well as more responsive services. As a consequence, to improve competitiveness, banks have to understand customer needs and expectations (Parasuraman, 1991) and satisfy their customers by providing better products and services.

Service quality will sustain the customers' confidence in a service provider's service delivery, attract more new customers, increase business with existing clients, reduce dissatisfied customers with fewer mistakes, maximize a company's profits and increase customer satisfaction (Berry et al., 1994). Further, SQ is considered to not only meet but to exceed customer expectations and should include a continuous improvement process. Customers evaluate banks' performance mainly on the process of their interpersonal contacts and interactions (Grönroos, 1990).

Customer satisfaction and service quality are one of the basic opportunities which help to run, to improve business and profit of the company and especially save the loyalty of its customers. Good service is a result of **organized corporate culture**. There are many definitions of organized corporate culture, most of which come down to understanding the culture of the organization as a system of different elements and values are the basis of it (Ronzina, 2010).

Setting the values of a generalized trend of activity, rules, regulations and standards concretize this direction. SQ is that component in the structure of the corporate culture, which, on the one hand is a manifestation of values prevailing in the organization, and on the other hand, defines the specific parameters of behavior. Organization may benefit maintenance or to develop and implement certain requirements to customer service (Ronzina, 2010).

Considering the behavior of the parameters in organization, they can be standardized in order to quality customer service: Speech formulas, the language (vocabulary), Facial expressions, gestures, Proximity (what position, how to communicate with the customers), Clothes, Makeup, jewelry, State of the environment (must be clean), Speed of service and response times, Security in the transaction process and the like (Ronzina, 2010).

Service quality must be determined by certain external and internal factors of life of the organization. The more consciously the specific content of these factors are, the more subtle they are considered in the development of the SQ that it will be effective. These factors are: Norms of human rights, Cultural norms that exist in a society in which the organization offers its products

/services, The values and mission of the organization, Characteristics of the goods and services offered, Characteristics of target groups (clients), Features of the premises where customers are served (close, spacious, quiet, noisy, etc.) and Other related factors (Ronzina, 2010).

Customer Satisfaction and Service Quality depend a lot on Organization Standards (OS) of the company where they are applied. Latest might work as a great benefit to improve the profit and customer satisfaction (Ronzina, 2010). Since customers' loyalty behaviors are driven by their attitudes, loyalty must be managed through satisfaction rather than directly emphasizing the importance of producing actionable outcomes from CS.

2.8. Advantages of Customer Satisfaction Measurement Programs

Although customer satisfaction is a necessary but not a sufficient condition for the financial viability, several researches have shown that there is a significant correlation among satisfaction level, customer loyalty and profitability. The most important advantages of a customer satisfaction measurement survey are summarized as follows (Grigoroudis & Siskov 2010):

- ✓ Customer satisfaction measurement programs improve the communication with the total clientele, provided that they constitute continuous and systematic efforts of the business organization.
- ✓ Business organizations may examine whether the provided services fulfill customer expectations. Furthermore, it is possible to examine whether new actions, effort, and programs have any impact on the organizations' clientele.
- ✓ The critical satisfaction dimensions, which should be improved, are identified, as well as the ways through which this improvement may be achieved.
- ✓ The most important strengths and weakness of the business organization against competition are determined, based on customer perceptions and judgments.
- ✓ The personnel of the business organization are motivated to increase its productivity given that all improvement efforts, regarding the offered services, are evaluated by the customers themselves.

CHAPTER THREE

RESEARCH METHODOLOGY

This section specifies the research design and methodology used in this study. It covers, research design and methodology, tools and sources of data collection, data collection instruments, target population, sample size & sampling techniques, Procedure for Data Collection, methods of data processing & analyzing and reliability & validity of the instrument.

3.1. Research Design and Methodology

The study empirically investigates customers' expectations and perceptions of banking service quality and identifies the relationship between service quality dimensions and customer satisfaction of Bank of Abyssinia S.C. in Addis Ababa City. Variables of interest in a sample of customers are examined once and the relationships between them are determined.

The researcher decided to use the descriptive form of research design to provide solutions to the research problems. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection. This research design is used because it often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution. Because the human mind cannot extract the full import of a large mass of raw data, descriptive statistics are very important in reducing the data to manageable form (Glass & Hopkins, 1984).

Descriptive analysis was used to present a profile of the respondents and to identify the mean and standard deviation of each SERVQUAL, SERVPERF and satisfaction. The quantitative analysis was used to determine the correlation between independent and dependent variables. In addition, data were collected on the five dimensions of SERVQUAL (Parasuraman et al., 1988) and Cronin and Taylor's (1992) SERVPERF models with one additional dimension used in the measurement of perception of service quality. Explanatory study is used to explain the relationship between dependent variable (Customer satisfaction) and independent variables (service quality dimensions) to investigate correlation and multiple regressions. In order to achieve this, both primary and secondary data sources are used.

3.2. Tools and Sources of Data Collection

Two sources of data (primary and secondary) were used. The primary data were gathered through questionnaire and interview technique for this study. Questionnaires were distributed to respondents under the researcher supervision to customers of Bank of Abyssinia S.C. selected Addis Ababa branches. All respondents were given a questionnaire with explanation before filling in. However, the researcher could not manage the interview, as the planned population was too busy to meet due to their daily activity. Service attributes from literature reviewed as well as those highlighted in the SERVQUAL model (Parasuraman et al., 1988) & SERVPERF model Cronin and Taylor's (1992) formed the basis of the questionnaire.

However, there are some questions in the literature about the dimensionality and measurement of SERVQUAL, it used as measurement of SQ in this study for the following reasons. First, SERVQUAL is much documented in many studies, its strength and weakness have been extensively discussed and it has been used to assess the quality of various service industries. Second, prior research has shown that even when SERVQUAL scores and checked by dimensions, a strong and steady link holds between SERVQUAL scores and some global quality measures, such as the service firms' overall quality and the willingness to recommend the firm to a friend (Parasurman et al., 1988). Besides, among all other models, the SEVQUAL model is still the strongest in measuring CS in many organizations.

Since the study has an attempt to made a comparative assessment of the SERVQUAL and the SERVPERF scales in the Bank context in terms of their validity, ability to explain variance in the overall SQ, parsimony in data collection and more importantly their diagnostic ability to provide insights for managerial interventions in case of quality shortfalls. The researcher also used SERVPERF scale as measurement of SQ in this study for the following reasons. First, SERVPERF is much documented in many studies too, its strength and weakness have been extensively discussed and Cronin and Taylor (1992) were amongst the researchers who leveled maximum attack on the SERVQUAL scale. Besides theoretical arguments, Cronin and Taylor (1992) provided empirical evidence across four industries (namely banks, pest control, dry cleaning, and fast food) to corroborate the superiority of their 'performance-only' instrument over disconfirmation-based SERVQUAL scale. Furthermore, among all other models, the SERVPERF model is still the strongest in measuring CS in many organizations too.

Data Analysis was conducted using Statistical Package for Social Sciences (SPSS) computer software, which is used to carry out the data analysis. The secondary data collected were gathered from books, research journals, published and unpublished materials of BOA and web addresses.

3.3. Data collection Instruments

To collect the primary data from sample customers of BOA, the researcher employed structured questionnaire. Five service quality dimensions developed by Parasurmanet (1988) and Cronin and Taylor (1992) were used for the questionnaire. In the literature, these days' customers feel that the service provider, its location, operating hours, employees, and operational systems are designed and operate as that it is easy to get access to the service and are prepared to adjust to the demands and wishes of the customer in a flexible way (process related criteria). Thus, in addition to the existing five dimensions, the researcher added the dimension "convenience" that is related to easy to get ATM/VISA card in the bank, available and clear information sign on how to use the banks' services and facilities, and convenient location of the ATMs of the bank consisting of four statements is added according. Therefore, the researcher used a modified SERVQUAL dimensions. This modified instrument had two parts, expectation and perception, with 26 questions each and 52 questions in total. The perception section is also used to indicate the customers' degree of agreement for the SERVPERF model as it is 'performance-only' instrument over disconfirmation-based SERVQUAL scale.

A Total number of 26 questions on service quality and 1 question on customer satisfaction were administered to the sample of the population on which the analysis was based. Respondents were expected to tick the chosen appropriate answer, which are corresponding to a given mark in Likert scale starting by 1=strongly agree to 5=strongly disagree for service quality dimensions. Customer satisfaction was measured with one scale adopted from Lovelock and Wright (1999) with response ranging from highly satisfies (1) to highly dissatisfy (5). There are several reasons behind the selection of this method. First, it allows large amounts of information to be obtained at a relatively low cost. Second, more accurate and precise responses are obtained because interviewer bias can be avoided; third, to make the questions interesting to the respondents and to insure maximum response rate.

3.4. Target Population

The focus of this study was to identify the service quality provided by Bank of Abyssinia S.C. The study population was made up of customer of the Bank branches who were requesting or not requesting services at the time questionnaires were distributed. As per the information from Marketing Communications & Operations function, as of March 2018, in total the Bank has one million customers from 290 branches, 554,333 of the total customers are found in Addis Ababa 133 branches. This means, the target populations for the study were those who are subscribed in both east and west Addis Ababa districts grade four to one of 133 Branches 554,333 customers. These districts cover the whole branches found in Addis Ababa city. Consequently, the branches selected for this research perform all banking functions (services). For this reason, the selected branches qualified as a good representative of the entire branches. Besides, customers of the selected branches, include all of the various categories of customers of BOA.

3.5. Sampling Technique and Sample Size

From the total population of 554,333 customers of BOA in Addis Ababa city in both east and west districts grade one to four 133 branches, the sample size was 400 respondents. The sample size is determined using the previously proven formula developed by Yemne (1967); which states as follow:

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

Where n is the sample size

N is the accessible population size

e is sampling error 10% at 95% of level of confidence, (0.05)

Using this formula, considering 10 percent margin of error, 95 percent level of precision and a proportion of 90 percent for the maximum possible degree of variability the sample size taken from the population is 400 respondents. That is:

$$n = \frac{554,333}{1 + 554,333 (0.05)^2} = 399.70 = \underline{400}$$

3.6. Procedure for Data Collection

The bank's branches have four sub groups such as Simplest (grade 1), Less Complex (grade 2), Moderately Complex (grade 3) and Most Complex/Corporate (grade 4). The sample of this research was made up of customers of BOA branches. A disproportionate stratified sampling technique was used to select the branches and a proportionate stratified sampling technique had been used to select the customers from each grade. To get the decided number of customers from each stratum, simple random sampling used because every element in the population has equal chance of being chosen so thus keep away from biasness. The research used non-probability convenience sampling technique to collect data because it is fast, inexpensive & easy and the subjects are readily available. Researchers use convenience sampling not just because it is easy but because it also has other research advantages. Convenience sample is usually used because it allows the researcher to obtain basic data and trends regarding his/her study without the complications of using a randomized sample.

As of March 31, 2018 BOA had 80 Grade 1 branches, 36 Grade 2 branches, 14 Grade 3 branches and 3 Grade 4 branches in Addis Ababa City. Thus, 12 branches are selected from 133 branches and three branches are selected from each grade accordingly. 400 questionnaires were distributed to potential respondents and 381 returned, of which 25 were incomplete and omitted from the analysis. This makes a response rate of 88.75% (N=400). The table below represents list of branches the questionnaire was distributed to.

Table 1: Sample Proportion Taken from Branches

S.No	Name of Branch	Grade of Branches	No. of Customers in each Grade	Number of sample distributed to each Grade
1	Gurd Shola Hayahulete Mazoria Moenco	1 Simplest	203,946	147
2	Aba Koran Goffa Legehar	2 Less Complex	149,160	108
3	Filwuha Guenet Negadras	3 Moderately Complex	107,143	77
4	Bole Corporate Habesha Corporate Ras Corporate	4 Most Complex	94,084	68
Total			554,333	400

Source: BOA Management Information System Report (March, 2018)

The researcher would distribute the questionnaires, to each selected branch personally then they would distribute it to each respondent (customers) personally during working hours when customer comes to get service.

3.7. Methods of Data Processing and Analysis

In order to fulfill the proposed research objectives, empirical research was carried out, with the primary data collected through a modified SERVQUAL and/or SERVPERF scales. In order to achieve the study goals, descriptive statistics, exploratory factor analysis, and reliability analysis were performed. Descriptive statistics was used to examine the demographic profile of the respondents and to evaluate service quality expectations and perceptions of bank customers. The majority of quantitative data were presented in frequency and percentage distribution tables. In this process, demographic variables of the respondents and mean, percentage and frequencies scores of the service quality dimensions are interpreted. Furthermore, SERVQUAL & SERVPERF scales were performed to determine the significance of differences between perceived and expected scores of service quality.

In order to analyze the collected data for this study the researcher used the Statistical Package for Social Science (SPSS). The responses were edited and variables were coded before analysis. To find out if the SERVQUAL and/or the SERVPERF are applicable in this study, factor analysis was used. Factor analysis is important to remove the redundant (highly correlated) variables from the survey data and to reduce the number of variables into specific number of dimensions. Besides, the data were analyzed using correlation and regression analysis to explore the relationship between the variables.

3.8. Reliability and Validity of the Instrument

A number of different steps were taken to ensure the validity and reliability of the study. Data were collected from reliable sources. With meaning, that questionnaire was made based on literature review to ensure the validity of the result; questionnaire was pre-tested by experienced persons to ensure it measured what it was supposed to; and the whole research was carried out under supervision of the researcher to avoid missing data. The Cronbach alpha coefficient is an

indicator of internal consistency of the scale. A high value of the Cronbach alpha coefficient suggests that the items that make up the scale 'hang together' and measure the same underlying construct. A value of Cronbach alpha above 0.70 can be used as a reasonable test of reliability. To meet the consistency reliability of instrument, the questionnaire was first distributed to 40 respondents and the Cronbach's alpha for the independent variables (Tangibility, Reliability, Responsiveness, Empathy, Assurance and Convenience) was found to be 0.812. Therefore, the six dimensions of service quality were found to be high in their internal consistency and thereby in measuring the dimensions of interest.

3.9. Ethical Considerations

To ensure that ethics was practiced in this study as well as utmost confidentiality for respondents and the data provided by them, the following was done: (i) coding of all questionnaires; (ii) the respondent were requested to the informed consent; (iii) authors mentioned in this study were acknowledged within the text; (iv) findings were presented in a generalized manner.

CHAPTER FOUR

RESULTS AND DISCUSSION

In this chapter, the collected data has been analyzed and interpreted. The chapter consists of introduction, respondents' demographic characteristics, the relationship between service quality dimensions and customer satisfaction, expectations, perceptions and gap scores analysis using the service quality measurement models of SERVQUAL and SERVPERF and analysis of overall customer satisfaction. It focuses on significantly responding to the research questions that include finding out how customers perceive service quality in BOA branches and whether they are satisfied with service quality in BOA. This would enable to arrive at the objectives of the study, through describing and interpreting the practical trend with regard to service quality and customer satisfaction.

The data collected were mainly based on respondents' expectations and perceptions of the various items under the SERVQUAL and SERVPERF models. In which respondents were required to indicate the extent to which they agree or disagree with each statement by indicating the number that best describe their perceptions. All the twenty six items on service quality were likert scaled using five points ranging between 1=Strongly Agree to 5=Strongly Disagree. In addition, some demographic descriptions of the respondents are collected. A general description of the customers' expectations and perceptions of the various dimensions was made using descriptive statistics. In order to assess the actual service quality and the customer satisfaction towards it, a gap score analysis was also carried out based on the difference between the perceptions and expectations ($P - E$). The average values are computed for each item statement throughout all respondents.

4.1. Respondents' Demographic Characteristics

Service quality and customer satisfaction survey was handed out to the customers of the Bank. In this section, the researcher described respondents profile in terms of gender, age, educational level, occupation, frequency of using the Bank's service and experience with the bank. The study employed a closed ended questionnaire to categorize respondent's profiles and their responses were analyzed using frequencies and percentage distributions as shown in Table 2 below.

Table 2: Demographic Data

Variables		Frequency	Percent	Cumulative Percent
Gender	Male	205	57.6	57.6
	Female	151	42.4	100.0
Age	Below 20 years	5	1.4	1.4
	21- 30 years	104	29.2	30.6
	31 -40 years	149	41.9	72.5
	41 - 50 years	59	16.5	89.0
	Above 50 years	39	11.0	100.0
Education	Primary school	10	2.8	2.8
	High school complete	27	7.6	10.4
	Diploma/Certificate	74	20.8	31.2
	Under graduate/Degree	209	58.7	89.9
	Post graduate/Masters	20	5.6	95.5
	Doctorate Degree/PhD	16	4.5	100.0
Occupation	Student	8	2.2	2.2
	Unemployed	18	5.1	7.3
	Self employed	77	21.6	28.9
	Employed	58	16.3	45.2
	Business Person	39	11.0	56.2
	Others	156	43.8	100.0
Visiting the branch	Daily	138	38.8	38.8
	Every other day	79	22.2	61.0
	Two times a week	39	10.8	71.8
	Weekly	34	9.6	81.4
	Every two weeks	42	11.8	93.2
	Monthly	17	4.8	98.0
	More than a month	7	2.0	100.0
Relationship with the bank	Less than two years	48	13.5	13.5
	2 - 5 years	82	23.0	36.5
	6 - 10 years	102	28.7	65.2
	11 - 15 years	56	15.7	80.9
	More than 15 years	68	19.1	100.0

Source: Survey data (2018)

As shown in Table 2, the majority 205 (57.6%) of respondents were males, and 151(42.4%) of the respondents were female. This data implies that more male participated in the study than female respondents. With regard to age categories of the respondents, 149 (41.9%) of the respondents are between 31 to 40 years old whereas 104 (29.2%) were from 21 to 30 years old,

59 (16.5%) were from 41 to 50 years, 39 (11%) were above 50 years and the remaining 5 (1.4%) were below 20 years old. The result shows that majority of the service users were 31-40 age groups and this reflects that service users of the Bank were youth and adults. Regarding educational level, more than half of the respondents 209 (58.7%) hold bachelor degree, 74 (20.8%) possess diploma, 27 (7.6%) finished high school, 20 (5.6%) have Masters Degree, 16 (4.5%) have above Masters Degree and the remaining 10 (2.8%) had elementary level of education. Therefore, the compositions of the respondents revealed that majority of them were degree holders. This can be considered as an opportunity to obtain accurate response for the study questions.

As can be seen from Table 2 above, majority of the service users were categorized under other section of the occupation characteristics of the respondents that accounts to 156 (43.8%) followed by self employed which accounts to 77 (21.6%). Thirdly employed (employees of different organization) which accounts to 58 (16.3%), 39 (11%) were from businesspersons, 18 (5.1%) are in the category of unemployed and finally student respondents were 8 (2.2%). The occupation category clearly shows the majority of the users are categorized under the other section. Bank of Abyssinia S.C. has many different users that are not stated under the researcher list of occupation and on diversified occupational categories.

As stated above, customers were asked how frequently they visited the branch to get service. Accordingly, their response shows that 138 (38.8%) of the respondents visited the bank daily; 79 (22.2%) of the respondents every other day; 42 (11.8%) visited twice in a month; 39 (10.8%) have visited two times a week; 34 (9.6%) have visit weekly; 17 (4.8%) have monthly and the least 7 (2%) were visited the bank office more than a month. The customers, who visited the bank daily (38.8%), were from different organization or businesspersons and/or self employed that withdraw and deposit their daily business transactions. As most of the respondents visited the bank daily, they could share ample observations about the service delivery quality of the bank and create good opportunity to express their satisfaction. Customers who visit the bank monthly or for more than a month, might have, wanted services related to salary and money transfer services. This shows that, many of them were frequent customers and the bank can use the group to enhance revenue through attracting deposits.

The level of customer satisfaction (in addition to other factors) can be seen by customers' loyalty to a certain bank in the presence of alternative banks. As per the information from the distributed

questionnaire 102 (28.7%) of the customers have stayed in the bank for ten years; 82 (23%) for five years; 68 (19.1%) were for more than fifteen years; 56 (15.7%) customer of the bank for fifteen years and the remaining 48 (13.5%) of the respondents had less than two years relationship with the bank. Thus, the large numbers of these respondents were customers who have lots of experience about the service delivery quality of the bank and they can easily measure their satisfaction level. Even though, as those who had less than two-year's relationship, at present are not significant in number, the bank needs to devise strategy to retain this group as it is expected to be the newly emerging economic power in the economy.

4.2. Descriptive Analysis of Service Quality Measurement

To measure the customers' perception of the service quality provided by BOA, SERVQUAL and SERVPERF models are used in this study. Parasuraman, et al., (1988) proposed that customers' perception of SQ is based on the comparison of expectation of customers with their perceptions of the performance of the service provider called SERVQUAL (gap analysis). SERVPERF directly measures the customer's perception of service performance and assumes that respondents automatically compare their perceptions of the SQ levels with their expectations of those services. The models contain 26 questions and a 5-point Likert scale is used to measure the gap score analysis (SERVQUAL) and performance (SERVPERF) and for all the SQ dimensions the mean scores have been computed.

4.2.1. Customer's Response on SERVQUAL Dimensions

In this paper, the gap score analysis enables to find out how consumers perceive service quality in BOA and helps to identify what dimensions of SQ they are satisfied with. According to Parasuraman et al., (1985), the higher (more positive) the perception (P) minus expectation (E) scores, the higher the perceived SQ and thereby leading to a higher level of CS. In this regard, the gap scores are calculated based on the difference between the consumers' perceptions and expectations of services offered by BOA. For each dimension the SERVQUAL scale provides a score for expectations (E) and perceptions (P) of SQ. The key to optimizing SQ is to maximize these gap scores and the associated gap equation ($Q = P - E$).

1. Tangibility Dimension of Service Quality

Table 3: SERVQUAL Score of Tangible Dimension

Dimension	Evaluation Statement	Perception Mean	Expectation Mean	Gap score	Std. Deviation
Tangibility	The bank has modern looking equipment and Technology.	2.49	1.70	-0.79	1.264
	The Bank's physical facilities are visually appealing.	2.55	1.89	-0.66	1.399
	The Bank's front line employees are neat appearing.	2.49	1.78	-0.71	1.368
	Materials associated with the service are visually appealing	2.46	1.87	-0.59	1.347
Average Gap/SERVQUAL Score of Tangible Dimension				-0.69	1 Ranking

Source: Survey data (2018)

As stated in literature part, tangible aspect of service dimension will be reflected in the physical evidence such as tools, equipment and appearances of providers. In this regard, BOA sample Addis Ababa branches has tangible gap score of (-0.69). Among the attributes the highest gap score of (-0.79) shown in particularly, to the bank's equipment compared to other tangible dimensions such as materials and statements that has lower gap score of (-0.59) which shows that majority of the customers perceive highly attracted with the materials associated with the service of the bank that attracts their visions. It is seen that the factor of physical properties, compared to the other factors, is ranked at the lowest position of the banking services expectation ranking.

2. Reliability Dimension of Service Quality

Table 4: SERVQUAL Score of Reliability Dimension

Dimension	Evaluation Statement	Perception Mean	Expectation Mean	Gap score	Std. Deviation
Reliability	When the bank promises to do something by a certain time, it does so/ keeping promise.	2.55	1.92	-0.63	1.605
	When you have a problem, the bank shows a sincere interest in solving it.	2.22	1.72	-0.50	1.292
	The bank's staff performs the service right the first time.	2.41	1.80	-0.61	1.350
	The bank insists on error free records.	2.40	1.91	-0.49	1.479
Average Gap/SERVQUAL Score of Reliability Dimension				-0.56	3 Ranking

Source: Survey data (2018)

As stated in literature part, Reliability is the customers' measure of performing the service right the first time and uniformly of service encounter. It also means that the firm honors its promises. Reliability of service designates the bank's capability to supply the promised output at the stated level. According to Table 4, SQ gap score resulted from reliability dimension revealed that the bank is not as reliable as expected by customers, the gap score being (-0.56). The very lowest gap score of (-0.49) is obtained on questions no.4 of reliability question thus respondents agree that the bank keeps their records accurately. The highest gap score is obtained on question no.1 of reliability, which asks staff keeping promise/provide service at the time they promise to do so. However, the bank score for this attribute is (-0.63) which indicating that the customers do not have full confidence in the service promised by the bank. Nevertheless, "Sincere interest in solving customers' problems" has a low score gap of (-0.50) which shows the positive side of the bank's staff to solve the customers problem on time.

3. Responsiveness Dimension of Service Quality

Table 5: SERVQUAL Score of Responsiveness Dimension

Dimension	Evaluation Statement	Perception Mean	Expectation Mean	Gap score	Std. Deviation
Responsiveness	Employees in the bank tell you exactly when services will be performed	2.51	1.90	-0.61	1.309
	Employees in the bank give you prompt service.	2.23	1.93	-0.30	1.292
	Employees in the bank are always willing to help you.	2.21	1.80	-0.41	1.185
	Employees in the bank are never too busy to respond to your request.	2.37	1.86	-0.51	1.270
	There is always adequate number of staff to respond to your needs.	2.38	1.82	-0.56	1.412
Average Gap/SERVQUAL Score of Responsiveness Dimension				-0.48	5 Ranking

Source: Survey data (2018)

As stated in the literature, responsiveness dimension is concerned with the willingness, readiness of employees and the preparedness of the firm to provide a service to satisfy the needs and desires of customers. This includes the speed of throughput and the ability of the service to

respond promptly to customer service requests with minimal waiting and queuing time. As per the result obtained from the customers as shown in Table 5, the responsiveness has a gap score of (-0.48). With regard to this dimension “Employees in the bank provide prompt service” has a very lower gap score of (-0.30) demonstrating that the bank staff are able to provide prompt service to customers, which shows the positive side of the banks staff. When the customers are, kept waiting for no apparent reason creates unnecessary negative perceptions of quality.

4. Assurance Dimension of Service Quality

Table 6: SERVQUAL Score of Assurance Dimension

Dimension	Evaluation Statement	Perception Mean	Expectation Mean	Gap score	Std. Deviation
Assurance	The behavior of employees in the bank instills confidence.	2.30	1.92	-0.38	1.208
	Customers feel safe in their transactions with the bank.	2.18	1.87	-0.31	1.293
	Employees in the bank are consistently courteous and friendliness with customers.	2.08	1.76	-0.32	1.242
	Employees in bank have the knowledge to answer questions	2.33	1.91	-0.42	1.345
Average Gap/SERVQUAL Score of Assurance Dimension				-0.36	6 Ranking

Source: Survey data (2018)

Assurance is the knowledge and courtesy of employees and their ability to convey trust and confidence so that the customer feels he or she is in courteous, able and competent hands. It relates to the capability of the service provider to deliver the output, specifically in terms of the knowledge, politeness and trustworthiness of the employees to the customer of the service firm. Accordingly, customer-handling skills were results of the study associated with the dimension of assurance that has the lower gap score of (-0.36). The highest contributor for this lower gap score is question 2 of the assurance question where the majority of the respondents agree that they feel safe in transacting with Bank of Abyssinia. The lowest contributor for this lower gap score is obtained on question 4 of assurance. Thus, the bank should give attention to maintain it and improve the skills of its employees by providing adequate training to update their knowledge with regard to how to serve its loyal customers specially and also for new entrants to make them loyal to the bank

5. Empathy Dimension of Service Quality

Table 7: SERVQUAL Score of Empathy Dimension

Dimension	Evaluation Statement	Perception Mean	Expectation Mean	Gap score	Std. Deviation
Empathy	The bank/staffs gives individual attention	2.40	1.89	-0.51	1.371
	The bank has operating hours convenient to all its customers.	2.19	1.81	-0.38	1.189
	The bank has customers' best interest at heart.	2.56	1.82	-0.74	1.411
	The employees of the bank understand the specific needs of the customers.	2.24	1.79	-0.45	1.155
	The employees of the bank are able to conduct transaction immediately or in a short waiting period	2.26	1.85	-0.41	1.267
Average Gap/SERVQUAL Score of Empathy Dimension				-0.50	4 Ranking

Source: Survey data (2018)

A service provider who tries to put themselves in the position of their customers to understand customers need, and then providing what they want in a convenient way have the potential to satisfy their customers on empathy dimension of service quality. As stated in Table 7, the empathy dimension of service quality was that customers do not consider BOA working to their best at heart registered in this regard a gap score of (-0.50). Specifically, “The bank has customers’ best interest at heart” has a gap score of (-0.74), which indicates that the bank does not take in to account the customers interest and need. The attribute “The bank has operating hours convenient to all its customers” has a gap score of (-0.38) shows the majority of the customer’s expectation nearer to their perception and customers are relatively satisfied and hence the lowest gap score is obtained therein.

Accordingly, the findings on empathy SQ dimension and customer satisfaction indicated that generally, BOA has a big gap from the dimension expected by its customers and failure to meet or exceed customers’ expectations which may necessitate the bank to rethink about its services. All employees at BOA should be committed and involved in service quality improvement that is visible to all customers in order to meet or exceed their expectation. And draw more customers by improving customer service that makes them loyal to BOA.

6. Convenience Dimension of Service Quality

Table 8: SERVQUAL Score of Convenience Dimension

Dimension	Evaluation Statement	Perception Mean	Expectation Mean	Gap score	Std. Deviation
Convenience	The ATMs of the bank are conveniently located.	2.45	1.95	-0.50	1.405
	The bank provide Special services or counters for elderly/disabled	2.81	1.82	-0.99	1.577
	Clear guidance and information sign on how to use the banks' services and facilities are available.	2.56	1.97	-0.59	1.615
	It is easy to get ATM/VISA card in the bank.	2.35	1.87	-0.48	1.393
Average Gap/SERVQUAL Score of Convenience Dimension				-0.64	2 Ranking

Source: Survey data (2018)

As mentioned in the literature review that the additional SERVQUAL dimension of convenience is important to include and to consider in this study to measure the CS of BOA services. Convenience refers to the availability of offices near to customer, location of ATM machines, special services for elderly/disabled customers and websites for easy access to information. With the development of information technology, customers increasingly expect higher services in this information age. At the same time, most of these convenience issues are becoming more and more time conscious requiring more convenience (Kotler and Keller, 2006). As indicated in Table 8 the average SQ gap score of convenience dimension is (-0.64). The attribute “The bank provide Special services or counters for elderly/disabled” have a gap score of (-0.99) which indicates that the bank do not give special services for elderly and disabled customers. In addition, the second higher gap score of (-0.59) obtained from the attribute of question no 3 of convenience dimension; implies there is no clear information and guidance available to use the bank’s services and facilities as expected by the customers.

In summary, the gap analysis (SERVQUAL) is accurate in identifying service short falls in an operation (Parasuramanet et al., 1994). This will help BOA management to identify which dimension/s need an improvement and which one is in a good condition. The highest mean gaps in service quality were observed in Tangibility (-0.69), which is followed by Convenience (-0.64), reliability (-0.56), empathy (-0.50), responsiveness (-0.48), and the least gap score is

shown in the assurance dimension which is **(-0.36)**. This reflects that BOA performs more on assurance dimensions than other dimensions and for the bank assurance dimensions is the more important factor than other dimensions. It is possible to obtain a general single service score by calculating the mean of scores for the six factors. This calculation gave us the value of **(-0.54)**: $[((-0.69) + (-0.64) + (-0.56) + (-0.50) + (-0.48) + (-0.36))/6]$; the result indicated that customers perceive the services given by BOA far below their expectations. This answers the first research question; i.e. what will be the service quality level of Bank of Abyssinia S.C when judged with SERVQUAL and/or SERVPERF models.

As per the above SERVQUAL score of quality dimensions Tables, the highest gap score of (-0.69) has tangibles dimension. It is recommended to the management to improve the physical appearance with the latest equipment and remove the distraction that could interfere the customers' attention toward the physical facilities.

The score gap observed on the perception and expectation of the bank's services such as location of ATM machines, access to ATM cards, information signage and special needs services ranked BOA to be inconvenient to customers. Improved and distinct customer service has to be considered as strategic tool that is dedicated for change and improvement. The new technology like Automated Teller Machines (ATM), online banking et al must be with 100% availability. Beside before introducing a new system into the bank intensively, the bank has to take survey and give adequate training and development to the respective employees and aware its customers how to use and operate with the newly developed system.

4.2.2. Customer's Response on SERVPERF Dimensions

The first specific objective was set to analyze the different problems BOA is facing in giving service to customers as per the measured SQ dimensions using the models. In this study, SQ was measured using 26 questions in which respondents indicate their perceptions. The average values are computed for each item statement throughout all respondents. The results are shown in Table 9, with respect to each item statement and each section perception. The attributes with the highest score of perception for each dimension are 4 questions of tangibles, 4 questions of reliability, 5 questions of responsiveness, 4 questions of assurance, 5 questions of empathy and 4 questions of convenience.

Table 9: SERVPERF/Perception Only Score of Quality Dimensions

Dimensions	Evaluation Statements	Mean	Std. Deviation
Tangibility	The bank has modern looking equipment & Technology	2.49	1.171
	The bank's physical facilities are visually appealing	2.55	1.119
	The bank's front line employees are neat appearing	2.49	1.162
	Materials associated with the service visually appealing	2.46	1.046
SERVPERF Score of Tangibility Dimension		2.50	
Reliability	The bank provide service at the time it promise to do so	2.55	1.210
	Show a sincere interest in solving customers' problem	2.22	1.059
	The bank's employees Perform service right the first time	2.41	1.109
	The bank insists on error free records	2.40	1.118
SERVPERF Score of Reliability Dimension		2.39	
Responsiveness	Staff telling customers exactly when service will be done	2.51	1.011
	Employees in the bank give customers Prompt service	2.23	1.107
	Employees in the bank are always willingness to help	2.21	1.115
	Employees in the bank never busy to respond to clients'	2.37	1.168
	There is always adequate number of employees	2.38	1.166
SERVPERF Score of Responsiveness Dimension		2.34	
Assurance	Behavior of staff instills confidence in customers	2.30	1.107
	Customers feel safe in their transactions with bank	2.18	1.091
	Friendliness and courtesy and/or politeness of staff	2.08	.913
	Staff having Knowledge to answer questions of customers	2.33	1.029
SERVPERF Score of Assurance Dimension		2.22	
Empathy	The bank & its staff give customers individual attention	2.40	1.087
	Convenient operating hours to all its customers	2.19	1.031
	The bank's staff giving customers best interests at heart	2.56	1.208
	The staff understand the specific needs of customers	2.24	.979
	Able to conduct transaction in a short waiting period	2.26	1.032
SERVPERF Score of Empathy Dimension		2.33	
Convenience	The ATM of the bank are conveniently located	2.45	1.175
	Special service or counters for elderly/disabled	2.81	1.323
	Clear guidance & information sign on how to use services	2.56	1.179
	It is easy to get ATM/VISA card in the bank	2.35	1.232
SERVPERF Score of Convenience Dimension		2.54	
Average SERVPERF Score of Quality Dimensions		2.39	

Source: Survey data (2018)

As can be seen from Table 9 above, Assurance has the largest average score, (i.e. 2.22). It seems that customers expected more on the politeness of employees, feeling safe in their transaction, personal behavior of employee and adequate knowledge of employee. For that expectation, it

looks as if that the bank has the knowledgeable, skilled and trustworthy employees as being the best among the other dimension. Question number three of the assurance is considered as the highest score, which implies that the bank has polite employees. The attributes with the highest score are questions number 4, 2, 3, 3, 2 and 4 of tangibility, reliability, responsiveness, assurance, empathy and convenience respectively.

Although the result showed that assurance dimension has the highest average score, this does not mean that the management should reduce their efforts to improve such service. The management could give a reward to the employees who are able to maintain their assurance skills to the customers. If the customers are satisfied with the quality of the attributes, such satisfaction will lead them to spread favorable word-of-mouth publicity.

On the other hand, the attributes with the lowest score of perception for each dimension are question number 2 of tangibles, 1 of reliability, 1 of responsiveness, 4 of assurance, 3 of empathy and 2 of convenience; while convenience has the lowest average score, (i.e. 2.54). The customers did not have special service/counter for elderly/disabled from the bank. It is evidenced that the question number two of the convenience dimension, i.e. the bank should not give such customers individual attention, has the lowest score of perception. It is a signal that the bank must improve its performance using the information shown in the SERVPERF analysis.

The average score of (2.39) indicated that the bank is slightly capable for providing the “best” service to the customers and must do something in order to achieve high customer satisfaction. In summary, the management must maintain these aspects to keep and maintain the customers. If BOA wants to be successful in the market and win the competition ahead, in its engagements of the banking industry, it requires increased customer satisfaction by minimizing the gap between the expectation and perceived SQ, which is the backbone of customers’ service.

4.3. Customer Satisfaction

The second research question of this study was determining the level of customer satisfaction in BOA. The level of customer satisfaction in BOA was measured using 1 question in which respondents were requested to indicate the extent to which they satisfied or dissatisfied with the overall service of BOA by selecting the number that best describes their perception. Their responses were described using means as summarized in Table 10.

Table 10: Overall Customer Satisfaction Level

Satisfaction Level	Frequency	Percent	Cumulative Percent	Statistics	
Highly Satisfied	112	31.5	31.5	Mean	2
Satisfied	155	43.5	75	Std. Deviation	.896
Neutral	71	19.9	94.9	Minimum	1
Dissatisfied	12	3.4	98.3	Maximum	5
Highly Dissatisfied	6	1.7	100.0	Skewness	.845
Total	356	100.0		Kurtosis	.791

Source: SPSS Survey result

Table 10 presents the overall level of customer satisfaction on the service provided by Bank of Abyssinia with its statistical description. As it can be seen from the Table 10, 155 (43.5%) of the respondents are satisfied, 112 (31.5%) percent of the respondents are very satisfied, 71 (19.9%) chose to remain neutral, 12 (3.4%) are dissatisfied and 6 (1.7%) is very dissatisfied. Therefore even if the highest percentage of respondents are somehow satisfied by the service provided by BOA 18 (5.1%) of the respondents are dissatisfied from this one can infer that the bank needs to work more to change this result and highly satisfy its customers as customers are key drivers of bank performance in today's environment. Accordingly, it answers the second research question.

4.3.1. Correlation Analysis of Service Quality and Customer Satisfaction

The third research question of this study was to determine if there is a relationship between service quality dimensions and customer satisfaction in BOA. And the third specific objective of this study state that identify the dominant dimension of service quality that drives customers' perceived satisfaction on core product of BOA. Thus, correlation analysis has been applied to explore the relationship between the service quality dimensions and customer satisfaction of the bank and to found out the dominant dimension that drives satisfaction. In addition the researcher utilized the correlation analysis to examine the validity of the two scales to test the sated hypothesis. The two most widely accepted forms of validity convergent and discriminate validity are measured through correlation analysis. The convergent validity assesses the degree to which two measures of the same concept are correlated. Convergent validity can be assessed by looking at the average correlations between alternative measures of service quality and the directly measured overall customer satisfaction (Hair, Anderson, Tatham and Black, 2003).

Table 11: Correlations Analysis of Service Qualities Dimensions and Customer Satisfaction

		Overall satisfaction	Tangible	Reliable	Responsive	Assurance	Empathy	Convenient	SERV QUAL	SERV PERF
Overall satisfaction	Pearson Correlation Sig. (2-tailed)	1	.300** .000	.253** .000	.264* .013	.170** .001	.171** .001	.141 .008	.110* .039	.204** .000
Tangibility	Pearson Correlation Sig. (2-tailed)	.300** .000	1	.410** .000	.224** .000	.212** .000	.265** .000	.224** .000	.521** .000	.745** .000
Reliability	Pearson Correlation Sig. (2-tailed)	.253** .000	.410** .000	1	.347** .000	.451** .000	.417** .000	.400** .000	.442** .000	.670** .000
Responsive	Pearson Correlation Sig. (2-tailed)	.264* .013	.224** .000	.347** .000	1	.264** .000	.233** .000	.228** .000	.484** .000	.873** .000
Assurance	Pearson Correlation Sig. (2-tailed)	.170** .008	.212** .000	.451** .000	.264** .000	1	.760** .000	.524** .000	.429** .000	.840** .000
Empathy	Pearson Correlation Sig. (2-tailed)	.171** .005	.265** .000	.417** .000	.233** .000	.760** .000	1	.598** .000	.440** .000	.835** .000
Convenience	Pearson Correlation Sig. (2-tailed)	.141** .041	.224** .000	.400** .000	.228** .000	.524** .000	.598** .000	1	.493** .000	.778** .000
SERVQUAL	Pearson Correlation Sig. (2-tailed)	.110* .039	.521** .000	.442** .000	.484** .000	.429** .000	.440** .000	.493** .000	1	.593** .000
SERVPERF	Pearson Correlation Sig. (2-tailed)	.204** .000	.745** .000	.670** .000	.873** .000	.840** .000	.835** .000	.778** .000	.593** .000	1

Source: SPSS Survey result - **Correlation is significant at the 0.05 level (2-tailed)

1. Correlations Analysis of Tangibility Dimension and Customer Satisfaction

As shown in Table 11 above, tangibility is positively correlated with other service quality dimensions. The possible explanation of this factor is that customers often look to any tangible indications, which may be used as indicators of the service quality that customers use to evaluate the status of the service quality of an organization. From this perspective, the study has investigated this issue and the result indicates that there is positive relationship between tangibles dimension and customer satisfaction. Having up to date equipment, and well-dressed and neat employees have significantly and positively influence on customers’ level of satisfaction. Therefore, Tangibility is measuring customer satisfaction with higher influence relative to other service quality dimensions.

2. Correlations Analysis of Reliability Dimension and Customer Satisfaction

Reliability is the extent to which the service is delivered to the standards expected and promised. In essence, it represents the customer getting what they feel they have paid for. According to the study Table 11 shows that, there is positive relationship between reliability and customer satisfaction. The attributes of reliability can be expressed in various forms such as like when

customers have a problem, employees show sincere interest in solving it and so on. Therefore, the study revealed that reliability attributes have positive and significant impact on customer satisfaction. The findings of this research match with that of Zeithaml (1990) who pointed out that reliability is one of the important factors of customer satisfaction.

3. Correlations Analysis of Responsiveness and Customer Satisfaction

The responsiveness dimension involves willingness to help customers and provide prompt services (Zeithaml et al., 1988). It is essential that front line staffs are willing and able to help customers with prompt service and meet customers' expectation. As per the result shown in Table 11 above, there is positive relationship between responsiveness and customer satisfaction. Therefore, the customers' perceptions of responsiveness have significant effect on customer satisfaction. This could have resulted from the employees telling customers exactly when services will be performed; customers need to get response to their questions, prompt service & to be helped. This desire of customers is accepted because of the fact that employees should be willing to help customers and execute accordingly.

4. Correlations Analysis of Assurance Dimension and Customer Satisfaction

The assurance dimension refers to the knowledge and courtesy of employees and their ability to inspire trust and confidence including competence, credibility and security (Parasuraman et al., 1991). The result in Table 11 indicates that there is positive relationship between assurance and customer satisfaction. From the result, we can see that assurance is highly correlated to satisfaction (0.170) than convenience. The behavior of employees, which instills confidence on the customer, the customers' feelings of safety to transact with BOA, and the employees knowledge to answer customers' questions have significant impact on customer satisfaction. Therefore, the service provider should strive to enhance further existing assurance status.

5. Correlations Analysis of Empathy Dimension and Customer Satisfaction

Service customers often have expectations with regard to the extent to which the service provider appears to understand and be concerned about their individual needs and wants. The more the

service provider can see things from the customer's point of view, the better it becomes. The core concept of empathy is to understand the needs of customers and provide individual attention. As Table 11 shows, there is positive relationship between empathy and customer satisfaction. The implication of this result is that empathy is the fourth most significant of the entire six-service quality dimension used in this study. As a result, giving attention to individual customers, such as convenience of BOA operating hour and understanding of customers' specific needs have positive link with customer satisfaction.

6. Correlations Analysis of Convenience Dimension and Customer Satisfaction

As mentioned in the literature review that the additional dimension of convenience is important to include and considering in this study to measure the service quality and customers satisfaction of BOA. Convenience refers to the availability of offices and ATM machines near to customers, and websites for easy access to information. As the result of this study shown in Table11 above, there is a positive relationship between convenience and customer satisfaction. The positive association may be attributed to the fact that BOA has sufficient offices in different geographical areas, easy to get ATM cards, availability of ATM machines & websites for clarification of problems and knowing account status had positive effect on customer satisfaction. Therefore, improving such service would increase customer satisfaction.

In summary, the result of the study revealed that all of the SQ dimensions have positive relationship with CS, even if the strength of the influence on customer satisfaction of each dimension is different. It is seen that the factor that affects customer satisfaction most is Tangibility (0.300), which is followed by Responsiveness (0.264), Reliability (0.253), Empathy (0.171), Assurance (0.170) and convenience (0.141) respectively. The study affirmed that all the stated dimensions have weak influence on the level of the customer satisfaction. The finding that there exist positive correlations between the factors and customer satisfaction suggests that improvements to be made in these factors will increase customer satisfaction. Moreover, improvements to be made in Tangibles will influence customer satisfaction more than other factors. Accordingly, it answers the third research question. Hence, the result depicted that there is significant and positive relationship between service quality and customer satisfaction in the Bank of Abyssinia S.C.

7. Correlations Analysis of Validity of Scales and Customer Satisfaction

A higher correlation found between two different measures of the same variable than that found between the measure of a variable and other variable implies the presence of *discriminate* validity in respect of the two service quality scales (Churchill, 1979). The empirical test for discriminate validity is the correlations among measures, the service quality scales are correlated with a similar but conceptually distinct measure. The correlations of alternative measures of service quality with variables such as satisfaction should be lower than correlation between the two alternative measures of service quality.

Looking at the correlation coefficients in Table 11, it is found the average pair wise correlations among SERVQUAL, SERVPERF and overall customer Satisfaction is 0.309 (average of 0.593, 0.222 and 0.113). High correlations indicate the scales are measuring the intended concept of service quality. Therefore, SERVPERF scale is found having the highest positive correlation with all service quality dimensions and customer satisfaction than SERVQUAL scale. Thus, it is the SERVPERF scale, which is found possessing the highest discriminate validity. Hence, the result depicted that the hypothesis H_{01} is accepted. Furthermore, the hypothesis H_{02} is rejected.

4.3.2. Regression Analysis of Service Quality Dimensions and Customer Satisfaction

The survey gives very good result. The bigger amount of respondents is quite satisfied with the overall service in BOA. SQ satisfaction level includes product/service quality, employees' effectiveness and service expectation in total, and in general it means that on 155 (43.5%) customers are satisfied with the service level. However, as the second and the third specific objective of this study are determine the influence of SQ dimensions on customer satisfaction at BOA and identify the dominant dimension/s of service quality that drives customers' perceived satisfaction on core products of the Bank, Regression analysis has been applied. It is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps one understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed.

Table 12: Regression Coefficients Analysis of the Dimensions and Customer Satisfaction

Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.042	.188		5.533	.000
	Tangibility	.212	.065	.223	3.260	.001
	Reliability	.267	.086	.195	3.098	.002
	Responsiveness	.111	.047	.128	2.383	.048
	Assurance	.738	.053	.606	13.976	.000
	Empathy	.628	.062	.487	10.150	.000
	Convenience	-.069	.061	-.078	-1.131	.259

Source: SPSS Survey result - *Dependent Variable: Overall satisfaction

1. Regression Analysis of Tangibility Dimension and Customer Satisfaction

From the regression analysis, we can see that here is a positive statistical relationship between tangibility factor and CS. The Beta values indicate that the measures of how strongly each independent variable influences the dependent variable. Thus, a rise in the Tangible leads to 0.223 increases in CS other things being constant. T values also indicate that the highest effect comes from the tangibility (t= 3.260) factor after assurance and empathy dimensions. Therefore, the more the bank invests on its physical facilities equipment, technology and appearance of its personnel the more it satisfies its customers. One of the specific objectives of this study is determining the influence of service quality dimensions on customer satisfaction; accordingly, it answers the third and the fourth research questions.

2. Regression Analysis of Reliability Dimension and Customer Satisfaction

From the regression analysis, we can see that here is a positive statistical relationship between reliability factor and CS. As is seen in the above Table 12, Reliability has significant value ≤ 0.05 . The Beta values indicate that the impact of the Reliability influences the dependent variable is how strongly lower than those of other factors except responsiveness. A rise in the Reliability factor by one standard deviation leads to 0.195 increases in customer satisfaction other things being constant. T values also indicate that the second lowest effect comes from the reliability (t= 3.098) factor. Thus, the bank should invest to enhance its ability to perform the promised service dependably and accurately so that the satisfaction level of its customers increases.

3. Regression Analysis of Responsiveness Dimension and Customer Satisfaction

From the regression analysis, we can see that there is a positive statistical relationship between responsiveness factors and CS. The Beta values indicate that the impact of the responsiveness (independent variable) influences the dependent variable (CS) is lower than other factors. A rise in the Responsiveness factor by one standard deviation will increase CS (dependent variable) by 0.128. T values also indicate that the lowest effect comes from the responsiveness ($t= 2.383$) factor. Therefore, the more the bank invests on enhancing its employee's ability to help customers and be responsive to customer's enquiry, the more the customer is satisfied too.

4. Regression Analysis of Assurance Dimension and Customer Satisfaction

From the regression analysis, we can see that there is a positive and statistical relationship between assurance and customer satisfaction. The Beta values indicate that the impact of how strongly each independent variable on the dependent variable. A rise in the assurance factor by one highly increases customer satisfaction by 0.606 other things being constant. T values also indicate that the highest effect comes from the assurance ($t= 13.976$) factor. Therefore, the more the bank invests on enhancing its employee's knowledge, skill and on their ability to instill confidence to serve customers, the more the customer is satisfied. As it can be depicted from the result that Assurance is one of service quality dimensions, which has the highest effect on the customer satisfaction and it has significant value ≤ 0.05 .

5. Regression Analysis of Empathy Dimension and Customer Satisfaction

From the regression analysis, we can see that there is a positive and statistical relationship between empathy factor and customer satisfaction. The Beta values indicate that the measures of how strongly each independent variable influences the dependent variable. A unit increases in empathy leads to 0.487 increases in customer satisfaction other things being constant. T values also indicate that the second highest effect comes from the empathy ($t= 10.150$) factor. Therefore, the more the bank gives care and individualized attention to customers, the more the customer is satisfied. As is seen in the above table, empathy has significant value ≤ 0.05 . This result also identify empathy is the second dominant dimension of service quality.

6. Regression Analysis of Convenience Dimension and Customer Satisfaction

The Beta values indicate that the impact of the convenience factor on customer satisfaction is negative. A rise in the convenience factor by one standard deviation will decrease CS by -0.078. T values also indicate that the negative effect comes from the convenience (t= -1.131) factor. Therefore, this implies that even though BOA has sufficient offices in different geographical areas, easy to get ATM cards, availability of ATM machines & websites for clarification of problems and knowing account status is not provided as per the required satisfactory level. Therefore, it could be stated that convenience factor addressed no effect on CS. However, as is seen in the above table, convenience has significant value ≤ 0.259 . Since p-value < 0.05 , the researcher should reject the result.

Table 13: Model Summary of Service Quality Dimensions and Customer Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.364 ^a	.349	.283	.685

Predictors: (Constant), Tangibility, Reliability, Responsiveness, Assurance, Empathy

As it can be depicted from the Table 13, there is a positive and statistically significant relationship between the independent variables (tangibility, reliability, responsiveness, empathy, and assurance) and the dependent variable (customer satisfaction). Thus 35% ($R^2 = 0.349$) variation on customer satisfaction is explained by the independent variables.

Table 14: ANOVA for Service Quality Dimension and Customer Satisfaction

Model		Sum of Squares	Difference	Mean Square	F	Sig.
1	Regression	25.618	6	4.270	5.668	.000
	Residual	262.907	349	.753		
	Total	288.525	355			

Source: SPSS Survey result - Dependent Variable: Overall satisfaction

Predictors: (Constant), Tangibility, Reliability, Responsiveness, Assurance, Empathy

From the ANOVA table it has been determined that F = 5.668 and Sig. is .000 which confirms that SQ dimensions have an impact on CS. Hence, one of the specific objectives of this study was to determine the influence of SQ dimensions on CS to find out its relation with financial

performance the result depicted that SQ has a significant impact on CS in BOA. Furthermore, question number three of the research question is answered.

In summary, in this study regression, analysis is used to identify the impact of service quality dimension on customer satisfaction thus; it answers the third research questions. Hence, the result depicted that there is significant and positive relationship between independent variables (tangibility, reliability, responsiveness, empathy and assurance) and the dependent variable (customer satisfaction) as it can be depicted on Table 12 & 13 above. In addition, Assurance is one of SQ dimension, which has the highest effect on the CS. Therefore, the service provider (BOA) should strive to enhance further existing assurance status.

7. Regression and Explanatory Power of Alternative Measurement Scales

The ability of a scale to explain the variation in the overall service quality (measured directly through a single-item scale) was assessed by regressing respondents' perceptions of overall service quality on its corresponding multi-item service quality scale.

Table 15: Model Summary of Regression of the two scales

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
SERVQUAL	.153	.023	.021	.892
SERVPERF	.239	.057	.054	.877

Source: SPSS Survey result – Predictors: (Constant), SERVPERF, SERVQUAL

Adjusted R² values reported in Table 15 clearly point to the superiority of SERVPERF scale for being able to explain greater proportion of variance (0.054) in the overall service quality than is the case with other scales. The result of this study is quite in conformity with those of Cronin and Taylor (1992).

However, in terms of diagnostic ability, the SERVQUAL scale emerges as better approach while SERVPERF scale, turns out to be weak. Since it entails a direct comparison of performance perceptions with customer expectations, it provides a more pragmatic diagnosis of SQ shortfalls. This is strongly felt in the event of time and resource constraints. The SERVQUAL scale is able to direct managerial attention to service areas, which are critically deficient from the customers' viewpoint and require immediate attention.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

This chapter provide the summary of major findings in which the researcher drawn conclusions and suggestions to be considered by the Bank. The suggestions made were purposely to help the Banking sector to continuously improve the quality of customer service.

5.1. Summary of Findings

The purpose of this study was to assess and measure service quality and customer satisfaction in the Bank of Abyssinia S.C. The assessment of service quality and customer satisfaction was made in view of SERVQUAL and SERVPERF models, the models are widely used to measure perceived service quality. The data obtained from the respondents was analyzed using various statistical tools.

Both quantitative and qualitative methods were employed to undertake this research project. Data was obtained from a questionnaire given to 400 sampled customers at selected Addis Ababa Branches of the bank out of which 25 responses were considered invalid for the analysis and 19 were not yet collected. Data collected from the survey questionnaire was analyzed using descriptive, correlation and regression analysis by the help of Statistical Package for Social Scientists (SPSS v. 20.0).

A gap score analysis was used to highlight the gap between the actual service quality and the customer satisfaction toward it. Accordingly, the findings on customers perceive service quality as poor in all dimensions meaning their expectations fall short of they actually experience in BOA. In this regard, customers are not content with any dimensions of service quality. As indicated in Tables 3, 4, 5, 6, 7 & 8, all the dimensions show a gap between expected service and perceived service. All these point out that BOA need to make lots of improvement in all dimensions.

As per performance only measurement from the mean result of all dimensions we can say that customers of BOA are somewhat satisfied with the bank. It is observed that customers were most satisfied with assurance dimension of SQ like that of disconfirmation-based scale followed by empathy; and the bank should continue to maintain it in the future.

The finding from the correlation result reveals that there is a positive and significant relationship between the service quality dimensions and customer satisfaction. Tangibility was found to have the highest correlation with customer satisfaction. The findings from the inter correlation indicates that the highest relationship is found between empathy and Assurance while the lowest relationship was found between Assurance and Tangibility.

As suggested by Churchill (1979), convergent and discriminate validity of two measurement scales was assessed by computing correlations coefficients for different pairs of scales. The results are summarized in Table 11. The presence of a high correlation between alternate measures of SQ is a pointer to the convergent validity of all the two scales. The SERVPERF scale is, however, found having a stronger correlation with CS and with all SQ dimensions than SERVQUAL measure. SERVPERF is, thus, found providing a more convergent as well as discriminate valid explanation of service quality.

In addition, the finding from the regression result indicates all the service quality dimensions have a positive impact on CS except Conveniences dimension. Assurance was the dominant SQ dimension, which has the highest beta value on the regression model. Empathy was the second dominant SQ dimension (beta value of 10.150). T values also indicate that the lowest effect comes from the responsiveness ($t= 2.383$) factor. From the R square value it is depicted that 35% of variation in CS is explained by the SQ dimensions.

Thus, the findings are important to enable the bank to have a better understanding of customer's perception of SQ of the bank and consequently of how to improve their satisfaction with respect to aspects of SQ. Due to the increasing competition in banking industry, quality customer service is an important part and Bank of Abyssinia S.C. should do rethinking on how to improve customer satisfaction with respect to service quality.

The role of the bank's staff is tremendous at increasing the service quality since the Bank's staff offers the service and connects with the clients. The effort and the attention that the bank staff performs in solving clients' problems will enable the responsiveness factor to be positively perceived. Another factor that affects the client perception is empathy. Banking operations, due to the nature, are not widely known and easily welcomed by everyone. Clients may sometimes have difficulties while trying to explain themselves. Thus, they may need the bank staff to listen to their questions attentively and reply in an apprehensible manner.

5.2. Conclusion

The research has demonstrated the assessment of service quality and customer satisfaction of BOA using SERVQUAL and SERVPERF measurement models. Every bank would like to explore its clients' expectations and the underlying factors for clients' loyalty to a bank. Through such approaches, banks can serve their clients better than the past and increase the quality of their service. Consequently, measuring the SQ is crucial attributes of the service providers and what the customers on its performance perceive is important.

This study contributes to the knowledge about banking service quality and provides useful information that could help bank management in providing high service quality and increasing the customers' level of satisfaction. A modified version of the SERVQUAL and/or SERVPERF scales has been proven reliable and suitable for use by bank managers to enhance understanding of customer expectations and deliver service as promised.

Survey results indicate that the assurance dimension has the highest expected value. There are many banks in our country and in the world. The operations that these banks perform are similar to each other. Therefore, creating differences in the services offered are mainly dependent on the bank staff; and the staffs are the main reasons for resulting in the client's preference. Clients choose banks that have proactive and responsive bank staff who can meet their expectations, offer different investment opportunities, value privacy, and confidentiality.

Based on the overall performance scores, it was found that the service quality of the Bank of Abyssinia S.C. is low. Customers do not perceive high performance service to be delivered by the service provider, BOA. The results indicated that the assessment of service quality has many potential benefits for BOA managers. It is observed that there is a fundamental interaction between the dimensions of SQ and the clients' satisfaction in the service of the bank.

A review of extant literature points to SERVQUAL and SERVPERF as being the two most widely advocated and applied SQ scales. Notwithstanding a number of researches undertaken in the field, it is not yet clear as to which one of the two scales is a better measure of SQ. This study also examined SERVQUAL model, which consists of expectation and perception aspects, and SERVPERF model, which has only performance aspects that has been found to provide a relative simple and inexpensive means of doing SQ assessment. A highly contentious issue examined in this paper relates to the operationalization of SQ construct.

As far as the assessment of the two scales on the Pearsons correlation parameter is concerned, the performance- only measure (i.e., the SERVPERF scale) emerges as a better choice. It is found to be capable of providing a more convergent and discriminate valid explanation of service quality construct. It also turns out to be the most capable of explaining a greater proportion of variance present in the overall service quality measured through a single item scale.

In overall terms, the researcher thus finds that, while the SERVPERF scale is more convergent and discriminate valid explanation of the service construct, possesses greater power to explain variations in the overall service quality scores, and is also a more parsimonious data collection instrument, it is the SERVQUAL scale which entails superior diagnostic power to pinpoint areas for managerial intervention.

5.2. Recommendations

In light of the analysis and conclusion, it is advisable that Bank of Abyssinia S.C. addresses the challenges indicated and maximize on the opportunities that the bank can get by properly implementing the right strategy to get customers satisfied.

The following recommendations are forwarded to BOA as a way of addressing the challenges; and eventually achieve customer satisfaction.

- BOA should get experience sharing with best customer service performing companies. Getting experience sharing and adopting suitable ones, benchmark the best practice of the industry leaders in customers' service. All employees in the value chain without any compromise should practice that set standard. Keep customers informed about the service standard and get feedback with respect to service delivery; this will help to improve customer service with better perspective.
- The management should ensure that all employees be involved in setting quality standards, and should realize that maintaining of service quality is part of their jobs: that it is visible to all customers in order to meet or exceed their expectation.
- All employees have to know that service quality in its true sense is for improved customer service. This is done by giving continuous training and capacity building programs on how to solve the problems raised from customers, how to address complaints sincerely and maintain accurate customers' record.
- Equip all employees with the necessary training and motivation to serve customers better as compared to other competitors. Staff training is one of the most important factors for delivering of continuously improving customer service. As improved and distinct customer service has to be considered as strategic tool for change and improvement.
- Draw more customers by improving customer service that makes them loyal to BOA. The bank should assure the quality of its service in order to win customers' satisfaction and consequently achieve sustainable competitiveness.
- Customer satisfaction should be taken as a culture of change that is undertaken in continuous way without any reservation in the true sense of its term. Customer satisfaction by providing excellent customer service has to be linked with the bank's day-to-day activities, its best performance and reward system for its effectiveness.

- The bank should operate in a predictive and proactive in meeting its customers' needs and preferences. Accordingly, the bank should be customer centric and the management's focus area should emanate from the customer's needs.
- The researcher also suggests that SERVQUAL and/or SERVPERF are suitable instrument for measuring service quality in the retail banking sectors in Ethiopia. Hence, banking industry practitioners can consider this instrument as a tool to assess and help improve their service quality.
- Finally, the managers should beware that banking is the hyper competitive industry. Success in banking sector inevitably depends on customer satisfaction. The banks those are not in a position to meet expectations of their customers will be gradually driven away from competition.

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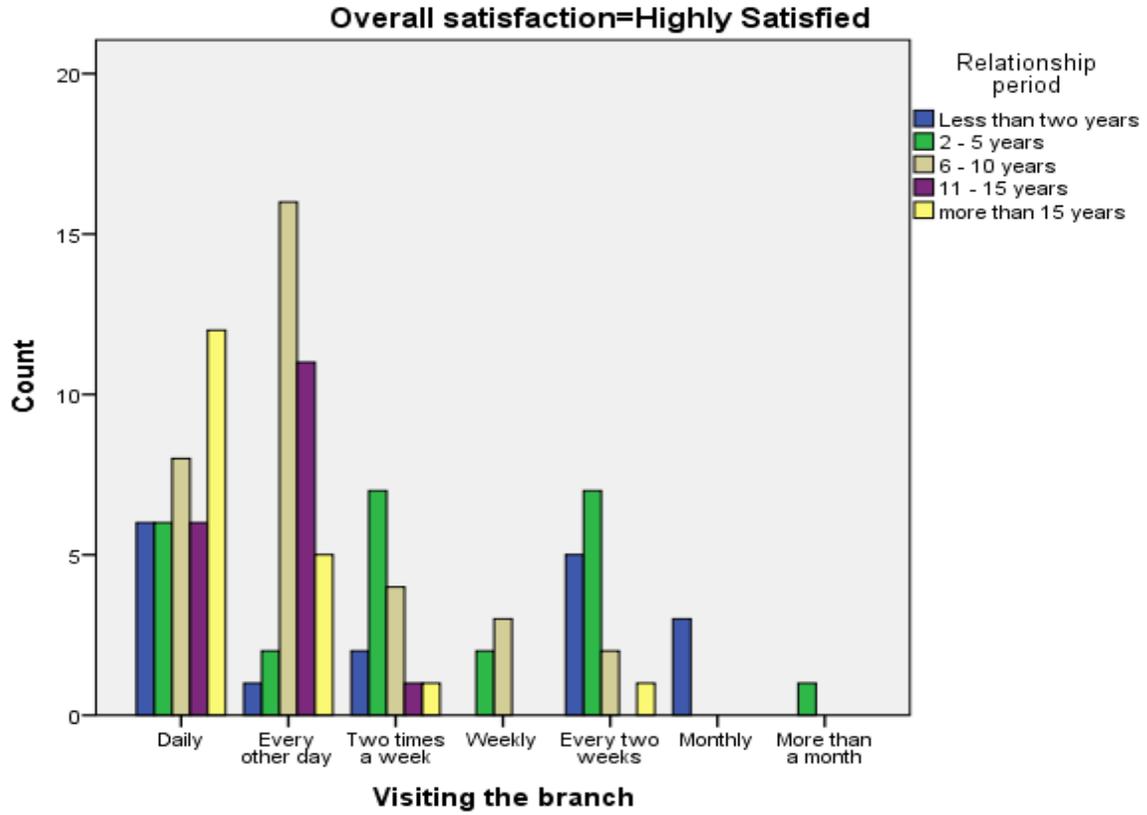
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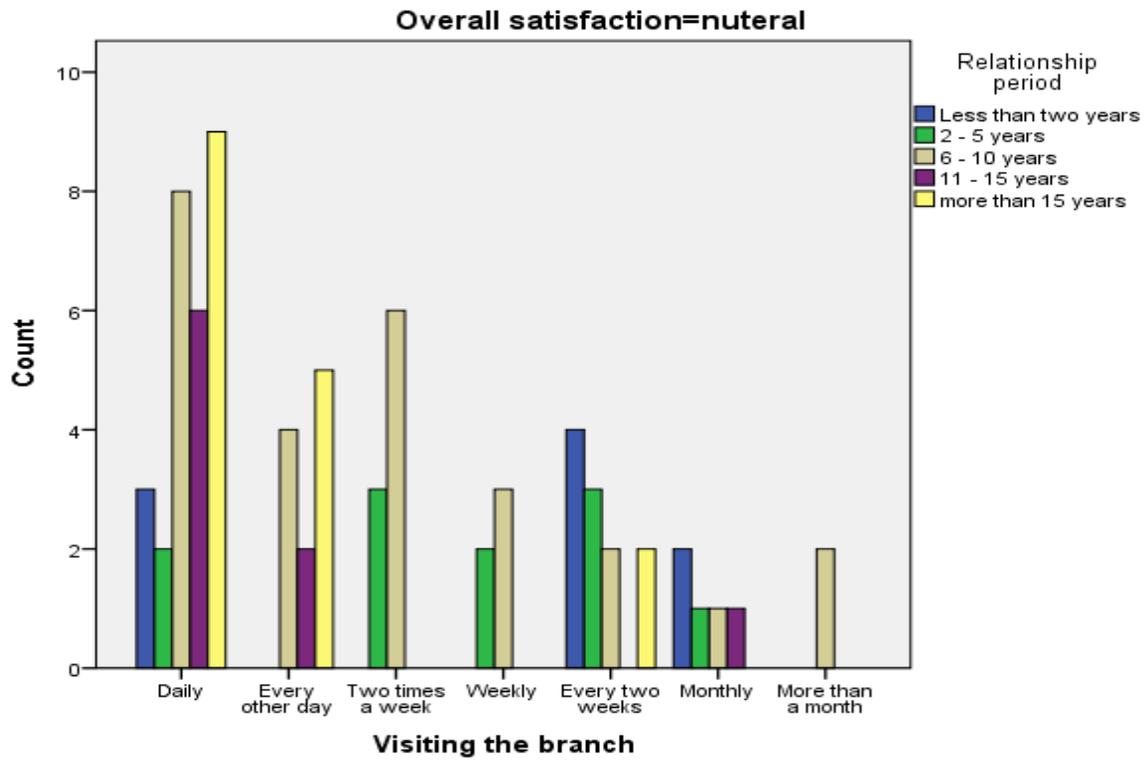
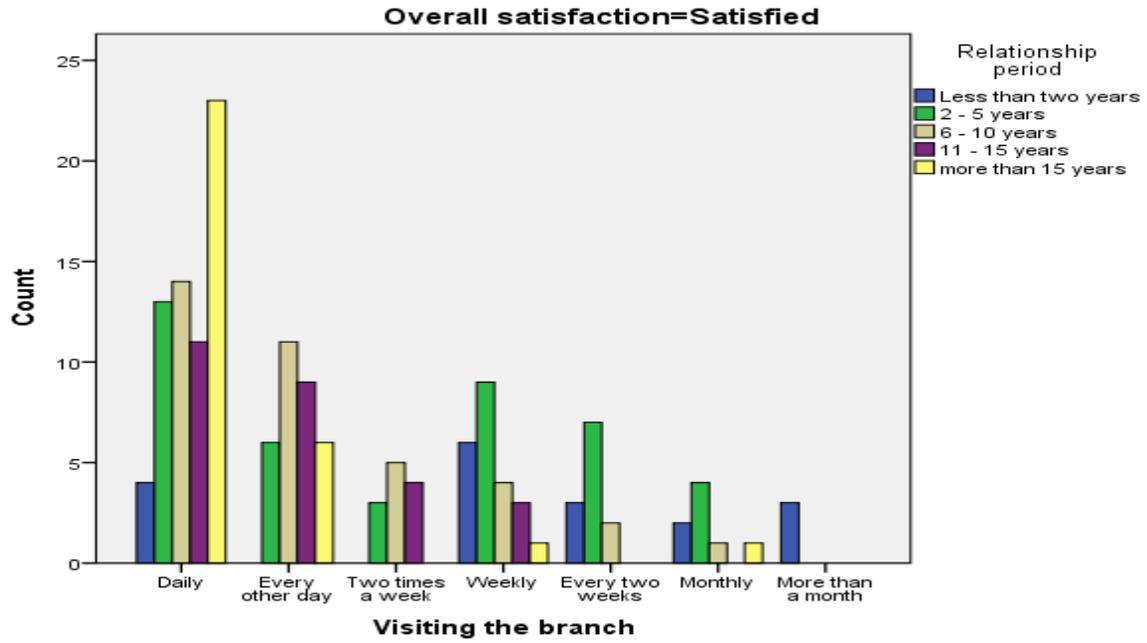
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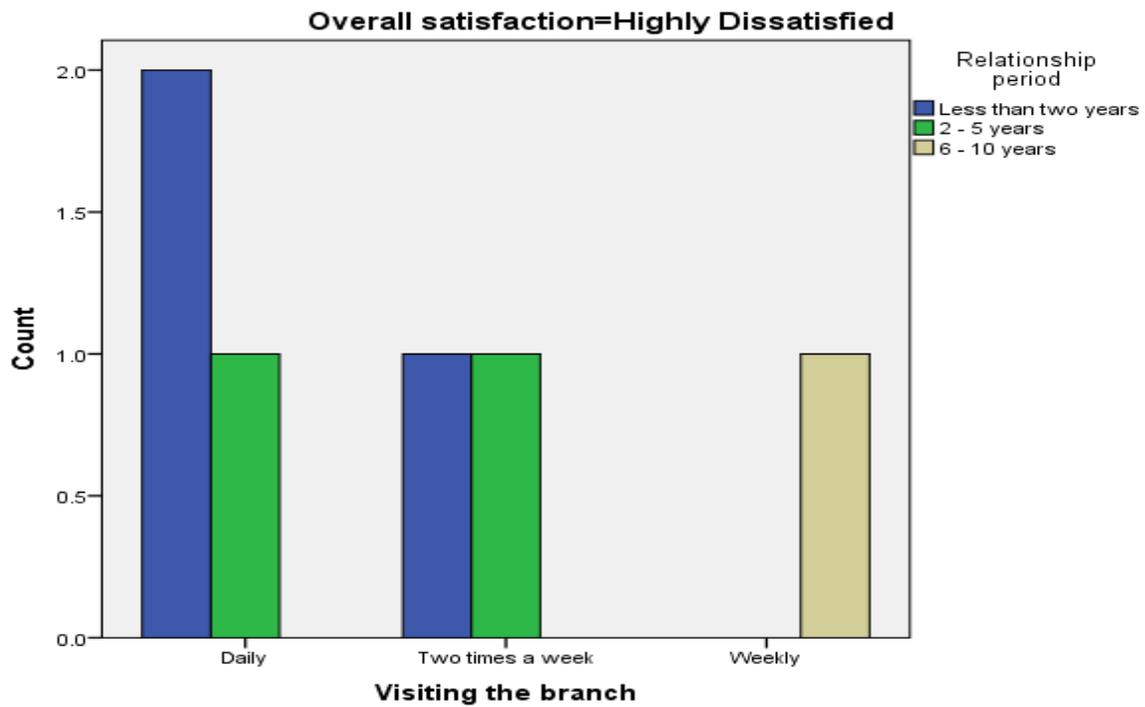
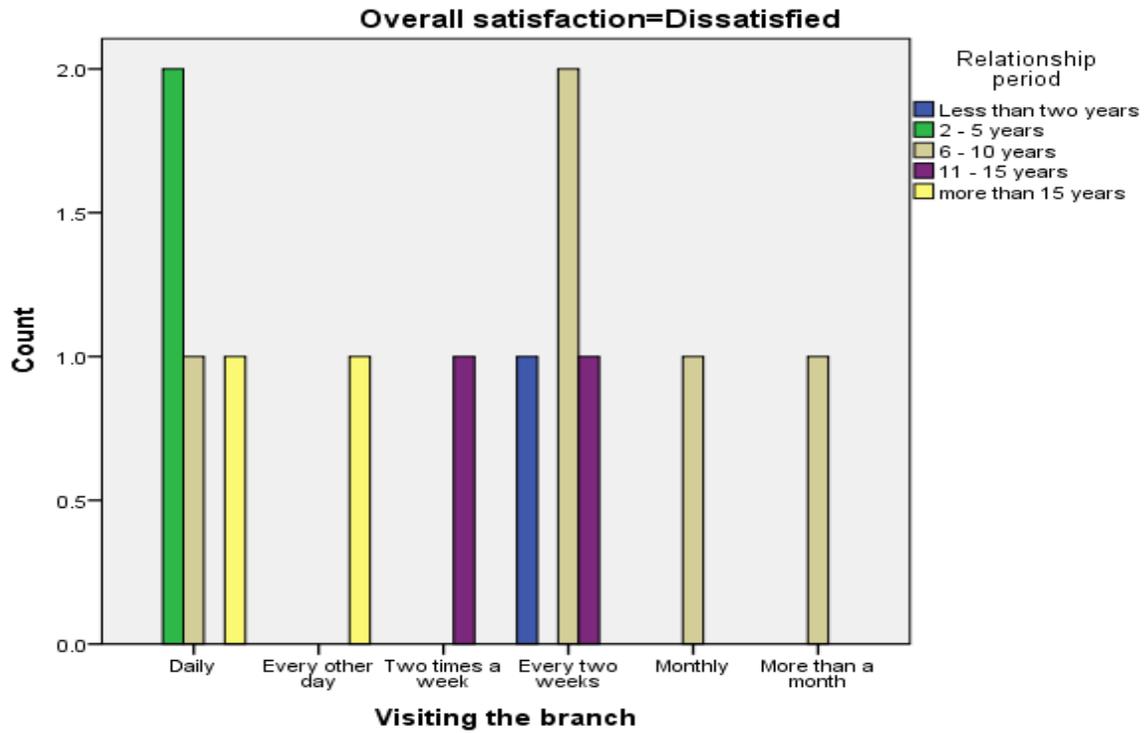
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Appendix I – Cross Tabulation

Visiting the branch * Relationship period * Overall satisfaction Cross Tabulation







Appendix II - Reliability Measure/ Testing

Case Processing Summary

		N	%
Cases	Valid	356	100.0
	Excluded ^a	0	.0
	Total	356	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

	SERVPERF	SERVQUAL	Expectation	Perception
	Cronbach's Alpha	Cronbach's Alpha	Cronbach's Alpha	Cronbach's Alpha
Tangibility	.869	.821	.889	.869
Reliability	.875	.817	.880	.875
Responsive	.835	.787	.870	.835
Assurance	.844	.801	.876	.844
Empathy	.845	.798	.879	.845
Convenience	.866	.821	.907	.866
Average	.877	.834	.901	.877

Appendix III – Questionnaire



St. Mary's University

School of Graduate Studies

Institution of Quality and Productivity Management

Questionnaire to be filled by customers of Bank of Abyssinia S.C. in sample Addis Ababa Branches.

Dear customer/respondent,

The purpose of this questionnaire is to collect first-hand information for a study being conducted on the topic, “**SERVQUAL and SERVPERF Models to Assess Service Quality and Customer Satisfaction in the Case of Bank of Abyssinia S.C.**” as partial fulfillment of Masters of Quality and Productivity Management (QPM) program at St Mary's University. I am interested in studying quality of banking services in BOA especially in sample Addis Ababa Branch that may lead to higher quality of services and customer satisfaction. To this end, researcher kindly requests you to provide genuine information, to the best of your knowledge, so that the finding of the study would be legitimate. The study is purely academic research.

Therefore, for sure, all your responses will be kept confidential. Researcher would like to thank you for your willingness, effort and sharing precious time to fill the questionnaire and returning it the earliest possible as your responses are important for me. I am Master's student of St. Marry University Institution of Quality and Productivity Management.

The first section of the questionnaire is focused on your **personal profile**. The second section of the questionnaire is focused on your **expectation** of the service quality of BOA. The third part of the questionnaire focuses on your **perception** of the service quality performance of BOA.

EXPECTATION: it means what you require/desire & what you hope to get from BOA

PERCEPTION: it means what is your observation about the service performance of BOA

Instruction: please use tick mark (√) or mark (X) in the boxes provided to choose from the option given and answer in writing where appropriate. You do not have to write your name and Please tick only one box.

Section I Respondent's profile

1. What is your gender/sex?

Male Female

2. Please select your age group.

Below 20 years 21 – 30 years 31- 40 years 41 – 50 years

Above 50 years

3. Select your highest level of educational please.

Primary school High school complete Diploma Undergraduate

Post graduate/Masters/ Doctorate degree/PhD/

4. What is your occupation?

Student Unemployed Self employed

Government employed Business Person Others

5. How frequency you visiting the branch to use its service?

Daily Every other day Two times a week Weekly

Every two weeks Monthly More than a month

6. How long is the period, since you established relationship with the bank?

Less than two years 2 - 5 years 6 -10 years

11 -15years More than 15 years

Section II Customer expectation (*anticipation*)

This part of the questionnaire intends to find your expectation towards the service quality of Bank of Abyssinia S.C. please tick the appropriate number i.e. 1-5 you may select any of the number that show what you require, hope to get and/or what you should get.

Dimensions	Q No.	Statement of evaluation	Rating scale				
			Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
			1	2	3	4	5
Tangibility	7	The branch has modern technology & equipments					
	8	The physical facilities at the branch are visually appealing					
	9	Employees at the branch are neat appearing					
	10	Materials associated with the service are goes with the type of service provided.					
Reliability	11	The branch's employees are performing their work by time promised to do so.					
	12	When a customer has a problem, the bank shows sincere interest in solving it.					
	13	The branch employee perform the service right the first time (error free)					
	14	The bank keeps your data & records on error freebase.					
Responsiveness	15	Employees of the branch should tell customers exactly when services would be performed					
	16	Employees of the branch should be prompt and proactive service providers.					
	17	Employees of the branch should be always willing to help customers. (always helpful)					
	18	Employees of the branch are never busy to respond to customers' requests.					
	19	There is always adequate number of employees to respond to your needs at the branch.					
Assurance	20	The behavior of employees of the branch instills strong confidentiality.					
	21	Customers of the branch should feel safe in transactions with the bank.					

Assurance	22	Employees of the branch should be consistently polite with customers.					
	23	Employees of the branch should be knowledgeable to answer questions.					
Empathy	24	The branch and its employees should give customers individual attention.					
	25	The bank should have operating hours that are convenient to all customers.					
	26	The branch should have their customer's best interests at heart.					
	27	The employees of the branch should understand the specific needs of their customers.					
	28	The employees of the branch should be able to conduct transaction immediately or in a short waiting period					
Convenience	29	ATM machines of the branch should conveniently located					
	30	The branch should provide Special services or counters for elderly/disabled					
	31	Clear guidance and information sign on how to use the banks' services and facilities should be available in the branch.					
	32	It is easy to get ATM/VISA card in the branch.					

Section II Customer perception of the superiority of service quality of Addis Ababa branches

Please show the extent to which you believe BOA has the features/the performance ability described in the statement. Once again, make a “√” mark in numbers 1-5 you may select any of the numbers that show how strong your feelings are.

Dimensions	Q No.	Statement of evaluation	Rating scale				
			Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
			1	2	3	4	5
Tangibility	7	The bank has modern looking equipment.					
	8	The Bank's physical facilities are visually appealing.					
	9	The Bank's reception desk employees are neat appearing.					

Tangibility	10	Materials associated with the service (such as pamphlets) are visually appealing at the bank.					
Reliability	11	When the bank promises to do something by a certain time, it does so.					
	12	When you have a problem, the bank shows a sincere interest in solving it.					
	13	Employees of the bank perform the service right the first time.					
	14	The bank insists on error free records					
Responsiveness	15	Employees in the bank's branch tell you exactly when services will be performed					
	16	Employees in the bank give you prompt service.					
	17	Employees in the bank are always willing to help you.					
	18	Employees in the bank's branch are never too busy to respond to your request.					
	19	There is always adequate number of employees to respond to your needs at the branch.					
Assurance	20	The behavior of employees in the bank instills confidence in you.					
	21	You feel safe in your transactions with the bank.					
	22	Employees in the bank area consistently courteous with you					
	23	Employees in bank have the knowledge to answer your questions.					
Empathy	24	The bank & its employees give you individual attention.					
	25	The bank has operating hours convenient to all its customers.					
	26	The bank has your best interest at heart.					
	27	The employees of the bank understand your specific needs.					
	28	The employees of the bank are able to conduct transaction immediately or in a short waiting period					
Convenience	29	The ATM of the bank are conveniently located					
	30	The bank provide Special services or counters for elderly/disabled					

Convenience	31	Clear guidance and information sign on how to use the banks' services and facilities are available in the bank					
	32	It is easy to get ATM/VISA card in the bank.					

Please state your feelings on the space provided

1. How do you rate your overall satisfaction in customer service of BOA's branches? Please respond by choosing the number which best reflects your own perception.

- 1. Highly satisfied
- 2. Dissatisfied
- 3. Neutral
- 4. Satisfied
- 5. Highly dissatisfied

2. What improvements do you suggest the branch need to make in the overall customer service?

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3. Please feel free to offer any suggestions or comments you want to add that the branch should do to satisfy the perceptions and expectations of its customers.

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I thank you for the time and effort taken in fulfilling this questionnaire.

ክፍል 1 የመሳ ሽ የግል መረጃ

እባክዎን በትክክል ሳይሆን -ሱህ መሰረት የ“√”/“መጭ” የ“X” ምልክት በማስቀመጥ ምሳሌዎን ይሰጡ፡ እባክዎን ስንድ ሳይሆን ሳይ ብቻ ምልክት ያደርጉ፡፡

1. እባክዎን ፃታዎን ይግለጹ

መንደር ሴት

2. እባክዎን የሚገኝበትን የስድሜ ምድብ ይጻፉ

ከ20 ዓመት በታች ከ21- 30 ዓመት ከ31-40 ዓመት
 ከ41-50 ዓመት ከ50 ዓመት በላይ

3. እባክዎ ክፍተኛ የተምህራት ዲጂዎን ይግለጹ?

1ኛ ዲጂ ያጠናቀቀ ሁለተኛ ዲጂ ያጠናቀቀ ዲግሪ/ሲቲቲቲ
 የመጀመሪያ ዲግሪ ዲግሪ-ምድብ/ማስተርስ የዲግሪ ትምህርት ዲግሪ (ፒኤችዲ)

4. እባክዎ የተሰማሩበት የስራ መደብ ምንድን ነው?

ተሞላ ስራ-ስጥ/ስራ የሰለጠነ ተቀጣይ
 የራሱን ስራ የማሰራ ነጋዴ ሰለ/ከተጠቀሱት ውጤ

5. የባንኩን ስገልገሎት ሰማግኘት ወደ ባንኩ በምን ያህል ጊዜ ሰጥኑት ይመሳሰሉ?

በየስራቱ በሁለት ቀን ስንድ በሳምንት ሁለት ጊዜ
 በየሳምንቱ በየሁለት ሳምንቱ በየወሩ ከወር በላይ

6. ከባንኩ ጓጩ ግንኙነት ከመሰረቱ ምን ያህል ጊዜ ይሆናታል?

ከሁለት ዓመት በታች ከ2-5 ዓመታት ከ6-10 ዓመታት
 ከ 11-15 ዓመታት ከ 15 ዓመታት በላይ

ክፍል 2 ደንብ ላይ ስንድ ዲግሪን የማጠብቀው (ተስፋ የሚያደርገው)

በዚህ የመጠይቅ ክፍል ስር ስዎ ወደ ቅርንጫፍ ባንኩ ሰመሰተና ገደብ በሚሄዱበት ጊዜ ከቅርንጫፍ ባንኩ ሰማግኘት የሚፈጸሙት ሰማግኘት ተስፋ የሚያደርጉት ወይም ሰማግኘት

ያሰብዎ የመስተንግዶ ዓደነትና የማስተናገጃ መሳሪያዎች ሳይ ያተኮሩል፡፡ ስለሆነም ስባክሶ የባንኩን የስገልግሎት ስለጣጥ ከማጠብቁት ስንግር ከ1-5 በተሰጡት ደረጃዎች ሳይ ይህንን “√” ጠይም ይህንን “X” ምክክት ያደርጉ፡፡

መስ ኪያዎች	ጥቅ	የግምገማ መግቢያ	ደረጃ መስጫ (መስ ኪያ)				
			በጣም ስለሌለ	ስለሌለ	ገለልተኛ	ስለሌለ ጣም	በጣም ስለሌለ ጣም
			1	2	3	4	5
ተጨማሪ	7	የባንኩ ቅርንጫፍ ስጅግ በጣም ጥሩ የሆነ ስና ዘመናዊ መሳሪያዎች ሲኖሩት ይገባል፡፡					
	8	የባንኩ ቅርንጫፍ ስጅግ በጣም ጥሩ የሆነ መስህብ ያሳቸው የስገልግሎት መስጫ ቁሳቁሶች ሲኖሩት ይገባል፡፡					
	9	ስጅግ በጣም ጥሩ በሆነ ሁኔታ በባንኩ ቅርንጫፍ ውስጥ የማስረጃ ሰራተኞች ድጋግ መሆን ስለሚችሉ፡፡					
	10	ስጅግ በጣም ጥሩ በሆነ ሁኔታ ሰዓዳዊ መስህብነት ያሳቸው ከስገልግሎቶች ጋር ተያያዥ የሆኑ የድህረ ምረቃዎች (ስንደ በራሪ ወረቀቶች) በቅርንጫፍ ባንኩ ውስጥ መገኘት ስለሚችሉ፡፡					
ስተማመኑበት መቻላ	11	ባንኩ ስጅግ በጣም ጥሩ በሆነ መንገድ የቅርንጫፍ ባንኩ ስገልግሎቶችን ስቀርባለሁ ብሎ ቃል በገባበት ጊዜ ወይም ሰዓት ስገልግሎቱን ማቀራብ ይኖርበታል፡፡					
	12	የባንኩ የቅርንጫፍ ሰራተኞች ስጅግ በጣም ጥሩ በሆነ ሁኔታ ደንበኞች ችግር በማይገኝበት ጊዜ ችግሩን ለመቆጣጠር ስለሚችሉ የሆነ ፍላጎት ማሳየት ስለሚችሉ፡፡					
	13	ስጅግ በጣም ጥሩ በሆነ ሁኔታ የቅርንጫፍ ባንኩ ስመጃመሪያ ጊዜ በማስጠው ስገልግሎት ተክስ ሲኖር የሆነ/ከህዝብ የደዳ ስገልግሎት ሲያቀርብ ይገባል፡፡					
	14	ስጅግ በጣም ጥሩ በሆነ መስክ የቅርንጫፍ ባንኩ ከህዝብ ላይ የሆነ የመዘገብ ስያያዝ					

		መከተል አስቦ ስለሚታወቅ ፡ ፡					
ምሳሌ ስለሚታወቅ	15	እጅግ በጣም ጥሩ በሆነ መንገድ በቀርጫ ጣንኮ የሚገኙ ሰራተኞች እንዲሁም ስራዎቻቸው በተከናወነ መቼ እንዲሞሉ ስለሚገባቸው ስለሚታወቅ ፡ ፡					
	16	እጅግ በጣም ጥሩ በሆነ ሁኔታ በቀርጫ ጣንኮ የሚገኙ ሰራተኞች ስለሚገኙት ቀን ጣፋ እንዲሁም ስራዎቻቸው ስለሚገኙት ስለሚታወቅ ፡ ፡					
	17	በጣም ጥሩ በሆነ ሁኔታ በቀርጫ ጣንኮ የሚገኙ ሰራተኞች ዘመናዊ ደንብ ስራዎቻቸው ስለሚገኙት ፈቃደኛ መሆን ስለሚታወቅ ፡ ፡					
	18	ቀርጫ ጣንኮ/በቀርጫ ጣንኮ የሚገኙ ሰራተኞች የሚገኙትን ጥያቄ ስለመመስሰት ስራ በጣም እንዲሰጥ/ሚታወቅ ስለሚገኘው ፡ ፡					
	19	ቀርጫ ጣንኮ ሁኔታ የሚገኙትን ጥያቄ ስለመመስሰት/ስለሚገኘው የሚታወቅ ሰራተኞች ስራዎቻቸው ስለሚገኙት ፡ ፡					
ሞላላ	20	በቀርጫ ጣንኮ የሚገኙ ሰራተኞች ባህሪ ደንብ ስራዎች ላይ የሚተማመን ስሜት የሚፈጥር /የሚያሳድር መሆን ስለሚታወቅ ፡ ፡					
	21	በቀርጫ ጣንኮ የሚገኙ ሰራተኞች ንግድ ሰው/አካል/አካል በሚያደርጉት የሰራተኛው ስራ ስለሚገኘው/ስራዎቻቸው ስለሚገኙት ሞላላ/ደንበኞች ስለሚታወቅ ፡ ፡					
	22	እጅግ በጣም ጥሩ በሆነ ሁኔታ በቀርጫ ጣንኮ የሚገኙ ሰራተኞች በመደበኛነት ስለሚገኙት ስራዎቻቸው ትኩረት የሆነ ባህሪ ማሳየት ስለሚታወቅ ፡ ፡					
	23	ጥሩ በሆነ ሁኔታ የሚገኙት የቀርጫ ጣንኮ ሰራተኞች የሚገኙትን ጥያቄ እንዲሁም መመስሰት እንዲሰጥ ስለሚታወቅ ፡ ፡					
የሰውን ችግር መረዳት	24	እጅግ በጣም ጥሩ በሆነ መንገድ የሚገኙት ቀርጫ ጣንኮ ሰራተኞች ስለሚገኙት ስራዎቻቸው በግል ትኩረት በመስጠት ማሳየት ስለሚታወቅ ፡ ፡					
	25	በጣም ጥሩ በሆነ ሁኔታ ቀርጫ ጣንኮ ስራዎቻቸው ደንብ ስራዎች ስለሚገኙት የሰራተኛው ስራዎች ስራዎች ስለሚገኙት ፡ ፡					

	26	ባንኩ የደንበኞቹን ፍላጎት ከሰብ በማጠና ፍላጎታቸውን ስማርት ካት መጣር ስለበት፡፡					
	27	በባንኩ ቅርንጫፍ የሚገኙ ስራተኞች የደንበኞቻቸውን የተሰዩ ፍላጎቶች በመፈጸም ማስተናገድ ስለባቸው፡፡					
	28	ስጅግ በጣም ጥሩ በሆነ ሁኔታ በባንኩ ቅርንጫፍ የሚገኙ ስራተኞች የግንደ ሰውጥን በስፍራ ስና በስጫ ጊዜ ውስጥ ማክናወን የሚችሉ ሲሆኑ ደገባሉ፡፡					
ስ መቼነት	29	ቅርንጫፍ ባንኩ የሴቲሌም ማሸን ስመቺ በሆነ ስፍራ ሳይሆን ሲኖረው ደገባሉ፡፡					
	30	ባንኩ ስለሰጠው ስራ/ስራ ካልገኘ ስራተኞች የተሰዩ ስገልግሎቶችን መስጠት ወይም ካውንተሮችን ማዘጋጀት ስለበት፡፡					
	31	ቅርንጫፍ የባንኩን ስገልግሎቶች ስንዴት መጠቀም ስንደረግ የሚያሳይ ግልጽ መመሪያ ስና የመፈጸም ስራ ስንደረግ ስንደረግ ስገልግሎት መስጫዎች ሲኖሩት ደገባሉ፡፡					
	32	ስ ቅርንጫፍ ባንኩ የሴቲሌም/ሲ.ዛ ካርድ በቀሳሱ ማግኘት ደገባሉ፡፡					

ክፍል 3 በባንኩ ቅርንጫፍ ያለውን ክፍተኛ የስገልግሎት የጥራት ደረጃ በማመስከት የደንበኞች ሀሳብ/ስራተኞች

ስባክዎን የሰቢ.ሲ.ኒ.ዶ ባንክ ስ.ማ. በማስጠው የባንክ ስገልግሎት በመግሰጠው ሳይሆን የተጠቀሱት መስፈርቶችን ያሟላሉ ብለው ምን ያህል ስንደረግ ስንደረግ ያሳዩ፡፡ ስሚትዎን በደንብ ደገባሉ ብለው የሚያምኑትን የትኛውንም ቁጥር በመሞላት በድጋሚ ደረጃን “√” ወይም ደረጃን “X” ምስክትን ከ 1-5 ባሉት ቁጥሮች ውስጥ ያስፍሩ፡፡

			ደረጃ መስጫ (መስኪያ)			
			በጣም			በጣም

መስኪያዎች	ሆ. ቁ.	የግምገማ መግቢያ	ስለ ማማ ስህተት	ስለ ማማ ስህተት	ገቢ ስተኛ	ስለ ስማማ ምህ	ስለ ስማማ ምህ
			1	2	3	4	5
ተጨማሪ ክፍያ	7	በባንኩ ቅርንጫፍ ውስጠ የሚገኙት የመገሰገያ መሳሪያዎች ዘመናዊ ናቸው፡፡					
	8	በባንኩ ቅርንጫፍ ውስጠ የሚገኙት ቁሳዊ ስገሰገሎት መስጫዎች መስጠብ ስላቸው፡፡					
	9	በባንኩ ስንግዳ መቀበያ ዲስክሳዊ የሚሰሩ ሰራተኞች ጽዳቅ መስጠብ ያላቸው ናቸው፡፡					
	10	በቅርንጫፍ ባንኩ ውስጠ የሚገኙ ከስገሰገሎቶች ጋር ተያያዥ የሆኑ የጽሁፍ መግቢያዎች (ስምሳሴ ስንግዳ በራሪ ወረቀቶች ወይም መግቢያዎች የመሳሰሉ) ስንግዳ መስጠብ ስላቸው፡፡					
ስተማማኝነት መቻላት	11	ባንኩ በተወሰነ ጊዜ ውስጠ ስንግዳ ነገር ስደርጋ ስህተት ብሎ ቃል ከገባ፣ ቃል በገባበት ጊዜ/ሰዓት ስገሰገሎቱን ያቀርባል፡፡					
	12	ችግር በሚያጋጥም ጊዜ ባንኩ ችግሩን ስመጥታት ስወነተኛ ፍላጎት ያሳያል፡፡					
	13	ባንኩ ስመጥታት ጊዜ የሚያቀርበውን ስገሰገሎት በተክክል ያከናውናል፡፡					
	14	ቅርንጫፍ ባንኩ ከስጠት ነዳ የሆነ የመዛግብት ስያያዝ በሞቀ ደረጃ ስላቸው፡፡					
ምሳሌ ስጠኝ	15	በቅርንጫፍ ባንኩ ውስጠ የሚገኙ ሰራተኞች የጠየቁት ስገሰገሎት በተክክል መቼ ስንግዳ መጠየቅ ይኖራል፡፡					
	16	በቅርንጫፍ ባንኩ ውስጠ የሚገኙ ሰራተኞች ቀረጫ ስገሰገሎት ይሰጣሉ፡፡					
	17	በባንኩ ውስጠ የሚገኙ ሰራተኞች ዘመተር ስር ስምን ስመር ዳት ፈቃደኞች ናቸው፡፡					
	18	በባንኩ ውስጠ የሚገኙ ሰራተኞች የስር ስምን ምድብ ስመጠስ ስጠፍሎ ስራ በዛብን ስይሉም፡፡					
	19	ቅርንጫፍ ባንኩ ሁሉ ጊዜ የደንበኞችን ምድብ					

		ስ መመስሰስ /ስ ማስተናገድ የ ሚኒስቴር በ ቂርብ ስራተኞች ስራት ፡ ፡					
ጠስተኛ	20	በ ቅርንጫፍ ባንኩ ውስጥ ያሉ ስራተኞች ባህሪ እና ስራ በ ባንኩ ላይ የሚተማመን ስሜት እንዲኖረው ያደርጋል ፡ ፡					
	21	በ ቅርንጫፍ ባንኩ ጋር ባሉ የ ግንደ ስራውጥ ጠስተኛ ደስ ማዎታል ፡ ፡					
	22	በ ባንኩ ውስጥ የ ሚኒስቴር ስራተኞች በ መደብ ግንባታ ስራ ስራ ስራ ትክክል ያሳያሉ ፡ ፡					
	23	በ ቅርንጫፍ ባንኩ ውስጥ የ ሚኒስቴር ስራተኞች ጥያቄዎን እንዲያስተማሩ እንዲሰጡ በ ግንባታ ያደርጋሉ ፡ ፡					
የ ስራው ችግር መረዳት	24	በ ቅርንጫፍ ባንኩ ውስጥ የ ሚኒስቴር ስራተኞች በ ግንባታ ትክክል ደስ ማዎታል ፡ ፡					
	25	የ ባንኩ የ ስራ ስራ ትክክል ደስ ማዎታል ስሜት ፡ ፡					
	26	ባንኩ የ ስራ ስራ ስሜት ስራ ስራ ደስ ማዎታል ስሜት ስሜት ደስ ማዎታል ፡ ፡					
	27	የ ቅርንጫፍ ባንኩ ስራተኞች የ ስራ ስራ የ ተሰደ ስሜት ደስ ማዎታል ፡ ፡					
ስሜት	28	የ ቅርንጫፍ ባንኩ ስራተኞች የ ግንደ ስራውጥ ደስ ማዎታል ስራ ስራ ደስ ማዎታል ስሜት ደስ ማዎታል ፡ ፡					
	29	የ ባንኩ የ ስራ ስራ ስሜት ስሜት ስሜት የ ተሰደ ስሜት ፡ ፡					
	30	ባንኩ ስራ ስራ ስሜት /ስራ ስራ ግንባታ የ ተሰደ ስሜት ስራ ስራ ስሜት ደስ ማዎታል የ ስራ ስራ ስሜት ስሜት ስሜት ደስ ማዎታል ፡ ፡					
	31	በ ባንኩ ውስጥ የ ሚኒስቴር ስራ ስራ ስሜት እንዲሰጡ ስራ ስራ ስሜት የ ሚኒስቴር መመሪያ ስራ የ መረጃ ስሜት ስራ ስራ ስሜት መግቢያ በ ቅርንጫፍ ባንኩ ውስጥ በ ቂርብ ስራ ስራ ደስ ማዎታል ፡ ፡					
	32	በ ቅርንጫፍ ባንኩ ውስጥ ስራ ስራ ስሜት ስራ ስራ በ ቂርብ ስሜት ደስ ማዎታል ፡ ፡					

እባክዎን ስለባንኮ ስጠቃሳዬ ስገልግሎት ያሰጡትን ስሜትና ስና በባዶ ቦታው ሳይ
የሚሰማዎትን/ቢታክሱ የሚሰጥን ይግለጹ

1. በባንኩ የደንበኞች ስገልግሎት ዙፋን ያሰጡትን ስርዓታት በሚመለከት ስንዴት
ይሰኩታል፤ እባክዎ ከተሰጡት ምርጫዎች ውስጥ የስርዓትዎን ስሳቤ በይበልጥ የሚገልጸውን
ቁጥር ይምረጡ?

- 1. በጣም የሚያረካ
- 2. የሚያረካ
- 3. ደብ ነው የሚደባል
- 4. የሚያረካ
- 5. በጣም የሚያረካ

2. በስጠቃሳዬ የደንበኞች ስገልግሎትን በሚመለከት የባንኩ ቅርንጫፍ ምን ማሻሻያ
ሚደረግ ስለበት ሲሱ ስስተያየት ይሰጡ።

3. እባክዎ የደንበኞችን ፍላጎት/ደንበኞች የሚጠብቁትን በስጥጋቤ ሁኔታ ስሚሟሉት
ቅርንጫፍ ባንኩ ማደረግ ስለበት ብሰው የሚሰማዎ ምንም ዓይነት ስስተያየት ወይም
ጥቅማ ቢኖርዎ ነፃ ይግለጹ፡፡

ይህንን መጠየቅ ስለመሰላት ስለሰጡኝ ጊዜ ስና ሳይረጉት ጥረት ምስጋናዬን ስቀርባለሁ፡፡