ST. MARY'S UNIVERSITY
DEPARTMENT OF GENERAL MBA
SCHOOL OF GRADUATE STUDIES

Effect of Service Quality on Customer Satisfaction
(A Case of Kifiya-Lehulu Financial Technology-Megenaga Branch)

By
Mesel Biwota

May, 2018
Addis Ababa, Ethiopia

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May 2018

DECLARATION

I, Undersigned, declare that this research paper is my original work, And that all source of materials in the research paper have been acknowledged. The matter embodied in the project work has not been submitted earlier for award of any degree or diploma to the best of my knowledge and belief.

Name:_____

Signature: _____

Date:_____

Table of Contents

List of tables

List of Figures

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List of Acronyms and Abbreviations

GCS	Global Computing Solutions
FTA	Federal Transport Authority
AAWSA	Addis Ababa Water Sewerage Authority
G2C	Government to Customer
B2C	Business to Customer
SERVEQUAL	Service Quality
SERVPERF	Service Performance
SPSS	Statistical Package for Social Science
ANOVA	Analysis of Variance

Abstract

Service Quality becomes the crucial issue for hospitality industry, and the theory of service has evolved over long period of time. Service quality has become the most important factor for the survival of customer satisfaction. Service quality is the most important structure in service marketing. Sustainable survival of an organization depends on its customer satisfaction. The main purpose of this study is to examine the effect of service quality on customer satisfaction and to identify the relationship between service quality dimensions with customer satisfaction. The researcher used questioner in order to collect data about service quality in Kifiya-Lehulu financial technology. The questioner adapted from SERVQUAL model dimensions. The researcher used convenient sampling method in order to select the sample from the population. A total of 375 questioners were collected from customers. The data analysis was conducted through statistical techniques such as descriptive statistics, and inferential statistics using SPSS version 20. The finding indicates that service quality of the organization is moderate. Based on the result of the correlation, it shows that there is inter correlation between the service quality dimension and customer satisfaction, there is positive significant relationship which implies that the change made in one of the service quality dimension will positively motivate the other service quality dimension. The highest perceived service quality is observed in empathy and less perceived quality is observed in responsiveness. From the study it is found that there is positive statistical relationship between the independent and dependent variable. From the regression result the impact of tangibility is higher followed by responsiveness assurance and empathy respectively and reliability has insignificance impact on customer satisfaction Kifiya-Lehulu Financial Technology should work on improvement of service quality dimensions to increase customer satisfaction.

Keywords:*Service Quality, Customer Satisfaction,SERVQUAL*

CHAPTER ONE

1.1Background of the Study

According to Kotler &Keller serviceis defined as "any intangible act or performance that one party offers toanother that does not result in the ownership of anything" (Kotler& Keller, 2009)In all, service can also be defined as an intangible offer by one party to another in exchange of money for pleasure. Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. (Mosahab, 2010). Quality is the major factor because it influences the customer satisfaction. Service quality is the main and major approach to organizational growth. Organization with high service qualitywill meetcustomer' satisfaction and also remain most economicalin terms of competition. Improved quality service also makes the firm more competitive.

Service quality is defined as the degree of discrepancy between customers' normative expectations for service and their perceptions of service performance (Mosahab, 2010). Consumers usually shop at specific stores, because they like the service provided and they are assured of certain service privileges; thus, the performance of salespeople stimulates bonding through trust between them and customers, which affects the latter's perception of the store or brand(Loke, 2011). Service quality can be defined as meeting the needs and expectations of the customer (Loke, 2011). The definition of service quality can be extended to the overall evaluation of a specific service with ten service qualitydimensions, tangibility, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding/knowing the customer(Mosahab, 2010).

In this centuryservice sectors are rapidly growing,so there is high competition among firms.Firms in an industry come in to the market with many new ideas to provide preferable service among others. Customers have different knowledge about service quality. Some customers may give high value for responsiveness and reliability, while others prefer courtesy. Since the nature of service is intangible, measurement of service quality can be more complicated.Service quality measures how much the service delivered meets customers' expectation. Quality is the key to value and customer satisfaction(Yarimoglu, 2014).

Customer satisfaction is a personal feeling of either pleasure or disappointment resulting from the services provided by an organization to customer in relation to expectation. Customers are

dissatisfied when they can't get what they expected. (Yarimoglu, 2014)Proposed that customers' expectation is formed by many uncontrollable factors which include previous experience with other companies, way of advertising, and customers' psychological condition at the time of service delivery, and customer culture and values about the product they purchase or the service they get. (Loke, 2011) stated that,Customer service expectation is built on complex considerations, including their own pre-purchase beliefs and other people's opinions. Similarly, some scholars also stated that customers' expectation related to different levels of satisfaction. It may be based on previous product experiences, learning from advertisements and word-of-mouth communication. In general, customer expectation is an uncontrollable factor which is influenced by past experience, advertisements, customers' perception at the time of purchase, their background, attitude and the product's image. Furthermore, customers' expectation can be influenced by pre-purchase beliefs, word of mouth communications, individual needs, customers' experiences, and other personal attitudes. Different customers have different expectations based on their knowledge of a product or service. Service quality, customer satisfaction and company profitability are intimately related. The SERVQUAL instrument was originally measured on ten aspects or dimensions of services quality, reliability,responsiveness,competence, access, courtesy, communication, credibility, security, understanding andtangibility as a means of measuring the gap between customer expectation and experience. Customers will always prefer products or services that give them maximum satisfaction. (Yarimoglu, 2014)

Since kifiya financial technology is service giving firm, the firm struggling to give high quality service and to satisfy customers. But according to three randomly selected kifiya-Lehule customers and one district manager there are impacts which lead to customers to dissatisfy. For example to mention some of them there was no strong or well collaboration with its partners (partners like Telecommunication, Ethiopian Electric Unit, Addis Ababa water and sewerage Authority and Ethiopian traffic Management) and customers profile or customer full information were not correctly transfer to their partner organization because of this customers pay their bills under or over they intend to pay. The other problem was customers account number and their address was miss correctly recorded and they made their payment to other employee because of these reason some customers service were cut and faces many difficulties And according to the district manager Ato Abenezer Mekonnen As the system is new to our country and there is less or no experienced employees to solve customers' problems quickly and there was also

knowledge gap how to handle customers using the system. And both the three customers and the district manager agree about poor internet connection system function which broaden the impact to less satisfy customers about the service they get from kifiya-lehulu.

The desire to manage relationships with customers leads to the fact that organizations are starting to pay attention to the development and implementation of service standards. Reviewing standards of customer service as part of the corporate culture of the organization helps find more effective approaches to its development and implementation.The goal of Kifiya Financial technology is to make a contribution to simplifying and improving the lives of people by making transaction simple,affordable,secure and within reach.It also aims to create an integrated scalable technology, based on digital financial service infrastructure that provides payment services and enablesaccess to financial and non-financial transaction.

1.2Background of the Organization

Kifiya Financial Technology was established in 2010, as a spin-off of Global Computing Solutions (GCS), an Ethiopian leading System Integrator IT company with over 20 years of experience in the information systems market. Kifiya Financial Technology was created with a vision to make financial and non-financial services simple, affordable, and within reach. To achieve this vision, Kifiya Financial Technology has built and continues to expand a sustainable technology and distribution infrastructure to provide integrated scalable services that enable access to both financial and non-financial services.

Kifiya is a Payments, Digital Financial Services and Distribution company. Through a Public-Private Partnership with MCIT, Kifiya Financial Technology currently provides a payment solution to the public as well as a collection services to The Utilities in Addis Ababa, expanding to the four major Regions. Due to the success of "Lehulu", the single window service, multiple Governments to Citizens services will be provided on this platform.

1.2.1LehuluCenters

Lehulu centers are the first e-service centers in Ethiopia which process bills from three separate government offices in a unified billing system for over a million residents of Addis Ababa. There are 34 Lehulu centers operating in Addis Ababa, currently receiving payments for Ethio telecom, Addis Ababa Water and Sewerage Authority and the Ethiopian Electric Agency, Ethiopian

3

Traffic Management, Ethiopian Broadcasting Corporation. Lehulu service has now expanded to include the regional capitals Bahirdar, Hawassa, Mekele and Adama with total of 14 centers.

1.2.2How its Gives Services?

Kifiya is dedicated in making transaction simple and within reach, Lehulu is a Government owned service centers, So Kifiya is managing and administrating the centers for a couple of years under a Per Transaction Price commercial agreement with MCIT, Ethio-Telecom, AAWSA, Ethiopian Electric Unit, Traffic Penalty.. But Lehulu did not set up to only give this services, Lehulu is originally planned to give service for more than 32 Government to Citizen Services and different Business to Consumer Services.

The single window delivery platform (Lehulu) enables any service to be delivered through a single point. The provision of integrated services has been achieved through the use of three-tier technology. The application server acts as a bridge between the database of the different organizations located in different locations and the clients at the counters at the single point delivery. The platform facilitates Government to Citizen (G2C) and Business to Consumer (B2C) services. The three-tier technology insures that there is enough redundancy to enable transactions to continue in offline mode.

Kifiya provides a Single Window Delivery Platform where payment services for a number of organizations can be delivered from a single access point. Customized from the Tata Group's e-Service framework, Kifiya's platform allows for the creation of a single unified user account for clients at a single point of delivery, allowing for convenience for the customer and efficiency for the business. Currently Kifiya is scaling up this service to bring a new level of customer experience by introducing different payment channels and instruments. The system is expected to synchronize data in real time and also integrate with different payment platforms so that the citizen can pay using their wallet or bank account.

Kifiya currently have 34 centers, located in different parts of the Addis Ababa. And Kifiya also have 8 more centers at Bahir-dar and Mekele. (http://www. Kifiya Financial Technology)

1.3Statement of the Problem

Service quality becomes the crucial issue for hospitality industry and the theory of service has evolved over long period of time. Satisfaction is a summary of psychological state resulting when emotion surrounding disconfirmed expectation is coupe with the consumer's prior feelings

about the consumption experience (Agbor, 2011).Businesses would not exist or would cease to exist without customers, in fact they are the only reasons for engagement in business activities. Businesses would not exist orwould cease to exist without customers.

Customers are the major players in company's' profitability in today's competitive world, sofirms who give service should mainly focus on maintaining customer relationship to be profitable, to be competitive or even to survive in the market. Firms who fail to serve and satisfy their customer will not survive. Therefore in order to achieve high service quality, and have satisfied customers, companies need to narrow the gaps between customer expectation and perception and need to understand how consumers choose and evaluate their service offerings (Bhievajee, 2003).Serving poor quality service affects customer satisfaction and lead lose interest on that firm and make them to other alternatives. Customers are life blood of any organization and without them, a firm has no revenues, no profits and no market value it need be.

Service quality is more difficult for the customers to evaluate than good quality. Evaluations are not based solely on the outcome of the service, the technical quality, they also involve the process of service delivery or functional quality (Maddern, 2014). This study will take place at Kifiya financial institute-Lehulu because its newly established organization which came to the service industry with new technological idea to our country and it operates major activities like collecting bill payments on behalf of some government organizations which is highly intimated with service quality and customer satisfaction.

Even if Kifiya-Lehulu struggles to give the best services there are problems that affect the custmer satisfaction in negative way. Customers of Kifiya-Lehulu did not have confidence about the Service they get and customers also complain about the service delivery process that employee S of customer are not responsible and assured about the service they give and they give service Without courtesy.

Because of these problems customers didn't get what they expected and became unsatisfied. Customers expect to be served well according to responsiveness, how can they get response from the employee and they want to be assured about the service they get. Therefore, this study was mainly focus on examining the impact of the service quality on customer satisfaction and the relationship between service quality dimensions and customer satisfaction and it is conclude by giving recommendation according to the findings.

1.4 Research Questions

This research is designed to give answer to the following research questions.

1. What is the effect of Tangibilityon customer satisfaction?

2. What is the effect of Reliability on customer satisfaction?

3. What is the effect of Responsiveness on customer satisfaction?

4. What is the effect of Assurance on customer satisfaction?

5. What is the effect of Empathy on customer satisfaction?

1.5Objective of the Study

1.5.1 General Objective

The main purpose of this study is to examine the effect of service quality on customer satisfaction in Kifya Financial Technology- LEHULU.

1.5.2 Specific Objective

The specific objective of the study includes:

1. To examine the effect of Tangibility and customer satisfaction.

2. To examine the effect of Reliabilityon customer satisfaction.

3. To examine the effect of Responsiveness on customer satisfaction.

4. To examine the effect of Assurance on customer satisfaction.

5. To examine the effect of Empathy on customer satisfaction.

1.6Significance of the Study

This study will help the organization take corrective actions against any gap in service quality and customer satisfaction. It will also help for organization policy makers and organization planers. In addition to the above mentioned benefits of this research, it can also be used for further studies.

1.7 Scope of the Study

This research is conducted to examine the effect of service quality on customer satisfaction. The research is conducted in kifiya Financial Technology. Kifiya gives different services but these research is only limited to Lehulu customers because Lehulu gives major service in kifiya Financial Technology and the study limited only one branch because the branch is located at Addis Ababa, Megenaga which is accessible and the branch customers represent the population.

1.8 Organization of the Study

The research is organized into five chapters. The first chapter is introduction which includes background of the study, Background of the organization, statement of the problem, research questions objective of the study, significance of the study and scope and limitation of the study. The second chapter is review of related literatures which is consists of theoretical background and important findings from different literatures. The third chapter is involves methodologies which is applied in the study. Chapter four is about present the result and discussion of the study. Finally, the last chapter includes summary of major findings and gives conclusion and recommendations of the study.

1.9 Definition of Terms

Service Quality: - is consumer's overall impression of the relative inferiority or superiority of the organization and its services.

Customer Satisfaction: - is a result when customer's expectations and perceptions are equal or greater.

Reliability: - is ability to perform the promised service dependably and accordingly.

Responsiveness: - is willingness to help customers and provide prompt service.

Tangibles: - is appearance of physical facilities, equipment, personal, and communication materials.

Assurance: - is knowledge and courtesy of employees and their ability to convey trust and confidence.

Empathy: - is carrying individualized attention the firm provides its customers.

CHAPTER TWO

2. Review of Related Literature

2.1 Concept and Definition

2.1.2 Service Concept

Service industries are playing an increasingly important role in the overall economies of the countries of developed and developing countries. The 21st century is considered to be as the service industry. Researchers have tried to define service and to explain what service constitutes. There are many definitions regarding the concepts of service. Services are deeds, processes, and performances (Zeithami, 1985)According to(Loke, 2011) service is "any activity that one party can offer to another that is essentially intangible and does not result in the ownership of anything. These definitions give a clue about the nature of services as processes rather than products. The definition that fits more in describing service is given by(Loke, 2011). Service is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production (Lovelock H, 2000).

(Gronroos, 1982) defined service as, an activity or series of activities of more or less intangibles nature that normally, but not necessarily, take place in interactions between the customer and service employees and/or physical resources or goods and I or systems of service provider, which are provided as solutions to customer problems. Similarly(Kotler P. , 2000)defined service as any activity or benefit that one party offers to another which is essentially intangible and does not result in the ownership of anything, and it may or may not be tied to a physical product. Service has become very crucial in all business industries due to the transformation from agriculture to industrial sector, increase number of aged people, double income, and a need for leisure time (Clow E, 2002). Services are now seen in almost every part of our life, starting from the most essential demands, like eating to other entertainment activities, such as sport, travelling, etc.

Service is found on all companies strategic tools for gaining a competitive advantage. Nowadays products heavily rely on its services to acquire competitive advantage, and to satisfy customers' needs (Kotler & Armstrong, 1999).

2.1.3The Characteristics of Service

There are five main service characteristics: intangibility, inseparability, variability, perish ability and lack of ownership. (Kotler, Wong, Saundars, & Armestrong, Principle of marketing,8th edition, 2005).

- **Intangibility**

Service intangibility means that services cannot be readily displayed, so they cannot be seen, tasted, felt, heard or smelt before they are bought. A buyer can examine in detail before purchase the color, features and performance of an audio hi-fi system that he or she wishes to buy. In contrast, a person getting a haircut cannot see the result before purchase. Airline passengers have nothing but a ticket and the promise that they and their luggage will arrive safely at the intended destination, hopefully at the same time. Because service offerings lack tangible characteristics that the buyer can evaluate before purchase, uncertainty is increased. To reduce uncertainty, buyers look for 'signals' of service quality. They draw conclusions about quality from the place, people, equipment, communication material and price that they can see. Therefore, the service provider's task is to 'manage the evidence' – they try to 'tangibles the service' or to provide concrete evidence of the benefits offered(Kotler, Wong, Saundars, & Armestrong, Principle of marketing, 8th edition, 2005).

- **Inseparability**

Physical goods are produced, put into inventory, distributed through multiple intermediaries, later sold to users and, still later, consumed. In contrast, services are first sold, then produced and consumed at the same time and in the same place. Service inseparability means that services cannot be separated from their providers, whether the providers are people or machines. If a service employee provides the service, then the employee is a part of the service. Because the customer is also present as the service is produced, provider– customer interaction is a special feature of services marketing. Thus, it is important for service staff to be trained to interact well with clients.

A second feature of the inseparability of services is that other customers are also present or involved. The concert audience, students in the class, other passengers in a train, and customers in a restaurant, all are present while an individual consumer is consuming the service. Their behavior can determine the satisfaction that the service delivers to the individual customers.

Because of the simultaneity of service production and consumption, service providers face particular difficulty when demand rises (Kotler, Wong, Saunders and Armstrong, 2005).

- **Perishable;**

Services cannot be saved, stored or returned right after use. It is difficult to balance demand and supply with service and recovering it from failure is also difficult task(Kotler P. , Marketing Management, 2002). According to him it is difficult to balance demand and supply with services and recovering it from failure is also difficult task. As a result of these differences of characteristics of service its quality is more difficult for users to evaluate service quality than goods quality.

- **Variability (heterogeneity)**

As services involve people in production and consumption, there is considerable potential for variability. Service variability means that the quality of services depends on who provides them, as well as when, where and how they are provided. As such, service quality is difficult to control. The ability to satisfy customers depends ultimately on the behavior of frontline service employees. A brilliant marketing strategy will achieve little if they do their job badly and deliver poor-quality service (Kotler, Wong, Saunders and Armstrong, 2005).

- **Lack of ownership**

When customers buy physical goods, such as cars and computers, they have personal access to the product for an unlimited time. They actually own the product. They can even sell it when they no longer wish to own it. In contrast, service products lack that quality of ownership. The service consumer often has access to the service for a limited time. Because of the lack of ownership, service providers must make a special effort to reinforce their brand identity and affinity with the consumer using one or more of the following methods:

- They could reinforce the service brand identity and affinity with the customer.

- They could offer incentives to consumers to use their service again, as in the case of Frequent-flyer schemes

- They could create membership clubs or associations to give a sense of belonging and ownership (Kotler, Wong, Saunders and Armstrong, 2005).

2.1.4 Quality

There are many definitions of quality derived by different scholars. According to (Crosby, 1984), quality is defined as conforming to requirements. This implies that service providers should establish requirements and specifications and once these specifications are established, the quality goal of the various functions of the service providers is to comply strictly with them. (Deming, 1983)As cited by (Juran, 1988) defined quality as those features of products which meet customer needs and thereby provide customer satisfaction. (Adrian, 1995)United these two definitions and stated the concept of customer perceived quality: quality can be defined only by customers and occurs when an organization supplies goods or services to a specification that satisfies their needs.

Quality is Zero defects-doing it right the first (Zeithami, 1985). The purpose of higher quality is to provide greater customer satisfaction. However, providing better quality features usually requires an investment and hence usually involves increases in costs. Good quality means a predictable degree of uniformity and dependability with a quality standard suited to the customer. The level of quality to which a service is designed is a crucial element in the total service offer. Quality is an important factor used by customers to evaluate the service of one organization in comparison with the offers of others.

In service marketing, quality is the perceived level of performance of a service, but it can be difficult to measure quality parameters and also to identify which quality factors customers attached importance to. The intangible nature of service quality standards is reflected in the difficulty that services companies have in designing quality standards that will be readily accepted by potential customers. Customer expectations form an important element of quality, a service that fails to meet the expectations of one customer may be considered to be poor quality, while another customer receiving an identical service but not holding such high expectations may consider the service to be a high quality standard, (Adrian, 1995).

2.1.5 Service Quality

The meaning of service quality is not an easy concept to define as it may refer to many attributes such as the experience of encounters with the service, the evidence of service, image, price and so on. Nevertheless, quality refers to the notion that a company should provide goods and services that completely satisfy the needs of both internal and external customers.

(Gronroos, 1982)and(Zeithami, 1985) were the pioneers in the conceptualization of the service quality construct, these authors maintained that the overall perception of quality was a disconfirmation of a customer's expectation and his/her evaluation of a service. Parasuraman et al. (1988) developed a disconfirmation measurement, the SERVQUAL instrument, to measure service quality and its dimensions. Although the definitions of service quality vary, the definitions are all formulated from the customer perspective: that is, what customers perceive are important dimensions of quality.

Parasuraman, Berry and Zeithaml (1991) demonstrate perceived service quality as the customerbased performance measure. (Headely & Bowen, 1997)inform that service quality is the difference between what customers' needs and what they certainly perceive as outcome. Service quality can be defined in the marketing literature as a post consumption assessment of services by customers. (Holdford & Reinders, 2001). Perceived service quality is also seen in the customer's global point of view or judgment of the overall excellence or superiority of the service (Ugboma, 2004). According to Mostafa (2005), service quality has become a famous research topic because of its important relationship to costs, profitability, customer satisfaction, customer retention, service guarantees, and financial performance

Consumers judge the quality of service based on their perceptions on the technical outcome provided, the process by which that outcome was delivered and the quality of the physical surrounding where the service is delivered(Zeithaml & Bitner, 2000).

Customers do not perceive quality in a one-dimensional way, but rather judge quality based on multiple factors relevant to the context. Researchers have identified five specific dimensions of service quality that apply across a variety of service contexts. These dimensions are criteria by which interaction, physical environment and outcome quality may be judged (Zeithaml & Bitner, 2000).

When discussing the concept of Service quality, the following underlying principles must be considered: (Clow& Kurtz, 2003).Service quality is more difficult for the consumer to evaluate than the quality of good. Service quality is based on consumers" perception of outcome of the service and their evaluation of the process by which the service was rendered. Service quality perceptions result from a comparison of what the consumer expected prior to the service and the perceived level of service received.

2.1.6Customer Satisfaction

A customer is a stakeholder of an organization who provides payment in exchange for the offer provided to him/her by the organization with the aim of fulfilling a need and to maximize satisfaction. Sometimes, the term customer and consumer are confusing. A customer can be a consumer, but a consumer may not necessarily be a customer.

Satisfaction is a person's feelings of pleasure or disappointment that results from comparing a products perceived performance or outcome with their expectations (Kotler & Keller, Marketing Management, 2009). Satisfaction could be the pleasure derived by someone from the consumption of goods or services offered by another person, group of people, or an organization; or it can be the state of being happy with a situation. Satisfaction varies from one person to another because it is utility. Satisfaction can be related to attribute-specific and overall performance. It is attribute specific where it relates to a specific product or service (Cronin & Taylor, 1992) According to (Tsoukatos & Rand, 2006), customer satisfaction is a key to long-term business success. To protect or gain market shares, organizations need to outperform competitors by offering high quality product or service to ensure satisfaction of customers.

2.1.6.1Determinants of Customer Satisfaction

The followings are some of the determinants of customer satisfaction (Zeithaml, Bitner, 2003). these are

- Product and service features: Customer satisfaction with a product or service is influenced significantly by the customer's evaluation of product or service features. Customers of services will make trade – offs among different service features depending on the type of service being evaluated and the criticality of the service.

- Customer emotions: Customer's emotions can also affect their perceptions of satisfaction with products and services. These emotions can be stable, pre-existing emotions.

- Attributions for service success or failure: Attributions – the perceived causes of events – influence perceptions of satisfaction as well. When they have been surprised by an 18 outcome (the service is either much better or much worse than expected) consumers tend to look for the reasons, and their assessments of the reasons can influence their satisfaction.

13

- Perceptions of equity or fairness: Customer satisfaction is also influenced by perceptions of equity and fairness. Customers ask themselves: have I been treated fairly compared with other customers?

  Did other customers get better treatment, better prices, or better quality service? Did I paya fair price for the service? Was I treated well in exchange for what I paid and the effort I expended?

- Other customers, family members and coworkers: In addition to product and service features and one's own individual feelings and beliefs, consumer satisfaction is often influenced by other people like other customers, family members and co-workers.

2.2 Factors that Affect Customer Satisfaction

According to Daniel and Berinyuy, (2010), to find out whether customers were satisfied with a service or a product, considering status of the customer in respect to attributes of specific service is important for instance food preferences may depend on socio-demographic backgrounds and characteristics of a customer; computer users prioritize quality of the product, flexibility, reliability, priorities determination, security etc. nature of the computer. It has been identified that human needs, quality of services and products, the user friendly nature of product and services, and comfort assurance are some of the important determinants of customer satisfaction. Even though different customers require different levels and combinations of these variables, generally there are important factors that affect customer satisfaction. (Matzler, 2002)Went a step forward to classify factors that affect customers' satisfaction into three factor structures;

- **Basic factors**:these are the minimum requirements that are required in a service to prevent the customer from being dissatisfied. They do not necessarily cause satisfaction but lead to dissatisfaction if absent. These are those factors that lead to the fulfillment of the basic requirement for which the service is rendered. These constitute the basic attributes of the product or service (Matzler et al., 2002).
- **Performance factors**: these are the factors that lead to satisfaction if fulfilled and can lead to dissatisfaction if not fulfilled. These include reliability and friendliness (Matzler et al., 2002).
- **Excitement factors**: these are factors that increase customers' satisfaction if fulfilled but does not cause dissatisfaction if not fulfilled (Matzler et al., 2002).

2.3.The Relationship between Service Quality and Customer Satisfaction

The relationship between customer satisfaction and service quality has received a good deal of attention in the literature (Chingang & Lukong, 2010).(Bolton & Drew, 1994) Defined service quality and customer satisfaction as "service quality is a global judgment, or attitude, relating to the superiority of the service, whereas satisfaction is related to a specific transaction" Satisfaction is a "post consumption experience which compares perceived quality with expected quality, whereas service quality refers to a global evaluation of a firm's service delivery system" (Parasuraman et al, 1988).

To achieve a high level of customer satisfaction, most researchers suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction (Cronin, Brady, and Hult, 2000; Anderson et al., 1994; Cronin and Taylor, 1992). However, the exact relationship between satisfaction and service quality has been described as a complex issue, characterized by debate regarding the distinction between the two constructs and the casual direction of their relationship (Brady, Cronin and Brand, 2002). Parasuraman, Zeithaml, and Berry (1994) concluded that the confusion surrounding the distinction between the two constructs was partly attributed to practitioners and the popular press using the terms interchangeable, which make theoretical distinctions difficult. Interpretations of the role of service quality and satisfaction have varied considerably (Brady et al., 2002; Cronin and Taylor, 1992; Parasuraman, Zeithaml, and Berry, 1988). Parasuraman et al. confined satisfaction to relate to a specific transaction as service quality was defined as an attitude. This meant that perceived service quality was a global judgment, or attitude, relating to the superiority of the service. Cronin and Taylor (1992) argued against Parasuraman et al.'s categorization. Cronin and Taylor (1992) found empirical support for the idea that perceived service quality led to satisfaction and argued that service quality was actually an antecedent of consumer satisfaction.(Cronin & Taylor, 1992)Asserted that consumer satisfaction appeared to exert a stronger influence on purchase intention than service quality, and concluded that the strategic emphasis of service organizations should focus on total customer satisfaction programs.

The authors reasoned that consumers may not buy the highest quality service because of factors such as convenience, price, or availability and that these constructs may enhance satisfaction while not actually affecting consumers' perceptions of service quality.

(Brady & Cronin, 1992)Had endeavored to clarify the specification and nature of the service quality and satisfaction constructs and found empirical support for the conceptualization that service quality was an antecedent of the super ordinate satisfaction construct. In addition, the authors found that explained a greater portion of the variance in consumers' purchase intentions than service quality. A reverse causal relationship has also been hypothesized between the two constructs. (Rust & Oliver, 1994) maintained that while quality was only one of many dimensions on which satisfaction was based, satisfaction was also one potential influence on future quality perceptions.

2.4 Theoretical Framework

2.4.1Measuring Service Quality

Measuring service quality has been one of the most recurrent topics in management literature. This is because of the need to develop valid instruments for the systematic evaluation of firms' performance from the customer point of view; and the association between perceived service quality and other key organizational outcomes, (Cronin et al., 1992), which has led to the development of models for measuring service quality. (Gilbert, 2004)Reviewed the various ways service quality can be measured. They include;

1. The expectancy-disconfirmation approach which is associated with the identifying of customer expectation versus what they actually experienced. It focuses on the comparison of the service performance with the customer's expectations. The customers' expectations could be assessed after the service encounter by asking him/her to recall the service. (Gilbert, 2004).

2. Performance-only approach merely assesses service quality by merely asking customers about their level of satisfaction with various service features following a service encounter (Gilbert et al., 2004).

Technical and functional dichotomy approaches identify two service components that lead to customer satisfaction namely, the technical quality of the product which is based on product characteristics such as durability, security, physical features while functional quality is concerned with the relationships between service provider and customer such as courtesy, speed of delivery, helpfulness (Gilbert et al., 2004).

Based on the above approaches Gilmore, (2003), addresses the most frequently used methods for measuring and assessing service quality.

That include:

- SERVQUAL
- SERVPERF
- Scales for measuring customer satisfaction and loyalty
- Critical incidents technique
- Observation studies
- Focus group discussion
- In-depth interviews

Measuring service quality is difficult due to its unique characteristics: Intangibility, heterogeneity, inseparability and perish ability (Bateson, 1995). Service quality is linked to the concepts of perceptions and expectations (Parasuraman et al., 1985, 1988; Lewis and Mitchell, 1990). Customers' perceptions of service quality result from a comparison of their before-service expectations with their actual service experience. The service will be considered excellent, if perceptions exceed expectations; it will be regarded as good or adequate, if it only equals the expectations; the service will be classed as bad, poor or deficient, if it does not meet expectations. Based on this perspective, Parasuraman et al. developed a scale for measuring service quality, which is mostly popular known as SERVQUAL. This scale operationalizes service quality by calculating the difference between expectations and perceptions, evaluating both in relation to the 22 items that represent five service quality dimensions known as 'tangibles', 'reliability', 'responsiveness', 'assurance' and 'empathy'(Naik, 2010).

It is very important to measure service quality because it allows for comparisons before and after changes, identifies quality related problems, and helps in developing clear standards for service delivery (Daniel & Berinyuy, 2010).

The SERVPERF model developed by Cronin & Taylor, (1992), uses the performance approach method which measures service quality based on customer's overall feeling towards service. This model is good to measure service quality but does not provide information on how customers will prefer service to be in order for service providers to make improvements (Daniel &Berinyuy, 2010). They investigated the conceptualization and measurement of service quality and the relationships between service quality, customer satisfaction and purchase intentions. Their work focused on trying to overcome the 'perceptions-minus expectations' measurement

focus of SERVQUAL. The development of the SERVPERF model aimed to provide an alternative method of measuring perceived service quality and the significance of the relationships between service quality, customer satisfaction and purchase intentions. In investigating these concepts and the interrelationships between them they argued that:

- A performance-based measure of service quality may be an improved means of measuring the service quality construct.
- Service quality is an antecedent of customer satisfaction
- Customer satisfaction has a significant effect on purchase intentions and
- Service quality has less effect on purchase intentions than customer satisfaction. (Gilmore, 2003)

SERVPERF = performance

Weighted SERFPERF = importance x (performance) (Daniel &Berinyuy, 2010).

Teas, (1993), developed the Evaluated Performance model which measures the gap between perceived performance and the ideal amount of a dimension of service quality, rather than the customer's expectation. This was to solve some of the criticism of some previous models of Gronroos, (1984) and Parasuraman et al., (1985, 1988).

The SERVQUAL model represents service quality as the discrepancy between a customer's expectations of service offering and the customer's perceptions of the service received Parasuraman et al., (1985). This makes it an attitude measure. What this model strives to measure exactly is the customer perception of the service quality which depends on the size of the gap between expected service and perceived service which in turn, depends on the gaps under the control of the service provider such as delivery of service, marketing, (Parasuraman et al., 1985). This measurement of service quality is based on both on how costumers evaluate the service delivery process and the outcome of the service, (Parasuraman et al., 1985). According to study carried out by (Ladhari, 2009), it is recommended that the SERVQUAL model is a good scale to use when measuring service quality in various specific industries but it is appropriate to choose the most important dimensions of this model that fit to that particular service being measured in order to assure reliable and valid results.(Buttle, 1996)makes mentions of several researchers that have used the SERVQUAL model in various industries (retailing, restaurants, banking, telecommunication industry, airline catering, local government, hotels, hospitals, and education).

2.4.2SERVQUAL

Parasuraman et al., (1988), developed the SERVQUAL model which is a multi-item scale developed to assess customer perceptions of service quality in service and retail businesses. The scale decomposes the notion of service quality into five constructs as follows: Tangibles, Reliability, Responsiveness, Assurance and empathy. It bases on capturing the gap between customers' expectations and experience which could be negative or positive if the expectation is higher than experience or expectation is less than or equal to experience respectively.

According to Gilmore, (2003), SERVQUAL is based on measuring customer satisfaction in terms of the relationship between expectations (E) and outcomes (O). If the outcome (O) matches expectations (E), then the customer is satisfied. If expectations (E) exceed the outcome (O), then customer dissatisfaction is indicated. If the outcome (O) exceeds expectations (E), then customer 'delight' may be the result

SERVQUAL =Performance – Expectations

Weighted SERVQUAL = importance x (performance – expectations)

Tangibility: physical facilities, equipment, and appearance of personnel

Reliability: ability to perform the promised service dependably and accurately

Responsiveness: willingness to help customers and provide prompt service

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

Empathy: caring individualized attention the firm provides to its customers

Early SERVQUAL model was developed based on ten dimensions but it is diminished in to five later. Assurance and empathy involve some of the dimensions that have been left like communication, credibility, security, competence, courtesy, understanding/knowing customers and access. This is because these variables did not remain distinct after the two stages of scale purification, (Parasuraman et al., 1988). (13) The five dimensions are measured with an instrument using 22 items. Respondents are required to first give responses about their expectations of service and then their evaluation of the actual service. Satisfaction is calculated as the difference between perceptions and expectations, each item weighted according to its importance. Parasuraman et al. (1988) established that a mismatch between expectations and perceptions of performance causes dissatisfaction or a 'performance gap'.

2.4.2.1Theoretical Criticisms of SERVQUAL

Despite its growing popularity and widespread application, according to, Buttle, (1996), SERVQUAL has been subjected to a number of theoretical and operational criticisms which are detailed below:

- **Paradigmatic objections**: SERVQUAL is based on a disconfirmation paradigm rather than an attitudinal paradigm; and SERVQUAL fails to draw on established economic, statistical and psychological theory.

- **Gaps model**: there is little evidence that customers evaluate service quality in terms of P–E gaps.

- **Process orientation**: SERVQUAL focuses on the process of service delivery, not the outcomes of the service encounter.

- **Dimensionality**: SERVQUAL's five dimensions are not universal; the number of dimensions comprising service quality is contextualized; items do not always load on to the factors which one would a priority expect; and there is a high degree of intercorrelation between the five dimensions (Buttle, 1996).

- **Expectations:** the term expectation is polysemy meaning it has different definitions; customers use standards other than expectations to evaluate service quality; and SERVQUAL fails to measure absolute service quality expectations.

- **Item compositions:** four or five items cannot capture the variability within each service quality dimension.

- **Moments of truth (MOT):** customers' assessments of service quality may vary from MOT to MOT.

  Polarity: reversed polarity of items in the scale causes respondent error.

  Scale points: the seven-point Likert scale is flawed.

- **Two administrations** (expectation & perception): two administrations of the instrument (expectations and perceptions) cause boredom and confusion.

- **Variance extracted:** the over SERVQUAL score accounts for a disappointing proportion of item variances (Buttle, 1996).

2.4.2.2. Application of the SERVQUAL Model in Different Contexts

According to (Munsamy, 2010), the following researchers assess the application of the model in different contexts. (Kumar, 2009), used the SERVQUAL model in a research to determine the relative importance of critical factors in delivering service quality of banks in Malaysia. They end up with the recommendation that banks need to be more competent in delivering their services and fulfilling the assurance of customers and providing the banking services more conveniently.

(Badri, 2003), made an assessment and application of the SERVQUAL model in measuring service quality in information technology center. Based on their feedback, respondents felt that SERVQUAL is a useful indicator for IT center service quality in institutions of higher education. Negi, (2009), used the model to determine customer satisfaction through perceived quality in the Telecommunication industry and found out that reliability, empathy and network quality proved to significantly effective in contributing to overall service quality and overall customer satisfaction with mobile services.

(Curry, 2002)Confirm the SERVQUAL model, potential applicability in measuring service quality in the public sector to determine customer priorities and measure performance.

According to (Nyeck, 2002), the SERVQUAL measuring tool remains as the most complete attempt to conceptualize and measure service quality.

The general idea from the past literature on this idea is that, there is a relationship between service quality and customer satisfaction. Also that service quality could be evaluated with the use of five service quality dimensions and the most useable is the SERVQUAL scale. In getting right to the main point, this study tried to apply this instrument in the context of bank service and found if its dimensions could measure service quality and customer satisfaction, hence it is adequate to measure the assumptions. This enabled me to identify gaps in service quality and found out what dimensions customers are satisfied with.

2.5. Empirical Review onthe Effect of Service Quality onCustomer Satisfaction

Oduro (2013) investigated factors that determine customer satisfaction level in financial institutions in Ghanna. His study used factor analysis and found that three factors influence consumers' satisfaction level of the financial institute. These factors were found to be customer relation and service, staff competency and responsive and convenient institutional services.

Sulieman (2011) found that reliability, tangibility, responsiveness and assurance have significant and positive relationship with customer satisfaction. Meanwhile empathy was found to have a significant and negative effect on customer satisfaction. Moreover, the result of Ravichandranet al (2010) indicates responsiveness is the only significant dimension of service quality that affects the satisfaction of customers positively.

According to zarour (2003), cited in Sulieman (2013), Study aimed at measuring the impact of the quality and price of services provided by financial institute to build brand image of the industrial sector in Jordan, the study found a relationship between industrial company's brand equity, and of some dimensions of quality banking service and the prices of these services. The study recommended financial institute departments to improve the quality of services and prices.

Suresh et al, (2003) Study entitled "Customer Perceptions of Service Quality in the financial Sector of Developing Economy," the study found that institutions varied significantly in providing quality service through customer perception of the quality of service provided. The study found an association between customers and knowing customers, to lead the competition in this area. The study found a link between quality of service and customer satisfaction, and that it has a significant impact in improving the level of customer satisfaction. This study also recommended to make a focus on reliability and customer knowledge in order to improve the competitive position of the sector, in order to ensure customer loyalty, and continued success in the future.

(Melaku, 2013) tried to test the relationship that exists between service quality dimensions and customer satisfaction; customer satisfaction and loyalty. The mean score values for service quality dimensions was between 2.89 and 3.55. The multiple regression results showed that all service quality dimensions have positive and significant effect on customer satisfaction. The R square value of 0.727, demonstrates that 72.7% of variation in customer satisfaction can be accounted by the service quality dimensions.

It was conducted on 450 telecom customers who are in Addis Ababa using self-administered questionnaires. They use SERVQUAL measures in order to asses after sale service behavior Ethiopia telecom customers. Finally they get service provider is the most determinant for customer satisfaction and on an average 61.86 percent of customers responded positively to the after-sales service offered by the Ethiopian Telecom employees" on the dimensions of on responsiveness, reliability, assurance, empathy, and tangibility or appearance.

Finally the researcher believe that using SERVQUL has been proven to be the best ways to measure the quality of after sale services provided to customers. As Zeithaml et al (2006) stated that "service quality is a focused evaluation that reflects the customer's perception of reliability, assurance, responsiveness, empathy, and tangibles" and to find and check the stated attributes SERVQUL believed to be the best model.

2.6Conceptual Framework

The main objective of the study is to measure service quality on customer satisfaction. The SERVQUAL approach integrates both service quality and customer satisfaction and suggests that service quality is an antecedent to satisfaction (Nagi, 2009). So this research includes the 22 items of SERVQUAL model in the five service quality dimension which are tangibility, reliability, responsiveness, assurance and empathy to measure perceived service quality and customer satisfaction. Thus the framework of this study is adapted from Zeithaml, Parasuraman, and Berry (Parasuraman et al., 1988) given below:
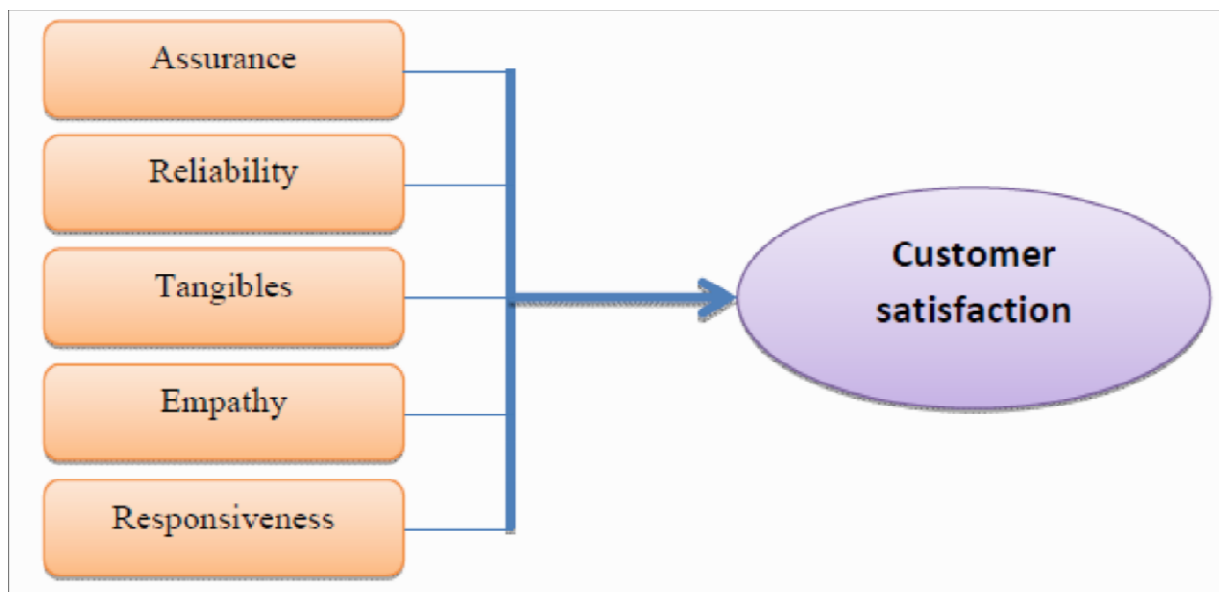
Figure 2-1Conceptual framework of the study

Source:Parasuraman et al., 1988

This conceptual frame work of service quality and customer satisfaction consists independent variables that affect the independent variable which is customer satisfaction.

CHAPTER THREE

3.Research Design and Methodology

3.1 Research Design

The primary objective of this research is to examine the relationship and the effect of service quality on customer satisfaction. In order to answer about the major impacts and narrate with the research objectives, so explanatory research design was used. Explanatory designs seek to establish cause-and-effect relationships and it answers why something is happen. The primary purpose of this research design is to determine how events occur and which ones may influence particular outcomes (Hancock & Algozzine, 2008). The reason of using this method was to study about the impacts and the relationship between dependent and independent variables.

3.2 Research Approach

A quantitative approach research was used. Questionnaires were used as the survey instrument. Quantitative approach enables to answers questions through a controlled deductive process, allowing for the collection of numerical data, the prediction, the measurement of variables, and the use of statistical procedures to analyze and develop inferences from that data.

3.3 Sampling Techniques and Sample Size Determination

3.3.1 Population and Sampling Techniques

The firms have very large number of consumers but selecting the target population is very essential. Nevertheless, collecting data from all customers was lead to unsearchable research and it was also beyond the capacity. This is true because of time and financial constraints. The target populations of the study were chosen from one branches of LEHULU. The selected branch located In Addis Ababa. Judgmentalsampling technique was used to select the branch.

3.3.2Sample SizeDetermination

From the chosen target population there are 60,000 customers. The branch is located atMegenagain Addis Ababa; Megenaga branch was selected because it has enough population to do this research. The sample size wasdetermined by using the formula developed by Taro Yamane (1967).

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

Where;

n = Sample size

N= population size

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

$$n = \frac{60,000}{1+60,000\,(0.05)^2}$$

$$n = 397$$

From the chosen target population of 60,000, 397sample respondents was selected, in order to select 397 respondents convenience sampling technique was used from non-probability sampling technique. Convenience sampling is technique in which a sample is drawn from that part of the population that is close to hand, readily available, or convenient (Anol 2012). This sampling procedure was used because it is economical and fastest way of getting questionnaire to fill up.

3.3.3Method of Data Collection and Data Source

To make the research complete, both primary and secondary data's was used. Primary data's wascollected through distribution of questioners for the respondents. Whereas, secondary data's was obtained from different document related to the study, which includes books, journals, magazines, company manuals, electronic sources, etc

Primary data was collected through questionnaires that were distributed directly from the selected customers. Questioners'was adopted from SERVQUAL Model dimensions which are reliability, responsiveness, assurance, empathy and tangible Cronin and Taylors (1992). 5 Likert scales was used as a measurement in which respondents was indicate their extent of agreement or disagreement in order to measure the variables. The likert scale method was referring to the questions interesting to the respondent and insure maximum response rate. In the secondary data collection process, data was collected from books, journals, articles, Prior research works and Companies written documents that arehelpfulto enlarge the knowledge in the topic under study.

3.4 Data Analysis Method

The process of data analysis was carried out quantitatively. The questionnaire was entered into the Statistical Package for Social Science (SPSS v. 20) software for analysis and interpretation. Besides, the descriptive statistics of percentage mean, cross tabulation and frequency, inferential statistics was employed to analyze the data. Then interpretation and discussion of the results was made. The data was analyze to examine customer service quality through evaluating the importance of service quality dimension on customer satisfaction. Multiple regressions and correlation analysis were also used to analyze the impact and the relationship between the dependent and independent variables.

3.5 Reliability and Validity Test

Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure (Sounders et al., 2003). As SERVQUAL instrument had been subjected to verification and analysis and used as a very useful instrument in different settings in the research world it holds good instrument validity.

Reliability refers to the consistency or dependability of a measurement technique, and it is concerned with the consistency or stability of the score obtained from a measure or assessment over time and across settings or conditions. If the measurement is reliable, then there is less chance that the obtained score is due to random factors and measurement error (Marczyk, Matto and Festinger, 2005). To insure the reliability of the questions that are used in the questioner to measure service quality and customer's satisfaction, the researcher uses Cronbach"s Alpha reliability test method. Also to have reliable information from the distributed data, the researcher tries to select customers who have more experience with the companies.

3.6 Ethical Consideration

When collecting questionnaires form customers their permission was asked to fill the questionnaires. Name of the respondents was not asked to write in order to increase the confidentiality of the information they give. And also the questionnaire was explains the purpose of research and finally the respondents was include based on their willingness.

CHAPTER FOUR

4. Data Presentation, Analysis and Interpretation

From the survey 397questionnaires were distributed to customers and 375 (94.45%) questionnaire were returned and obtained valid and used for the analysis.

4.1Personal Profile of Respondents

The result of personal profile of the respondents is summarized in the table below which is divided in four parts.

Table 4-1 Respondents Personal Profile

Item	Valid	Frequency	Percent
Gender	Male	242	64.5
	Female	133	35.5
	Total	**375**	**100**
Age	18-29	109	29.1
	30-40	171	45.6
	40-50	75	20.0
	Above 50	20	5.3
	Total	**375**	**100**
Education Level	Reading and writing	56	14.9
	Primary school	41	10.9
	Secondary school	65	17.3
	Certificate	49	13.1
	Diploma	53	14.1
	Degree	84	22.4
	Masters and above	27	7.2
	Total	**375**	**100**
Payment For	Household	201	53.6
	Organization	174	46.4
	Total	**375**	**100**

Source: Own Survey, 2018

The first item of table 4.1 shows gender of the respondents, among the total population 64.5%of the respondents are male and 35.5 %of the respondents are female. Item two in the below table presents customers regarding age of the respondents 29.1% of them between 18-29 years, 45.6 % of them between 30-40 years, 20.0 % 0f them between 40-50 years and 5.3 % of them above 50 years. This implies that majority of the customers were between 30-40 years old. On item three of table the education level of the respondents14.9% of them only reading and writing,10.9 % of them primary school 17.3% of them secondary school 13.1% of them certificate 14.1% of them diploma 22.4% of them degree and masters and above holders were 7.2% this implies most of the customers were degree holders. The last item, item 4 shows that majority of them which is 53.6% of the customers made payment for household 46.4% for the organization.

Table 4-2 *Cronbach's alpha Test for Independent Variables*

Dimensions	Cronbach's Alpha	N of Items
Tangibility	0.935	4
Reliability	0.950	4
Responsiveness	0.780	5
Assurance	0.704	4
Empathy	0.953	4
Overall reliability	0.930	21

Source: Own Survey, 2018

According to George and Mallery (2003) Reliability analysis was calculated to test whether the scale used in the study is internally consistent. Cronbach'sAlpha result which is greater than 0.70 is acceptable. From Table 4.2 the Cronbach's Alpha for this study is 0.930 which is acceptable according to the standard set by George and Mallery, this indicates that there is internal consistency between the items and measures the dimension of the variables.

4.2 Service Quality Dimensions Analysis

In order to examine the impact of quality in kifiya-lehulu financial technology, descriptive statistics were computed per dimension. Mean score was calculated to show the average responses of respondents for each question that was included under each dimensions and to reach the grand mean of each dimension. Mean scores 4.51-5.00 excellent or very good, 3.514.50

good, 2.51-3.50 average or moderate, 1.51-2.50 fair and 1.00-1.50 is poor (Poonlar Btawee:1987)as cited by (Hailu, 2013) .

Table 4-3 Customer Satisfaction on Tangibles Dimension

Item	Mean	Std. Deviation	Grand mean of the dimension
Kifiya-Lehulu has modern looking equipment.	3.47	0.89	
Kifiya-Lehulu physical facilities are visually appealing.	3.48	0.88	
Kifiya-Lehulu employees are well dressed and neat appearing.	3.51	0.92	3.5
Materials associated with the services such as invoices, bills and other documents are visually appealing.	3.56	1.01	

Source: Own Survey, 2018

Tangibility refers to appearance ofphysical facilities, equipment, and appearance of personnel. According to the above table the highest mean is 3.56 for the fourth item which is about visually appealing of materials associated with the service such as invoices, bills and other documents which refers that Kifiya-Lehulu gives good service regarding item four. The lowest mean is item one which indicates that Kifiya-Lehulu has no up-to date equipment and technology. In general the grand mean score for tangibility dimension is 3.5 based on this the researcher conclude that service perceived by Kifiya-Lehulu regarding tangibility is average or moderate.

Table 4-4 Customer Satisfaction on Reliability Dimension

Item	Mean	Std. Deviation	Grand mean of the dimension
Kifiya-Lehulu employees provide Service at the time they promise to do so.	3.38	1.05	
Kifiya-Lehulu employees show sincere interest on solving a problem you face	3.34	1.11	2.92
Kifiya-Lehulu employees perform Service error free.	2.34	1.16	
Kifiya-Lehulu insist on error free Record.	2.63	1.22	

Source: Own Survey, 2018

Reliability refers the ability to perform the promised service dependably and accurately. According to the table 4.4, item one scores the highest mean 3.38 which indicates that employees of kifiya-lehulu provide moderate or average service at the time they promise to do so. And the lowest score is on item three that shows kifiya-lehulu customers perceived fair error free service.In general the grand mean score for Reliability dimension is 2.92 based on this the researcher conclude that service perceived by kifiyal-lehulu regarding reliability is average or moderate.

*Table 4-5*Customer Satisfaction on Responsiveness Dimension

Item	Mean	Std. Deviation	Grand mean of the dimension
There are always adequate number of Employees to respond to your needs.	2.42	1.20	
Employees in Kifiya-lehulu tell you exactly when the service will be performed.	2.97	1.12	
Employees in Kifiya-lehulu will give you prompt service	2.82	1.02	
Employees in Kifiya-lehulu are willing to Help you.	2.35	0.96	2.77
Employees in Kifiya-lehulu are never too busy.			

		3.30	0.98	

The responsiveness dimension involves willingness to help customers and provide prompt services. According to table 4.4 employees in kifiya-lehulu are never too busy to their job because it shows the highest score from other items which is 3.3 but there willingness to help their customer is very low above the rest of items which is 2.35. Totally the general score of mean of the responsiveness mean is 2.77. From this result the researcher conclude that service served regarding responsiveness is moderate or average.

Table 4-6 Customer Satisfaction on Assurance Dimension

Item	Mean	Std. Deviation	Grand mean of the dimension
The behavior of kifiya-lehulu Employees instill confidence in you.	3.49	0.94	
You feel safe in your transaction with kifiya-lehulu.	3.62	0.88	
Employees in Kifiya-lehulu are polite.	3.58	1.04	3.36
Employees in Kifiya-lehulu have the Knowledge to answer your question.	2.77	1.22	

Assurance dimension refers to the knowledge and courtesy of employees and their ability to inspire trust and confidence including competence, credibility and securityand their ability to inspire trust and confidence, so this result show us about how kifiya-lehulu customers are safe free and confidence about the service they get from kifiya-lehulu. The highest mean score from assurance dimension is item 2, 3.62 from this we can understand that kifiya-lehulu customers fell safe about the service they get. The lowest mean score is 2.77 which is about the employee's knowledge to answer customer's questions. This result agree with the stamen of the research problem which was mentioned before. In general the grand mean this dimension scores 3.36 which is indicate that the perception of service is moderate.

Table 4-7 *Customer Satisfaction on Empathy Dimension*

Item	Mean	Std. Deviation	Grand mean of the dimension
Employees in Kifiya-lehulu give you Individual attention.	3.44	1.07	
Employees in Kifiya-lehulu provide service hours convenient to you.	3.53	0.99	
Employees in Kifiya-lehulu understand Your specific needs.	3.52	1.04	3.53
Employees in Kifiya-lehulu always delivers services with easy Communication.	3.63	1.03	

Source: Own Survey, 2018

The empathy dimension represents the provision of caring and individualized attention to customers including access or approachability and ease of contact, effective communication, and understanding the customers. According to the empathy dimension the highest score showed at item 4 which is employees of kifiya-lehulu always delivers services by easily communicate. But employees in kifiya-lehulu give least individual attention from the above items. To generalize the grand mean of the regarding empathy dimension shows good service delivery.

The mean and standard deviation of the service quality dimensions was represented in the above table the highest mean score is empathy 3.53, followed by tangibility 3.50, Assurance 3.36, reliability 2.92 and responsiveness 2.77.with this customer of kifiya-lehulumoderately satisfied by the service delivered. .

Table 4-8 *Customer Satisfaction Analysis*

Item	Mean	Std. Deviation
Perceived service is greater than the expected service.	2.87	1.11
Perceived service is less than the expected service.	3.56	1.05
Perceived service equal with the expected service.	3.76	0.99

Customer satisfaction occurs by confirmation or positive disconfirmation of consumer expectations, and dissatisfaction occurs by negative disconfirmation of consumer expectations Oliver (1980). If the customer can accept the outcome compared with his or her expectations, confirmation will occur. On the other hand, if the customer cannot accept the outcome, disconfirmation will occur. There are two kinds of disconfirmation, which are positive disconfirmation and negative disconfirmation. When the outcome of the product or service is less than the customer expects, negative disconfirmation will occur. On the other hand, when the customer feels better about the outcome than the expectation, positive disconfirmation will occur. As shown in the above table the mean score for item one which is customer's perceived service is greater than the expected service (Confirmation), is 2.87 this shows us that customers did not fully accept the perceived service so they are not satisfied fully but moderately satisfied with the service. The second item which is customer's perceived service is less than the expected services (negative disconfirmation) with a mean score of 3.56.This mean score indicate that most customers agree that they get the service as they expect so they are moderately satisfied with the kifiya-lehuluservice. Finally the last item is "perceived service is equal with the expected service" (positive disconfirmation), the mean score is 3.76. As stated in the above paragraph customer's satisfaction occurs by confirmation or positive disconfirmation. As shown in the above table, the mean score of overall satisfaction both results are moderate or average so the researcher can generalize that Kifiya-lehulucustomers are moderately not satisfied with the overall service.

4.3Correlation Analysis between Service Quality Dimension and Customer Satisfaction

A correlation analysis with Pearson´s correlation coefficient (r) was conducted on modified SERVQUAL variables in the study to explore the relationships between service quality dimensions and customer satisfaction. Pearson´s correlation coefficient (r) which measures the strength and direction of a linear relationship between two variables is used. Values of Pearson´s correlation coefficient are always between -1 and +1. A correlation coefficient of +1 indicates that the two variables are perfectly related in positive sense; a correlation -1 indicates that the two variables are perfectly related in negative sense and a correlation coefficient of 0 indicates that there is no liner relationship between two variables. The guidelines suggested by Field (2005) is correlation coefficient 0.1– 0.29 is weak; 0.3 – 0.49 is moderate; and= > 0.5 is strong.

The relationship between service quality dimension and overall customer satisfaction is presented in table 4.9.

Table 4-9Correlation Matrix betweenService Quality Dimensions and Customer Satisfaction

		Tangibility	Responsiveness	Empathy	Reliability	Assurance	Customer satisfaction
Tangibility	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	375					
Responsiveness	Pearson Correlation	.222**	1				
	Sig. (2-tailed)	.000					
	N	375	375				
Empathy	Pearson Correlation	.507**	.215**	1			
	Sig. (2-tailed)	.000	.000				
	N	375	375	375			
Reliability	Pearson Correlation	.509**	.219**	.536**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	375	375	375	375		
Assurance	Pearson Correlation	.314**	.097	.538**	.335**	1	
	Sig. (2-tailed)	.000	.060	.000	.000		
	N	375	375	375	375	375	
Customer satisfaction	Pearson Correlation	.481**	.244**	.728**	.452**	.472**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	375	375	375	375	375	375

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

Source: Own Survey, 2018

According to table 4.9 Pearson correlation matrix shows empathy has positive strongassociations with overall customer satisfaction with a value of 0.728.As indicated in the same table the relationship between responsiveness and customer satisfaction is a positive and weak with a value of 0.244. As indicated in table 4.9tangibility, assurance and reliability are positively and moderately correlated with overall satisfaction with a value 0.481, 0.472 and 0.452respectively. The highest positive strong inter correlation is between empathy and customer satisfaction and the least weak positive relation is between responsiveness and assurance Generally, when we see intercorrelation between the service quality dimension and customer satisfaction there is positive

significant relationship which implies that the change made in one of the service quality dimension will positively motivate the other service quality dimension.

4.4 Regression Analysis

Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable. Regression analysis is a statistical process for estimating the relationships among variables. It focuses on the relationship between dependent variable and one or more independent variable, it also helps to understand how a typical value of dependent variable change when any one of independent variables varied, while the other independent variables held fixed. In this study the regression analysis uses modified SERVQUAL dimensions which are reliability, responsiveness, and assurance, empathy and tangibility asindependent variables to measure overall customer satisfaction. The reason for using this multiple regression analysis is to examine the effect of these modified SERVQUAL dimension on customer satisfaction towards Kifiya-lehulu financial technology.

4.5 Assumption of Regression Model

Before data analysis was conducted, the researcher examined the major assumptions of linear regression, which are assumption of normality, linearity, homoscedasticity, independence of residual and muliticoloiniarity.

Assumption 1- Normality Test

Test of normality is about determining whether the data is well modeled by normal distribution or not. Normal distribution could be checked by graphical (Histogram or dot pot) method of tests. The normality assumption assumes a critical role when the study is dealing with a small sample size, data which are less than 100 observations. (Gujarati 2004). Normality assumption is not treat if the sample size of the study more than enough. This test was used normal probability plot(NPP), the decision rule is if the line is fitted line in the NPP is approximately a straight line, one can conclude that the variables of interests are normally distributed. Gujarati 2004).

Figure 4-1 Normality of the data

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Customer satisfaction
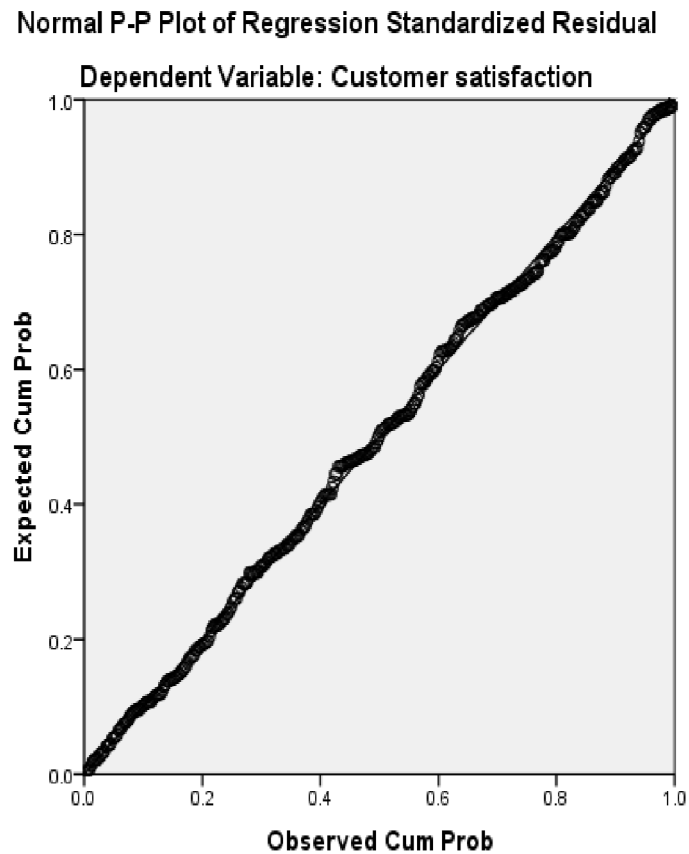
Source: Own Survey, 2018

According to the above figure the five dimensions of service quality against the predicted variable of customer satisfaction was fitted the dot plot based on this the researcher conclude that the data are normally distributed**.**

Assumption 2- Linearity Relationship Test

The model that relates the response Y to the predictors *X1, X2, X3……..Xn* is assumed to be linear in the regression parameters(Chatterjee & Hadi, 2012). This means that the response variable is assumed to be a linear function of the parameters(*β1, β2, β2,……. βn*) but not necessarily a linear (Zetihmel, 2009)function of the predictor variables *X1,X2,X3……..Xn,* as cited by, Matt N, Carlos A ,and Deson K(2013).

The results of this study show that, there was a linear relationship between the independent variables and customer satisfaction. This means that, for every increase in independent variable the dependent variable was increase.

Assumption 3- Homoscedasticity Test

The model errors are generally assumed to have an unknown but finite variance that is constant across all levels of the predictor variables. This assumption is also known as the homogeneity of variance assumption.(Weisberg,2005) as cited by Matt N, Carlos A and Deson (2013)

It means that, the variance of Y for each value of X is constant in the population. The following scatter plot was obtained from the average result of the dependent variable and independent variables which are tangibility, reliability, responsiveness, assurance and empathy to see whether homoscedasticity is really a problem of the study. According to the scatter graph the range of variance for dependent variable was uniform for all values of the independent variables. The inspection of the plots shows good variability in the plots and the analysis of homoscedasticity is not a major problem.

Figure 4-2Scatter plot of Relationship

Source: Own Survey, 2018

37
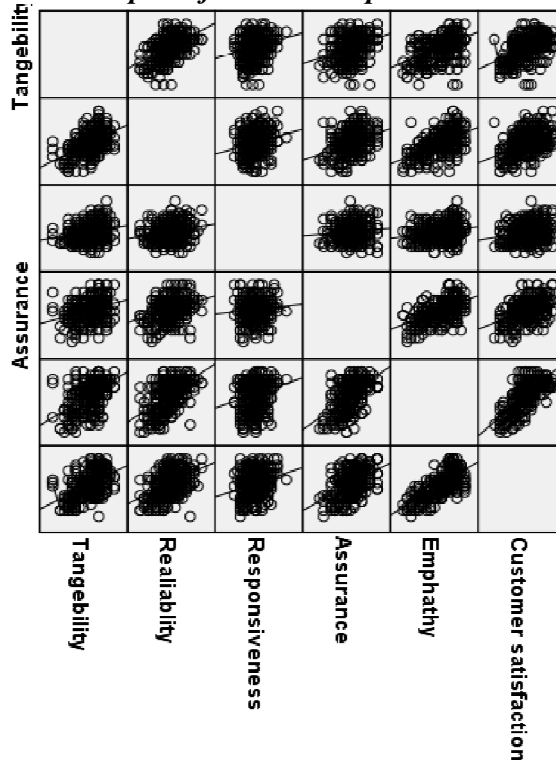
Assumption 4- Independence of Residual Test

The value of Durbin-Watson statistic ranges is from 0 to 4. As a general rule, the residuals are independent (not correlated) if the Durbin-Watson static is approximately2, and an acceptable range is 1.5-2.5(Babatunde,O.S, OguntundeP.E,Ogunmola,A O and Balogun O.S,(2014). In this study Durbin-Watson was 1.628 which is acceptable**.**

Assumption 5- Multicollinearity Test

Multicollinearity refers to a situation in which there is an exact (or nearly exact) linear relation among two or more of the input variables,(Hawking, 1983)cited by (Ranjit 2012). The VIF (Variance Inflation Factor) for each term in the model measures the combined effect of the dependences among the repressor on the variance of that term. One or more large VIF indicate multicollinearity. Practical experience indicates that if any of the VIFs exceeds 5 or 10, it is an indication that the associated regression coefficients are poorly estimated because of multicollinearity (Ranjit 2012).As shown in table 4.13 VIF result of the independent variable are 1.524,1.587,1.077,1.418 and 1.923. This shows that the results are less than five so the variables are perfectly not correlated.

Table 4-10 ANOVA[b]

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	125.182	5	25.036	94.059	.000[b]
	Residual	98.219	369	.266		
	Total	223.401	374			

a. Dependent Variable: Customer satisfaction

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

Source: Own Survey, 2018

From the ANOVA table it has been determined that F=94.05 and sig is 000. The ANOVA analysis used to compare whether the mean of one dependent variable differ significantly across the categories of another interdependent variables provides test of significance for r and r^2 using f-test.

Table 4-11 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.749[a]	.560	.554	.51592

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

Source: Own Survey, 2018

As table 4.11 shows there was positive statistical relationship between the independent and dependent variable. The coefficient of determination(R-square) indicates the proportion amount of variation in the response variable customer satisfaction explained by the independent variable which is tangibility in the linear regression model. The larger the R-square is the more variability is explained by the linear regression model. Thus 0.56 (56%) of variation was explained by independent variables (Empathy, Responsiveness, Tangibility, Assurance and reliability) in kifiya-lehulu Financial Technology. The remaining 44% was other extraneous variables that can affect customer satisfaction.

Table 4-12 *Regression Result of Service Quality Dimension and Customer Satisfaction*

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.392	.19 4		2.017	.044		
	Tangibility	.130	.04 4	.125	2.941	.003	.656	1.524
	Reliability	.029	.04 6	.028	.633	.527	.630	1.587
	Responsiveness	.104	.04 9	.076	2.128	.034	.928	1.077
	Assurance	.123	.04 8	.106	2.577	.010	.705	1.418
	Empathy	.489	.04 1	.576	12.031	.000	.520	1.923

a. Dependent Variable: Customer satisfaction
Source: Own Survey, 2018

On the coefficient table we find the beta value which measures how strongly each independent variable influence the dependent variable. The impact of, tangibility, reliability, responsiveness assurance and empathy on customer satisfaction in Kifiya-Lehulu was 0.125, 0.028, 0.076, 0.106, and0.576respectively. According to the above table customer satisfaction is primarily

Predicted by higher level of empathy, tangibility, assurance, responsiveness and reliability respectively in Kifiya-Lehulu Financial Technology. In addition from the five dimensions according to the coefficient table reliability has insignificance impact on customer satisfaction.

4.6 Discussion of the Result

The objective of this study was to examine the impact of service quality on customer satisfaction at Kifiya-LehuluMegenaga branch. The study was conducted by distributing questionnaires to customers from 397 questionnaires 375 (94.45%) were returned and obtained valid and used for the analysis. To test the reliability of thescale Cronbach coefficients (alpha) were computed for the 30 questionnaires administered for pilot survey and theCronbach coefficient (alpha) for the overall scale items was 0.930 which is acceptable according to George and Mallery (2003).

(Parasurman, Berry, & Zeithaml, 1985)Suggest when perceived quality is high it will lead to increase in customer satisfaction. Other scholars also agree that customer satisfaction is based up on the level of service quality provided by service provider. A higher perception also indicates higher satisfaction as service quality and satisfaction are positively related.This means that from the service quality dimension which score high mean depict from this study which is empathy give high satisfaction among others and kifiya-lehulu customers are not satisfied from responsiveness. Generally when we measure the overall customer satisfaction the mean score is less than five according to(Poonlar Btawee:1987)as cited by (Hailu, 2013), Mean scores 4.51-5.00 excellent or very good, 3.51-4.50 good, 2.51-3.50 average or moderate, 1.51-2.50 fair and 1.00-1.50 is poor so customer of kifiya-lehulu were moderately satisfied from the service they get.

The relationship between customer satisfaction and service quality has received a good deal of attention in the literature (Chingang & Lukong, 2010).(Bolton & Drew, 1994)as mentioned service quality and customer satisfaction as "service quality is a global judgment, or attitude, relating to the superiority of the service, whereas satisfaction is related to a specific transaction" Satisfaction is a "post consumption experience which compares perceived quality with expected

quality, whereas service quality refers to a global evaluation of a firm's service delivery system" (Parasuraman et al, 1988). According to this study tangibility is positively related and has significant impact on customer satisfaction.

As Daniel and Berinyuy, (2010), to find out whether customers were satisfied with a service or a product, considering status of the customer in respect to attributes of specific service is important for instance food preferences may depend on socio-demographic backgrounds and characteristics of a customer; computer users prioritize quality of the product, flexibility, reliability, priorities determination, security etc. nature of the computer. It has been identified that human needs, quality of services and products, the user friendly nature of product and services, and comfort assurance are some of the important determinants of customer satisfaction. Even though different customers require different levels and combinations of these variables, generally there are important factors that affect customer satisfaction. Matzler et al., (2002). According to this research five service quality dimensions are the major factors that have impact on customer satisfaction.

Tangible is appearance of physical facilities, equipment, personal, and communication materials. The correlation in table 4.9 shows that tangibility is positively related with a value of 0.481 and it has significant impact on customer satisfaction because according to table 4.12 the P value shows 0.003 which is less than 0.05.Realiabilty also positively related with customer satisfaction with amount of 0.452 according to correlation in table 4.9. Reliability deals with accuracy and appropriateness in the service provide is but the impact on reliability and customer satisfaction is not significance because according to table 4.12p value shows 0.527 which is greater than 0.05. Responsiveness deals with willingness to help customers and to provide prompt service. According to table 4.9 it shows that it is positively related with customer satisfaction with the value of 0.244 and it has significant impact with the amount of p value 0.034which is less than 0.05 according to table 4.12.Assurance also positively related with customer satisfaction with the amount of 0.472 as shown on table 4.9 it has also significant impact on customer satisfaction with amount of p value 0.10 according to table 4.12. As mentioned before Assurance deals with knowledge and courtesy of employees and their ability to convey trust and confidence. The last service quality dimension that will discuss is empathy. Empathy is carrying individualized attention the firm provides to its customers. According to table 4.9empathy is positively related with customer satisfaction with amount of 0.728 and it has significant impact on customer satisfaction as shown by table 4.12 with amount of p value .000 which is less than 0.05. From

this service quality dimensions and customer satisfaction discussion we can understand that it answers the research questions about the relationship between the service quality dimension and customer satisfaction.

(Melaku, 2013) tried to test the relationship that exists between service quality dimensions and customer satisfaction; customer satisfaction and loyalty. The mean score values for service quality dimensions was between 2.89 and 3.55. The multiple regression results showed that all service quality dimensions have positive and significant effect on customer satisfaction. The R square value of 0.727, demonstrates that 72.7% of variation in customer satisfaction can be accounted by the service quality dimensions from this we can conclude that this thesis is most likely agreed with Melaku that service quality dimensions have positive and significant impact on customer satisfaction.

CHAPTER FIVE

5. Summary, Conclusion and Recommendation

5.1Summary of Major Finding

Based on the data analysis the major findings are summarized as follows

- ➤ A total of 397questionnaires were distributed but 375 questioners were filled and returned. Among the total population 64.5% of the respondents are male and 35.5 % of the respondents are female. The majority of the customers were between 30-40 years old. Based on education level most of the customers were degree holders. And regarding purpose of payment majority of them which is 53.6% of the customers made payment for household 46,4% for the organization.

- ➤ From data analysis the Cronbach's Alpha for this study is 0.930 which shows that there is internal consistency among the variables.

- ➤ The computed mean scores of modified SERVQUAL dimensions helps to measure the perceived service quality of the organization and the result shows that service quality of the organization is low in which the selected customers were moderatly satisfied with the service the result of the data analysis shows tangibility with mean score of 3.5, reliability 2.92, responsiveness 2.77, assurance 3.36and empathy 3.53. The data analysis also shows that there is a huge gap between expected and perceived service with a mean of 2.85 and also the overall satisfaction of the organization's customer is low.

- ➤ The correlation result shows that empathy positively and strongly correlated with customer satisfaction, responsiveness positively and weakly correlated with customer satisfaction reliability, assurance and tangibility are positively and moderately correlated with customer satisfaction.

- ➤ The result of regression analysis showed that empathy has the highest impact with beta value of 0.576 on the overall selected customer satisfaction followed by tangibility, assurance, responsiveness and reliability influences customer satisfaction with a beta value of 0.125, 0.106, 0.076 and 0.028 respectively. Empathy has dominant impact and reliability has insignificance influence impact on customer satisfaction.

➢ From the finding we can understand that56% of customer satisfaction is influenced by modified SERVQUAL dimensions, which are by reliability, responsiveness, assurance, empathy and tangibility. However, the remaining percentage is influenced by other extraneous variables that are not included in this study.

5.3 Conclusion of the Study

Service quality becomes the crucial issue for hospitality industry and the theory of service has evolved over long period of time. The relationship between customer satisfaction and service quality has received a good deal of attention in today's market service provider try's to win competitive advantage through service quality. Quality and customer satisfaction are the major player for survival of service industry. The major objective this research is to examine the impact of service quality on customer satisfaction on kifiya-lehulu at Megenaga branch.

The findings indicate that customer perception vary according to the nature of service. The computed mean scores of SERQUAL dimensions are help to measure the perceived serviced service quality of the organization. According to the findings there is poor customer service in kifiya-lehulu. There is an also positive correlation among the independent variables which are tangibility, reliability, responsiveness, assurance, empathy and dependent variable which is customer satisfaction. The regression result also show that service quality dimensions have impact on customer satisfactionEmpathy has dominant impact and reliability has low influence among service quality dimensions on kifiya-lehulu customers and 56% of customer satisfaction is influenced by modified SERVQUAL dimensions. The mean and standard deviation of the service quality dimensions was represented in the above table the highest mean score is empathy 3.53, followed by tangibility 3.50, Assurance 3.36, reliability 2.92 and responsiveness 2.77.with this customer of kifiya-lehulu not satisfied by the service delivered.

The research questions get their answers through this research. The researcher try's to answer what is the relationship between service quality dimensions and customer satisfaction it also examine the impact of service quality dimensions on customer satisfaction by using correlation and regression analysis. In general, the result of the study shows that the selected customers did not satisfied towards the service quality of the organization.

5.4 Recommendation

Based on the results of the analysis and conclusion made the following recommendations are

Forwarded by the researcher.

➢ Regarding tangibility it gets second higher mean than other dimensions but Kifiya-Lehulu should work hard on up-to-date equipment and technology and appealing of materials associated with invoices, bills and other documents must be clear and visually appearing the researcher also recommend that it will be appreciated by customers if kifiya-lehulu customers well dressed and neat to attract their customers.

➢ Based on reliability, the finding show that reliability has insignificance impact on kifiya-lehulu customer's satisfaction. But organization ought to consider to minimize error and to perform service error free. And according to the respondent's employeesdid not perform the service at the promised time or at the right appointment time. Kifiya-Lehulu should tell customers the right appointment time in which the service will be performed by managing customer's data properly.

➢ Employees of Kifiya-Lehulu would have willingness to help their customers based on the respondents about responsiveness they were not highly satisfied because they didn't get prompt service from the employees so the organization had better work on that and the organization should assign adequate number of employees to give quality service to the customers and to fulfill customers expectation.

➢ Regarding Assurance the organization ought to give trainings to its employees about the system they used. According to the data there is knowledge gap on the employees this leads to lose the customers confidence on employees of Kifiya-Lehulu so to avoid this gap the organization should work on their employees and work hard on updating their knowledge. By considering this the organization can assure about the service they give.

➢ Even if empathy gets higher mean scores employees, it is wise to provide service on convenience hours to the customers to satisfy their customers and employees also intelligent to work hard on how to understand their customers' needs and deliver the service properly.

➤ The major suggestion that customers forward, in order to increase service quality it is better to give the right appointment time, organization should carefully manage customer's data, the organization should also work on employee's capacity building and employees should try minimize error to satisfy customers and Kifiya-Lehulu have a duty to work on some service quality dimensions improvement to minimize the negative impact on customer satisfaction.

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Websites

(http://www. Kifiya Financial Technology)

Appendix1

A QUSTIONNARE ON SERVICE QUALITY AND CUSTOMER SATISFACTION SURVEY

Dear Respondents

My name is MeselBiwota, a graduate student at St Mary University School of post graduates. I am conducting research on *Assessment of service quality on customer satisfaction: The case of Kifiya financial technology- Lehulu* in partial fulfillment of masters Business Administration. I kindly request you to spend some minutes of your time in filling this questionnaire. Any information which you provide will kept confidential. Your genuine response is highly appreciated for the outcome of the project. Thank you in advance for your kind corporation in filling the questionnaire.

General profile. Please make a tick mark 'X' on the option that best describes you

1. Gender

   Male ☐ Female ☐

2. Age

   18-29 ☐   30-40   ☐

   40-50 ☐   Above 50   ☐

3. Education level

   Reading and writing ☐   Primary school ☐   Secondary school ☐

   Certificate ☐   Diploma ☐   Degree ☐

   Masters and above ☐

4. Paying for

   Household ☐   Organization ☐

Part 2: Survey on Service quality items

Direction; this part of questionnaire intends to find your perception towards to the service quality and customer satisfaction of Kifiya-Lehulu. Please give this (X) mark on the given space which reflect your opinion**.**

No.	Features	Strongly disagree 1	Disagree 2	No opinion 3	Agree 4	Strongly agree 5
	Statement of Service quality dimensions					
	Tangibles					
1	Kifiya-Lehulu has modern looking equipment.					
2	Kifiya-Lehulu physical facilities are visually appealing.					
3	Kifiya-Lehulu employees are well dressed and neat appearing.					
4	Materials associated with the services such as invoices, bills and other documents are visually appealing.					
	Reliability					
5	Kifiya-Lehulu employees provide service at the time they promise to do so.					
6	Kifiya-Lehuluemployees show sincere interest on solving a problem you face.					
7	Kifiya-Lehulu employees perform service error free.					
8	Kifiya-Lehuluinsist on error free record.					
	Responsiveness					
9	There are always adequate number of employees to respond to your needs.					
10	Employees in Kifiya-lehulu tell you exactly when the service will be performed.					
11	Employees in Kifiya-lehulu will give your prompt service					
12	Employees in Kifiya-lehulu are willing to help you.					

No.	Features	Strongly disagree	Disagree	No opinion	Agree	Strongly agree
		1	**2**	**3**	**4**	**5**
	Assurance					
14	The behavior of kifiya-lehulu employees instills confidence in you.					
15	You feel safe in your transaction with kifiya-lehulu.					
16	Employees in Kifiya-lehuluare polite.					
17	Employees in Kifiya-lehulu have the knowledge to answer your question.					
	Empathy					
18	Employeesin Kifiya-lehulu give you individual attention.					
19	Employeesin Kifiya-lehulu provide service hours convenient to you.					
20	Employeesin Kifiya-lehulu understand your specific needs.					
21	Employeesin Kifiya-lehulu always delivers Excellent overall services.					
	Statement of Customer Satisfaction					
22	Perceived service is greater than the expected service.					
23	Perceived service is less than the expected service.					
24	Perceived service equal with the expected service.					

Thank you very much!

አፍዕሁስት; በአገልግሎትጥራትየሚመስከተመጠይቆች

<u>ማሳሰቢ,ያ</u>፤የሚከተስተመጠይቆችየአክፉ-

ስሁስአገልግሎትጥራትእናየዶንበኝናርካታሳይመሚያተኩርሲሆንየአርስዎንሃሳበተአክልበሚ,ገፅፀዉምጫሳይዶሰንናምስከት "X" ያስቀምጡ፡፡

<u>1</u>-በጣምአስስማማም፤   2- አስስማማም   3-ገስልተኛ   4 እስማማስዉ,   5- በጣምእስማማስሁ

የአገልግሎትጥራትአቀጣጫዎች	በጣምአስስማማም	አስስማማም	ገስልተኛ	እስማማስዉ,	በጣምእስማማስሁ
ተዉባኞነት					
ከአ,ያ-ስሁስዉናዊቁሳቁሶችእናቲክኖጂ,ዎችአስት፡፡					
የከፉ-ስሁስዶንበኞችበገልጽበሚ,ታደስአገልግሎትአስማጥደረካስ፡፡					
የከፉ-ስሁስሰፈተዎችአስባባስተአክልስናስንከንየማደመጣስተነዉ,፡፡					
የዶርጅተማሪጃዎችአንደካራ,ኒዎች; ቪሉችንዲሁምሴሉችአስማመጥደንበኞችንደስባስ፡፡					
ተአማኒነት					
የከፉ-ስሁስሰፈተዎችቃስበገበበተጊዜአገልግሎተንደሰማስ፡፡					
የከፉ-ስሁስሰፈተዎችችግሮችንስመፈታተተአማኒተነሳሽነትአሳቸዉ,፡፡					
የከፉ-ስሁስሰፈተዎችከስሀተትየፀዳስአገልግሎትደሰማስ፡፡					
ከፉ-ስሁስስከስሀተትየፀዳየመሪጃስያይዝስስዉ,፡፡					
ሀሳፊነት					
ከፉ-ስሁስበቀናጫፉሀስጊዜየዶንበኞችንፍስጋተሰማማሳተየሚ,መደበዉ,የሰውዘደመመንተአክስስኛዉ,፡፡					
የከፉ-ስሁስሰፈተዎችአገልግሎትየሚ,ገኝበተንተአክስኛቀመርፅስስሱ፡፡					
የከፉ-ስሁስሰፈተዎችበቀመረዎትጊዜአገልግሎትአገኝተዋስ፡፡					
የከፉ-ስሁስሰፈተዎችሁስጊዜማገዝግጁናቸዉ,፡፡					
የከፉ-ስሁስሰፈተዎችስዶንበኞችጥያቄያምሳሽስመስጠተበስፈፀዶመጡ,ም፡፡					

እርግጠኝነት					
የከፉ-ስሁስሰፈተዎችበራስመተማመንስሳቸዉ,፡፡					
ከአክፉ-ስሁስጋርበመሰፈትዎደሀንነተዶሰማዎታስ					
የከፉ-ስሁስሰፈተዎችሁልጊዜቅኞናቸዉ,፡፡					

54

የአፍዮ-ስሁስሱፌተኞችየምጥዋቄሞችንስመመስለበአክዊቀተአሳቸዉ፡፡					
ችግሮችንመረዳት					
የአፍዮ-ስሁስሱፌተኞችስያንዳንዱዲነበኝትኩረተዴሰጣሱ፡፡					
የአፍዮ-ስሁስሱየአገልግሎተመስጫሰስትችስቢርስምምቸነዉ፡፡					
የአፍዮ-ስሁስሱፌተኞችየግልሳጎተምንዴሪዳሱ፡፡					
የአፍዮ-ስሁስሱፌተኞችሁልጊዜበሱስአገልግሎቶችአቀርበተአጅግበጣምጥሪነዉ፡፡					
የደንበኞችእርካታ					
በአጠቃላይያንሱተአገልግሎተከመበኩተበሳዴነዉ					
በአጠቃላይያንሱተአገልግሎተከመበኩተበታችነዉ					
በአጠቃላይያንሱተአገልግሎተከመበኩተጋርእኩልነዉ					

ጊዜዉንስጥተዉመጠይቁንስስሞስአመስግናስዉ፡፡

Appendix 2

Correlations

		Tangebility	Responsiveness	Emphathy	Realiablity	Assurance	Customer satisfaction
Tangebility	Pearson Correlation	1	.222**	.507**	.509**	.314**	.481**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	375	375	375	375	375	375
Responsiveness	Pearson Correlation	.222**	1	.215**	.219**	.097	.244**
	Sig. (2-tailed)	.000		.000	.000	.060	.000
	N	375	375	375	375	375	375
Emphathy	Pearson Correlation	.507**	.215**	1	.536**	.538**	.728**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	375	375	375	375	375	375
Realiablity	Pearson Correlation	.509**	.219**	.536**	1	.335**	.452**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	375	375	375	375	375	375
Assurance	Pearson Correlation	.314**	.097	.538**	.335**	1	.472**
	Sig. (2-tailed)	.000	.060	.000	.000		.000
	N	375	375	375	375	375	375
Customer satisfaction	Pearson Correlation	.481**	.244**	.728**	.452**	.472**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	375	375	375	375	375	375

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.749[a]	.560	.554	.51592

a. Predictors: (Constant), Emphathy, Responsiveness, Tangebility, Assurance, Realiablity

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	125.182	5	25.036	94.059	.000[b]
	Residual	98.219	369	.266		
	Total	223.401	374			

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), Emphathy, Responsiveness, Tangebility, Assurance, Realiablity

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.392	.194		2.017	.044		
	Tangebility	.130	.044	.125	2.941	.003	.656	1.524
	Realiablity	.029	.046	.028	.633	.527	.630	1.587
	Responsiveness	.104	.049	.076	2.128	.034	.928	1.077
	Assurance	.123	.048	.106	2.577	.010	.705	1.418
	Emphathy	.489	.041	.576	12.031	.000	.520	1.923

a. Dependent Variable: Customer satisfaction

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Customer satisfaction