



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

**THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION
IN THE CASE OF ADDIS INTERNATIONAL BANK AT ADDIS ABABA**

**BY: MESELE TEFERI FELEKE
ID No: SGS/0589/2012A**

**JUNE 2021
Addis Ababa, Ethiopia**

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**ST. MARY'S UNIVERSITY
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DECLARATION

I, the undersigned, declare that the study entitled “*The Effect of Service Quality on Customer Satisfaction in the case of Addis International Bank in Addis Ababa*” is my original work, prepared under the guidance of **Dr. Mulugeta G/Medhin /PhD /**. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

St. Mary`s University, Addis Ababa

Signature

June31, 2021

CERTIFICATION

This is to certify that Mesele Teferi has carried out this thesis work title “*The Effect of Service Quality on Customer Satisfaction in the case of Addis International Bank in Addis Ababa*”. This study is his original work and all the sources of materials used for the project had been duly acknowledged. The work is original in nature and is suitable for submission for the award of the Master’s in Marketing Management.

Advisor’s Name: **Dr. Mulugeta G/Medhin /PhD /**

Signature:

Date: June 11, 2021

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Table of Contents

DECLARATION.....	I
CERTIFICATION	II
ACKNOWLEDGEMENTS.....	III
TABLE OF CONTENTS	I
LIST OF TABLES AND FIGURES	IV
LIST OF FIGURES.....	VI
LIST OF ACRONYMS.....	VII
ABSTRACT	VIII
CHAPTER ONE.....	1
1. INTRODUCTION	1
1.1. BACKGROUND OF THE STUDY.....	1
1.2. BACKGROUND OF THE COMPANY.....	2
1.2.1. VISION, MISSION AND CORE VALUES OF ADDIS INTERNATIONAL BANK.....	3
1.2.4. SERVICES OFFERED BY ADDIS INTERNATIONAL BANK.....	4
1.3. STATEMENT OF THE PROBLEM.....	4
1.4. RESEARCH QUESTIONS	6
1.6. OBJECTIVE	7
1.6.1. GENERAL OBJECTIVE.....	7
1.6.2. SPECIFIC OBJECTIVE.....	7
1.7. DELIMITATIONS OF THE STUDY.....	7
1.8. SIGNIFICANCE OF THE STUDY.....	8
1.9. SCOPE OF THE STUDY.....	9
1.10. LIMITATION OF THE STUDY	9
CHAPTER TWO.....	10
2. LITERATURE REVIEW	10
2.1. DEFINITION OF SERVICE	10
2.1.1. THE NATURE AND CHARACTERISTICS OF SERVICE	10
2.1.1.1. <i>Service Intangibility</i>	10
2.1.1.2. <i>Service Inseparability</i>	11
2.1.1.3. <i>Service Variability or Heterogeneity</i>	11
2.1.1.4. <i>Service Perishability</i>	11
2.2. DEFINITIONS AND CONCEPTS OF SERVICE QUALITY.....	11
2.2.1. DEFINITION OF OPERATIONAL TERMS	11
2.2.2. DEFINITION OF SERVICE QUALITY	12
2.2.3. SERVICE QUALITY DIMENSIONS.....	14
2.2.4. SERVICE QUALITY MODELS	16
2.2.4.1. <i>SERVQUAL</i>	16
2.2.4.2. <i>SERVPERF</i>	17
2.2.4.3. <i>BSQ</i>	18
2.2.4.4. <i>BANKQUAL</i>	18
2.3. CUSTOMER SATISFACTION	19
2.3.1. CUSTOMER SATISFACTION MEASUREMENT.....	19
2.3.2. DETERMINANTS OF CUSTOMER SATISFACTIONS	20
2.4. RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION.....	20

2.5. EMPIRICAL LITERATURES	21
2.6. HYPOTHESES.....	25
2.7. CONCEPTUAL FRAME WORK.....	25
CHAPTER THREE.....	26
3. RESEARCH METHODOLOGY	26
3.1. INTRODUCTION	26
3.2. RESEARCH APPROACHES	26
3.3. <i>Research Design.....</i>	26
3.4. <i>Target Population</i>	27
3.5. <i>Sampling Technique.....</i>	28
3.6. <i>Sample Size.....</i>	28
3.7. <i>Type of Data.....</i>	30
3.8. <i>Data Source.....</i>	30
3.8.1. <i>Primary Data Source</i>	30
3.8.2. <i>Secondary Data Source.....</i>	31
3.9. <i>Data Collection Instruments and Measurement.....</i>	31
3.10. <i>Method of Data Analysis and Presentation.....</i>	32
3.11. <i>Reliability and Validity Test.....</i>	32
3.11.1. <i>Reliability Test</i>	32
3.11.2. VALIDITY TEST	34
3.12. ETHICAL CONSIDERATION.....	34
CHAPTER FOUR	35
4. DATA INTERPRETATION, ANALYSIS AND DISCUSSION.....	35
4.1. INTRODUCTION	35
4.2. RESPONSE RATE.....	35
4.3. BACKGROUND INFORMATION OF THE RESPONDENT	36
4.4. DESCRIPTIVE STATISTICS ANALYSIS	38
4.4.1. ANALYZING SERVICE QUALITY DIMENSIONS.....	38
4.4.1.1. <i>Tangibility</i>	38
4.4.1.2. <i>Reliability.....</i>	39
4.4.1.3. <i>Responsiveness.....</i>	40
4.4.1.4. <i>Assurance.....</i>	41
4.4.1.5. <i>Empathy.....</i>	42
4.4.2. ANALYZING CUSTOMER SATISFACTION	44
4.5. CORRELATION ANALYSIS BETWEEN SERVICE QUALITY DIMENSIONS AND CUSTOMER SATISFACTION	45
4.6. REGRESSION ANALYSIS	47
4.6.1. ASSUMPTION OF REGRESSION ANALYSIS	47
4.6.1.1. MULTI-COLLINEARITY TEST.....	47
4.6.1.2. <i>Test of Normality.....</i>	48
4.6.1.3. <i>Linearity.....</i>	50
4.6.1.4. <i>Homoscedastic</i>	50
4.6.2. SIMPLE REGRESSION ANALYSIS	51
4.6.2.1. <i>Regression analysis of tangibility and customer satisfaction.....</i>	51
4.6.2.2. <i>Regression analysis of reliability and customer satisfaction.....</i>	52
4.6.2.3. <i>Regression analysis of responsiveness and customer satisfaction.....</i>	53
4.6.2.4. <i>Regression analysis of assurance and customer satisfaction.....</i>	54
4.6.2.5. <i>Regression analysis of empathy and customer satisfaction</i>	55
4.6.2. MULTIPLE REGRESSION ANALYSIS.....	56
4.6.2.1. <i>Multiple Regression Analysis of overall service quality dimensions and customer satisfaction</i>	56

4.7. DISCUSSION OF THE RESULT	59
4.8 <i>Hypothesis Testing</i>	60
CHAPTER FIVE	61
5. SUMMARY OF THE FINDING, CONCLUSION AND RECOMMENDATION	61
5.1. SUMMARY OF THE FINDING	61
5.2. CONCLUSION	62
5.3. RECOMMENDATION	63
5.4. SUGGESTION FOR FUTURE RESEARCH.....	66
REFERNCE	67
ANNEXES/APPENDICES	69

List of Tables and Figures

Table 2.1	Empirical research with results
Table 3.1	Sample list at each branch
Table 3.2	Reliability test of items
Table 3.2.1	The Cronbach's alpha value of the independent variables and the dependent variable
Table 4.1	Response rate of questionnaires by respondents
Table 4.2	Background information of the respondent
Table 4.3	Mean and Standard Deviation Score for tangibility
Table 4.4	Mean and Standard Deviation Score for reliability
Table 4.5	Mean and Standard Deviation Score for Responsiveness
Table 4.6	Mean and Standard Deviation Score for Assurance
Table 4.7	Mean and Standard Deviation Score for empathy
Table 4.8	Mean and standard deviation of service quality dimensions
Table 4.9	Mean and standard deviation of customer satisfaction
Table 4.10	Pearson correlation on the relationship between service quality dimension and customer satisfaction
Table 4.11	Collinearity Statistics of the predictors
Table 4.12	Model Summary of Tangibility
Table 4.13	Coefficient table of tangibility
Table 4.14	Model Summary of reliability
Table 4.15	Coefficient table of reliability

Table 4.16	Model Summary of responsiveness
Table 4.17	Coefficients table of responsiveness
Table 4.18	Model Summary Assurance
Table 4.19	Coefficients of assurance
Table 4.20	Model Summary of Empathy
Table 4.21	Coefficients of Empathy
Table 4.22	Model Summary of service quality dimensions
Table 4.23	ANOVA of service quality dimensions and customer satisfaction
Table 4.24	Coefficients of service quality dimensions on customer satisfaction
Table 4.25	Hypothesis Testing statistic output and Results

List of Figures

- Fig 1.1 Conceptual framework diagram of the relationship between the dimension of SERVPERF and customers' satisfaction
- Fig 4.1a Probability Plot (P-P) graph shows the normal distribution of population
- Fig 4.1b Histogram that shows the normal distribution of population
- Fig. 4.2 Homoscedasticity assumption checked by regression

List of Acronyms

ANOVA	Analysis of Variance
ATM.....	Automatic Teller Machine
BANKQUAL.....	Bank Quality
BSQ.....	Bank Service Quality
ADIB.....	Addis International Bank
Fig.....	figure
POS.....	Point of Sale
SERVPERF.....	Service Performance
SERVQUAL.....	Service Quality
SPSS.....	Statistical Package for Social Science
VIF.....	Variance Inflation Factor

ABSTRACT

The main objective of this study is to examine the effect of service quality on customer satisfaction in the case Addis international Bank at head office and selected branches in Addis Ababa by using SERVPERF model. Descriptive and explanatory research design was employed for this study in order to describe the level of customer perception about service quality which offered by the bank and to see the relationship of service quality dimension and customer satisfaction. The study was used convenient sampling technique to select the sample respondents; and 398 respondents were selected from all branches of ADIB at Addis Ababa. This study used both primary and secondary source of data to achieve its objective. The primary data was collected through questionnaire. The collected data was analyzed by using SPSS version 20. It was used descriptive statistics to demonstrate the profile of respondent and to see the perception of customer about the quality of service and used inferential statistics to know the relationship between service quality dimensions and customer satisfaction and the effect of service quality dimensions on customer satisfaction. The correlation result revealed that all service quality dimensions have a strong and statistical significant relationship with customer satisfaction. The regression analysis result indicates service quality dimensions have a positive effect on customer satisfaction. The quality of service offered by ADIB doesn't meet with the expectation of customer. So, the bank needs to improve the quality of service to satisfy and attract the unsatisfied customers.

KEY WORDS: SERVPERF, Service Quality, Customer Satisfaction, Addis International Bank S.C.

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

Service sector is rapidly increasing and has a great contribution to the economy. Banking industry is one of the most dominant service sectors in Ethiopia and it has significance role on macro and micro economic level of the country. As the result of significant increase of service sector to the economy there is a tight competition in the market. So, banks continually found strategy to overcome these tight competitions and to gain a competitive advantage over competitors. These strategies often focus on the area of improving service quality, increasing customer satisfaction and carefully work on customer loyalty.

For service providing companies, service quality is a relevant and crucial tool to keep up their competitive advantage in the marketplace. Banks' can compete in the market by differentiating their products, by delivering high quality services, these services are used as a basic competitive tool (*Logasvathi & Haitham, 2015*). In other words, service providing organization providing high quality services are able to pull or attract customers to them. Service providing sector like banks have the responsibility to provide the superior services to their customers in order to have long live competitive advantages (*Azzam, 2015*). Generally, service quality is a tool that is used to differentiate once product from competitor in the market by increasing customer satisfaction and fostering loyalty for service companies.

Service quality is critical for service providing organization. However, it is difficult to measure service quality because of the uniqueness of services like intangibility, heterogeneity, inseparability and perishability (*saghier and Nathan, 2013*). In order to overcome the difficulty of measuring service quality different authors developed different distinctive framework for quality clarification and measurement. Among these the major models are SERVQUAL model developed by Parasuraman et al. (1985; 1988), SERVPREF model developed by Cronin and Taylor (1992), BSQ scale proposed by Bahia and Nantel (2000) and BAKQUAL scale was proposed by Tsoukatos and Mastrojianni

(2010). From these major frameworks, SERVPREF model developed by Cronin and Taylor (1992) is used for this study. The reason for using this model is that, it is a model that is frequently and widely used for measuring service quality in the service industry (*saghier and Nathan, 2013*).

According to Cronin and Taylor (1992) SERVPREF model developed by state that quality service can be distinguished by:

- **Tangibles** (physical appearance of materials and workers)
- **Reliability** (the capability of delivering the promised service dependably and accurately)
- **Responsiveness** (readiness and voluntariness to support customers, serve quickly and on time or punctually)
- **Assurance** (knowledge and polite behavior of employees and their ability to convey trust and secret) and
- **Empathy** (the ability to understanding customers feeling, caring and individual attention the firm provides its customers).

Reliability is considered the vital core of service quality; other dimensions is matter to customers only if a service is reliable, because those dimensions cannot compensate for unreliable service delivery (*saghier and Nathan, 2013*).

1.2. Background of the Company

The word "Addis" as part of the name of Addis International Bank S.C. (AdIB) carries double meaning: new ideas/innovations and the first word of the capital city of Ethiopia where the Bank is born to shoulder its historic mission. The new vision and innovative ideas/approaches that were initially brewed in Addis however be shared to potential customers all over the country through branches that eventually be opened in the near future.

AdIB is established by diversified groups of shareholders, Cooperatives, Micro Finance Institutions (MFIs), Unions, other business organizations and individual citizens. The major shareholders of the Bank Are Cooperatives and their members.

The Cooperatives are mainly engaged in the provision of financial services, export business, manufacturing and services. The members of the major shareholders are mainly low- and middle-income citizens. The Micro Finance Institutions also address the financial needs of the "Unbanked" citizens.

Group of Saving and Credit Cooperatives in the City of Addis, organized under Addis Saving & Credit Cooperatives (AASCCU) initiated the process of establishing a cooperative bank known by the name Addis Cooperative Bank S.C. The number of founders that took the responsibility of organizing the bank were 21 and out of this 67% came from AASCCU.

All estimated 63.34% of bank's paid up capital is owned by Cooperatives and their members. The direct and indirect owners of the bank are estimated at 300,000 individuals. The cooperatives are engaged in saving and credit, distribution of consumer item, coffee marketing etc. Four unions (two coffee farmers, two saving and credit cooperative unions) are among the major shareholders of the bank.

Besides cooperatives, Addis credit and saving institution, PEACE and Gasha Micro finance institutions are also another category of the bank's owners. Several individual investors engaged in various business activities are also owners of AdIB.

AdIB endeavors to be an inclusive Bank that addresses the financial needs of different income groups in the country. It has the plan to penetrate the huge market that host low- and middle-income people through Cooperatives and Micro Finance Institutions. AdIB will expand its operating by opening new branches at market centers within and outside Addis.

1.2.1. Vision, Mission and Core Values of Addis International bank

Addis International bank's vision is to be destined to be the leading inclusive bank in Africa, while their mission is to provide efficient and effective full-fledged banking services by utilizing qualified, honest and motivated staff and state-of-the-art technology and thereby optimizing shareholders' interest. In addition, Addis International Bank also has additional core values to support their mission and vision which are: corporate social responsibility, creativity and innovation, professionalism and highest personal standards of integrity at all levels

1.2.4. Services offered by Addis International Bank

Addis International bank provides three major services which comprises of Domestic banking service, International banking service and recently e-payment services. Domestic banking services consist of Deposit, Credit and Local transfer service, International banking services consists of Trade Service, Foreign Service and International Money Transfer using different money transfer agencies and e-payment service also includes Internet Banking Service, ATM, Mobile Banking Service.

1.3. Statement of the Problem

Many researches have been done on the effect of service quality on customer satisfaction in banking industry. Most of them indicate that a higher service quality leads to a higher customer satisfaction and the above-mentioned service quality dimensions have a positive and significant relationship with customer satisfaction. Among them, the study of Hennayake (2017), divides service quality dimensions into two as human related factor (Reliability Responsiveness Assurance) and non-human related factors (tangibility). According to this study all the individual variables of Human Related Factors have a significant relationship towards customer satisfaction, whereas Reliability and Responsiveness have the greater effect on customer satisfaction than Assurance; and human related factors of service quality (reliability, responsiveness, assurance and empathy), have a greater effect on customer satisfaction than the non-human related factors of perceived service quality (tangibles) on Customer Satisfaction.

According to the study of Quyet, Vinh and Chang (2015), Tangibility has the greatest effect on customer satisfaction and Reliability has the least effect on customer satisfaction. The finding of Azzam (2015) showed that the dimensions of service quality are tangibility, responsiveness, reliability, empathy, and assurance has an important role on customer satisfaction; and Reliability has the highest contribution to customer satisfaction than the others.

According to Bethlehem (2015) except empathy, the four service quality dimensions (tangibility, responsiveness, reliability, and assurance) have positive and significant effect on customer satisfaction. Because empathy has the lowest relationship with customer

satisfaction; and there is positive and significant relationship between service quality dimensions and customer satisfaction; and the highest relationship was found between responsiveness and customer Satisfaction.

As the rapidly increasing competition in the market, service organizations have to offer a superior service to customer in order to retain the present customer and pull more new customers. In Ethiopia operating in a banking industry is becoming a challenge due to the presence of high competition among them. Due to this, they tend to develop a various strategy to retain their customers, keep upping competitive advantage and increase service quality. Service quality is an essential tool for Service providing company's especially for financial companies to maintain their competitive advantage, differentiating their product from competitors and also increases customer satisfaction (Azzam, 2015).

Because of the uniqueness and difference of human being behavior and need it is difficult to deliver service as the need of each customer. To overcome this problem banks are developing a product like mobile banking, internet banking and ATM banking service in order to deliver more standardized service to customer and to be able to compete in the market Banks which are operating in Ethiopia are troubled by system failure while they are delivering service to their customer. System failures comes from the interruption of connection and power. Here of, it leads to service delayance, as a result of this, customers are forced to wait more time until they get service. So, it has a negative effect on providing quality service and that leads to customer's dissatisfaction.

This study is conducted on the effect of service quality on customer satisfaction in Addis International bank at head office and four of the branches by measuring the service quality from the customer's perspectives by using SERVPERF model.

The main reason that motivated the researcher to conduct the study on service quality in Addis International bank especially at head office is the researchers direct observation of few problems while frequently going to the bank to get service and also while conducting the study for academic purposes; The problems observed by the researcher were; customer wait a long time in a queue , the main reason for this is a customer can only transfer to another bank only from the exact branch a person opened an account from it means if

someone open an Account from somewhere far from where their activities are because of this it is difficult to manage their business in a short period of time .

There are also a few studies that are conducted on service quality and customer satisfaction in the bank industry. So, the researcher is motivated to find out the feeling and perception of customers about service quality from services delivered by the bank in terms of the SERVPERF model and its effect on customer satisfaction. Therefore, this study is assessing the effect of service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) on customer satisfaction in the case of Addis International Bank at the head office and selected branches; and identify which service quality dimensions have a great effect on customer satisfaction.

1.4. Research Questions

More specifically, this study is answer the following research questions:

- Does service quality have an effect on customer satisfaction in bank issuing service and what kind of effect does it have in Addis International Bank at the head office and the selected branches?
- Does tangibility have an effect on customer satisfaction in Addis International Bank at the head office and the selected branches?
- Does reliability have an effect on customer satisfaction in Addis International Bank at the head office and the selected branches?
- Does responsiveness have an effect on customer satisfaction in Addis International Bank at the head office and the selected branches?
- Does assurance have an effect on customer satisfaction in Addis International Bank at the head office and the selected branches?
- Does empathy have an effect on customer satisfaction in Addis International Bank at head the office and its selected branches?

1.6. Objective

1.6.1. General Objective

The general objective of this study is to examine the effect of service quality on customer satisfaction with in Addis International Bank at the head office and the selected branches through analyzing the relationship of service quality dimensions as it is presented on the theoretical framework.

1.6.2. Specific Objective

In order to accomplish the general objectives of this study, there are few specific objectives that need to be accomplished in the case of Addis International Bank. These specific objectives are the following.

- To indicate the effect of tangibility on customer satisfaction in Addis International Bank at the head Office and selected branches.
- To point out the effect of reliability on customer satisfaction in Addis International Bank at the head Office and selected branches.
- To identify the effect of responsiveness on customer satisfaction in Addis International the head Office and selected branches.
- To demonstrate the effect of assurance on customer satisfaction in Addis International the head Office and selected branches.
- To indicate the effect of empathy on customer satisfaction in Addis International Bank at the head Office and selected branches.
- To determine the effect of overall service quality dimensions on Addis International Bank the head Office and selected branches.

1.7. Delimitations of the Study

To address all factors that affect customer satisfaction is too difficult due to the difficulty of managing these variables. Therefore, this study was specifically delimited to only the service quality on customer satisfaction by using SERVPERF model of service quality dimensions developed by Parasuraman et al (1988) (tangibility, assurance, responsiveness, empathy and reliability) as an independent variable and customer satisfaction as a

dependent variable. To apply the above concept on all the country's bank industry is too difficult due to the difficulty of management. Because of these reasons this study specifically is focused on Addis International Bank at the head office and selected branches in Addis Ababa town.

1.8. Significance of the Study

This study was its own contribution for different party in different ways. This study contributing to the management of the bank. The findings and results that are reported in this study are providing good information about the feeling and level of their customer satisfaction from the services delivered by the bank. So, information's from this study's final finding and result is very important to find out what problems arise, what the management is able to do to solve these problems, what things are added to increase/improve customer satisfaction and attract more customers as well as catching the existing customer. Recommendations are reported. This study is providing solution for bank industry service quality problems and it may give them an idea of where they currently stand in terms of their service quality and what they could do in the future.

Generally, this study is serve as an empirical literature to the management of the bank for strategic decision and improving customer satisfaction by providing quality service. To other researchers who are interested to conduct on this kind of investigation, this study will serve as a reference and empirical literature. To different stakeholders like customer, investors, shareholder, employees and other parties responsible to the organization this study is provide reliable information that is useful to improve customer satisfaction. Due to this the organization could increase its profitability and provide a benefit for its investor, shareholder and employees.

1.9. Scope of the Study

The scope of this study is limited to see the effect of service quality on customer satisfaction in banking sector specifically in Addis International Bank at Head Office and selected branches only. As such the study may not provide a comprehensive result for the effect of service quality on customer satisfaction.

The study focuses on perception of customer about service quality from service delivered by the bank in terms SERVPERF model only.

1.10. Limitation of the Study

It is true that every study has its own limitations. While conducting this study some of the limitations expected are discussed as follows.

The first limitation is having no budget for this research which might hold back the researcher from covering all the branches and all customers. Having limited time for this study is also another limitation. The other major limitation that is going to hold back the researcher is the current situation with the pandemic, covid-19 virus which makes it hard to approach people for further investigation for the study.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Definition of Service

According to Kotler et al. (2005) service can be defined as any intangible activity or benefit that can be offered by one party to another which does not result in the ownership of anything. It may be either tied with production or may not be tied to a physical product. Service can be defined as economic activities that produce time, place, form, or psychological utilities (Kotler and Armstrong, 2012).

Kotler and Armstrong (2012) state on their book principle of marketing, Services are growing faster in the world economy and it makes up 64 percent of the gross world product. There is great variation of service industries, Governments and private organization which are profit oriented or nonprofit oriented offer services.

According to Kotler and Armstrong (2012) some example of services offered by government like courts, employment services, hospitals, military services, police and fire departments, the postal service, and schools. Private services which are not-for-profit organizations offer services like museums, charities, churches, colleges, foundations, and hospitals. And a large number of business (profit oriented) organizations offer services like airlines, banks, hotels, insurance companies, consulting firms, medical and legal practices, entertainment and telecommunications companies, real-estate firms, retailers, and others.

2.1.1. The Nature and Characteristics of Service

Different authors agreed that there are four special service characteristics. Some of them are; according to Bitner et al. (1993), Wolak et al. (1998) and Kotler and Armstrong, (2012) Intangibility, Inseparability, Variability/Heterogeneity, and Perishability of services are considered as the main service.

2.1.1.1. Service Intangibility

Service intangibility means that services cannot be seen, tasted, felt, heard, or smelled before they are bought (Bitner et al., 1993).

2.1.1.2. Service Inseparability

Service inseparability means that services provider and service doesn't separates each other. The providers are either people or machines. Both the provider and the customer affect the service outcome.

2.1.1.3. Service Variability or Heterogeneity

Service variability means that the quality of services depends on who provides them as well as when, where, and how they are provided. It is the degree of uniformity is varying in service delivery (Wolak et al., 1998).

2.1.1.4. Service Perishability

Perishability of Services means that services cannot be stored and carried forward to a future time period and suggest that services are time dependent and time important which make them very perishable. The issue of perish ability is primarily the concern of the service producer and that the consumer only becomes aware of the issue when there is insufficient supply and they have to wait for the service (Bitner et al.,1993).

2.2. Definitions and Concepts of Service Quality

2.2.1. Definition of operational terms

Service: - any intangible activity or benefit that can be offered by one party (service provider) to another (customer) which is does not result in the ownership of anything.

Service quality: - the ability of service to meet/satisfy customer needs or the difference between customer expectation and the actual service offered by the provider (perceived service). If the perceived (actual) service exceed than customers' expectation. There will be a quality of service.

Customer satisfaction: - a person's feelings of pleasure or disappointment are resulting from comparing a product's or services perceived performance (or outcome) in relation to his or her expectations.

Service quality dimensions: - used to measure the perception of customer about the quality of services that offered by the provider.

Tangibility: - one of service quality dimensions that focuses on the general physical appearance of equipment's and employee.

Reliability: - is service quality dimension that pertain the ability to offer a promised service dependably and accurately.

Responsiveness: - is another service quality dimension that refers to the readiness and willingness of employee (service provider) to help customers.

Assurance: - a service quality dimension that focuses about the knowledge and polite behavior of employee that enabling them to convey trust and secret or confidentiality.

Empathy: - is a service quality dimension that shows that the ability of service provider (employee) to understanding customers feeling, specific need, caring and individual attention the firm provides its customers.

2.2.2. Definition of Service quality

Quality is the totality of features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. For some quality signifies the degree of perfection. In fact, quality, like beauty, lies in the beholder's eyes. Quality is often described as "getting things done right first time, and every time".

The broadly definition of quality refers to the ability of a product or service to consistently meet or exceed customer requirements or expectations. It means that the difference between actual performance and customer expectation of the product or services can be reflecting its quality (*W.J. Stevenson, 2012*).

Service quality is the ability of service to meet/satisfy customer needs (*J.Heizer, B.render and C.*

Munson, 2017).

Service quality is a customer's overall impression of the relative inferiority or superiority of the organization and its services (*Bitner & Hubbert, 1994*).

Service quality defined as the degree and direction of discrepancy between consumer's perceptions and expectations in terms of different but relatively important dimensions of the service quality, which can affect their future purchasing behavior.

Service quality is interpreted as perceived quality in the service literature and it provides the meaning of a customer's judgment about a service (*Culiberg and Rojšek, 2010*). It means that service quality can be determined by customer perception, expectation and the actual performance of service.

Service quality has different definition as different people have different perception and expectation. As a result of this different scholars define the concept of service quality in different way and they have introduced different ways of measuring service quality.

Lovelock et al. (2011) defined service quality as “consistently meeting or exceeding customer expectations”. This means that Service providing firms offer service which continuously meets or exceeds customer expectation is termed as quality service. Gönroos (1984) defines the perceived quality of a service as the result of an evaluation process in which customers compare their expectations of service delivery and its outcome to what they expect.

Service quality is considered as an important tool for a firm's sustainable competitive advantage with in the market and to differentiate itself from its competitors QAtitors (Ladhari, 2009). Offering a quality service is essential for service providing organization; by providing a sustainable competitive advantage, building organizations goodwill, improving customers' satisfaction and pooling more customers to the organization. The difficulty of defining service quality is that it is a subjective concept. It means that, everyone has a different definition based on their personal opinion, intuition, observation or reasoning, the external environment and mindset or experiences. It has also received a great deal of attention from academicians, practitioners and services marketing literature, service quality is defined as the overall assessment of a service by the customer.

Researchers' points out that, by defining service quality, companies deliver services with higher quality level presumably resulting in increased customer satisfaction. Understanding service quality must involve acknowledging the characteristics of service which are intangibility, heterogeneity and inseparability. In that way, service quality would be easily measured (Negi, 2009).

Crosby (1984) Defined quality as conformance to requirements. This definition implies that organizations must establish requirements and specifications. Once these requirements

and specifications are established, the quality goal of the various functions of an organization is to comply strictly with them.

Quality is also defined from different point of views, from customer point of view quality means fitness for use and meeting customer satisfaction and from process point of view it means conformance with the process design, standards and specifications.

Quality may also be defined as the degree of excellence at an acceptable price from product point of view and from the cost point of view it means best combination between costs and features. A solid foundation in defining and measuring service quality was emanated in the mid-eighties by (Gronroos, 1984) and (Parasuraman et al. 1985). They were amongst the earliest scholars who laid down the foundation for the definitions as well as development of service quality.

2.2.3. Service Quality Dimensions

Parasuraman *et. al.* (1985) studied on four service organizations namely banking industry, credit card companies, motor repair shops and long-distance telecommunication companies, and the result showed that service quality had the following 10 (ten) dimensions.

Reliability: the capability of providing the promised service depends on their promises and accuracy. In other word, it is the ability to deliver unchangeableness or constant and reliable service.

Responsiveness: refers to the willingness, voluntariness or readiness of employee to deliver service quickly. In other word responsiveness as illustrated by Parasuraman et. al. (1985) is the willingness and voluntariness of employee to understanding customers' interest and support them.

Competence: refers to the ability or competency with the required skills and knowledge to provide the promised services; it also includes the research and development capability of the organization.

Access: refers to the availability or location of service counter; It means that the proximity of service counter or service facility away from its customer. It is also all about the location, service hours and easy accessibility for their customer.

Courtesy: it refers to the way of treating customer by service provider or employee while they contact to them. And it also consists of consideration, friendliness, politeness, respect of contact personnel for customers and their properties. It also includes personnel respect for their organization. If customers sense staffs don't care about their things, they begin to wonder how the staff will treat them and their things.

Communication: the ability to inform valuable information to the customer and get information from the customer in language they can understand.

Credibility: it refers to trustworthiness, honesty and having the customers' best interest at heart.

Security: is the freedom from danger, risk or doubt, it involves physical safety, financial security and confidentiality. It is providing customers with a comfort zone or peace of mind since they want to maximize gain and minimize or eliminate loss.

Understanding / knowing the customer: it means making an effort to understand the customer's needs / specific requirements providing individual attention. It is recognizing and acknowledging regular, loyal and refer to customers by name.

Tangibles: Is the physical things or appearance of the service, physical facilities, promotional (communication) materials and personnel appearance.

In their next research these scholars examined & purified the content of the items and developed five. SERVPERF dimensions (three original and two combined dimensions) suggested the following concise definitions and labeling for the dimensions.

Tangibles: belonging to the physical facilities, equipment, personnel and communication materials;

Reliability: refers to the ability to perform the promised services dependably and accurately; **Responsiveness:** refers to the willingness of service providers to help customers and provide prompt service;

Assurance: relates to the knowledge and courtesy of employees and their ability to convey trust and confidence; and

Empathy: alludes to the provision of caring and individualized attention to customers.

The last two dimensions (assurance & empathy) incorporated items represented by the seven original dimensions, i.e. access, understanding/knowing customers, credibility, security, communications, courtesy, and competence.

Therefore, although SERVQUAL has only five dimensions, these dimensions are believed to capture the features of all ten original dimensions (Parasuraman et.al 1988).

W.J. Stevenson (2012) on his book described service quality by using the following dimensions:

Convenience: the availability and accessibility of the service.

Reliability: the ability to perform a service dependably, consistently, and accurately.

Responsiveness: the willingness of service providers to help customers in unusual situations and to deal with problems.

Time: the speed with which service is delivered.

Assurance: the knowledge exhibited by personnel who come into contact with a customer and their ability to convey trust and confidence.

Courtesy: the way customers are treated by employees who come into contact with them.

Tangibles: the physical appearance of facilities, equipment, personnel, and communication materials.

Consistency: -the ability to provide the same level of good quality repeatedly.

2.2.4. Service Quality Models

2.2.4.1. SERVQUAL

SERVQUAL model of service quality was developed by Parasuraman, Zeithaml and Berry (1985, 1988). And it is one of the most frequently used measures, is a multi-item scale developed to assess customer perceptions of service quality. The founder of SERVQUAL model (Parasuraman et al. (1985, 1988)) said that, if the actual service is less than expected service, it will show/imply that service quality is less than satisfactory. But, when actual or experienced service is higher than expected service, it shows that customers have got more satisfactory service quality. Perception of service quality by the customers depends on the level the gap between the actual service that the customer experienced or received and they expect to receive Parasuraman et al. (1985). Therefore, service quality is the differences between the actual service that customers' perceived or experienced and the expectation of customer about that service. The gap theory is the method for calculating the service quality by subtracting the customers' evaluation for perception of the service from the evaluation of what was expected, Clow and Kurtz (2003). Therefore,

this model has a disconfirmation scale which is the gap between expectations and actual or perception of the service.

On their empirical research, Parasuraman, Zeithaml and Berry (1988) identified a total of 22 factors distributed under five service quality dimensions i.e. Responsiveness, Empathy, Tangibles, Assurance & Reliability.

The service quality measurement scale is comprising a total of 44 attributes (22 for expectations and 22 for perceptions). Customers' responses to service expectations and perceptions that is acquired by a 7-point Likert scale and are calculated to arrive at (P-E) gap scores. The higher is the perception minus expectation scores, the higher is the level of service quality, Parasuraman et al. (1985). The SERVQUAL gap model is the most valuable and one of the best received contributions to the service literature, (Brown et al.1993); (Ladhari, 2009).

2.2.4.2. SERVPERF

Is one of service quality models; and it was developed by Cronin and Taylor in 1992. SERVPERF directly measures the customer's perception of service performance and assumes that respondents automatically compare their perceptions of the service quality levels with their expectations of those services. Cronin and Taylor argued that only perception was sufficient for measuring service quality and therefore expectations should not be included as suggested by SERVQUAL (Baumann et al, 2007 as cited by meron, 2015). Instead of measuring the quality of service via the difference between the perception and expectation of customers as in SERVQUAL, SERVPERF operationalizes on the perceived performance and did not assess the gap scores as expectation does not exist in the model. Thus, it is performance-only measure of service quality.

The model adopts the five dimensions of SERVQUAL and the 22 item scale is used in measuring service quality. In the SERVPERF model, the results demonstrated that it had more predictive power on the overall service quality judgment than SERVQUAL. (Cronin and Taylor 1994), "The SERVPERF scale is found to be superior not only as the efficient scale but also more efficient in reducing the number of items to be measured by 50% (Hartline and Ferrell, 1996; Babakus and Boller, 1992; Bolton and Drew, 1991) " cited by Mesay 2012. Many studies have been conducted by adopting the SERVPERF model. Also,

Wall and Payne (1973) note that when people are asked to indicate the “desired level” (expectations) of a service and the “existing level” (perceptions) of the service, there is a psychological constraint that people always tend to rate the former higher than the latter (E>P). The fact that SERVPERF does not consider customer expectations it becomes the only difference between SERVPERF and SERVQUAL. It brings into consideration only customer perceptions of service performance. Therefore, disconfirmation scale, which is the gap between expectations and perceived performance of service, is not used by this model; SERVPERF has only one part, which is the perceived performance of service. In this instrument, customers are only required to rate their perceptions of performance of the same attributes that are covered in the SERVQUAL model. The five dimensions, i.e. Reliability, responsiveness, tangibles, empathy and assurance, identified in the SERVQUAL model are equally applicable to the SERVPERF model (Girma, 2016).

2.2.4.3. BSQ

BSQ scale was proposed by Bahia and Nantel in 2000 when they have conducted a study on banks’ service quality in Canada. The BSQ is the acronym for Bank Service Quality. The BSQ scale is the extension of SERVQUAL scale. In SERVQUAL scale there are five dimensions, while BSQ scale is composed of six dimensions with 31 attributes. The service dimensioned proposed in the BSQ include Effectiveness & Assurance, Access, Price, Tangibles, Service Portfolio and Reliability (Girma, 2016).

2.2.4.4. BANKQUAL

BAKQUAL scale was proposed by Tsoukatos and Mastrojianni (2010) in the study conducted in Greece retail banking industry. The BANQUAL scale proposed, with key dimensions’ effectiveness, reliability, assurance/empathy and confidence, which is a combination of SERVQUAL and BSQ dimensions. The 27 attributes in BANQUAL scale consists of twelve SERVQUAL, seven BSQ, two common in BSQ and SERVQUAL and six are specific setting items. In this respect, the scale is a mixture of the SERVQUAL and BSQ scales. The dimension’s structure of BANQUAL consists of SERVQUAL's Empathy, and Assurance (Parasuraman et al., 1988), BSQ's Effectiveness (Bahia and Nantel, 2000),

2.3. Customer Satisfaction

For business organization, customers are a relevant part. So, they tend to manage its customer properly. Customer is satisfied when the actual products provided by the organization are exceeded or met with the expectations of customers. If customers are satisfied, they will remain loyal, less sensitive and speak positively about the company and buy more. Customer satisfaction normally intimates that customer opinion of the fulfilled condition and customer response to the state of fulfillment (Oliver, 1997). According to Kotler (1997), Customer satisfaction is: “a person's feelings of pleasure or disappointment arise from the comparisons of the perceived performance of the product that is offered by the firm with their expectation.

Regarding to Zeithaml & Bitner (2003) Satisfaction defined as a post-purchase assessment of consumer about the performance of good or service. Further suggest that service quality has become an important topic because of its positive relationship to profitability, customer satisfaction, customer retention and positive word of mouth. Customer satisfaction is also widely considered as a driver of financial performance and corporate marketing.

2.3.1. Customer Satisfaction Measurement

It is the process of gathering data that generate information about the extent or level of customer satisfaction with services provided by the firm. This information can be gathered and analyzed in many different ways. Many organizations continually measure the levels of customer satisfaction to supervise performance over time and measure the effect of service performance/quality. Henley center headlight vision (Smith, 2007) shows the study conducted in the United Kingdom in the public sector organizations recommends that there are five tells that are likely to be relevant to all organizations in measuring customer satisfaction.

- Delivery of the service (how problems were minimized, reliability, outcome.)
- Timeliness (length of times waiting in the queue line, frequently contacted)
- Information (free from mistake, exactness, enough information, kept informed)
- Professionalism (competent staff, fair treatment)
- Staff attitude (friendly, polite behavior, attractiveness, sympathetic)

2.3.2. Determinants of Customer Satisfaction

Customer satisfaction is influenced by specific product or service features, perception of quality, customer's emotional responses, their attributions and their perception.

Product Service Features- Customers satisfaction with a product or service is influenced by customer evaluation of product or service feature (Zeithaml et al., 1985)

Customer Emotion- Customer's emotion can also affect their perception of satisfaction with products and services. These emotions can be stable preexisting emotion. (Zeithal et al, 1985) **Attribution of Service Success or Failure-** Attribution influence perception of satisfaction when they have been surprised by an outcome, (the service is either much better or much worse than expected), customers tend to look for the reasons their assessments of the reasons can influence their satisfaction. (Ibid)

Perception of Equity or Fairness- Customer satisfaction is also influenced by perception of equity and fairness customers ask the service. Have I been treated fairly compared with other customers? Did other customers get better treatment, better prices or better-quality service and the like? Notions of fairness are central to customer's perception of satisfaction with products and services. (Zettmal et al., 1985) Organizations take different approaches to identifying customer service standards and they vary in detail. Robert-Phelps uses "SPECIAL (Speed, Personality, exceed expectations, Competence and courtesy, Information, Attitude, Long-term relationship)" as a model to satisfy customers.

2.4. Relationship between Service Quality and Customer Satisfaction

(Kotler and Armstrong, 2012) state that satisfaction comes from the post-purchase assessment of good or services and comparing this with the expectations. Studies which are conducted in the earlier time on service quality and customer satisfaction tells that service quality is being able to generate satisfaction. Therefore, the studies of many researchers suggest a quality service leads to customer satisfaction. To achieve a high level of customer satisfaction, they 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 (Mesay, 2012). As service quality improves, the probability of customer satisfaction increases.

Quality is only one of many dimensions on which satisfaction is based; satisfaction is also one potential influence on future quality perceptions (Clemes, 2008). Parasuraman et al (1988) defined service quality and customer satisfaction as follows:

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., 1985). Siddiqi (2011) described that all the service quality attributes are positively related to customer satisfaction and customer satisfaction is positively related to customer loyalty in the retail banking settings. Furthermore, Daniel O. Auka (2012) also stated that high quality of service will result in high customer satisfaction and increase loyalty.

2.5. Empirical Literatures

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 Bolton and Drew; (1994). They 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). The key difference between service quality and customer satisfaction is that quality relates to managerial delivery of the service while satisfaction reflects customers' experiences with that service. They argue that quality improvements that are not based on customer needs will not lead to improved customer satisfaction (Iacobucci et al, 1995). Bolton and Drew (1994) pointed out “customer satisfaction depends on pre-existing or contemporaneous attitudes about service quality”. There is also a lot of argument regarding whether customer satisfaction is the antecedent of service quality or the outcome of service quality. “Initially scholars take the position that satisfaction is an antecedent of service quality since to reach an overall attitude (service

quality) implies an accumulation of satisfactory encounters” (Bolton & Drew, 1991). However, other scholars take the opposite view that service quality is the antecedent of customer satisfaction (Cronin & Taylor, 1992); (Ekinci, 2004); (Rust & Oliver, 1994); as cited on (Harr, 2008).

Empirical research by Cronin & Taylor, (1992) “showed that service quality has a significant effect on customer satisfaction.” Similarly, recent studies by González & Brea, (2005); &Ekinci(2004) as cited on (Harr, 2008) using recursive structural models provided empirical support that service quality results in customer satisfaction. Customer satisfaction is a broader concept than service quality which focuses specifically on dimensions of service (Zeithamlet al.2006).

There are different studies that are conducted on the effect of service quality on customer satisfaction on service providing industries including banking service. Some of these studies are: the study of Khan & Fasih (2014) which states that the variables of service quality (tangibles, reliability, responsive and empathy) and customer satisfaction are significantly prevailing in the banking sector of Pakistan while variable of assurance is also exiting but this proposition could only be made with less confidence and significance. According to fasil (2015) his study shows that dimensions of service quality has a positive and significance relationship with customer satisfaction. But respondents are most satisfied with tangibility, and followed by responsiveness. Customers are relatively less satisfied with reliability and empathy. The mean score of service quality that is an average of overall service quality dimensions indicate that customers almost agree that their insurers have delivered best quality services to satisfy their various needs (fasil, 2015).

Empirical Literatures by Cronin & Taylor, (1992) “showed that service quality has a significant effect on customer satisfaction.” Similarly, recent studies by González & Brea, (2005); &Ekinci(2004) as cited on (Harr, 2008) using recursive structural models provided empirical support that service quality results in customer satisfaction. Customer satisfaction “is a broader concept than service quality which focuses specifically on dimensions of service (Zeithamlet al.2006).

Companies rendering service into day’s stiff competition developing new marketing strategy that is quality service delivery in connection to this, Research on quality of service currently has received special attention from marketing researchers. Below is a summary

of results of previous studies regarding the service quality and its influence on satisfaction, published in various scientific journals.

Table 2.1; Empirical research with results

No.	Author	Antecedents	Result
1.	Tizazu Kassa(et al 2012)	5.dimensions of SERVPERF (tangibility, reliability, responsiveness, assurance and empathy)	Except Responsiveness, The four service quality dimensions including Tangibility, reliability, assurance and empathy have positive and significant effect on customer satisfaction.
2.	Rashed Alarim(British 2014)	5,dimensions of SERVPERF (tangibility, reliability, responsiveness, assurance and empathy)	The study also established that the combination of tangibility, reliability, responsiveness, assurance and empathy together have significant effect on customer satisfaction. Tangible is having a high Mean score and the bank should concentrate on Responsiveness as it has the least mean score.
3.	Niveen ElSaghier, Demyana Nathan (Dubai, 2013)	5,dimensions of SERVPERF(tangibility, reliability, responsiveness, assurance and empathy)	The three dimensions of service quality (Empathy, Reliability, Responsiveness and assurance) have a significant and positive effect on customer satisfaction. However, the rest service quality dimensions (tangibility) have positive relation and no significance impact on customer satisfaction

Source: Compiled by the researcher 2021

Gaps on service quality

According to the formulation of Parasuraman et al (1985) there are five gaps that cause unsuccessful service delivery.

Gap between Customer Expectation and Management Perception (Knowledge Gap):-

management does not always perceive correctly what customers' want. Electricity company manager might think that consumer's judge the company service by the quality of employees' performance in the technique department, whereas customers may be more concerned with the courtesy and responsiveness.

Gap between Management Perception and Service Quality Specification (The Standard Gap):-

management might correctly perceive the customers' wants but not set a specified performance standard. For example, hospital administrators may tell the nurses to give "fast" service without specifying it quantitatively.

Gap between Service Quality Specification and Service Delivery (The Delivery Gap):-

The personnel might be poorly trained or incapable or unwilling to meet the standard or they may be held to conflicting standards such as taking time to listen to customers and serving them fast. For example, a bank officer who is told by the operations department to work fast and by the marketing department to be courteous and friendly to each customer.

Gap between Service Delivery and External Communication: -

Consumer expectations are affected by standards made by company representatives and advertising. If a hospital brochure shows a beautiful room, but the patient arrives and finds the room to be cheap and tack looking, external communications have distorted the customers' expectations.

Gap between Perceived Service and Expected Service: -

This gap occurs when the consumer misperceives the service quality. The physician may keep visiting the patients to show case, but the patient may interpret this as an indication that something really is wrong.

2.6. Hypotheses

The hypotheses designed for this study is based on the following assumptions:

H1: Tangibility has a positive effect on customer satisfaction.

H2: Reliability has a positive effect on customer satisfaction.

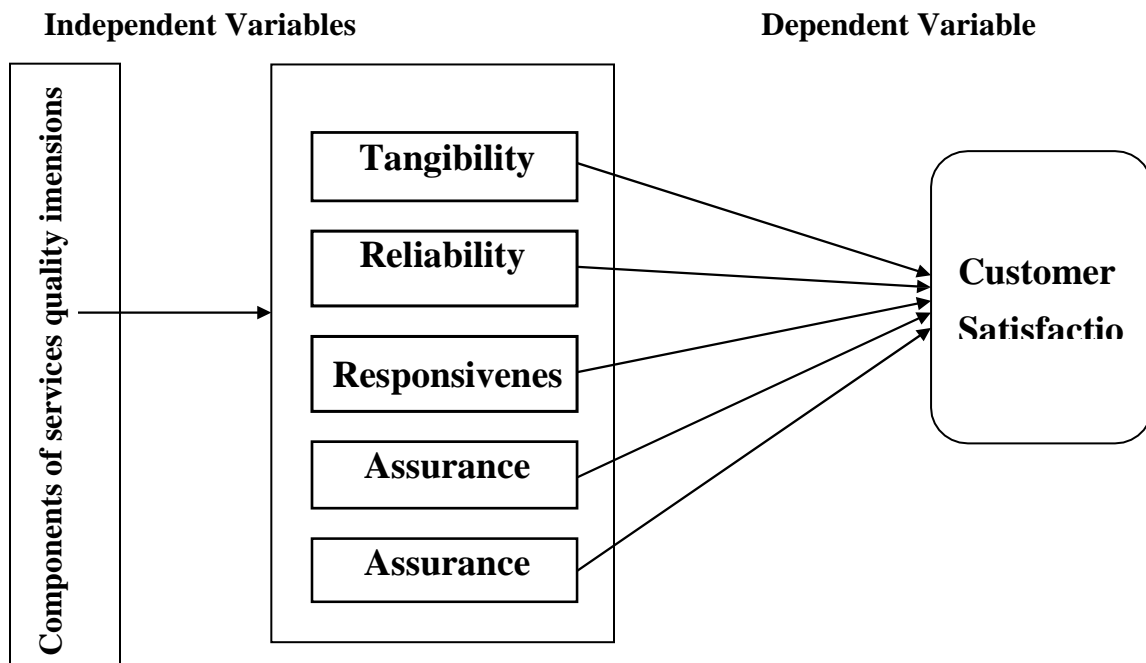
H3: Responsiveness has a positive effect on customer satisfaction.

H4: Assurance has a positive effect on customer satisfaction.

H5: Empathy has a positive effect on customer satisfaction.

2.7. Conceptual Frame Work

Conceptual frame work of the research is developed to find out the interrelationships between service quality, and customer satisfaction in the Addis international Bank. The Conceptual frame work for this study is as follows:



*Fig 2.1: Conceptual framework diagram of the relationship between the dimension of SERVPERF and customers' satisfaction*Source: *Own development from* (Parasuraman et al. (1985, 1988) *and different sources* 2021

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Introduction

In this unit the overall research design and methodology that was used for this study is discussed. This unit includes sub units, which is the research design, the target population, sampling technique and its method of collection, sample size, type of data, source of data, data collection instrument and measurement, data analyzing methods and reliability test of questionnaire.

3.2. Research Approaches

According to John, (2014) Research approaches are plans and the procedures for research that span the steps from broad assumptions to detailed methods of data collection, interpretation, and analysis. The selection of a research approach is also based on the nature of the research problem or issue being addressed, the researchers' personal experiences, and the audiences for the study.

There are three basic approaches to research (a) qualitative (b) quantitative (c) mixed methods. According to Christensen, (1985) noted that quantitative survey is the most appropriate one to use if the purpose of an investigation is to describe the degree of relationship which exists between the variables. Accordingly, this research is conducted using quantitative research approach since, it is examining and measure the relationship between service quality and customer satisfaction in Addis International Bank and selected branch, the quantitative method was used by considering sample of customers of the organization and distributing questionnaires.

3.3. Research Design

It is a decisions regarding what, where, when, how much, by what means an inquiry or a research study is done. A research study constitutes a research design and the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data (*Kothari, 2004*). Issues relating to decisions regarding the purpose of the study (exploratory, descriptive, hypothesis testing), its location (i.e., the study setting), the type it should conform to (type

of investigation), the extent to which it is manipulated and controlled by the researcher (extent of researcher interference), its temporal aspects (time horizon), and the level at which the data analyzed (unit of analysis), are integral to research design (sekaran and bougie, 2010).

According to Kothari (2004), more explicitly, the design decisions happen to be in respect of: What is the study is about? Why is the study being made? Where is the study be carried out? What type of data is required? Where can the required data be found? What periods of time dose the study include? What is the sample design? What techniques of data collection is used? How does the data be analyzed? In what style is the report be prepared?

There are different research design categories. There are three most common and useful purpose of research; these are exploratory, descriptive and explanatory (*babbie, 2013*). According to Kothari (2004) one can categorize them as: (1) research design in case of exploratory research studies; (2) research design in case of descriptive and diagnostic research studies, and (3) research design in case of hypothesis-testing research studies. 222

This study is both descriptive and explanatory research design. As a descriptive research; this study is concerned with describing the existing nature and characteristics of respondent and variables by presenting a profile of the respondents through tables, frequency distributions and percentages and to identify the mean and standard deviation of service quality dimensions and customer satisfaction. This study as an explanatory research design; has some explanatory variables, which are service quality dimensions to explain the dependent variable which is customer satisfaction and the study also has a formulated hypothesis and go to test these formulated hypotheses and examine relationships and effect of service quality dimensions on customer satisfaction.

3.4. Target Population

The target population of this study is all active account holder customers who have currently active current or saving account, age 18 years and above in Addis international bank at head office and selected branches at Addis Ababa. The researcher investigated 4 branches of Addis international bank ADIB. Four branches including head office were included for this study namely Head Office, Gandhi, Uriel, and Mexico branches. The total population from these four branches that were targeted for this study is 98,564 customers.

3.5. Sampling Technique

The researcher used non probability sampling because it's difficult to manage and communicate with all final consumers. Non probability sampling approach is used when every member or individual has no equal chance of being present in a sample. Among none probability sampling approach accidental (convenience) sampling technique is used. convenient sampling technique to select sample respondents. The reason of applying convenient sampling technique is the population of the study is large and it is impossible to include every individual and their convenient accessibility and proximity of customer to the researcher while gathering data.

3.6. Sample Size

The process of selecting a smaller group of people that have basically the same characteristics and preferences as the total group from which it is drawn is called sampling (Bruce, 2002).

The total sample size was determined by using the following sample size determination formula developed by Taro Yamane (1967).

Yamane's formula (1967:886) is used to calculate sample size of the population. The study used 95% confidence interval with 5% deviation factor.

Yamane's Formula *Where:*

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

N = size of population =98,564.00

n = the sample size=398

e = the level of accuracy (e = 0.05 which is 95% of level of confidence)

Given the above formula, the total sample size from the total number of Addis International Bank customers at the four Addis Ababa branches was calculated as follow.

$$n = \frac{98,564.00}{1 + \sqrt{98,564.00(0.05)^2}}$$

$$n = \frac{98,564.00}{1 + 98,564.00 * 0.0025}$$

$$n = \frac{98,564.00}{247.41}$$

$$\underline{n=398}$$

After the total sample size is determined the researcher proceeded to allocating the total number of samples proportionately for each branches of Addis International Bank at Addis Ababa based on their respective total number of customers by using the following formula.

Where; n = total number of samples 398

N= total number of customers from each branch

N1= total number of customers at each Branch

n1= sample size at each branch

$$n1 = \frac{N1}{N * n}$$

$$N * n$$

Based on the above formula the total samples proportionally allocate for each branches of Addis International Bank at Addis Ababa based on their respective total number of customers as follows.

Table 3.1 Sample list at each branch

Branches Name	Total Number of customers from each branches	Sample size at each branch
Head Office	51,158	207
Gandhi	18,953	77
Uriel	16,179	65
Mexico	12,274	49
Total	98,564	398

Source: - from performance of ADIB as January 31 2021

3.7. Type of Data

The study is Quantitative data type. The reason for using Quantitative data type is the study is analyzed by using statistical analysis. Statistical analysis uses mainly quantitative data using appropriate measurement of their variables and it can be measured numerically. In order to know the effect of independent variable on the dependent variable by using statistical approaches, it requires a quantitative type of data. Therefore, to achieve the objective of the study, it uses quantitative type of data.

Quantitative research approach is used to test a hypothesis and theory. So, this study has its own hypothesizes to be tested. In order to test these hypothesizes the study would imply a quantitative research approach.

3.8. Data Source

This study gathered the data from relevant sources, both primary and secondary data was used for collection. The primary data was collected through interview (informal interview) and questionnaires. On the other hand, the secondary data was obtained from the company website, report records and published documentation.

3.8.1. Primary Data Source

The core primary source of data for this study is questionnaire. The main reason of using questionnaire is respondent generating their true feeling or idea without any bias and free from any terror. Because obtaining data through questionnaire doesn't expose the person who give that particular responses.

The questionnaire used to obtain primary data is a standard questionnaire constructed by considering the five dimensions of service quality these are stated on developed by Cronin and Taylor in 1992. SERVPERF). These dimensions are tangibility, reliability, responsiveness, assurance and empathy of the service. Furthermore, customer's perceptions used to assess Customer Satisfaction. The attitude of the respondent on these variables was measured by using five Likert-scales labeled as strongly agree, agree, neutral/ neither agree nor disagree, disagree and strongly disagree.

3.8.2. Secondary Data Source

In order to understand different related literatures conducted in the area secondary data is used for this study. So these secondary data were collected from different published and unpublished documents like different journals, books, previous researches and others were used. In addition to these documents, this study also used publications and reports produced by ADIB. Different web sites which have pervious researches were used as an additional source of secondary data for this study like Addis Ababa university repository.

3.9. Data Collection Instruments and Measurement

In order to obtain realistic information, the study was used mainly the primary data collection method. The study used questionnaire as a primary data collection mechanism. Questionnaires was distributed to the respondents who are the customer of the Addis International Bank of Ethiopia at the head office and selected branches while they receive service, without any discrimination by gender, race, age group, marital status, educational background or professionalisms. The questionnaire was standardized and structured; as the result of this, respondents able to easily understand it.

In order to measure the effect of service quality on customer satisfaction in Addis International Bank ADIB in Addis Ababa; the researcher develops a five Likert scale questionnaire. Where; 1 represents “Strongly Disagree”, 2 represents “Disagree”, 3 represents “Neutral”, 4 represents “Agree” and 5 represents “Strongly Agree.” The questionnaire has three sections to cover the general characteristics of the respondents, dependent and independent variables of the study. The first part contains six (6) elements which are the details demographic information of the respondents like age, gender, educational level, for how long the respondents have been a customer of the bank, type of account, and type of service. The second part contains service quality variables i.e. Tangibility, Reliability and Responsiveness which have four elements each to measure them, Assurance has three elements to measure it and Empathy has five elements to measure it. The Third part contains variables for Customer satisfaction; has five elements to measure the level of customer satisfactions.

3.10. Method of Data Analysis and Presentation

Next the needed data was gathered through the stated data collection methods, the next step was analysis and presenting these data's. For this study Statistical Package for Social Science (SPSS) software version 20 was imply to analyze and present the data by using the statistical tools for this study. These statistical tools were used for this study are descriptive analysis, correlation and multiple regression analysis.

To present a profile of the respondents through tables, frequency distributions and percentages and to identify the mean and standard deviation of service quality dimensions and customer satisfaction a descriptive statistical analysis was imply for this study.

To determine the relationships between service quality dimensions (reliability, empathy, responsiveness, tangibility and assurance) and customer satisfaction this study used Pearson's correlation coefficient. The study used multiple regression analysis to determine the effect of service quality on customer satisfaction.

3.11. Reliability and Validity Test

3.11.1. Reliability Test

Is the degree to which the measure of a construct is consistent or dependable? In other words, if we use this scale to measure the same construct multiple times do we get pretty much the same result every time, assuming the underlying phenomenon is not changing According to (Bhattacharjee, 2012).

Internal consistency reliability is a measure of consistency between different items of the same construct (Bhattacharjee, 2012) since, the study used a multiple item measurement scale internal consistency method is applied to the study.

The researcher was checked the reliability of the questionnaires by using Alpha reliability with Cronbach's alpha. Alpha reliability used for measuring internal consistency of the mean of the items at the time of administration of the questionnaire.

This coefficient can hold a value of 0 to 1. The result of 0.7 and above implies an acceptable level of internal reliability of items When the coefficient is below 0.6, the scale has poor reliability (Zikmund et al, 2010).

Table 3.2 Reliability statistics test of Service quality dimensions' items.

Factors	No. of items	Cronbach's Alpha
Tangibility	4	0.704
Reliability	4	0.797
Responsiveness	4	0.796
Assurance	3	0.792
Empathy	5	0.842
Customer satisfaction	5	0.857

Source: Own survey, 2021

The overall reliability

Table 3.2.1 The Cronbach's alpha value of the independent variables and the dependent variable

Cronbach's Alpha	N of Items
0.93	25

Source: Own survey, 2021

The alpha coefficient for Tangibility dimension for ADIB is 0.704. All the five dimensions have good degree of reliability. The alpha coefficient for reliability dimension is good which is 0.797 the alpha coefficient for responsiveness dimension is 0.796 which shows reliable. The alpha coefficients for assurance and empathy dimensions show a very good reliability which is 0.792 and 0.842 respectively and The alpha coefficients for Customer satisfaction show a very good reliability which is 0.857.

The above table 3.2 shows that, the Cronbach's Alpha of each factor was found between 0.704 and 0.857. Which implies that all items which are found in each factor are at an acceptable level of internal reliability. Checking the reliability test by taking all the service quality dimensions together gives us the more reliable alpha coefficient which is 0.930. This means that the dimensions used to measure the service quality for this study are very consistent.

3.11.2. Validity Test

Validity often called construct validity refers to the extent to which a measure adequately represents the underlying construct that it is supposed to measure Bhattacharjee (2012). Validity was tested to measure the ability of items to address the concept of each service quality dimensions which are used for this study. Questionnaire used for this study initially developed by Parasuraman, et al. (1988) Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality and they check the validity of each item. And also the study adopt questionnaire from former study that checked the validity of the questionnaire. In addition to this, the researcher checked the validity of the questionnaire with a person who has specialized in the area of service quality and customer satisfaction.

3.12. Ethical Consideration

To preserve the ethical value of the organization, the researcher used information's that were gathered from the organization that is kept confidentially and used for this study only. To declared the secrecy of information obtained from customers/respondents, the researcher clearly instructing them not to write their name on the questionnaire while they give their response and clearly state the objective of the study and purpose of their response is only for this study objective.

CHAPTER FOUR

4. DATA INTERPRETATION, ANALYSIS AND DISCUSSION

4.1. Introduction

In this chapter the collected data is analyzed and interpreted; the analyzed and interpreted data is presented and discussed. It includes the response rate of the distributed questioner, background of the respondent through frequency distribution and percentage, descriptive statistical analysis of service quality dimensions and customer satisfaction to know the level of satisfaction, correlation analysis to show the relationship between the dependent variable and independent variable (customer satisfaction as a dependent variable and service quality dimensions as an independent variable) and multiple regression analysis to determine the effect of service quality on customer satisfaction by using SPSS statistic version 20.

4.2. Response rate

For this study three hundred ninety-eight (398) questionnaires were distributed for the customer of Addis International Bank S.C. (AdIB) at Addis Ababa and four branches and including head office by using convenient sampling mechanism. So, out of 398 questioners three hundred eighty-nine (389) (97.7%) are collected. But eight (8) (2%) have been rejected because they were not filled appropriately or they were incomplete questionnaires and the remaining nine (9) (2.3%) were uncollected questionnaires. Therefore, three hundred eighty-one (381) (95.7 %) questionnaires were implied for this study.

Table 4.1 Response rate of questionnaires by respondents

Questionnaires	Frequency of the respondents	Valid Percent
Collected and used	381	95.7%
Collected but rejected	8	2%
Uncollected	9	2.3%
Total distributed	398	100%

Source: Own survey, 2021

4.3. Background information of the respondent

To find the general profile information of the customer of Addis International Bank S.C. (AdIB) at Addis Ababa and four branches the respondents were asked about their gender, age, educational level, how long they have been a customer of Addis International Bank S.C. (AdIB) at Addis Ababa and four branches and type of account they do have.

Table 4.2. Background information of the respondent

Gender	Background of The Respondent	Frequency	Percent	Valid Percent %	Cumulative Percent
	Male	225	59.1	59.1	59.1
	Female	156	40.9	40.9	100
	Total	381	100	100	
Age of the respondent	18-30	322	84.5	84.5	84.5
	31-40	40	10.5	10.5	95
	41-50	11	2.9	2.9	97.9
	51-60	4	1	1	99
	Above	4	1	1	99
	Total	381	100	100	
Educational of the respondent	primary school	11	2.9	2.9	2.9
	high school	39	10.2	10.2	13.1
	Certificate	17	4.5	4.5	17.6
	Diploma	110	28.9	28.9	46.5
	First degree and Above	204	53.5	53.5	100
	Total	381	100	100	
How long the respondent is the customer of the bank	Less than one Year	37	9.7	9.7	9.7
	1-3 years	160	42	42	51.7
	4-6 years	115	30.2	30.2	81.9
	7-9 years	38	10	10	91.9
	10 and above	31	8.1	8.1	100
	Total	381	100	100	
Type of account	saving account	306	80.3	80.3	80.3
	current account	41	10.8	10.8	91.1
	fixed account	9	2.4	2.4	93.4
	Interest free account	25	6.6	6.6	100
	Total	381	100	100	
Purpose of The customer	To deposit money	161	42.1	42.1	42.2
	To withdraw money	149	39.1	39.1	81.1
	To transfer money	29	7.61	7.61	88.71
	To open new account	42	11.02	11.02	100
	Total	381	100	100	

Source: Own survey, 2021

The result of gender shows that 59.1 % (225) of the respondents were male and 40.9% (156) of the respondents were female. It implies that the male customers are higher than female customer. Age of the respondent's result shows that 84.5% were found from 18 to 30 years old, whereas 10% (40) and 2.9% (11) of the respondents were found between 31 and 40 years and from 41 up to 50 years' old respectively. The remaining of 1% (4) and 1% (4) respondents were found their age from 51 years old up to 60 years old and above 60 years old respectively. So, majority of the customer of the bank were found their age up to 30 years old. The educational level of the respondent show that 53.5% (204) first degree and above. Whereas 28.9% (110) diploma and 10.2% (39) high school graduates. And the remaining 4.5% (17) and 2.9% (11) certificate and primary level schooling. Therefore, majority of the customer of the bank had degree and above. The length of time that respondents used or has been a customer of range from one year up to three years, 30.2 % or 115 range from four years up to six years and 10% or 38 of range from seven years up to nine years. Whereas the remaining 9.7% or 37 and 8.1% or 31 of the respondents has been a customer of the bank for less than one year and ten (10) years and above ten years respectively. Regarding to the data presented most of the customer of the bank at Addis International Bank S.C. (AdIB) has been a customer of the bank up to six (6) years.

With regarding to the type of account that the respondents have, majority of the respondents 306 or 80.3% have saving account. The remaining 41 or 10.8%, 25 or 6.6% and 9 or 2.4% of the respondents have current or cheque, interest free and fixed or log period account respectively. Therefore, majority of the customer of Addis International Bank S.C. (AdIB) at Addis Ababa and four branches do have saving account.

majority of the respondents of coming to the bank is 161 or 42.2% were have to deposit money. The remaining 149 or 39.1%, 29 or 7.61% and 42 or 11.02% of the respondents were have to withdraw money, to transfer money and to open new account respectively. Therefore, majority of the customer of Addis International Bank S.C. (AdIB) at Addis Ababa and four branches do have deposit money.

4.4. Descriptive statistics analysis

4.4.1. Analyzing service quality dimensions

For this study SERVEPERF model is used to measure customers' perception about service quality delivered by Addis International Bank S.C. (AdIB). SERVEPERF model is used to measure customer expectation about service quality that the bank provides directly compare their expectation with the actual or perceived service. This model contains 20 questions to describe the five service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy. In order to measure the quality of service provided by the bank five point Likert scale was used with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. But, while making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear. 1-1.8= Strongly Disagree, 1.81-2.6 = Disagree, 2.61 – 3.4= Neutral, 3.41 –4.20= Agree and 4.21 –5 = Strongly Agree (Best, 1977, as cited by Yonas, 2013). In order to measure the result of customer perception about the quality of service provided by Addis International Bank S.C. (AdIB); mean, standard deviation, mode frequency and percentage of each question about each service quality dimensions are computed as follows.

4.4.1.1. Tangibility

Tangibility is pertaining to the physical facilities, equipment, personnel and communication materials. In order to measure the perception of customer about tangibility four questions were asked to the respondents. From the questions which were asked to the respondent's staffs of the branch at the front line position are well dressed and appear neat had a high mean score 4.26 with 0.904 standard deviation. The branch has office at convenient location to its customer had the second mean score 3.93 with 1.110 standard deviation. The others remaining questions the branch has up to date equipment's and the branch facilities are visually attractive had 3.55 and 3.48 mean score respectively. Accordingly, the overall mean score of tangibility shows that 3.81 with the standard deviation 0.797 which means that most of the respondents were

satisfied regarding to the overall physical appearance of employee, facilities and equipment associated with services provided by the bank.

Table 4.3, Mean and Standard Deviation Score for tangibility

Score for tangibility		The branch has up to date equipment's	The branch facilities are Visually Attractive	The branch has office at convenient location to its customer	Staffs of the branch at the front line position are well dressed and appear neat.	Tangibility
N	Valid	381	381	381	381	381
	Missing	0	0	0	0	0
Mean		3.55	3.48	3.93	4.26	3.81
Std. Deviation		1.157	1.184	1.11	0.904	0.797

Source: Own survey, 2021

4.4.1.2. Reliability

Reliability refers to the capability of delivering the promised service dependably and accurately in a consistent manner. Four questions were forwarded to the respondents in order to know the perception of customers about service reliability which is provided by Addis International Bank S.C. (AdIB). From those question asked to respondents; keep customer record correctly was having the highest mean score which is 3.81 with 1.224 standard deviation followed by provide service at the designed and promised time with 3.48 mean and 1.091 standard deviation scores and the branch inform any failure ahead of time with 3.17 mean and 1.274 standard deviation scores. There is a quality of network enabling the bank provide service as promised and speed service have the lowest mean score which is 2.93 with 1.393 standard deviation. The overall mean score of reliability shows that 3.35 with 0.985 standard deviation. So, most of the respondent was neither dissatisfied nor satisfied regarding to the service reliability.

Table 4.4, Mean and Standard Deviation Score for reliability

Score for reliability		There is a quality of network and speed service enabling the bank provide service as Promised	keep customer record correctly	provide service at the designed and promised time	the branch inform any failure ahead of time	Reliability
N	Valid	381	381	381	381	381
	Missing	0	0	0	0	0
Mean		2.93	3.81	3.48	3.17	3.35
Std. Deviation		1.393	1.091	1.224	1.274	0.985

Source: Own survey, 2021

4.4.1.3. Responsiveness

Responsiveness concerns about the readiness and voluntariness to support customers, serve quickly and on time or punctually. Regarding to responsiveness four questions was asked the respondents to understand the filing of customer about service responsiveness which is delivered by Addis International Bank S.C. (AdIB). Accordingly, employees are never busy to respond to customer request have the highest mean score which is 3.73 with 1.130 standard deviation followed by employee's willingness to help customers with the mean value of 3.67, employees provide punctual service with mean value of 3.62 and employees give quick response when ether is problem with 3.53 mean score The overall mean score of responsiveness was 3.64 with standard deviation 0.941. It implies that most of the respondents were almost satisfied about the presence of service responsiveness.

Table 4.5, Mean and Standard Deviation Score for Responsiveness

Score for Responsiveness		Employees provide punctual Service	Employees willingness to help customers	Employees are never busy to respond to request customer	Employees give quick response when ether is problem	Responsiveness
N	Valid	381	381	381	381	381
	Missing	0	0	0	0	0
Mean		3.62	3.67	3.73	3.53	3.64
	Std. Deviation	1.225	1.169	1.13	1.249	0.941

Source: Own survey, 2021

4.4.1.4. Assurance

Assurance refers to the knowledge and polite behavior of employees and their ability to convey trust and secret. So, to understand the perception of customer three questions were asked to the respondents. From these questions the staffs of Addis International Bank S.C. (AdIB. have adequate knowledge to serve customer have the highest mean score from this dimension which is 3.78; it implies that majority of the respondents agreed about the adequate knowledge of the staffs of the bank to serve customers. Next to this customer can trust the staff because of their personal behavior with the mean score is 3.68 have higher mean than the polite behavior of the staff with the mean score is 3.66 which is has the lowest mean score in this dimension. The overall mean score of assurance is 3.71 which mean that majority of the respondents were satisfied about the knowledge and polite behavior of employees and their ability to convey trust and secret.

Table 4.6, Mean and Standard Deviation Score for Assurance

Score for Assurance		personal behavior of the staffs are excellent that the customer Can trust	staffs are polite	staffs have adequate knowledge to serve customer	Assurance
N	Valid	381	381	381	381
	Missing	0	0	0	0
Mean		3.68	3.66	3.78	3.71
Std. Deviation		1.173	1.127	1.09	0.95

Source: Own survey, 2021

4.4.1.5. Empathy

Empathy is the ability to understanding customers feeling, caring and individual attention the firm provides its customers. It contains five questions used to assess the ability of staffs to understanding customers feeling, caring and individual attention the firm provides its customers.

According to the following table 4.10 the overall mean score of empathy was 3.49; which implies that most of the respondents were neither dissatisfied nor satisfied with the ability of staffs to understanding customers feeling, caring and individual attention to customers (service empathy). From this dimension of service quality, the staffs give customers individual attention have the highest mean value which is 3.69 followed by the working hour of the bank is convenient for all customer, the bank and its employees give do consideration for customer's property staffs give orientation about the new service and the cost related with the service and with the mean value 3.3.6, 3.49 and 3.43 respectively. The staffs know about the specific needs of the customer have the least mean score is 3.25.

Table 4.7, Mean and Standard Deviation Score for empathy

Score for empathy		The staff Know what customers specific needs are	Staffs are give customers individual attention	The bank and its employees give do Consideration for customer property its employees	Staffs give orientation about the new service and the cost related with the service	The bank has convenient working hours to all its customers	Empathy
N	Valid	381	381	381	381	381	381
	Missing	0	0	0	0	0	0
Mean		3.25	3.69	3.49	3.43	3.6	3.49
Std.Deviation		1.234	1.112	1.187	1.266	1.324	0.961

Source: Own survey, 2021

To summarized all the above points, tangibility has the highest mean value of 3.81, it implies that customer's satisfaction arises from the dimension of service quality is tangibility followed by assurance with the mean value of 3.71, responsiveness with the mean of 3.64, empathy with the mean of 3.49 and reliability have the least mean value which is 3.35. Regarding to this it is concluded that the service provide by Addis International Bank S.C. (AdIB) is somewhat quality of service.

According to the study of Quyet, Vinh and Chang (2015), Tangibility had the greatest satisfaction and Reliability had the last satisfaction. The result of this study is consistent with this study.

Table 4.8, Mean and standard deviation of service quality dimensions

Score of service quality dimensions		Tangibility	Reliability	Responsiveness	Assurance	Empathy
N	Valid	381	381	381	381	381
	Missing	0	0	0	0	0
Mean		3.81	3.35	3.64	3.71	3.49
Std. Deviation		0.797	0.985	0.941	0.95	0.961

Source: Own survey, 2021

4.4.2. Analyzing customer satisfaction

The following table 4.13 pertains that the level of customer satisfaction about the security of the bank service, the respectful behavior of the bank staffs, the communicative ability of the employee of the bank, the performance of the employee of the bank and the various range of service of Addis International Bank S.C. (AdIB). According to the data presented on the following table 4.13 indicate that customers almost satisfied with the security of the bank services relatively to the remaining factors with the mean value 3.65. The others factor's mean values range between 3.45 and 3.57. Therefore, majority of the customers are satisfied with respectful behavior of the bank staffs, the communicative ability of the employee of the bank, the performance of the employee of the bank and various range of service of Addis International Bank S.C. (AdIB). The overall mean result of customer satisfaction is 3.52 which implies that majority of the customers are satisfied by the service provided by the bank.

The finding of Endalkachew (2013) conducted on Assessing the effect of Core Banking and service quality on Customer Satisfaction in Addis International Bank S.C. (AdIB) (A case of Bishofftu Branch) shows that, 85% of the customer are satisfied with the various rang of service of Addis International Bank S.C. (AdIB) at Bishofftu branch.

The finding of betelhem (2015) conducted on the effect of service quality on customer satisfaction the case of Addis International Bank S.C. (AdIB) showed that, customers don't satisfy with the overall service provided by the bank.

Table 4.9, mean and standard deviation of customer satisfaction

Score of customer satisfaction		I am satisfied with the security of the bank services.	I am satisfied with respectful behavior of the bank staffs	I am Satisfied with the communicative ability of the Employee of the bank	I am satisfied with the performance employee of the bank	I am satisfied with various rang of service of AdIB	Customer satisfaction
N	Valid	381	381	381	381	380	381
	Missing	0	0	0	0	1	0
Mean		3.65	3.45	3.48	3.57	3.45	3.52
Std. Deviation		1.201	1.177	1.155	1.118	1.291	0.951

Source: Own survey, 2021

4.5. Correlation analysis between service quality dimensions and customer satisfaction

Correlation analysis is measuring or indicating the leaner relationship and measure the strength of the association between two variables. The coefficient of correlation founds between -1 and 1. If the correlation coefficient of two variables is 1, these variables will have a positive relationship. And also the correlation coefficient approaches to positive one there is a strong relationship among the two variables. In other way the correlation coefficient is -1 show that the two variables have a negative relationship. And the correlation coefficient approaches to -1 there is a strong negative relationship among them. If there is no a relationship between the two variables, the correlation coefficient will be equal to zero (0) (Berndt et. al. 2005).

The correlation coefficient lie between 0.1 and 0.29 the relationship between two variables are weak or non-existent. When the relationship between two variables moderate, the correlation coefficient found between 0.3 and 0.49 and the correlation coefficient of the two variables is more than 0.5 there is a strong relationship among them (Ibid).

For this study Pearson correlation coefficient was used to study the relationship between service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy and customer satisfaction. The following table show that the Pearson Correlation on the relationship between service quality dimensions and customer satisfaction.

Table 4.10, Pearson correlation on the relationship between service quality dimension and customer satisfaction

Pearson correlation on the relationship between service quality dimension and customer satisfaction		Customer satisfaction
Tangibility	Pearson Correlation	.560 ^{**}
	Sig. (2-tailed)	0
	N	381
Reliability	Pearson Correlation	.661 ^{**}
	Sig. (2-tailed)	0
	N	381
Responsiveness	Pearson Correlation	.643 ^{**}
	Sig. (2-tailed)	0
	N	381
Assurance	Pearson Correlation	.603 ^{**}
	Sig. (2-tailed)	0
	N	381
Empathy	Pearson Correlation	.727 ^{**}
	Sig. (2-tailed)	0
	N	381

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

Source: output of SPSS from Own survey data, 2021

Regarding to the above table 4.14 all of the five service quality dimensions has a strong statistical or significant positive relationship with customer satisfaction at the p-value 0.000 which is less than the significant level 0.01 (1%). Among them empathy have the strongest relationship with correlation coefficient of 0.727 followed by reliability with coefficient of 0.661, responsiveness 0.643 and assurance 0.603. Tangibility has the weakest relationship with customer satisfaction relatively to the other for dimensions at the Pearson correlation coefficient 0.560.

If there is a positive relationship between two variables indicates; if one variable increases, the other variable increases. Therefore, based on the above discussion service quality

dimensions and customer satisfaction have a strong positive correlation. So, offering a better quality of service enhancing customer satisfaction.

The finding of meron (2015) conducted on effect of Service Quality on Customer Satisfaction: The Case of Bank of Abyssinia S.C and the result show that, assurance is highly correlated to satisfaction (0.606) followed by responsiveness (0.585), reliability (0.512), and tangibility (0.501) and empathy (0.487). It was inconsistent with this study.

4.6. Regression analysis

Regression analysis is a statistical measurement of the relationship between the two or more variables by showing the change of response variable (dependent variable) as a result of per unit change of the predictor (independent variable). In other word regression model is the process of estimating the value of dependent variable while the independent variable changed by per unit (sekar and bougie, 2010).

In this study, regression analyses used to see what the dependent variable (customer satisfaction) is as a result of change occur on the independent variable (service quality dimension namely, tangibility, reliability, responsiveness, assurance and empathy).

4.6.1. Assumption of regression analysis

4.6.1.1. Multi-collinearity test

While computing a multiple regression, testing Multi-collinearity between the independent variables is necessary. Multi-collinearity test is to measure the closely correlation of independent variables each other. Multi-collinearity of the variables is test by using the tolerance statistics and variance inflation factor (VIF). If the tolerance statistics is below 0.1(10%), there will be multi collinearity problem. And also the value of VIF of variables are more than 10, there will be multi collinearity problem.

Regarding to the following table 4.15, all variables VIF was below 10 and the tolerance statistics was more than 0.1 (10%). So, there is no a multi-collinearity problem or there is no closely correlation among the predictors.

Table 4.11, Collinearity Statistics of the predictors

Model	Collinearity Statistics	
	Tolerance	VIF
Tangibility	0.528	1.893
Reliability	0.345	2.899
Responsiveness	0.293	3.409
Assurance	0.375	2.663
Empathy	0.321	3.115

a. Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

4.6.1.2 Test of Normality

Normality test is used to determine whether the sample data drawn from the normal distributed population or not. Simply it shows the population distribution is normally distributed or not. The study used both methods of assessing normality. This can be checked by histogram and Normal Probability Plot (P-P) graph.

In the Normal Probability Plot it is hoped that points are lie in a reasonably straight diagonal line from bottom left to top right. This would suggest that there is a normal population distribution. And also Histogram should be approximately normal or it must be bell shaped distribution. The following figure 4.1a shows that the population distribution was normally distributed. Because all plotted points lie near to the straight diagonal line from bottom left to top right. And also figure 4.1b shows similarly the distribution of population was normal. Because the curve is bell curve and the histogram shows that the population is normally distributed.

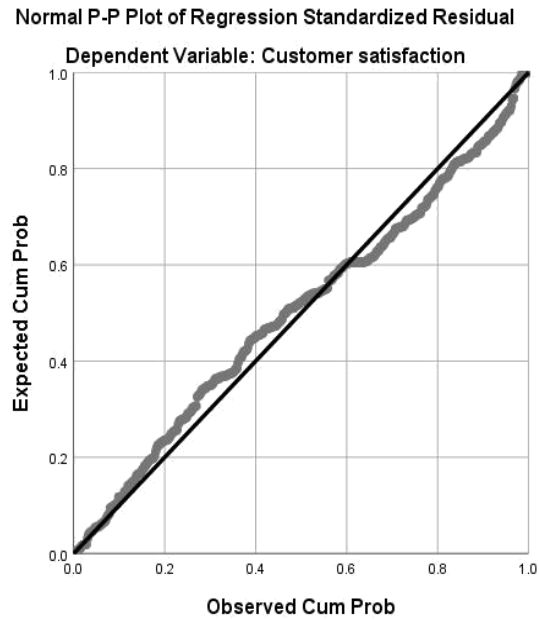


Fig 4.1a, Probability Plot (P-P) graph shows the normal distribution of population

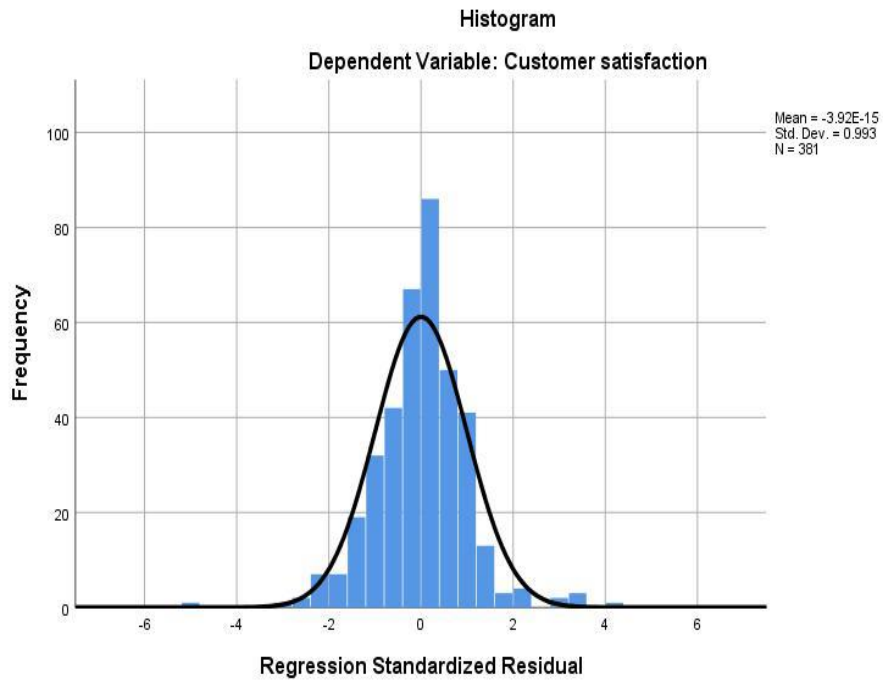


Fig 4.1b, histogram that shows the normal distribution of population

4.6.1.3. Linearity

Linearity is the relationship between the dependent and independent variable should be linear with respect to their parameter, this can be checked by the scatter plot of dependent variable versus standardize predicted. In other word, Linearity means that the predictor variables in the regression have a straight-line relationship with the outcome variable.If the residuals are normally distributed and homoscedastic, we don't have to worry about linearity.

4.6.1.4. Homoscedastic

Homoscedasticity is an assumption of regression analysis used to test whether residuals are equally distributed, or whether they tend to bunch together at some values, and at other values, spread far apart. In the context of *t*-tests and ANOVAs, you may hear this same concept referred to as equality of variances or homogeneity of variances. Your data is homoscedastic if it looks somewhat like a shotgun blast of randomly distributed data. The opposite of homoscedasticity is heteroscedasticity, where you might find a cone or fan shape in your data. You check this assumption by plotting the predicted values and residuals on a scatterplot (Ibid).

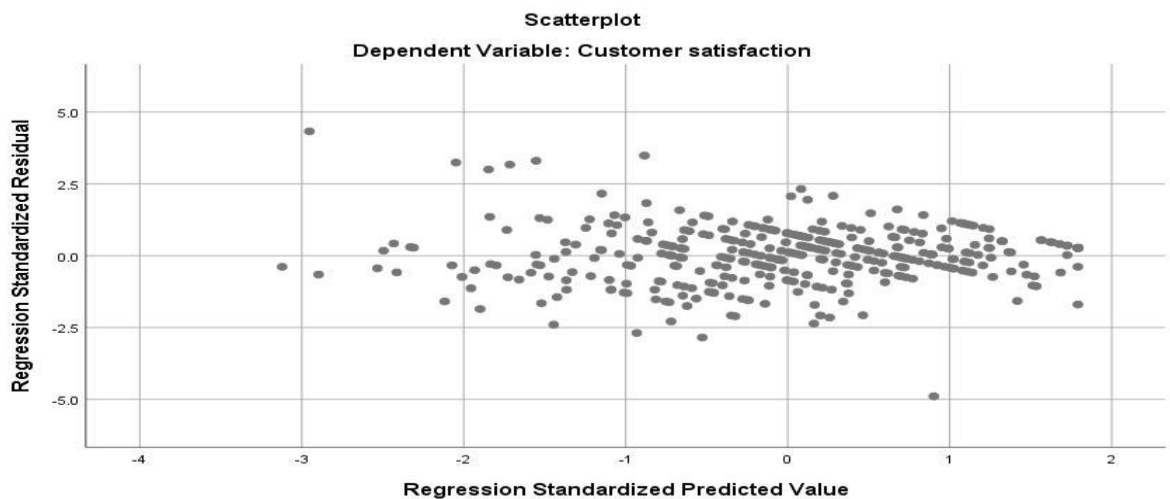


Fig. 4.2, Fig. 4.2, Homoscedasticity assumption checked by regression

4.6.2. Simple regression analysis

Simple regression analysis is a statistical model that shows the relationship between two variables which are one is the dependent and the other on is independent or the predictor of dependent variable (sekaran and bougie, 2010).To achieve the objective, answer the research question and test the hypothesis of this study, simple regression was used for each service quality dimensions.

4.6.2.1. Regression analysis of tangibility and customer satisfaction

As the result of regression analysis of tangibility and customer satisfaction shows, tangibility can explain the variation of customer satisfaction. On the below table 4.12, the result of R^2 which is 0.314 show that 31.4% of the variation of customer satisfaction explained by tangibility.

Table 4.12, Model Summary of Tangibility

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.560 ^a	0.314	0.312	0.788

a. Predictors: (Constant), Tangibility

Source: Regression output of SPSS from Own survey data, 2021

The value of regression coefficient represents that the rate of change of the dependent variable as a result of one unit change of the predictor or independent variable. It is important to know the contribution or effect of the independent variable on the dependent variable.

The following regression coefficient table 4.13 pertain that; the contribution and effect of tangibility on the customer satisfaction. So, the beta (β) value of tangibility on the following coefficient table shows that how strongly tangibility has effect on customer satisfaction. Thus the beta value of tangibility is 0.669 which implies that tangibility increases by one unit leads to customer satisfaction will increased by 0.669 other things remain constant. So, the bank more works on the physical appearance of materials and workers able to enhance customer satisfaction. Hence all of the above discussion leads to answer the second research question that was; does tangibility has an effect on customer satisfaction in Addis International Bank S.C. (AdIB)at Addis Ababa branches? Or accepting the first hypothesis that was; tangibility has a positive effect on customer satisfaction.

Table 4.13, coefficient table of tangibility

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	0.979	0.197		4.963	0
	Tangibility	0.669	0.051	0.56	13.173	0

a. Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

4.6.2.2. Regression analysis of reliability and customer satisfaction

As the result of the output of regression analysis of reliability and customer satisfaction pertain that reliability can explain the variation of customer satisfaction. The R square on the regression table represents the level of effect or contribution of predictor or independent variable on the variation of response or dependent variable. The table 4.14 below exhibits that the contribution of reliability on the variation of customer satisfaction. The result of R square is 0.436 implies that 43.6% of the variation of customer satisfaction explained by reliability.

Table 4.14, Model Summary of reliability

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.661 ^a	0.436	0.435	0.715

a. Predictors: (Constant), Reliability

Source: Regression output of SPSS from Own survey data, 2021

The beta value of the predictor variable on the regression model represents that the rate of change of the response or dependent variable as the result of the change of independent variable per unit. The following coefficient table 4.15 show that the rate of customer satisfaction changes due to reliability changes by a unit. The beta value of reliability is 0.637 which implies that, if reliability changes by one unit, customer satisfaction will change by 0.637. So, the effect of reliability on customer satisfaction is positive and significant at $p=0.000$. Hence it leads to accept the second hypothesis that is reliability has a positive effect on customer satisfaction. And also answering a third research question that was does reliability have an effect on customer satisfaction in c? The answer is; yes, it has appositve and significant effect on customer satisfaction in Addis International Bank S.C. (AdIB) at Addis Ababa branches at p-value of 0.000.

Table 4.15, coefficient table of reliability

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta		
1	(Constant)	1.391	0.13		10.718	0
	Reliability	0.637	0.037	0.661	17.126	0

a. Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

4.6.2.3. Regression analysis of responsiveness and customer satisfaction

From the regression analysis of responsiveness and customer satisfaction, we can see that responsiveness able to explain the variation of customer satisfaction. The value of R square show that the how much the dependent variable explained by the independent variable while other variable while there variable remain constant so R square value of responsiveness is 0.414 or 41.4% as shown on the below table 4.16. It means that 41.4% of the variation of customer satisfaction explained by responsiveness other things being constant

Table 4.16, Model Summary of responsiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.643 ^a	0.414	0.412	0.729

a. Predictors: (Constant), Responsiveness

Source: Regression output of SPSS from Own survey data, 2021

The beta coefficient represents the rate of change of dependent variable while the predictor changed by a unit. The beta coefficient of responsiveness is 0.650 from the following coefficients table of responsiveness. It pertains that responsiveness have a positive and significant effect on customer satisfaction at $p=0.000$. Therefore, if responsiveness increases by one unit, customer satisfaction will be increased by 0.650 other things remain constant. It effects that the more bank work on increasing the readiness and voluntariness of its employee to support customers, serve quickly the more customer satisfaction. So, the researcher able to accept the third hypothesis and answer the fourth research question that was, responsiveness has a positive effect on customer satisfaction and does responsiveness have an effect on customer satisfaction in Addis International Bank S.C. (AdIB) at Addis Ababa branches respectively.

Table 4.17, Coefficients table of responsiveness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.159	0.149		7.76	0
	Responsiveness	0.65	0.04	0.643	16.348	0

a. Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

4.6.2.4. Regression analysis of assurance and customer satisfaction

The regression analysis of assurance and customer satisfaction shows; assurance also can explain the variation of customer satisfaction. On the below table 4.18, the result shows that; 36.4% ($R^2=0.364$) of the variation of customer satisfaction explained by assurance.

Table 4.18, Model Summary Assurance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603 ^a	0.364	0.362	0.759

a. Predictors: (Constant), Assurance

Source: Regression output of SPSS from Own survey data, 2021

The beta value of the predictor variable on the regression model represents that the rate of change of the response or dependent variable as the result of the change of independent variable per unit. The following coefficient table 4.23 show that the rate of customer satisfaction changes as a result of assurance changed by a unit. The beta value of assurance is 0.603 which implies that, if assurance changes by one unit, customer satisfaction will have changed by 0.603. So, assurance has a positive and significant effect on customer satisfaction at $p=0.000$. This leads to the researcher was able to accept the fourth hypothesis that is; assurance has a positive effect on customer satisfaction. And also answering a fifth research question that was; does assurance have an effect on customer satisfaction in Addis International Bank S.C. (AdIB) at Addis Ababa branches?

Table 4.19, Coefficients of assurance

Model		Unstandardized		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.286	0.157		8.203	0
	Assurance	0.603	0.041	0.603	14.726	0

a. Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

4.6.2.5. Regression analysis of empathy and customer satisfaction

As the result of the output of regression analysis of empathy and customer satisfaction pertains that, empathy can explain the variation of customer satisfaction. The R square on the regression table represents the level of effect or contribution of predictor or independent variable on the variation of response or dependent variable. As below the table 4.20, the result of R square is 0.529 implies that 52.9% of the variation of customer satisfaction explained by empathy other variables remain constant.

Table 4.20, Model Summary of Empathy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.727 ^a	0.529	0.527	0.654

a. Predictors: (Constant), Empathy

Source: Regression output of SPSS from Own survey data, 2021

The beta coefficient of the predictor represents that the rate of change of dependent variable while the predictor changed by a unit. The beta coefficient of empathy is 0.720 from the following coefficients table of responsiveness. It pertains that responsiveness have a positive and significant effect on customer satisfaction at $p=0.000$. Therefore, customer satisfaction increased by 0.720 due to empathy increases by one unit while other things remain constant. It effects that the more bank work on increasing the ability of its employee to understanding customers feeling, caring and individual attention the more customer satisfaction. Therefore, the researcher was accepting the fifth hypothesis and answer the sixth research question that was, empathy has a positive effect on customer satisfaction and does empathy have an effect on customer satisfaction in Addis International Bank S.C. (AdIB) at Addis Ababa branches respectively.

Table 4.21, Coefficients of Empathy

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.013	0.126		8.018	0
	Empathy	0.72	0.035	0.727	20.619	0

a. Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

4.6.2. Multiple regression analysis

Multiple regression analysis is a form of statistical analysis that seeks the equation representing the effect of two or more independent variables on a single dependent variable. Multiple regression analysis is a statistical model used to analysis or figure out the extent of the effect of two or more independent variables on a single dependent variable. More precisely, multiple regressions able to show how the value of dependent variable changes as the value of two or more independent variables is changed (Babbie, 2013).

For this study, multiple regression analysis was used to determine the strength of the relationship between the overall service quality dimensions those are contracted on the conceptual framework and customer satisfaction.

4.6.2.1. Multiple Regression Analysis of overall service quality dimensions and customer satisfaction

From the multiple regression analysis of the overall service quality dimensions (independent variables) and customer satisfaction (dependent variable), the model summery revealed that 59.9% ($R^2=0.599$) of the variation of customer satisfaction explained by the overall service quality dimensions which are developed in the conceptual framework (Tangibility, Reliability, Responsiveness, Assurance, Empathy). Therefore, service quality dimensions have a positive effect on customer satisfaction.

Table 4.22, Model Summary of service quality dimensions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.774 ^a	0.599	0.593	0.606

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

Source: Regression output of SPSS from Own survey data, 2021

The following ANOVA table demonstrate that the good fitness of the model. More precisely, ANOVA table shows that the significance of the regression model. So, the following ANOVA table infers that the model is significant or good fit at F (5, 375) 111.921, p =0.000. So, the result leads to accept the sixth hypothesis „„Service quality has a positive effect on customer satisfaction““. And also, this answer the first research question that is; does service quality has an effect on customer satisfaction in banking service and what kind of effect in Addis International Bank S.C. (AdIB) at Addis Ababa branches?

Table 4.23, ANOVA of service quality dimensions and customer satisfaction

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	205.634	5	41.127	111.921	.000 ^b
	Residual	137.798	375	0.367		
	Total	343.433	380			

a. Dependent Variable: Customer satisfaction

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

Source: Regression output of SPSS from Own survey data, 2021

Table 4.24, Coefficients of service quality dimensions on customer satisfaction

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.264	0.168		1.571	0.117
	Tangibility	0.155	0.054	0.13	2.886	0.004
	Reliability	0.199	0.054	0.204	3.719	0
	Responsiveness	0.106	0.059	0.105	1.025	0.006
	Assurance	0.109	0.053	0.108	1.713	0.008
	Empathy	0.416	0.053	0.42	7.917	0

a. Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

The above multiple regression coefficient pertained that the contribution or the effect of each service quality dimensions (independent variables) on the model. The predictor variables which have a higher beta coefficient with the lower p-value ($p < 0.05$) have a significant contribution or effect on the dependent variable. Otherwise, predictor variables which have the small beta coefficient and higher p-value have a little or no effect on the model.

The above table 4.24, indicate that the overall service quality dimensions (tangibility, reliability responsiveness, assurance and empathy) has a positive and significant effect or contribution on customer satisfaction by 0.155, 0.199, 0.106, 0.109 and 0.416 beta value and at $p = 0.004, 0.000, 0.006, 0.008$ and 0.000 respectively.

From the above table of multiple regression coefficients, the following regression equation was developing to predict the level of customer satisfaction due to the listed predictor on this study.

$\beta_1, \beta_2, \beta_3, \beta_4$ and β_5 = the beta coefficient of tangibility, reliability responsiveness, assurance and empathy respectively

x_1, x_2, x_3, x_4 and x_5 = the predictors or independent variables (tangibility, reliability responsiveness, assurance and empathy respectively)

$$Y = a + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5$$

$$Y = 0.264 + 0.155x_1 + 0.199x_2 + 0.106x_3 + 0.109x_4 + 0.416x_5$$

Y = dependent variable (customer satisfaction)

a = constant, if all predictor variables are 0 (zero), the value of dependent variable equals to constant (=0.264)

4.7. Discussion of the result

In this section, the findings of other researchers in the area of service quality and customer satisfaction which have similar variables with this study are mentioned to compare the result with this study.

The descriptive analysis of this study refer to that tangibility have the highest mean value of 3.81, followed by assurance with the mean value of 3.71, responsiveness with the mean of 3.64, empathy with the mean of 3.49 and reliability have the least mean value which is 3.35. Regarding to this the researcher conclude that the service provide by Addis International Bank S.C. (AdIB) is somewhat quality of service.

The result of the research conducted by Dejene (2017) on the tittle “The Effect of Service Quality on Customer Satisfaction” showed that, assurance has the highest mean value of 4.1839, is the dominant service quality dimension that has strong relation with customer satisfaction followed by responsiveness with mean value of 4.1574, empathy 4.0044, reliability 3.7678 and tangibility 3.7459. So, it was incompatible with the result of this study.

Whereas, the multiple regression analysis result of this study demonstrate that, all service quality dimensions have a positive and statistically significant effect on customer satisfaction at 95% of level of confidence ($p < 0.05$). From the model summary of multiple regression, the value of R squared show that 59.9% of the variation of customer satisfaction explained by service quality dimensions the remaining 40.1% explained by other factors which are doesn't included in this study.

A research done by Betelehem (2015) on the impact of service quality on customer satisfaction; the case of commercial bank of Ethiopia the regression analysis result shows that, except empathy all service quality dimensions (tangibility, reliability, responsiveness and assurance) have a positive and statistically significant impact on customer satisfaction and 82.7% of the variation of customer satisfaction explained by service quality.

To conclude that, all the above mentioned studies reviled that; service quality dimensions have a positive and statistical significant relationship with customer satisfaction. After all, the level of contribution of service quality dimensions on customer satisfaction and the dominance service quality dimensions are differing from case to cases/studies to studies.

4.8 Hypothesis Testing

Table 4.25, Hypothesis Testing statistic output and Results

Hypothesis	Statistic β =, $p < 0.05$	Results
H1: Tangibility has a positive effect on customer satisfaction.	$\beta = 0.155, p = 0.004$	Supported
H2: Reliability has a positive effect on customer satisfaction.	$\beta = 0.199, p = 0.000$	Supported
H3: Responsiveness has a positive effect on customer satisfaction.	$\beta = 0.106, p = 0.006$	Supported
H4: Assurance has a positive effect on customer satisfaction.	$\beta = 0.109, p = 0.008$	Supported
H5: Empathy has a positive effect on customer satisfaction.	$\beta = 0.416, p = 0.000$	Supported

Source: Hypothesis output of SPSS from Own survey data, 2021

The above table shows that variables that were tested by correlation statistical tests, which are five dimensions, have strong relationship with customer satisfaction and also there is positive relationship between overall service quality and customer's satisfaction. Therefore, the five hypotheses that assumed earlier to accomplishing study were supported by all dimensions.

CHAPTER FIVE

5. SUMMARY OF THE FINDING, CONCLUSION AND RECOMMENDATION

5.1. Summary of the Finding

This study accompanied on the effect of service quality on customer satisfaction in the case of The study devoted to identify the effect of service quality dimensions (tangibility, reliability responsiveness, assurance and empathy) on customer satisfaction. In order to achieve its objective, this study was used SERVPERF model to measure and know the perception of customer about the performance of service offered by Addis International Bank S.C. (AdIB). This model has five service quality dimensions; and 20 items were containing for all five service quality dimensions used to measure the perception of customer.

The result of the descriptive statistics of this study showed that, tangibility has the highest mean score 3.81 followed by assurance with 3.71 mean score and responsiveness 3.64. This implies that customer of the bank is satisfied with these dimension. But customers neither satisfied nor dissatisfied on empathy and reliability dimensions of service quality with the mean scores of them are 3.49 and 3.35 respectively.

The finding from the correlation analysis indicates all service quality dimensions have a strong positive and statistically significant relationship with customer satisfaction. Among them empathy have the strongest relationship with correlation coefficient of 0.727 followed by reliability with coefficient of 0.661, responsiveness 0.643 and assurance 0.603. Tangibility has the weakest relationship with customer satisfaction relatively to the other for dimensions at the Pearson correlation coefficient 0.560.

The multiple regression analysis result demonstrates that; the overall service quality dimensions have an effect on customer satisfaction. From this result, tangibility, reliability, responsiveness, assurance and empathy has a positive and statistically significant effect on customer satisfaction at $p < 0.05$. From the model summary of multiple regression, the value of R squared show that 59.9% of the variation of customer satisfaction explained by service quality dimensions the remaining 40.1% explained by other factors which are doesn't included in this study.

5.2. Conclusion

This study investigated to point out the effect of service quality on customer satisfaction in the case of Addis International Bank S.C. (AdIB) at Addis Ababa selected branches. Based on the researcher Research Question

- ✓ All service quality dimensions have a strong positive and significant relationship with customer satisfaction. Relatively empathy has the strongest and tangibility has the weakest correlation with effect on customer satisfaction with Pearson Correlation Coefficients 0.727 and 0.560 correlation coefficients respectively.
- Does tangibility have an effect on customer satisfaction in Addis International Bank at the head office and the selected branches?
- ✓ Tangibility has a positive and statistically significant effect on customer satisfaction. It can explain 31.4% of the variation of customer satisfaction.
- Does reliability have an effect on customer satisfaction in Addis International Bank at the head office and the selected branches?
- ✓ Reliability can explain 43.6% of the variation of customer satisfaction and it has a positive and statistically significant effect on customer satisfaction.
- Does responsiveness have an effect on customer satisfaction in Addis International Bank at the head office and the selected branches?
- ✓ Responsiveness and also has a positive and statistically significant effect on customer satisfaction and it can explain 41.4% of the variation of customer satisfaction.
- Does assurance have an effect on customer satisfaction in Addis International Bank at the head office and the selected branches?
- ✓ Assurance has similarly a positive and statistically significant effect on customer satisfaction. And also 36.4% of the variation of customer satisfaction explained by Assurance
- Does empathy have an effect on customer satisfaction in Addis International Bank at head the office and its selected branches?

- ✓ Empathy also has a positive and statistically significant effect on customer satisfaction. And it can explain 52.9% of the variation of customer satisfaction.
- Does service quality have an effect on customer satisfaction in bank issuing service and what kind of effect does it have in Addis International Bank at the head office and the selected branches?
- ✓ The overall service quality dimensions can explain 59.9% of the variation of customer satisfaction. And also the overall service quality dimensions (tangibility, reliability responsiveness, assurance and empathy) have a positive and statistically significant effect on customer satisfaction.

5.3. Recommendation

Service provider organizations work more on customer satisfaction through differentiating their product by provide a better quality of service in order to gain competitive advantage over its competitors. Banking industry is one of the dominant service provider industries in Ethiopia. In the last two decades shows the presence of a tight competition progress among banking organization. Therefore, Addis International Bank S.C. (AdIB). has to work too hard to provide excellent service in order to stay in this strong competition progress era. In order to the bank achieve this, the researcher recommended the following possible recommendation.

- i. The finding of this study shows that, majority of the customer of the bank aged up to 30 years. It implies that, majority customer of the bank is young and productive age group. Therefore, it is better to the bank work more on this age group through segmentation marketing strategy by providing a unique service to handle these customers for long period of time (to be a loyal customer) and pool more others.
- ii. The descriptive statistics result of this study shows that, the mean value of all service quality dimensions are lie between 3.35 and 3.81. This indicates that, most of customers are almost satisfied but still there is unsatisfied customer. More specifically, the mean value of tangibility is 3.81; it implies that still there is unsatisfied customer regarding to tangibility dimension of service quality. So, the bank should have work more on to up to dating its equipment's which are important for delivering service. And the bank should make more visually attractive the branches equipment's and facilities in order to satisfy those unsatisfied customers.

- iii. The mean value of reliability is 3.35. It means that, most of the customers are neither satisfied nor unsatisfied about reliable service. According to *saghier and Nathan, (2013)*, reliability is considered as the vital core of service quality; and also other dimensions will matter to customers only if a service is reliable, because those dimensions cannot compensate for unreliable service delivery. So, the bank should increase the capability of delivering the promised service dependably and accurately; specially solving the problem of disturbance of network because it leads to customers wait more time at waiting moment; due to this, customers becoming dissatisfied. Therefore, the bank should improve the quality of network and provide speed service. And also the bank should be delivering service as promised.
- iv. The mean value of responsiveness is 3.64. It indicates that, customers almost satisfied about the service responsiveness. It doesn't mean that, the responsiveness of service delivered by the bank meet the expectation of customer about service responsiveness. So, the bank better to make more on employees provide punctual service, enabling employees are never busy to respond to customer request and empowering employees to give quick response when ether is a problem and enable employee to ready and voluntary to support customer through adding additional worker and opening additional service counter windows.
- v. From those all five service quality dimensions' empathy has a strongest positive correlation with customer satisfaction than the others but it has the fourth lowest mean score as the result shown on this study. It implies that, there is some change occurs on empathy, there will be large change occurs on customer satisfaction; but the bank doesn't work hardly on this dimension. Therefore, the bank has invested more on employee about the ability to understanding customers feeling, caring and individual attention about its customers via training and different motivational factor which are feasible to the bank.
- vi. The result of this study revealed that, service quality has an effect on customer satisfaction and 59.9% of the variation of customer satisfaction explained by the overall service

quality dimensions (Tangibility, Reliability, Responsiveness, Assurance, Empathy). So, the bank better to give more attention on those service quality dimensions and improve them continuously to deliver better service and able to competent in the market.

5.4. Suggestion for future research

The main focuses of this section is going to give some suggestion for future researcher who is voluntary to conducting on the area of marketing specifically on customer satisfaction and service quality. Therefore, the followings are some suggestions for future researcher on the area.

- This study directly focuses on the effect of service quality in the case of Addis International Bank S.C. (AdIB). So, it was limited in geographical coverage. Due to this, it doesn't able to assess the perception of overall customer of AdIB about the performance service offered by the bank. So, it was suggested for the future researcher, they will try to cover a large geographical coverage to increases the probability of representing the total customer of AdIB.
- It wants to recommend for the future researcher, they will go to see factors that were a bottle neck or challenges for service provider organization to improve service quality/performance of service.
- The result of this study shows that, there is some gap between the expectation of customer and the actual or perceived quality of service offered by the bank. So future researcher will be conduct their study on whether the bank fill this gap of not.
- In addition to this, it was needs to recommend that, coming researcher tends to make a comparison of the perception of customer about the performance of service delivered by two or more firms which are found in similar industry and provide similar service.
- The data of this research is consisted only from Addis Ababa branches customers, so there is limitation of thinking towards the research. Apart of that, it is recommended to develop a research that not only includes outside Addis Ababa branch customers. Since service quality dimensions have significant influence on customer satisfaction, it is important to satisfy customer requests as part of organizational plans in achieving organizational goals

Finally, the coming researcher can study on the effect of service quality on customer satisfaction without banking sector especially on public sectors.

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ANNEXES/APPENDICES (English Questionnaire)

St. Mary's University Graduate studies, questionnaire on “The effect of service quality on customer satisfaction with in Addis International Bank at the head office and the selected branches

Questionnaire for Customers

Dear Respondent, I am currently a student of St. Mary University, and I am doing my MBA thesis. On the effect of service quality on customer's satisfaction; in the case of Addis International bank at head office and selected branch's in Addis Ababa.

The purpose of this questionnaire is to gather data regarding the Service quality and Customer satisfaction in the case of Addis International bank head office and its branch. The study is purely for academic purpose and thus does not affect you in any case. All of your response to the given question would be used for the research and will be kept confidential.

Your frank and timely response is vital for the success of the study. Therefore, researcher kindly requests you to respond to each question carefully.

Thank you in advance for your cooperation and timely response!

Note:

1. No need of writing your name.
2. Where alternative answers are given, encircle your choice and put “√” mark where necessary.
3. Please return the completed questionnaire in time.

Questionnaire to be filled by customer of Addis International Bank at _____Branch

Part I. BACKGROUND OF THE RESPONDENT

1.1. Gender

1.1.2. Male

1.1.3. Female

1.2. Age

1.2.1. 18-30

1.2.4. 51-60

1.2.2. 31-40

1.2.5. Above 60 years' old

1.2.3. 41-50

1.3. Educational level

1.3.1. primary school

1.3.5. First degree and above

1.3.2. high school

1.3.6. other please

1.3.3. Certificate

Specify _____

1.3.4. Diploma

1.4. For how long are you a customer of the bank?

1.4.1. Less than one year

1.4.4. 7-9 years

1.4.2. 1-3 years

1.4.5. Above 10 years

1.4.3. 4-6 years

1.5. Which type of account do you have?

1.5.1. Saving account

1.5.3. Fixed account

1.5.2. current account

1.5.4. Interest free account

1.6. For what purpose have you come to bank?

1.6.1. To deposit money

1.6.2. To withdraw money

1.6.3. To transfer money

1.6.4. To open new account

Part II: SERVICE QUALITY DIMENSIONS QUESTIONNAIRE

Instructions: Please tick the number that you feel most appropriate, using the scale from 1 to 5 (Where 1 = strongly disagree, 2 = disagree, 3 = Neutral (neither agree nor disagree), 4 = agree and 5 = strongly agree).

Quality dimensions	Strongly disagree	Disagreed	Neutral	Agree	Strongly agree
	1	2	3	4	5
1. Tangibility					
1.1.The branch has up to date equipment's					
1.2.The branch facilities are visually attractive					
1.3. The branch has office at convenient location to its customer					
1.4. Staffs of the branch at the front line position are well dressed and appear neat.					
2. Reliability					
2.1. Quality of network and speed service that enable proved service as promised					
2.2.Keep customer record correctly					
2.3. Provide service at the designed and promised Time					
2.4.The branch inform any failure ahead of time					
3. Responsiveness					
3.1.Employees provide punctual service					
3.2. Employees willingness to help customers					
3.3. Employees are never busy to respond to customer request					
3.4. Employees give quick response when ether is problem					
4. Assurance					

4.1. Personal behavior of the staffs is excellent that the customer Can trust					
4.2.Staffs are polite					
4.3. Staffs have adequate knowledge to serve Customer					
5. Empathy					
5.1.The staff know what customers“ needs are					
5.2. Staffs are give customers individual Attention					
5.3. The bank and its employees give do consideration for customers property					
5.4. Staffs give orientation about the new service and the cost related with the Service					
5.5. The bank has convenient working hours to all its customers					

Part III: Customer satisfaction questioner

CUSTOMER SATISFACTION	strongly disagree	Disagree	Neutral	Agree	strongly agree
	1	2	3	4	5
1. Am satisfied with the security of the bank Services.					
2. I am satisfied with respectful behavior of the bank staffs					
3. I am satisfied with the communicative ability of the employee of the bank					
4. I am satisfied with the performance of the Employee of the bank.					
5. I am satisfied with various rang of service of bank					



ቅድስተ ማርያም ዩኒቨርሲቲ የድህረ ምረቃ ፕሮግራም የቢዝነስ ትምህርት በ አዲስ ኢንተርናሽናል ባንክ የአገልግሎት አሰጣጥ ጥራት በደንበኞች እርካታ ላይ የሚኖረውን ውጤት ለመለካት ለደንበኞች የተዘጋጀ መጠይቅ

ዉድ ደንበኞች ፤

እኔ በአሁኑ ሰዓት ቅድስተ ማርያም ዩኒቨርሲቲ የድህረ ምረቃ (ማስተርስ) (Master of Business Administration-MBA) ተማሪ ስሆን የመመረቂያ ጥናቴንም በአዲስ ኢንተርናሽናል ባንክ ዋናው ቢሮ እና በተመረጡ በ አዲስ አበባ ከተማ ብቻ በሚገኙ ቅርንጫፎች ላይ “ ጥራት ያለው አገልግሎት በደንበኛ እርካታ ላይ ያለው ተፅዕኖ ” በሚል ርዕስ ጥናቴን እየሰራሁ እገኛለሁ። የዚህ መጠይቅ ዓላማም ከባንኩ ደንበኞች ስለባንኩ አገልግሎትና የደንበኛ እርካታ በቂ መረጃ በመሰብሰብ ጥናቴን ውጤታማና ተአማኒነት ያለው ማድረግ ነው። ይኸንንም ለማሳካት የእርሶዎ ትብብር በጣም ያስፈልገኛል። ስለዚህ ለመጠይቁ መልስዎን ይሠጡኝ ዘንድ በአክብሮት እጠይቃለሁ። ለመጠይቁ የሚሰጡት ምላሽ ለጥናቴ ብቻ የሚውል ሲሆን መልስዎትም በሚስጥር ይያዛል።

ለትብብርዎ በቅድሚያ በጣም አመሰግናለሁ!

ማስታወሻ :-

- ስም መጥቀስ አያስፈልግም
- በትክክለኛ አማራጭ ፊትለፊት የራይት (v) ምልክት ያድርጉ
- እባክዎ ሁሉንም ጥያቄዎች ወዲያውኑ ጨርሰው በመመለስ ይተባበሩኝ

ገጽ ፩ ሁኔታ

1.1. ጾታ

1.1.2. ወንድ

1.1.3. ሴት

1.2. ዕድሜ

1.2.1. ከ 18-30

1.2.4. ከ 51-60

1.2.2. ከ 31-40

1.2.5. ከ 60 ዓመት በላይ

1.2.3. ከ 41-50

1.3. የትምህርት ደረጃ

1.3.1. 1ኛ ደረጃ

1.3.4. ዲፕሎማ

1.3.2. 2ኛ ደረጃ/ሀይስኩል/

1.3.5. የመጀመሪያ ድግሪና ከዚያ ላይ

1.3.3. ሰርተፍኬት
ይፃፉ _____

1.3.6. ሌላ ካለ እባክዎ እዚህ

1.4. እርስዎ የባንኩ ደንበኛ ከሆኑ ምን ያህል ጊዜ ይሆኖታል?

1.4.1. ከ አንድ አመት በታች

1.4.2. ከ 1-3 አመት

1.4.3. ከ 4-6 አመት

1.4.4. ከ 7-9 አመት

1.4.5. ከ 10 አመት በላይ

1.5. ያሎት የሒሳብ ዓይነት?

1.5.1. የቁጠባ ሂሳብ

1.5.2. ተንቀሳቃሽ (የቸክ) ሂሳብ

1.5.3. የረዥም ጊዜ ቁጠባ

1.5.4. ከወለድ ነፃ ሂሳብ

1.6. ዛሬ ወደ ባንኩ የመጡበት ጉዳይ ምን ነበር?

1.6.1. ገንዘብ ለማስገባት

1.6.4. አዲስ ሂሳብ ለመክፈት

1.6.2. ገንዘብ ለማውጣት

1.6.5. ሌላ ምክንያት ካሎት

1.6.3. ገንዘብ ለመላክ

II. የደንበኛ አገልግሎት ጥራት መጠይቅ

መመሪያ:- እባክዎትን ከተሰጡት አማራጮች የተስማሙበት ላይ(v)ምልክት ያድርጉ።

የሚስማሙበትን የሚለኩበት ወይም የሚመዝኑበት የሚከተሉት ናቸው።

1 = በጣም አልስማማም

2 = አልስማማም

3 = ምንም አይመስለኝም

4 = እስማማለሁ

5 = በጣም እስማማለሁ

የአገልግሎት ጥራት መመዘኛዎች	በጣም አልስማማም	አልስማማም	ምንም አይመስለኝም	እስማማለሁ	በጣም እስማማለሁ
	1	2	3	4	5
1. የሚታዩ ነገሮች (+ጨባጭነት)					
1.1. ባንኩ ዘመናዊ የሆነ ለሥራ ያስፈልገው ዕቃ አለው?					
1.2. የባንኩ የሥራ ቁሳቁሶች እይታ የሚስጡ ናቸው?					
1.3. ባንኩ ለደንበኞች በሚያመች ቦታ ቅርንጫፎች አሉት?					
1.4. የባንኩ ሠራተኞች አለባባሳቸው ጥሩ እና ንጽህናቸውን የጠበቁ ናቸው ?					
2. ተዓማኒነት	1	2	3	4	5
2.1. ባንኩ ቃል በገባው መሰረት አገልግሎት ለመስጠት የሚያስችል ጥራት ያለው ኔትወርክ አለው እናም ፈጣን አገልግሎትም ይሰጣል?					
2.2. የደንበኞችን ማህደር በትክክል ይያዛል?					
2.3. በተቀመጠው መስፈርት ወይም አገልግሎት እንሰጣለን ብለው ቃል በገቡት መሠረት አገልግሎት ይሰጣሉ?					
2.4. ባንኩ ማንኛውንም ብልሽት በቅድሚያ ያሳውቃል ?					
3. ምላሽ ሰጭነት	1	2	3	4	5

3.1. የባንኩ ሠራተኞች የሚገባውን አገልግሎት በሰአቱ ይሰጣሉ?					
3.2. የባንኩ ሠራተኞች ደንበኞችን ለመርዳት (ለማገልገል) ፍላጎት አላቸው ?					
3.3. የባንኩ ሠራተኞች ሁልጊዜ ደንበኛን ያስተናግዳሉ?					
3.4. የባንኩ ሠራተኞች ስህተት ሲኖር ለደንበኞች ፈጣን ምላሽ ይሰጣሉ?					
4. በራስ መተማመን	1	2	3	4	5
4.1. የሠራተኞቹ ባህሪ በደንበኞች እምነት እንዲኖራቸው ያደርጋል?					
4.2. የባንኩ ሠራተኞች ትሁት ናቸው?					
4.3. የባንኩ ሠራተኞች ደንበኞችን ለማስተናገድ በቂ እዉቀት አላቸው?					
5. ሀዘኔታ	1	2	3	4	5
1. የባንኩ ሠራተኞቹ የደንበኞችን ፍላጎት ምን እንደሆነ በማወቅ ያሟላሉ ?					
5.2. ሠራተኞቹ ደንበኞችን በአግባቡ ያስተናግዳሉ?					
5.3. ባንኩና ሠራተኞቹ ለደንበኛ ትኩረት ይሰጣሉ?					
5.4. የባንኩ ሠራተኞች ለአገልግሎቱና ከአገልግሎቱ ጋር ለተያያዘ ጉዳይ በቂ ማብራሪያ ይሰጣሉ ?					
5.5. ባንኩ ለደንበኞች አመቺ የሥራ ሰዓት አለው ?					

2. የደንበኛ እርካታ መጠይቅ

የደንበኛ እርካታ	በጣም አልስማማም	አልስማማም	ምንም አይመስለኝም	እስማማለሁ	በጣም እስማማለሁ
	1	2	3	4	5
1. በባንኩ ዋስትና ባለው አገልግሎት ረክቻለሁ፡፡					
2. በባንኩ ሰራተኞች ትሁት ባህሪ ረክቻለሁ፡፡					
3. በባንኩ ሰራተኞች የመረጃ መስጠት ችሎታ ረክቻለሁ፡፡					
4. በባንኩ ሰራተኞች ብቃት ረክቻለሁ፡፡					
5. በባንኩ የተሟላ አገልግሎት ረክቻለሁ፡፡					

ስለትብብርዎ በጣም አመሰግናለሁ!!!