



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

**ASSESSING THE ELECTRONIC SERVICE QUALITY IN SELECTED
DASHEN BANK BRANCHES**

**BY
ADANECH ALEMU**

**JANUARY, 2017
ADDIS ABABA, ETHIOPIA**

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APPROVED BY BOARD OF EXAMINERS

Dean School of Business

Signature

Advisor

Signature

External Examiner

Signature

Internal Examiner

Signature

STATEMENT OF DECLARATION

I Adanech Alemu have carried out independently a thesis on “Assessing the electronic service quality in selected Dashen bank branches “in partial fulfillment of the requirements of the MSc Degree in general business administration with the constructive guidance and support of the research advisor. This thesis is my own works that has not been presented for any degree or diploma program in this and any other institution, and that all source of materials used for the thesis have been duly acknowledged.

Adanech Alemu

Signature

ST.MARY’S UNIVERSITY, ADDIS ABABA

January, 2017

ENDORSEMENT

This thesis has been submitted to St. Mary's University School of Graduate Studies for examination with approval as university advisor.

Dr Temesgen Belayneh

Signature

ST.MARY'S UNIVERSITY, ADDIS ABABA

January, 2017

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Acronyms/ List of abbreviations

ATM- Automated Teller Machine

E-Banking-Electronic Banking

EFT-Electronic Fund Transfer

E-S-QUAL- Electronic Service Quality

IT-Information Technology

PC-Personal Computer

PDA-Personal Digital Assistant

PIN-Personal Identification Number

POS-Point Of Sale transfer Terminals

SMS-Short Message Service

SQ-Service Quality

SPSS-Statistical Package for Social Science

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ABSTRACT

*Service quality is one of the most important driving factor for business sustainability and essential for corporate profitability and survival. This research paper was conducted to assesses the electronic service quality of Dashen bank. Examining the efficiency, fulfillment either or item availability, assessment of system availability and privacy issues related to electronic banking were addressed as objectives of the current study. For the purpose of the study, explanatory study was conducted based on the frame work from the literature in order to examine the electronic service quality of Dashen Bank. Quantitative methods were used to test the significance of the factors to the electronic service quality. **Electronic Service Quality** model was implemented and for data collection random sampling method was used for questionnaire distribution purpose among randomly selected branches according to sample size. The data was encoded to SPSS software package and results were interpreted using qualitative and quantitative method in line with the research objective and question to show and interpret the results. Inferential statistics was deployed to assess the relationship between the variables also correlation and multiple regression analysis were used. Findings from these study shows that Dashen bank's electronic banking efficiency was found to be high with mean value of 3.85 followed by fulfillment factor on electronic service quality and system availability with mean value of 3.74 and 3.025 respectively. The overall level of privacy factor is the highest among all the factors in this study with a total mean range of 4.1. Even though the result showed high the researcher recommends the bank to maintain and held high the electronic service quality to keep and attract customers in the future because customers always need to be satisfied beyond their expectation.*

Key words: e- banking, service quality, Electronic Service Quality

CHAPTER ONE

INTRODUCTION

1.1. Background of the Problem

A very fast advancement in electronic distribution channels has produced tremendous changes in the financial industry in the recent years with an increasing rate of change in technology and competition among participants. IT-based distribution channels also reduce personal contact between the service providers and the customers, which inevitably leads to a complete transformation of traditional bank-customers relationships (Barnes, 1998).

All banks in Ethiopia are too late to move with technological advancement and they should clearly chart out the time schedule for their integration and technological advancement. Some of the banks even today do not have their own websites which can help them to provide at least the information on financial services offered by them (Gardachew, 2010).

Most of Ethiopian Banks have started providing Technology-based services/products like ATM (payment cards), Mobile banking, Internet Banking, SMS banking and Electronic fund transfer to their customers. Gemechu (2012), argued that technology innovation play a crucial role in Banking industry by creating value for banks and customers, that it enables customers to perform banking transaction without visiting a brick and mortar banking system.

E-banking implies provision of banking products and services through electronic delivery channels. Electronic banking has been around for quite some time in the form of automatic teller machines (ATMs) and telephone transactions. In more recent times, it has been transformed by the internet – a new delivery channel that has facilitated banking transactions for both customers and banks. For customers, the internet offers faster access, is more convenient and available around the clock irrespective of the customer's location (Jayshree Chavan).

There are not many inventions that have changed the business of banking as quickly as the e-banking revolution. World over banks are reorienting their business strategies towards new opportunities offered by e-banking. E-banking has enabled banks to scale borders, change strategic behavior and thus bring about new possibilities. E-banking has moved real banking

behavior closer to neoclassical economic theories of market functioning. Due to the absolute transparency of the market, clients (both business as well as retail) can compare the services of various banks more easily. For instance, on the internet, competitors are only one click away. If clients are not happy with the products, prices or services offered by a particular bank, they are able to change their banking partner much more easily than in the physical or real bank-client relationship. From the banks' point of view, use of the internet has significantly reduced the physical costs of banking operations. As discussed by Turner (2001), progress in information technology has slashed the costs of processing information, while the internet has facilitated its transmission, thus facilitating change in the very essence of the banking business. Around the world, electronic banking services, whether delivered online or through other mechanisms, have spread quickly in recent years (Turner, 2001). Therefore the goal of this thesis is to assess the electronic banking service of Dashin bank with the help of electronic service quality measurement model and interpret their service and decide it is high or low.

1.2 Statement of the Problem

There is large growth potential in delivering services and product through the electronic channel. If and how this potential can be exploited sufficiently depends largely on the electronic retailer's ability to meet customer expectations in the virtual business environment (Bauer et al. 2006). Since customer expectation and perceptions of electronic customer changes over time, combined with the rapid expansion of technology and market competition, generating sophisticated level of service quality become an increasingly important issue. Service quality is the major driving factor for business sustainability, it's not an optional competitive strategy which may or not be applied to differentiate from other competitors. It is essential for corporate profitability and survival (Ismail et. al 2006). A service marketing researcher have suggested that a strategy for survival and success of service firms is the delivery of quality services that will satisfy customer needs and wants (Lovelock at al. 2002). The delivery of high quality services to consumers is a key factor affecting firm performance (Akinici et al. 2009). High quality services will enhance reputation, improve customer retention, attract new customers through word of mouth and increase financial performance and profitability (Wang et al. 2003).

There are a lot of studies that have been conducted about the measurement of service quality dimensions of banks; however, there are very few researches about service quality of electronic banking (Cai & Jun, 2001). Electronic banking, known as internet banking or e-banking, refers to “the use of technology which allows customers to perform banking transactions electronically without visiting institutions (Sethi & Bhatia, 2008) while traditional banking performs services by face-to-face interaction between customers and employees of banks. As can be seen that the most significant difference between traditional banking and electronic banking is the interaction between customers and employees of banks. In other words, the contact and interaction between users and providers is real-time face to face for traditional banking, while the other one is impersonal. Therefore, it is necessary and needed for e-banking industry to have a good knowledge of customers’ evaluation and perception of e-service quality and explore the quality of electronic service. Also the researcher couldn’t find any study in the subject of electronic banking quality in Ethiopia especially in Dashen bank. Therefore, it is my intent to show the electronic banking quality using how E-S-QUAL model for electronic banking service in Dashen Bank.

1.3 Research Questions

- I. How is the Efficiency of Electronic Banking?
- II. How is the Fulfillment either or Item Availability Electronic Banking?
- III. How is the system Availability the Electronic Banking
- IV. How is the privacy of Electronic Banking?

1.4 Objectives of the Study

1.4.1 General Objective of the Study

The general objective of the study is assess the quality of electronic banking Service in selected Dashen Bank Branches.

1.4.2 Specific Objectives of the Study

This paper attempts to address the following objectives:

- I. To Examine the Efficiency of the Electronic Banking.
- II. To Examine the Fulfillment either or Item Availability of Electronic Banking.

- III. To assess the System availability either or correct technical functioning of the electronic banking.
- IV. To assess the Privacy of the electronic banking towards information of customers.

1.5 Significance of the Study

The findings of this research will add its value to financial institutions; namely for Dashen bank it can be a good input for decision making towards the quality of electronic banking for improvement. For the policy makers it can be a good input see the experience of one bank and learn to incorporate for the countries' financial economy. Also this research paper can serve other researches as a reference for further study in the subject matter. Finally the study can provide recommendation for the bank for enhancing and delivering competitive service/product and also their survival.

1.6 Scope of the Study

1.6.1 Delimitation

The scope of this study is delimited to Dashen Bank selected branches in Addis Ababa. This study basically attempts to assess the Efficiency, the Fulfillment either Item Availability, the System availability or correct technical functioning or the Privacy of the electronic banking towards information of customers. The study explores these factors in the context of Dashen bank.

1.6.2 Limitation

All of factors are may not be considered, this study only considered the four categories of efficiency, fulfillment, system availability and privacy factors which can measure the quality of electronic banking based on E-S- QUAL model. And also since the study is only on one private bank which is currently working in the domestic market might limit the generalization of the research finding.

1.7 Organization of the Study

The research report was organized into five chapters: Chapter one focuses on the background of the study, problem statement, objectives and significant of the study. In chapter two, a range of literatures review is captured there to gather relevant information concerning E-banking service quality. In chapter three, detail of methodology followed to achieve results is outlined. It includes the study design, sampling, sampling technique and data analysis. Chapter four contained results and discussion Chapter five focuses on main findings, conclusions and recommendations of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical Review

2.1 .1 Definition of E-Banking

E-banking is a form of banking service where funds are transferred through an exchange of electronic signal between financial institutions, rather than exchange of cash, checks, or other negotiable instruments (Kamrul, 2009). E-banking also known as electronic funds transfer (EFT). It is simply the use of electronic means to transfer funds directly from one account to another rather than by check or cash (Malak, 2007).The term e-banking often refers to online/internet banking which is the use of the internet as a remote delivery channel for banking services (Furst & Nolle, 2002, p.5). E-banking is the use of a computer to retrieve and process banking data (statements, transaction details, etc.) and to initiate transactions (payments, transfers, requests for services, etc.) directly with a bank or with other financial service provider remotely via a telecommunications network (Yang, 1997). It should be noted that electronic banking is a bigger platform than just banking via the internet. Banking is a for banking service here funds are transferred through an exchange of electronics ignalbeteen financial institutions, rather than exchange of cash, checks, or other negotiable instruments (Arul, 2009). Banking also none electronic funds transfer.

The rapid spread of technology has made the Internet the best channel for the provision of banking services and products to customers. From a bank's perspective, using the Internet is more efficient than using other distribution media because banks aim at achieving an expanded customer base (Alsajjan et al, 2006). From a customer's perspective, online banking provides direct access to a bank's information system from anywhere where an internet connection is available and thus a user can be involved in various banking transactions such as checking his balance, knowing his transactional history, paying his utility bills, transferring funds between accounts etc... (Pikkarainen et al, 2006).

Therefore, banks are now considering the internet as part of their strategic plan (Sadeghi and Hanzae, 2006). Having a strategic foresight is important in order to become a leader in both the industrial sector and the consumers' market.

An analysis of technology and its uses show that, technology has permeated in almost every aspect of our life. Many activities are handled electronically due to the acceptance of information technology at home as well as at workplace. The ATM and the Net transactions are becoming popular. But the customer is clear on one thing that he/she wants net-banking to be simple and the banking sector is matching its steps to the march of technology. E-banking or Online banking is a generic term for the delivery of banking services and products through the electronic. Channels such as the telephone, the internet, the cell phone etc. The concept and scope of E-banking is still evolving. It facilitates an effective payment and accounting system thereby enhancing the speed of delivery of banking services considerably. E-banking has a variety of definitions. All refer to the same meaning. The following section shows some of these definitions.

E-banking is a form of banking service where funds are transferred through an exchange of electronic signal between financial institutions, rather than exchange of cash, checks, or other negotiable instruments (Kamrul 2009). E-banking, also known as electronic funds transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by check or cash (Malak 2007). Electronic banking is one of the truly widespread avatars of E-commerce.

For many consumers, electronic banking means 24-hour access to cash through an Automated Teller Machine (ATM) or Direct Deposit of pay checks into checking or savings accounts (FTC, 2006). But electronic banking now involves many different types of transactions.

Electronic banking, also known as Electronic Funds Transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash.

2.1.2 Types of E-banking

E-banking can be defined as a variety of platforms such as internet banking or (online banking), TV-based banking, mobile phone banking, and PC (personal computer) banking (or offline banking) whereby customers access these services using an intelligent electronic device, like PC, personal digital assistant (PDA), automated teller machine (ATM), point of sale (POS), kiosk, or touch tone telephone (Alagheband 2006, p.11). According to Alghaeband, there are different types of E-banking and some of the basic are discussed as follow:

- i. **Automated Teller Machines (ATM)** - It is an electronic terminal which gives consumers the opportunity to get banking service at almost any time. To withdraw cash, make deposits or transfer funds between accounts, a consumer needs an ATM card and a personal identification number (PIN).
- ii. **Point-of-Sale Transfer Terminals (POS)** - The system allows consumers to pay for retail purchase with a check card, a new name for debit card. This card looks like a credit card but with a significant difference. The money for the purchase is transferred immediately from account of debit card holder to the store's account (Malak 2007).
- iii. **Internet / extranet banking-** It is an electronic home banking system using web technology in which Bank customers are able to conduct their business transactions with the bank through personal computers.
- iv. **Mobile banking-** Mobile banking is a service that enables customers to conduct some banking services such as account inquiry and funds transfer, by using of short text message (SMS).

2.2 Methodological Review

2.2.1 Traditional Service Quality versus Electronic Service Quality

Extensive research on traditional SQ has been conducted during the past 20 years (see Parasuraman and Zeithaml 2002 for a review). In contrast, only a limited number of scholarly articles deal directly with how customers assess e-SQ and its antecedents and consequences. In this section, we briefly overview the relevant aspects of traditional SQ and describe the reasons why that research needs to be repeated in the electronic context.

2.2.2 Traditional Service Quality

By traditional SQ we are referring to the quality of all *non-Internet-based* customer interactions and experiences with companies. Early scholarly writings on SQ (Grönroos 1982; Lehtinen and Lehtinen 1982; Lewis and Booms 1983; Parasuraman, Zeithaml, and Berry 1985; Sasser, Olsen, and Wyckoff 1978) suggested that SQ stems from a comparison of what customers feel a company should offer (i.e., their expectations) with the company's actual service performance. Using insights from these studies as a starting point, Parasuraman, Zeithaml, and Berry (1988, 1991) conducted empirical studies in several industry sectors to develop and refine SERVQUAL, a multiple-item instrument to quantify customers' global (as opposed to transaction-specific) assessment of a company's SQ. This scale measures SQ along five dimensions: reliability, responsiveness, assurance, empathy, and tangibles. The SERVQUAL instrument and its adaptations have been used for measuring SQ in many proprietary and published studies. It has also generated debate in the literature about the most appropriate ways to assess (Brown, Churchill, and Peter 1993; Carman 1990; Cronin and Taylor 1992; Parasuraman, Berry, and Zeithaml 1991, 1993; Parasuraman, Zeithaml, and Berry 1994a, 1994b; Teas 1993). Three broad conclusions that are potentially relevant to defining, conceptualizing, and measuring perceived e-SQ emerge from the traditional SQ literature: (a) The notion that quality of service stems from a comparison of actual service performance with what it should or would be has broad *conceptual* support, although some still question the *empirical* value of measuring expectations and operationalizing SQ as a set of gap scores; (b) the five SERVQUAL dimensions of reliability, responsiveness, assurance, empathy, and tangibles capture the general domain of SQ fairly well, although (again from an empirical standpoint) questions remain about whether they are five distinct dimensions; and (c) customer assessments of SQ are strongly linked to perceived value and behavioral intentions. A noteworthy feature of the extant SQ literature is that it is dominated by people-delivered services.

As such, whether the preceding conclusions extend to e-SQ contexts and what the similarities and differences are between the evaluative processes for SQ and e-SQ are open questions. One author who has extended the SERVQUAL conceptualization to the electronic context is Gefen (2002), who found that the five service quality dimensions collapse to three with online service

quality: (a) tangibles; (b) a combined dimension of responsiveness, reliability, and assurance; and (c) empathy. In that research, tangibles were found to be the most important dimension in increasing customer loyalty and the combination dimension most

2.3 Empirical Review

A successful business organization must acquire new customers and get existing customers to continue consuming the products and services provided rather than turning to competitors. Service quality is regarded as a critical success factor for organizations to differentiate from competitors. Many studies have been conducted to determine the factors of service quality. For example, researchers have found that customer satisfaction can lead to customer loyalty (Caruana, 2002; Caruana et al., 2000). Loyal customers will tend to repurchase from the same service provider (Ryan et al., 1999); in turn, firm revenue will increase in the long run. Variations in service performance may provide opportunities to influence customers' perceived value, satisfaction and loyalty. Thus, the relationships between these three aspects can provide bankers with insights into both tangible and intangible service improvements in the banking industry (Parasuraman et al., 1988).

2.3.1 Service Quality

Customer satisfaction can lead to customer loyalty (Caruana, 2002; Caruana et al., 2000). Loyal customers will tend to repurchase from the same service provider (Ryan et al., 1999); in turn, firm revenue will increase in the long run. Variations in service performance may provide opportunities to influence customers' perceived value, satisfaction and loyalty. Thus, the relationships between these three aspects can provide bankers with insights into both tangible and intangible service improvements, especially to develop a competitive edge in the Hong Kong banking industry. This research employs the SERVQUAL scale to measure customer satisfaction and loyalty in the banking industry (Parasuraman et al., 1988). Berry (1990) refined the ten dimensions into five to measure customer's perceived value of service quality, which is known as SERVQUAL. This SERVQUAL adopts the meeting expectations paradigm to measure service against firms (Ladhari, 2009). Service quality (SQ) has received a great deal of attention in the literature from both scholars and practitioners in business. Many studies have established that SQ is a crucial driver of satisfaction (Grönroos, 2000; Hume & Mort, 2008; Lovelock &

Wirtz, 2007; Zeithaml & Bitner, 2003), profitability (Heskett, Sasser & Schlesinger, 1997), and a key competitive advantage for modern business firms (Kotler & Keller, 2006; Grönroos, 2000, 2001; Voss, 2003; Voss, et al., 2004). Indeed SQ is not just a corporate offering, but a competitive weapon which is necessary for corporate profitability and survival (Newman & Cowling, 1996; Rosen, Karwan, & Scribner, 2003). Many authors agree that in today's dynamic market place and market space, organizations no longer compete only on cost but more importantly on service/product quality.

The nature of SQ is an abstract and elusive construct because of three features that are unique to service: intangibility, heterogeneity, and inseparability of product and consumption (Grönroos, 2000; Lovelock & Wirtz, 2007). SQ has been defined as the difference between customer expectations for service performance prior to service encounter and their perception of the service received (Asubonteng et al., 1996). Gefen (2002) defined SQ as the subjective comparison that customers make between the quality of service that they wish to receive and what they actually get.

Regarding the dimensions and aspects of SQ of firms, many past studies such as Grönroos (1984) and Parasuraman et al. (1988) have established different conceptualizations of the SQ, construct. This has resulted in different instruments for measuring SQ. Grönroos (1984) maintains that SQ has both process and outcome dimensions that are critical to service context, which have been verified in some previous studies (Bozorgi, 2007; Gi-Du and James, 2004; Gyasi and Azumah, 2009). Parasuraman et al. (1985, 1988) develop the dimensions of SQ in their GAP and Extended GAP analyses based on which they developed that popular SERVQUAL model. The widely used SERVQUAL model consisted of five dimensions that were measured using a 22-item SERVQUAL scale. The five SERVQUAL dimensions are: Tangibles, Empathy, Assurance, Reliable, and Responsiveness: Tangibles are the physical facilities, equipment, and appearance of personnel. Empathy refers to the caring, individualized attention the firm provides its customers. Assurance means knowledge and courtesy of employees and their ability to inspire trust and confidence. Reliability is the ability to perform the promised service dependably and accurately, and Responsiveness refers to willingness to help customers and provide prompt service. The items for each of the dimensions have been

modified in many previous studies to suit a particular context as noted by Parasuraman *et al.* (1988, p. 31) that the SERVQUAL instrument could be “adapted or supplemented to fit the characteristics or specific research needs of a particular organization”.

However, due to the differences between traditional service and electronic service, obviously SERVQUAL scale is not suitable for measuring SQ in electronic or internet environment due to the absence of staff, absence of traditional tangible elements, and self-service of customers (Li and Suomi, 2009). It has been argued in many past studies that new scales need to be developed for e-service quality (Li and Suomi, 2009; Ho and Lin, 2010).

Parasuraman, Zeithaml, and Berry (1988) developed a generic instrument called SERVQUAL. According to Kettinger & Lee, (1994) and Nitecki (1996) although SERVQUAL was developed within the marketing sector, it is also used in a variety of organizational settings, including libraries and information centers. Service has great richness and diversity of meaning and there are various definitions of services. Service has been defined as an act or performance offered by one party to another. Although the process may be tied to physical product, the performance is essentially intangible and does not usually in ownership of any factors production (Lovelock et al. 2002). Services quality is an attitude formed by a long term, overall evaluation of a firm’s performance (Douglas and John, 2006).

Meanwhile, according to Gummessan (1987) service as something that can be bought and sold, but it cannot be dropped on your foot. Parasuraman et al. (1985) argue that there are three fundamental characteristics of service, which are:

- i. Service are intangible: they are more akin to performance rather than object
- ii. Service are heterogeneous: delivery can vary from provider to provider and customer to customer
- iii. Production and consumption of service are inseparable: service are not “manufactured” remotely and then intact to customer Zeithaml (1986) also stated that the conceptual definition usually links service quality to the customer perceptions of the level of excellence of the service provided and since service quality depends on the relationship

of customer expectations with customer perceptions, it is appropriate to calculate service quality by subtracting expected from perceived service (Parasuraman, Zeithaml, and Berry, 1988).

Five dimensions of service quality:

- i. Reliability - the ability to perform the promised service both dependably and accurately. The SERVQUAL assessment of a firm's consistency and dependability in service performance.
 - ii. Responsiveness - the willingness to help customers and to provide prompt service.
 - iii. Assurance – The knowledge and courtesy of employees as well as their ability to convey trust and confidence. It includes the features competence to perform the service, politeness and respect for the customer, effective communication with the customer and the general attitude that the server has the customer's best interests.
 - iv. Empathy – The SERVQUAL assessment of a firm's ability to put itself in its customers place.
5. Tangibles – The appearance of physical facilities, equipment, personnel and communication materials. It can extend to the conduct of other customers in the service.

According Gupta, McDaniel and Herath (2005), believe that SERVQUAL is superior to many other perception- only based tools, because it focuses on an understanding of customer expectations. But Gupta et al. (2005), assert that understanding customer expectations is not easy, because customers often do not really know what they want, or do not say directly what they want. Gupta et al. (2005) advocate the use of an instrument such as SERVQUAL to capture the functional aspects of service quality.

Electronic Service Quality (E-S-QUAL) There are various approaches of the conceptualizations of electronic services. An approach by Rust and Lemon (2001) described as “providing superior experience to customer with respect to the interactive flow of information”, preserved as basis further, more detailed investigation. Barnes and Vidgen (2001) the SERVQUAL model in order to generate pool of quality items. The study analyzed online the book trade field and it resulted in

five key dimensions each of which encompasses sub dimensions: tangibles, responsiveness, assurance, reliability and empathy.

2.3.2 Electronic Service quality

Insights from studies dealing with people-technology interactions imply that customer evaluation of new technologies is a distinct process. For instance, findings from an extensive qualitative study of how customers interact with, and evaluate, technology-based products (Mick and Fournier 1995) suggest that (a) customer satisfaction with such products involves a highly complex, meaning-laden, long-term process; (b) the process might vary across different customer segments; and (c) satisfaction in such contexts is not always a function of re consumption comparison standards. Another major qualitative study by the same authors (Mick and Fournier 1998), focusing on people's reactions to technology, suggests that technology may trigger positive and negative feelings simultaneously. moreover, other research involving both qualitative and empirical components demonstrates that customers' propensity to embrace new technologies (i.e., their *technology readiness*) depends on the relative dominance of positive and negative feelings in their overall technology beliefs (Parasuraman 2000). Earlier studies focusing on specific technologies have also shown that consumers' beliefs about, and reactions to, the technology in question are distinct and positively correlated with acceptance (Cowles 1989; Cowles and Crosby 1990; Dabholkar 1996; Eastlick 1996). Other research shows that perceived usefulness and ease of use are correlated significantly with self-reported (Davis 1989) and actual (Szajna 1996) usage of technology. Collectively, the findings of these studies reveal important differences in acceptance and usage of technologies across customers depending on their technology beliefs and suggest that similar differences might exist in the evaluative processes used in judging e-SQ. In other words, customer-specific attributes (e.g., technology readiness) might influence, for instance, the attributes that customers desire in an ideal Web site and the performance levels that would signal superior e-SQ.

With the advent of the internet, the growth of internet-based services has changed the way firms and consumers interact. E-service has been an interesting and important area to scholars and practitioners alike. E-service has been defined as a web-based service or an interactive service

that is delivered on the internet (Ghosh et al., 2004; Zeithaml et al., 2000). Rowley (2006) conceptualizes e-service as deeds, efforts, or performances whose delivery is mediated by information technology. Generally, it can be defined as an interactive content-centered and internet-based customer service that is driven by customers and integrated with the support of technologies and systems offered by service providers, which aim at strengthening the customer-provider relationship. Given the technology quality dimensions of e-service quality that are different from the traditional service context, e-service quality has been regarded having the potential to not only deliver strategic benefits but also to enhance operational efficiency and profitability (Cronin, 2003).

Service quality has been defined as customers' overall impressions of an organization's services in terms of relative superiority or inferiority (Johnston, 1995). Further, service quality is considered to not only meet but to exceed customer expectations, and should include a continuous improvement process (Lloyd-Walker & Cheung, 1998). Customers evaluate banks' performance mainly on the process of their interpersonal contacts and interactions (Grönroos, 1990). Service quality arises from a comparison of the difference between service expectations developed before an encounter with banks and the performance perceptions gained from the service delivery based on the service quality dimensions (Bloemer *et al.*, 1998). Berry *et al.* (1985) and Zeithaml and Bitner (1996) indicated that service quality consisted of five dimensions.

In the study by Berry *et al.* (1994) with more than 1,900 customers of five large famous US corporations, they found that thirty-two out of 100 placed emphasis on reliability, followed by responsiveness (22%), assurance (19%), empathy (16%) and tangibles (11%). Thus, reliability is considered the essential core of service quality. In addition, other dimensions will matter to customers only if a service is reliable, as those dimensions - for example, responsiveness and empathy from service staff - cannot compensate for unreliable service delivery. Further, they found that more companies were deficient in reliability than in other service dimensions, but their best performance was on the least essential dimension of tangibles. The relationship between service quality and its impact on banking providers will be explored in terms of both qualitative and quantitative benefits. Regarding qualitative benefits, customer satisfaction and

loyalty were major concerns as Oliver (1993) and Newman et al., (1998) found that quality was an antecedent to satisfaction, and Cronin and Taylor (1992) discovered that perceived service quality brought about satisfaction or vice versa. In addition, Grönroos (1990) suggested that the mutual exchange and promise fulfillment between customers and service providers was a core construct to obtaining customer satisfaction and loyalty during the process of service delivery. Besides, the study by Zairi (2000) emphasised that customer satisfaction had greatly affected business, its corporate image, and obtaining new customer bases through direct recommendations.

2.3.3 Electronic service

Electronic banking was first introduced in the UK in the early 1980s (Daniel, 1994, p.73) and its availability was the result of pressure from the increasingly competitive business environment and customers' demands (Mols, 2000). It was expected that electronic banking would have a significant influence on the banking market (Daniel, 1994) and substantially change the distribution channel of retail banking business (Mols,1999).

There have been a number of delivery platforms of electronic banking services, which are categorized as: ATMs, telephone banking, PC (home) banking, Internet banking, managed network, public access kiosk and TV-based service (Daniel, 1994; Liao *et al.* 1999; Mols, 1998; Mols *et al.*, 1999; Mols, 2000; Ramsay & Smith, 1999). In this paper, Internet banking is the main channel of distribution to be explored due to the increase in its popularity.

The results from the study demonstrated that security concerns and lack of awareness about Internet banking and its benefits played the most important role as the obstacles to non-adoption for Internet banking.

As well, another study from 300 usable questionnaires by Joseph *et al.* (1999) examined the factors for high quality electronic banking services. The five important factors were categorized as: convenience/accuracy; feedback/complaint management; efficiency; queue management; accessibility; and customization. The results of this study illustrated that banks have to maintain the standard of their convenience/accuracy and efficiency. In addition, they need to improve their customization, feedback/complaints and queue management by reallocating their resources. One

point of interest, though, was that although the performance of the electronic banking service was not accepted as being of a high standard, 52.9 per cent of respondents were satisfied with it.

Refers to customer perceptions and expectations of electronic service quality from their experiences, E-S-QUAL model developed by Parasuraman et al (2005) is employed to measure electronic service quality. The E-S-QUAL model consists of four dimensions:

1. Efficiency – defined as the ease and speed of accessing and using the site
2. Fulfillment – as the extent to which the site’s promises about order delivery and item Availability are fulfilled
3. System availability – as the correct technical functioning of the site
4. Privacy – as the degree to which the site is safe protects customer information and refers to the extent safety and protection of customer information.

2.4 Conceptual Framework for the Study

E-S-QUAL model developed by Parasuraman et al (2005) is employed to measure electronic service quality in this study.

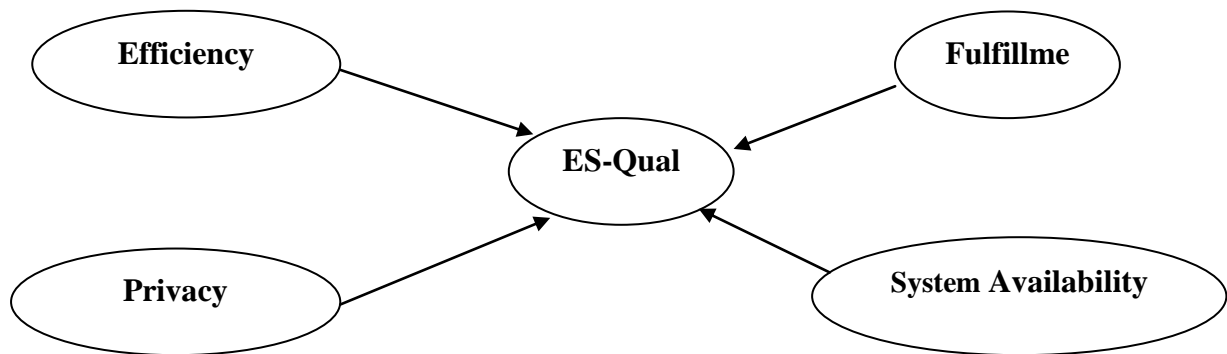


Fig 1: conceptual frame work

Own sketch

This model consists efficiency which is the ease and speed of accessing and using the site , the second is fulfillment which is the extent to which the site’s promises about order delivery and item Availability are fulfilled the third one is system availability which is the correct technical functioning of the site and the last one is privacy which is the degree to which the site is safe

protects customer information and refers to the extent safety and protection of customer information. And this factor will measure the electronic service quality of Dashin bank Parasuraman et al (2005).

CHAPTER THREE

RESEARCH METHODOLOGY

Research methodology defines the systematic and scientific procedures used to arrive at the results and findings for a study against which claims for knowledge are evaluated (Cooper & Schindler, 2006; Saunders et al. 2000). A methodology is therefore shaped by the perspectives the researcher chooses to approach a study.

3.1. Research Application

According to research application a study can be basic/pure study or an applied study. A basic research is a study that focuses on theory development and refinement while an applied study is a study whose findings are used to addressing specific needs or solving problems (Cooper & Schindler, 2006; Saunders et al. 2000). In this study, the findings can be used to help improve upon the management decisions and strategy regarding effective strategies for achieving and improving customer satisfaction with different electronic banking service dimensions in Dashen Bank. Therefore, the study is an applied study.

3.2. Research Design

Research design stands for advance planning of the methods to be adopted for collecting the relevant data and the techniques to be used in their analysis, keeping in view the objective of the research and the availability of staff, time and money. Preparation of the research design should be done with great care as any error in it may upset the entire project. Research design, in fact, has a great bearing on the reliability of the results arrived at and as such constitutes the firm foundation of the entire edifice of the research work (C.R. Kothari, 2004) .

For the purpose of the study, explanatory study was conducted based on the frame work from the literature in order to examine the electronic service quality of Dashen Bank. Quantitative methods were used to test the significance of the factors to the electronic service quality.

3.3. Sampling Method and Sample Size

The target population consists of 367,569 electronic banking customers of Dashen Bank and Sample size is the actual respondents from the total target population. Random sampling method was used for questionnaire distribution purpose among the randomly selected branches according to the sample size. To do so the researcher used the bank's yearly book and own survey for purpose of sample size determination. For this study, the sample size was determined based on a simplified formula (Cochran, 1963) equation 3 for calculating sample size for known population with a 95% confidence level. The result is 385 respondents.

Sample Size Determination

$$n = \frac{no}{1 + \frac{(no-1)}{N}} = \frac{385}{1 + \frac{(385-1)}{367,569}} = 385$$

Where:

n= the sample size
N= the population size

According to the calculation the recommended sample size for this study was 385 respondents.

3.4 Data Collection Instrument

According to many scholars, in the use of survey strategy, the main instruments used are self administered/interviewer, administered or structured/unstructured questionnaires (Saunders et al., 2000; Cooper & Schindler, 2006; and Malhotra & Birks, 2007). They further agree that, generally, the questionnaire can be used for descriptive or explanatory study, and must have a good layout, unambiguous questions, complete items, non-offensive but relevant items, logical arrangements of items, and the ability to elicit willingness to answer in respondents. As a result, in this study, self-administered, structured questionnaires are used to collect data from. The purpose of the questionnaire is to have insight into electronic banking service quality in Dashen bank finally to collect some data on respondents' bio-data.

3.5 Source of Data

Both primary and secondary data used for this study first the secondary data was used to collect and get an insight about the subject matter and then the structured self administered questioner was deployed to collect data and used as primary data.

3.6 Reliability and Validity

Validity refers to the extent to which your data collection technique or analysis procedures will yield consistent findings'' (Saunders *et al.* 2009: 156).

Reliability refers to the consistency, stability and repeatability of data collection instrument. For any measurement to be valid, it must first demonstrate reliability (Frey, Botan, and Kreps, 2002).

To insure the reliability of the reliability of this study, the following measures had been used by the researcher. In order to enhance the validity of the data collected, both qualitative and quantitative techniques were used. The population data base was taken from reliable sources and yearly book of each private banks under study. Mainly the survey method was the strategy of the research and Cronbach's alpha should exceed the threshold of .70. Cronbach's alpha is a function of the average inter-correlations of items and the number of items in the scale.

To check the reliability, the questionnaires were pretested with 20 sample questionnaires. As a result, Cronbach's alpha showed a satisfying reliability, above 70% which is indicated in the table below

Table 3.1 Reliability Statistics

Factors	Cronbach's Alpha	N of Items
Efficiency	.811	8
System Availability	.800	4
Fulfillment	.888	7
Privacy	.877	3

3.7 Data analysis methods

The study deploys quantitative data analysis techniques. SPSS was used for the data analysis and interpretation purpose. After information obtained from different sources, the information obtained from questionnaires was scaled, once the information was scaled then the researcher organizes in appropriate categories. The data was encoded to SPSS software package and results were interpreted using qualitative and quantitative method in line with the research objective and question to show and interpret the results. To evaluate the level of causal relationship between the constructs, variables that were found to have significant correlations underwent through regression analysis.

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e_i$$

Where:

Y= the dependent variable to be predicted

α = Y axis intercept (the constant)

β = slope of the independent variables (X1, X2, X3 and X4)

X1, X2, X3 and X4= independent variables used to predict the dependent variable

e_i = the error term.

3.8 Ethical Consideration

The participants' name and exact position has been kept confidential. The only people who have access to the data from the participants are the researcher and the supervisor of the research. The respondents were given clear covering letter stating the purpose of the survey and cleared that their response will be kept in confidential manner

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Response rate

According to Sekaran (2001), a response rate of thirty percent is acceptable for most studies however in this study the response rate of the questionnaire was 85% which is sufficient enough.

Table 4.1 Response Rate

Position	Number of questionnaire	Number of returned questionnaire	Percentage of returned questionnaire
Customers	385	331	85%
Total	385	331	85%

Source: Own Survey, 2016

4.2. Descriptive statistics

4.2.1. Demographic characteristics of the respondent

The demographic characteristic including age, gender, education background and occupation responses towards the variables are summarized by descriptive statistics using frequencies and percentages.

The questionnaire requested limited amount of information related to personal and professional demographic characteristics of respondents. Accordingly the following variables about respondents were summarized and described in the subsequent tables. This variables includes: gender, education background and occupation (see table below)

Table 4.2 Cross tabulation

		Age			sub Total	
		19-28	29-38	39 or Above		
Gender	Male	45	107	71	223	
	Female	45	43	20	108	
		educational background				sub Total
		high school diploma or below	junior college diploma	undergradu ate degree(bach elor's degree)	graduate degree(mast er's degree) or above	
Gender	Male	13	34	148	28	223
	Female	2	27	55	24	108
		occupational states				
		business(en terprise) managerial and technical personnel	government officer	student	self- employed	unemployed people
Gender	Male	110	42	13	58	0
	Female	34	36	11	24	3
Total		144	78	24	82	3

Source: Own Survey, 2016

Presenting the information of different demographic variables in the above table helps the research to see the nature of the demographic variable by obtaining information to analyze how close to the industry they are and their educational background. Thus most of the respondents were male (67.4%), educational Back ground undergraduate degree(Bachelors degree) (61%)

fail in the age of 29-38 (45.2%) with a managerial and technical personnel(43.4%). as per the above table most of the respondents are male having bachelor’s degree and in the age of 29 up to 38 and business(enterprise) managerial and technical personnel.

Table 4.3. Frequency of use

concerning the information of using electronic banking as a user

How often do you use electronic banking per month

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid twice or below	47	14.2	14.2	14.2
3-5 times	111	33.4	33.5	47.7
6-8 times	57	17.2	17.2	65.0
8 times or above	116	34.9	35.0	100.0
Total	331	99.7	100.0	
Missing System	1	.3		
Total	332	100.0		

Source: Own Survey, 2016

Among the respondents (14.2%) use twice of below (33.4%) of the respondents use the electronic banking 3 up to 5 times per month (17.2%) of the respondents use six up to eight times per month and (34.9%) of the respondents use the electronic banking more than eight times.

Table 4.4. the main reason to use electronic banking

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid convenience for shopping	15	4.5	4.5	4.5
necessity need for some transaction	67	20.2	20.2	24.8
time saving and convenience	228	68.7	68.9	93.7
inconvenience for going to business hall	21	6.3	6.3	100.0
Total	331	99.7	100.0	
Missing System	1	.3		
Total	332	100.0		

Source: Own Survey, 2016

Among the respondents (4.5%) responded the main reason to use electronic banking is convenience for shopping (20.2%) responded the main reason to use electronic banking is necessity need for some transaction (68.7%) responded the main reason to use electronic banking is time saving and convenience and (6.3%) responded the main reason to use electronic banking is inconvenience for going to business hall.

Table 4.5. which service quality attribute do you pay most attention to when using E-banking

	Frequency	Percent	Valid Percent	Cumulative Percent
Security	34	10.2	10.3	10.3
brand influence	43	13.0	13.0	23.3
cheap charging and fee	38	11.4	11.5	34.7
qualities of customer service staff	48	14.5	14.5	49.2
convenience and ease of use	160	48.2	48.3	97.6
customized service	8	2.4	2.4	100.0
Total	331	99.7	100.0	
Missing System	1	.3		
Total	332	100.0		

Source: Own Survey, 2016

Among the respondents (10.2%) security is the quality attribute they pay most attention when using e-banking. among the respondents (13.0%) brand influence is the quality attribute they pay most attention when using e-banking. among the respondents (11.4%) cheap charging and fee is the quality attribute they pay most attention when using e-banking. among the respondents (14.5%) convenience and ease of use is the quality attribute they pay most attention when using e-banking. among the respondents (2.4%) customized service is the quality attribute they pay most attention when using e-banking.

4.6. where do you get the information of electronic banking

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid net media	26	7.8	7.9	7.9
word of mouth				
advertising from friends	37	11.1	11.2	19.0
advertisement from TV				
promotion from banking personnel	157	47.3	47.4	66.5
news papers and magazines	56	16.9	16.9	83.4
Other	55	16.6	16.6	100.0
Total	331	99.7	100.0	
Missing System	1	.3		
Total	332	100.0		

Source: Own Survey, 2016

Most of the respondents get the information from promotion from banking personnel with a response rate of (47.3) (16.9%) of the respondents get the information from news papers and magazines while (11.1%) of the respondents get the information from word of mouth advertizing and (7.8%) get the information from net media.

Table 4.7. how many years have used electronic banking

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below one year	13	3.9	3.9	3.9
1-3years	67	20.2	20.2	24.2
3-5years	109	32.8	32.9	57.1
above 5 years	142	42.8	42.9	100.0
Total	331	99.7	100.0	
Missing System	1	.3		
Total	332	100.0		

Source: Own Survey, 2016

Among the respondents (42.8% used the electronic banking for more than five years, (32.8%) used for 3-5years, (20.2%) of the respondents used for 1-3 years and 13(3.9%) used the e-banking for less than one year.

Mean range

In order to make the interpretation of the data easy the five scale was interpreted and calculated using the following formula (Jeff, 2011).

$$interval = \frac{highest\ score - lowest\ score}{no\ of\ interval}$$

$$interval = \frac{5-1}{5} = 0.8$$

Table 4.8: mean range

Range	Interpritation-1	Interpritation-2
1.00-1.8	Very low	Very poor
1.81-2.60	Low	Poor
2.61-3.40	Average	Fair
3.41-4.20	High	Good
4.21-5	Very High	Very good

Source: Jeff, 2011

4.2.2. The Efficiency Factor

F- Frequency, P – Present

Table 4.9. Efficiency factors

No	Efficiency factors	strongly disagree		Disagree		neutral		agree		strongly agree		Mean
		F	P	F	P	F	P	F	P	F	P	
1	The electronic banking makes it easy to find what I need.	6	1.8	1	0.3	38	11.4	173	52.1	113	34.0	4.1
2	It makes it easy to get anywhere.	2	0.6	22	6.6	50	15.1	165	49.7	92	27.7	3.9
3	It enables me to complete a transaction quickly.	3	0.9	19	5.7	34	10.2	169	50.9	102	30.7	4.0
4	Information is well organized at the electronic banking	2	0.6	55	16.6	70	21.1	142	42.8	62	18.7	3.6
5	It loads fast.	10	3.0	51	15.4	42	12.7	141	42.5	87	26.2	3.7
6	It is simple to use.	12	5.6	9	2.7	28	8.4	154	46.4	128	38.6	4.1
7	It enables me to get on to it quickly.			19	5.7	58	17.5	202	60.8	52	15.7	3.8
8	It is well organized.			60	18.1	80	24.1	155	46.7	36	18.8	3.6

Source: Own Survey, 2016

From the factors under this efficiency category the electronic banking makes it easy to find what I need, the simplicity of the electronic banking, It enables me to complete a transaction quickly. It makes it easy to get anywhere, it loads fast, Information is well organized at the electronic banking, and it is well organized. Scored high with a mean of 4.1, 4.1, 4.0, 3.9, 3.8, 3.7 and 3.6 respectively.

4.2.3. System Availability factors

Table 4.10: System availability Factor

No	System Availability factors	strongly disagree		disagree		neutral		agree		strongly agree		mean
		F	P	F	P	F	P	F	P	F	P	
1	It is always available for business.	24	7.2	75	22.6	87	26.6	130	39.2	15	4.5	3.1
2	It launches and runs right away.	18	5.4	60	18.1	75	22.6	163	49.1	15	4.5	3.2
3	It does not crash.	20	6.0	101	30.4	126	38.0	64	19.3	20	6.0	2.8
4	The electronic banking do not freeze after I enter my order information.	45	13.6	65	19.6	69	20.8	113	37.0	29	8.7	3.0

Source: Own Survey, 2016

Among the system availability factors all scored average with a mean value of 3.1, 3.2, 2.8 and 3.0

4.2.4. Fulfillment factors

Table 4.11 Fulfillment factors

No	Fulfillment factors	strongly disagree		disagree		neutral		agree		strongly agree		mean
		F	P	F	P	F	P	F	P	F	P	
1	It delivers orders when promised.	11	3.3	19	5.7	48	14.5	206	62.0	47	14.2	3.7
2	It makes items available for delivery within a suitable time frame.	15	4.5	26	7.8	71	21.4	184	55.4	35	10.5	3.5
3	It quickly delivers what I order.	1	0.3	36	10.8	61	18.4	184	55.4	49	14.8	3.7
4	It sends out the items ordered.			31	9.3	30	9.0	196	59.0	74	22.3	3.9
5	It has the items the bank claims to have.	1	0.3	21	6.30	67	20.2	199	59.9	43	13.0	3.7
6	It is truthful about its offerings.	4	1.2	14	4.2	33	9.9	231	69.6	49	14.8	3.9
7	It makes accurate promises about delivery of products.	10	3.0	24	7.2	44	13.30	168	50.6	85	25.6	3.8

Source: Own Survey, 2016

Under the fulfillment factor all items under study showed or fail under the category of high with all in the mean range of 3.5 up to 3.9

4.2.5. Privacy factors

Table 4.12 privacy Factor

No	Privacy factors	strongly disagree		disagree		neutral		agree		strongly agree		mean
		F	P	F	P	F	P	F	P	F	P	
1	It protects information about my user behavior.	8	2.4	4	1.2	13	3.9	206	62.0	100	30.1	4.1
2	It does not share my personal information.	7	2.1	3	0.9	18	5.4	193	58.1	110	33.1	4.1
3	It protects information about my account	4	1.2	11	3.3	15	4.5	178	53.6	123	37.0	4.2

Source: Own Survey, 2016

Among the factors under the privacy factor It protects information about my user behavior and It does not share my personal information scored high with a mean of 4.1 while It protects information about my account scored very high with a mean of 4.2.

4.3. Inferential Analysis

To assess the relationship between the variables and to test the stated hypothesis correlation and multiple regression analysis were used.

4.3.1. Correlation Analysis

According to (Pallant, 2001), the direction of relation between variables is explained as the Pearson Coefficient correlation (r) ranges from -1 to +1 and the positive sign indicates there is positive relationship and the negative sign indicates there is negative relation and also according to Cohen(1988) the following guidelines are used to interpret the strength of the relationships:

If $r=0.10$ to 0.29 or $r=-0.10$ to -0.29 indicate, that there is lower positive or negative relationship.

If $r=0.30$ to 0.49 or $r=-0.30$ to -0.49 indicate, that there is moderate positive or negative relationship.

Table 4.13 Correlations

		Dashen bank delivers quality electronic services	efficiency	System availability	fulfillment	privacy
dashen bank delivers quality electronic services	Pearson	1	.579**	.247**	.605**	.422**
	Correlation					
	Sig. (2-tailed)		.000	.000	.000	.000
	N	330	326	330	330	330

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

Source: Own Survey, 2016

If $r=0.50$ to 1.0 or $r=-0.50$ to -1.0 indicate, that there is strong positive or negative relationship

As shown in table because of the coefficient r is positive high the researcher knows that the relationship between Dashin bank's electronic service quality and efficiency is highly positive by scoring 0.579 with statistical significant as 99% confidence interval.

As shown in table because of the coefficient r is low positive the researcher knows that the relationship between Dashin bank's electronic service quality and system availability is low positive by scoring 0.247 with statistical significant as 99% confidence interval.

As shown in table because of the coefficient r is high positive relationship the researcher knows that the relationship between Dashin bank's electronic service quality and fulfillment is highly positive by scoring 0.605 with statistical significant as 99% confidence interval.

As shown in table because of the coefficient r is moderate positive relationship the researcher knows that the relationship between Dashin bank's electronic service quality and Privacy is moderately positive by scoring 0.422 with statistical significant as 99% confidence interval.

4.3.2. Multiple regression analysis

The tools of regression and correlation analysis have been developed to study and measure the statistical relationship that exists between two or more variables.

Multiple regression analysis is similar to simple regression analysis. The difference between these two analyses is that simple regression just tests the impact of one independent variable towards one dependent variable, while multiple regressions are used to test the impacts of more than one independent variable towards one dependent variable. And in the present study, multiple regression analysis is used for the purpose of determining the extent to which the extent to which the explanatory variables explain the variance in the explained variable and identify the importance of independent variables by comparing the beta weights showed in the statistical table the results are explained in the following table.

The multiple regression analysis was conducted for the purpose of determining and testing the amount to which the four categories of variables explain the variance in the quality of electronic banking service quality.

Table 4.14 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.653 ^a	.426	.419	.697

Source: Own Survey, 2016

a. Predictors: (Constant), priv, sysavla, fulf, efficiency

b. Dependent Variable: dashen bank delivers quality electronic services

The table shows the R value also known as the correlation coefficient between the dependent variable and independent variables taken together. The correlation coefficient's value (R value) for this study is 0.653. It means that the relationship between the dependent variable (electronic banking service quality) and independent variables is positively strong and correlated.

The R square signifies the percentage or the extent to which independent variables can define the variation in the dependent variable. In this research the independent variables can define 42.6% of the variations in dependent variable. Nevertheless, it is still left 57.4% (100%-42.6%) undefined in this study. In simple terms there are other additional variables that are essential in defining the electronic service quality that have not been included in this study.

Table 4.15: coefficient

Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.490	.464		1.674	.095
Efficiency	.038	.014	.198	2.800	.005
1 system availability	.011	.013	.039	-.806	.421
fulfillment	.082	.013	.414	6.382	.000
Privacy	.078	.022	.176	3.464	.001

Source: Own Survey, 2016

a. Dependent Variable: dashen bank delivers quality electronic services

As shown in the table above, when efficiency factors, system availability factors, fulfillment factors and privacy factors increase each by 1, the quality of e-banking also likely to increase by respectively, 0.198, 0.039, 0.414 and .176

The standard error value of 0.464, which is relatively moderate value, shows that the moderately dependable the prediction likely to be.

From the data in table and referring the analysis, the equation for adoption of merger and acquisition of the private banks is:

$$\hat{Y} = .490 + 0.198(\text{efficiency}) + 0.39(\text{system availability}) + .414(\text{fulfillment}) + 0.176(\text{privacy}) + e_i$$

\hat{Y} : is the estimated value of e banking service quality.

4.3.3. Co linearity Diagnostics

Co linearity is a phenomenon in which two or more predictor variables in a multiple regression model are highly correlated meaning that one can be linearly predicted from others with a substantial degree of accuracy.

Table 4.16 co linearity statistics

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1 efficiency	.359	2.783
System availability	.758	1.318
fulfillment	.426	2.349
Privacy	.695	1.438

Source: Own Survey, 2016

a. Dependent Variable: dashen bank delivers quality electronic services

Based on the output of the SPSS in the above table co linearity statistics, obtained VIF value of 2.783, 1.318, 2.349 and 1.438 meaning that the VIF value obtained is between 1 to 10, it can be concluded that there is no multi co linearity symptoms.

CHAPTER FIVE
SUMMARY OF THE FINDINGS, CONCLUSIONS AND
RECOMMENDATIONS

5.1. Summary of the Findings

With a mean of 3.85, it can be said that the electronic banking quality is high in terms of efficiency.

From the factors under this efficiency category all of the factors scored high among the factors. The electronic banking makes it easy to find what I need and the simplicity of the electronic banking scored high with a mean of 4.1 which indicated that this factor has significant relationship with the electronic service quality.

With the overall mean 3.025. It can be said that the system availability factor has average influence on the e-service quality of Dashin Bank indicating.

Under the listed items on this factor it does not crash scored the lowest with a mean of 2.8 which shows that the system frequently crashes and it is affecting the quality of service.

With the overall mean of 3.74 fulfillments factor scored high and from the factors under study. It is truthful about its offerings and it sends out the items ordered scored high with a mean of 3.9 while it makes items available for delivery within a suitable time frame scored the lowest with a mean of 3.5.

With the overall mean of 4.13 the privacy factor scored high indicating that the privacy of the electronic banking is very good and under privacy factor it protects information about my user behavior and it does not share my personal information scored high with a mean of 4.1 while it protects information about my account scored very high with a mean of 4.2.

5.2. Conclusions

Based on basic research questions and results obtained the following points are forwarded as concluding remarks:

The overall level of electronic banking efficiency of Dashin Bank is high with a total mean of 3.85 which is more than system availability and fulfillment but less than privacy factors.

The overall level of system availability is with a total mean of 3.025 which is average and the lowest among all the variables under this study.

The overall level of fulfillment factor on the electronic service quality is high with the total mean range of 3.74 which is more than system availability factor but less than efficiency factor and privacy factor.

The overall level of privacy factor is the highest among all the factors in this study with a total mean range of 4.1

Generally, the independent variables defined the variation in the dependent variable. As a result the independent variables defined the dependent variable which is the electronic service quality. However, the rest is undefined in this study and indicated that there are other variables which significantly affect the adoption of merger and acquisition that this study didn't cover.

5.3. Recommendations

Recommendations are forwarded based the findings and conclusions made so that it can help them in their attempt to make informed decisions in the area of their interest.

Every bank would like to explore the clients expectations and the underlying effects for clients' loyalty to a bank. By this means banks can serve its clients better and increase the quality of their service. In this direction, measuring the service quality is crucial. This study examines E-S-QUAL model where it is observed that there is a fundamental interaction between the dimensions of service quality such as efficiency, system availability, fulfillment, and privacy. Therefore I would like to forward my recommendation based on the findings

- Dashin bank's privacy of the electronic banking is very high therefore it needs to keep on this pace for the future
- The electronic banking system availability of Dashin Bank is the weakest among all the factors studied in this research therefore the bank should make the system always available for their customers.
- As per the response of the customers the electronic banking fulfils the needs of the customers even if the mean shows high it is not far from average therefore the bank should improve the to increase the quality.
- The efficiency of the electronic banking is a bit more than average but ranked under high therefore the bank should maintain their system efficiency to keep their customers satisfied more than the current state.
- Banks need to increase the confidence of their customers as well as develop their skills and knowledge in using e-banking services. They could also employ the use of video presentations at bank branches and on television to showcase the user friendliness of such services.

5.4. Suggestions for Further study

The scope of this study was within selected branches of Dashin Bank with the emphasis on four dimensions based on the E-S-Qual Model which are efficiency, system availability, fulfillment and privacy.

As the result showed there are other factors which can influence the quality of electronic banking other than studied in this research which around more than 57% therefore I recommend future researchers should study this remaining factors under other private or government banks.

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St' Merry UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF BUSINESS ADMINISTRATION

I am a candidate for Masters of Business Administration from ST'Merry University and I am conducting this survey for partial fulfillment of my degree. This questionnaire has been designed to collect information from Dashen bank's customers regarding to the service quality of electronic banking and is meant for academic purposes only.

Please complete each section as instructed. Do not write your name or any other form of identification on the questionnaire. All the information in this questionnaire will be treated in confidence.

Thank you in advance!

Part 1. Demographic information

1. Gender Male Female
2. Age (years old)
 18 or below 19~28 29~38 39 or above
3. Education background
 High school diploma or below Junior college diploma
 Undergraduate degree (Bachelor's degree)
 Graduate degree (Master's degree) or above
4. Occupation
 Business (enterprise) managerial and technical personnel
 Government officer
 Student Self-employed Unemployed people

Part 2. Concerning the information of using electronic banking as a user

1. How often do you use electronic banking per month?
 Twice or below 3-5 times 6-8 times 8 times or above
2. The main reason to use electronic banking
 Convenience for shopping Necessity need for some transactions
 Time saving and convenience Inconvenience for going to business hall
3. Which service quality attributes do you pay most attention to when using electronic banking?
 Security Brand influence Cheap charging and fees (e.g. transaction fees)
 Qualities of customer service staff Convenience and ease of use
 Customized service
4. Where do you get the information of electronic banking?
 Net media Word-of-mouth advertising from friends Advertisement from TV
 Promotion from banking personnel newspapers and magazines Others
5. How many years have you used electronic banking?
 Below one year 1-3 years 3-5 years Above 5 years

Part three

Please indicate the extent to which you agree/disagree that if private banks may adopt merger and acquisition arrangements.

Scale: Strongly agree (5) Agree (4) Somehow agree (3) Disagree (2)
 Strongly Disagree (1)

No	Efficiency factors	1	2	3	4	5
1	The electronic banking makes it easy to find what I need.					
2	It makes it easy to get anywhere.					
3	It enables me to complete a transaction quickly.					
4	Information is well organized at the electronic banking					
5	It loads fast.					
6	It is simple to use.					
7	It enables me to get on to it quickly.					
8	It is well organized.					

Scale: Strongly agree (5) Agree (4) Somehow agree (3) Disagree (2)
 Strongly Disagree (1)

No	System Availability factors	1	2	3	4	5
1	It is always available for business.					
2	It launches and runs right away.					
3	It does not crash.					
4	The electronic banking do not freeze after I enter my order information.					

Assessing the Electronic Service Quality in Dashen Bank

Scale: Strongly agree (5) Agree (4) Somehow agree (3) Disagree (2)
Strongly Disagree (1)

No	Fulfillment factors \	1	2	3	4	5
1	It delivers orders when promised.					
2	It makes items available for delivery within a suitable time frame.					
3	It quickly delivers what I order.					
4	It sends out the items ordered.					
5	It has the items the bank claims to have.					
6	It is truthful about its offerings.					
7	It makes accurate promises about delivery of products.					

Scale: Strongly agree (5) Agree (4) Somehow agree (3) Disagree (2)
Strongly Disagree (1)

No	Privacy factors	1	2	3	4	5
1	It protects information about my user behavior.					
2	It does not share my personal information.					
3	It protects information about my account					

Scale: Strongly agree (5) Agree (4) Somehow agree (3) Disagree (2)
Strongly Disagree (1)

No	Dependent variable	1	2	3	4	5
1	Dashen Bank delivers quality electronic services.					

1. Any suggestions you would like to share, please write it down.

End

Thank You for Your Time