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**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
ASSESSMENT OF SERVICE QUALITY AND  
IT'S IMPLICATIONS ON CUSTOMER SATISFACTION  
(THE CASE OF UNITED BANK S.C)**

**BY  
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ID: SGS/0078/2008A**

**JULY, 2017  
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF  
GRADUATE STUDIES IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION (MBA) IN GENERAL MANAGEMENT**

**JULY, 2017  
ADDIS ABABA, ETHIOPIA**

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**APPROVED BY BOARD OF EXAMINERS**

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## **DECLARATION**

*I, the undersigned, declared that this thesis is my original work, prepared under the guidance of the university's advisor Wubshet Bekalu (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.*

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**St. Mary's University, Addis Ababa**

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**July, 2017**

## **ENDORSEMENT**

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

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**SIGNATURE**

**JULY, 2017**

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## ***ACRONYMS***

SERVQUAL - Service Quality

ANOVA- Analysis of Variance

## **ABSTRACT**

The purpose of this research thesis was to explore the impact of service quality in customer satisfaction in the case of united bank. The study considered five construct dimensions of service quality which are Tangibility, reliability, responsiveness, empathy and assurance. The researcher used both qualitative and quantitative research design, where much emphasis is given for the latter. Among the various quantitative methods, the researcher used explanatory study. Accordingly, 42 representatives Addis Ababa area branches were selected and 400 respondents were selected also in this branches based on simple random sampling. Accordingly some demographic variables were identified and defined as well those predefined questionnaires were also pinpointed as the SPSS output indicated. Moreover, in due process of identifying the relationship between those service quality dimensions and customer satisfaction through Pearson correlation test the result showed that there is a significant positive association between them and the researcher also proved that the entire alternative hypothesis was well accepted. The regressions result also confirmed that the linear combination of all the components of service quality considered under the present study was significantly contributed to the variance in the dependent variable customer satisfaction. This shows that how each service quality dimensions have impact on customer satisfaction. Furthermore the ANOVA test result also confirmed that, the prediction powers of the service quality components are found to be statistically significant.

Generally, the customer gap which was evaluated based on the five service quality dimensions showed that each dimensions have significant impact on service quality and finally on customer satisfaction. Therefore, the bank needs to work continuously on improving its service excellence by considering its service gaps in the eyes of the five service quality dimensions.

***Key words: Service Quality, SERVQUAL, Customer satisfaction***

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. Background of the Study

The current business environment is becoming competitive and challenging than ever before. Zeithaml, V.A., Parasuraman, A, and Berry, L. L, (1990) found that customer service play a great role for business organizations in order to be successful and survive in the competitive market environment. Customer service has become an integral part of the banking industry as it determines the future success or failure of any organization. In service industries globally, the subject of service quality remains critical as businesses strive to maintain competitive advantage in the marketplace (Zeithaml and Bitner, 2003).

With multidimensional challenges and demands of globalization, service giving organizations especially banks are required to redesign their products and systems so as to improve service quality and remain competitive in the industry (Yasin, M. , Alavi, J.K and Zimmerer, T . 2004) .When competition increases and environmental issues are become dynamic, the importance of service equality will be highly increased (Asubonteng; 1996).

Financial service providers, particularly banks are competing in the marketplace with generally similar products; service quality becomes a primary competitive weapon (Mohammed and Shirley, 2009). Therefore, banks should focus on service quality as a core competitive strategy because they are providing nearly undifferentiated products to the similarly targeted marketplace.

Service quality is defined as the degree of contradiction between customers' perceptions of service performance and their normative expectation for service (Parasuraman, A., Zeithaml, V. A. and Berry, L. L 1985). In service industry, the concept of quality holds the main position. The relationship with the customer is based on the promise that customer satisfaction is achieved through providing standard quality of service. The high quality demands on customers end is becoming prominent due to the growing fact that high level of service quality leads to sustainable competitive advantage in the competitive business environment

(Sureshchandar, G.S., Rajendran, C. and Anantharaman, R.N 2002).According to the widely accepted conceptualization, customer satisfaction is “a customer’s post-consumption evaluation of a product or service” (Mittal &Frennea (2010, p. 3). This only “occurs if the perceived performance of a product or service meets or exceeds customers’ prior expectations” (Bearden & Teel, 1983; Oliver 1980, 2010).

Parasuraman (1988) has defined customer satisfaction as "a person’s feeling of pleasure or disappointment resulting from comparing a product’s perceived performance (outcome) in relation to his or her expectation". If the performance falls short of expectations, the customer will be dissatisfied. If it matches expectations, the customer will be satisfied, and if it exceeds expectations, the customer will be highly satisfied or delighted.

In similar terms, other scholars have pointed out that customers will always evaluate their level of satisfaction by comparing expected service quality and the ways that they think they have been served. That is satisfaction with services is highly related to conformation or disconfirmation of expectations (Smith and Houston 1982). Focusing on customer satisfaction has been the key to increasing service quality according to customers’ expectations in the banking sector” (Zairi, 2000). Hanson (2000) suggested that the level of service quality is an indication of the organization's ability to meet customers' desires and demands. So, organizations must excel their services to meet the customers' needs and requirements. Managers depend on customers’ anticipation of service quality for the competition in the market (Hoffman and Bateson, 2002).

Service quality and customer satisfaction are very important concepts that companies have to understand in order to stay competitive and profitable in business. It is very important for companies to know how to measure these constructs from the consumers’ perspective in order to better understand their needs and hence satisfy them. Service quality is considered very important because it leads to higher customer satisfaction, profitability, reduced cost, customer loyalty and retention (Zeithaml & Berry, 1994)

Therefore this research tried to assess the impact of service quality on customer satisfaction in the case of United Bank S.C.

### **1.1.1. Background of the Organization Under Study**

United Bank was incorporated as a share company on 10 September 1998 in accordance with the Commercial Code of Ethiopia of 1960 and the Licensing and Supervision of Banking Business Proclamation No. 84/1994. The bank obtained a banking services license from the National Bank of Ethiopia and is registered with the Trade, Industry and Tourism Bureau of the Addis Ababa City Administration.

Over the years united bank built itself into a progressive and modern banking institution, endowed with a strong financial structure and strong management, as well as a large and ever-increasing customers and correspondent base. Today, United Bank is a full service bank that offers its customers a wide range of commercial banking services with a network of 145 branches and 27 sub-branches, and a number of additional outlets on the pipeline.

United Bank's priority in the coming years is to strengthen its capital base, maximizing its return on equity and benefiting from the latest technology in order to keep abreast with the latest developments in the local and international financial services industry.

Currently, the bank is providing the following banking services:-

- Accepting saving, demand and time deposits;
- Providing short, medium and long term loans;
- Buying and selling foreign exchanges;
- Engaging in other banking activities customarily carried out by commercial banks as per the directives of National bank of Ethiopia.

United Bank's vision is to be "The Preferred Bank". It's mission is to render Quality Commercial Banking Services to the best satisfaction of its Customers; to enhance shareholders' value; to be one of the best employers in the industry; and, to discharge its corporate responsibility to both the community in which it operates and the environment which it shares with the world.

### **1.2. Statement of the Problem**

The impact of service quality on customer satisfaction should be dealt continuously as the measurement standards and ways of satisfying customers are changing rapidly due to the fast changes in technology, government regulations, and customer relationship management practices which will change customer's expectation and satisfaction levels. This necessitates



the researcher to undertake a study on the area of service quality and customer satisfaction so as to make up to date descriptions on the issue.

As different data gathered from the banks suggestion boxes across the branches clearly shows most United Bank customers continuously complain over poor customer service, unsatisfactory new product development, less innovation, long process and or waiting time, bureaucratic way of getting banking products/services such as loan, international banking service, import and export letter of credit, insufficient information on products of the bank, employees inability to quickly adopt to the new technology, lack of employee skills to properly communicate, influence and sell products and the like.

Even though there is a slight practice of undertaking bank wide customer satisfaction surveys under the banks marketing and communication department it's somehow survey in nature than applying the service quality dimensions in detail, besides it was conducted before 3 years. Therefore, this study aimed at undertaking a study at selected 42 city branches. Consequently, this research have been carried out on the area to urge a major reform; to assess the impacts of service quality on customer's satisfaction and get the problems rectified which makes the researcher interested to make a study in this issue.

### **1.3. Research Questions**

- How does service quality affect customer satisfaction?
- Does tangibility have impact on customer satisfaction?
- Does reliability affect customer satisfaction?
- Does empathy have impact on customer satisfaction?
- Does responsiveness affect customer satisfaction?
- Does assurance affect customer satisfaction?

### **1.4. Objectives of the Study**

#### **1.4.1 General objective**

The general objective of this research is to assess service quality of the bank and its implications on customers' satisfaction.

## 1.4.2. Specific objectives

This research work had the following specific objectives.

- To describe the relationship between service quality and customer satisfaction.
- To identify the impact of tangibility on customer satisfaction.
- To analyze the effects of reliability on customer satisfaction.
- To analyze the effects of empathy on customer satisfaction.
- To identify how responsiveness will affect customer satisfaction.
- To identify how assurance will affect customer satisfaction.

## 1.5. Research Hypothesis

The researcher had proposed the following hypothetical statements.

- **H1**-There is significant and positive relationship between tangibility and customer satisfaction.
- **H2**-There is significant and positive relationship between reliability and customer satisfaction.
- **H3**-There is significant and positive relationship between responsiveness and customer satisfaction.
- **H4**-There is significant and positive relationship between assurance and customer satisfaction.
- **H5**-There is significant and positive relationship between empathy and customer satisfaction.

## 1.6. Definition of Terms

- **The Bank** -is United Bank, which the study is focused on.
- **Service Quality**- means the difference between the customer's expectation of service and their perceived service, which consists of five dimensions: responsiveness, reliability, tangibility, empathy and assurance or it is the ability of an organization to meet or exceed customer expectations, Zeithml and Bitner (2003).

- **SERVQUAL:** an instrument of measuring service quality in terms of the discrepancy between customers expectation regarding service offered and the perception of service received. Glimore, (2003)
- **Reliability:** the ability to perform the promised service dependably and accurately. Muddie and Pirrie, (2006)
- **Responsiveness:** the willingness to help customers and to provide prompt service. Muddie and Pirrie, (2006)
- **Assurance** – the employees’ knowledge and courtesy, and the ability of the service to inspire trust and confidence. Muddie and Pirrie, (2006)
- **Empathy-** the caring, individualized attention of the service provides to its customers.
- **Tangibles-** the appearance of physical facilities, equipment, personnel and communication materials. Muddie and Pirrie, (2006)
- **Customers’ Satisfaction** – Kotler and Keller, (2012) defined satisfaction as a person’s feelings of pleasure or disappointment that result from comparing a product’s perceived performance to expectations.

## 1.7. Significance of the Study

This research work will provide potential benefits to the researcher, the organization under study and its customers, employees and managers of the bank.

Through this study, the researcher will get new ideas and expands knowledge of service quality and customer satisfaction in banking sector. This research work also inculcated scientific, logical and inductive thinking in undertaking this reasearsch. In addition, this study enable the researcher a chance to understand to what extent the theoretical knowledge of service quality and customer satisfaction concepts learnt are being implemented in practice by the organization under study.

This research work will also be helpful to United Bank’s in providing up to date information about the quality of its services and its linkage to customer satisfaction. It will also help the bank to improve the current practice of providing customer service and delighting its customers. The recommendations that the research will provide also be helpful to make new and/or adjustments in the bank’s customer handling procedures so as to make them satisfied with the services. This research will be the basis for other

researchers to undertake further studies on the areas of service quality and customer satisfaction by telling them the research gaps.

## **1.8. Scope of the study**

For the Quality of analysis, manageability, accuracy and research output reliability and representativeness, this research work had been geographically delimited to selected 42 city branches of United Bank. Since it has been difficult, costly and time consuming to conduct a census survey on all of the Area Banks, which are 145, this research was limited to only 42 area banks located in the metropolis of Addis Ababa.

As the concept of service quality is very broad and more complex, this study assessed only the five service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy).

Even though customer satisfaction can be affected by many factors, this research focused only on the impacts of service quality on it.

## **1.9. Organization of the study**

This research work will be organized into five distinct chapters. Chapter one has dealt about introduction, problem statements, research questions, objectives of the study, research hypothesis definition of terms, and significance of the study scope (delimitations) of the study. The second chapter will contain review of theoretical and empirical literature stated about the subject matter under study. Chapter three will discuss the methodologies of doing this research paper. In chapter four, the researcher will present and analyze the research findings to investigate the stated problems. Finally, chapter five will incorporate summary of the findings, conclusion and recommendations of the researcher.

## CHAPTER TWO

### 2. REVIEW OF RELATED LITERATURE

This chapter provides a brief overview of different literatures wrote by specialists, practitioners, scholars and researchers on the areas of service quality and customer satisfaction.

#### 2.1. Service

The concept of service is used and defined in various perspectives by many scholars. A service is a commodity with no physical existence, usually created and consumed at the same time. Gronroos (2001) described a service as a process resulting in an outcome in a partly simultaneous production and consumption process. This definition points to the fact that service provision and consumption are simultaneous activities.

Services can also be considered as economic activities offered by one party to another. In exchange for money, time, and effort, service customers expect value from access to goods, labor, professional skills ,facilities, networks, and systems; but they do not normally take ownership of the physical elements involved (Lovelock & Wirtz, 2011).

Basically, it occurs when an interaction is established between customers and service providers and/or the physical component of the service or the systems through which the service is delivered (Shahin & Janatyan, 2011).

Service is intangible in nature; hence it cannot be mass produced. It cannot be inventoried and stored after production. Due to the fact that services and consumers of services are inseparable, they cannot be produced until the consumer is ready to consume them. Providing consistent quality is difficult for service because of the characteristic of variability (Clow and Kurtz, 2003). When one puts it in the simplest term; services are deeds, processes and performances (Zeithaml and Bitner, 2004). It is apparent that services are produced not only by service businesses but also are integral to the offering of many manufactured goods producers.

Kotler (2000) defines services as “ A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything, its production may not be tied to a physical product.”

According to Zeithaml and Bitner (2004), services include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser. Lovelock and Wirtz (2007) indicated that, service is “time based” and the outcome of a service may result in desired change in consumer or any property of the consumer.

## **2.2. Characteristics of Services**

In many literatures, it is commonly agreed that services have four distinct characteristics which will differentiate it from goods. These characteristics are: intangibility, inseparability, variability, and perishability (Armstrong & Kotler, 2011).

**I. Intangibility-** refers to the fact that services cannot be seen, tasted, felt, heard, or smelled before they are bought. For this reason, customers try to evaluate the quality of a service by looking at tangible components such as the place, people, price, equipment, and communications apparent (Armstrong & Kotler, 2011).

**II. Inseparability-** refers to the fact that services can't be separated from their providers, whether the providers are people or machines. This means that the employees providing the service becomes part of the service, in most cases, the customer is also present at the time of providing the service. Therefore, the provider-consumer interaction becomes important in determining the outcome of the service (Armstrong & Kotler, 2011)

This characteristic marked a clear distinction between physical goods and services in terms of the sequence of production and consumption. Whereas goods are first produced, then stored and finally sold and consumed, services are first sold, then produced and consumed simultaneously. The involvement of the customer in the production and delivery of the services will enable the service provider to exercise care in what is being produced and how it is produced. For the bank customer service officers (tellers) to show dignity and respect it is necessary that customers physically exist in getting the service.

**III. Variability-** refers to the fact that the quality of services depends on who provides them as well as when, where, and how they are provided (Armstrong & Kotler, 2011). This means that the quality of a service provided is not just determined by the company but by the service provider too. Companies may have designed excellent type of service, but it will

not be effective unless they deploy interactive service providers/service sales persons. Some banks may provide fast and efficient service while others may not and even within the same bank some branches may deliver excellent service while others may perform poor. This is also true for service variability between tellers of the same branch.

**IV. Perishability-** refers to the fact that services cannot be stored for later sale or use (Armstrong & Kotler, 2011). For instance, no body can't store excellent banking services received for later uses to be consumed at Sundays when banks will be closed.

### **2.3. Service Quality**

Service quality is a concept that has aroused considerable interest and debate in research literature because of the difficulties in both defining and measuring it with no agreement emerging on either of the two notions (Wisniewski, 2001). This implies it is very difficult to measuring service quality because it is totally subjective and dependent on customers' expectation and prior experience.

Definition of service quality revolves around the idea that it is the result of comparison that customers make between their expectations about a service and their perception of the ways the service has been performed (perceived performance).

Service quality can thus be defined as the difference between customer expectations of service and perceived service performance. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman *et al.* 1985). By the same notion, Lewis and Booms, (1983) described that giving quality service implies meeting the requirements to customer expectations regularly.

The notion of service quality involves more than the outcome quality; the methods and manner by which the service is delivered are of great importance. The quest for service quality has been an essential strategic component for firms attempting to succeed or endure in today's competitive environment (Munusamy and Fong, 2008).

Bitner, Booms and Mohr 1994, define service quality as the consumer's overall impression of the relative inferiority /superiority of the organization and its services.

Lehtinen and Lehtinen (1982) defined service quality in terms of physical quality, interactive quality and corporate (image) quality.

- **Physical quality** is associated with tangible aspects of the service.
- **Interactive quality** involves the interactive nature of services and refers to the two-way flow, which occurs between the customer and the service provider, or his/her representative, including both automated and animated interactions.
- **Corporate /image quality** refers to the image attributed to a service provider by its current and potential customers, as well as other publics. They also suggested that, when compared with the other two quality dimensions, corporate quality tends to be more stable over time.
- Since service quality is judgmental it can be seen from different point of views such as:
  - **Customer point of view-** quality means fitness for use and meeting Customer satisfaction.
  - **Process point of view-**quality means conformance with the process design, standards and specifications.
  - **Product point of view-**quality means the degree of excellence at an acceptable price.
  - **Cost point of view:** “quality means best combination between costs and features”.

## 2.4. Measuring Service Quality

Conceptual service quality models are useful as they provide an overview of the factors which have the potential to influence the quality of an organization’s service offerings. They facilitate our understanding and can help organizations to clarify how quality shortfalls will be properly filled out. However, human behavior significantly affects the quality service offerings as it is highly dependent on expectations and prior experience of the service recipients. That is a high quality service for somebody else (depending on his expectation and prior experience) may be a poor service to others. The most widely used standard for measuring service quality regardless of the sector is the SURVQUAL model.

## 2.5. Managing Service Quality

Managing service quality is a big challenge to many organizations because it is very difficult to know expectations of customers. In service marketing, the quality of service is critical to a firm’s success. Service providers must understand two attributes of service quality:



1. Quality is defined by the customer not by producer or seller.
2. Customers will assess the quality of services they received based on their expectations and prior experiences, (Stanton; 1987).

In effectively managing the quality of services, service providing firms should:

- **Know their customers prior experience of the service:** so as to make customers satisfied with the service, knowing their prior experience will help the service provider to offer services better than ever before.
- **Help customers formulate expectation:** Expectations are based on information from personnel and commercial sources made by the service provider and experience with the particular service.
- **Measure the expectation level of target market:** A service firm must conduct research to measure expectations. Gathering data on the target market's past behavior, existing perceptions and beliefs and exposure of information can provide the bases for estimating expectation.
- **Strive to maintain consistent service quality at or above the expectation level.**
- Fluctuations and volatility in the quality of services will create inconvenience for customers. So, banks should provide consistent quality of services so as to make their customers satisfied and win the competition.

## 2.6. Customer Satisfaction

As Kotler *et al*, (2006) defined customer satisfaction as “the level of persons felt state resulting from comparing a product's perceived performance or outcome in violation to his/her own expectations”. So, customer satisfaction could be considered as comparative behavior between inputs beforehand and post obtainments. Customer satisfaction conceptually has been defined as feeling of the post utilization that the consumers experience from their purchase (Westbrook and Oliver, 1991).

Westbrook and Oliver, (1991) further suggest that customer satisfaction will drive firms to improve their reputation and image, to reduce customer turnover, and to increase attention to customer needs. Such actions will help firms create barriers to switching, and improve business relationships with their customers.

Researches, also suggested that customer satisfaction is considered to be one of the most important competitive factors for the future, and will be the best indicator of the firm's profitability.

Many businesses are interested in maximizing customer satisfaction; it is not because customer satisfaction is the ultimate objective in itself. The underlying motive is that satisfied customers yield greater profits. Companies with more satisfied customers will be more successful and more profitable.

### 2.6.1. Importance 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, V.A., Parasuraman, A. and Berry, L.L 1985).
- **Customer Emotion-** Customers emotion can also affect their perception of satisfaction with products and services. These emotions can be stable preexisting emotion (Zettmal *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. (Zettmal *et al.*, 1985).
- **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. (Zettmalet *al.*, 1985) Organizations take different approaches to identifying customer service standards and they vary in detail. Robert-Phelps uses "SPECIAL" as a model to satisfy customers.
  - Speed
  - Personality
  - Exceed expectations
  - Competence

- Courtesy
- Information
- Attitude
- Long-term relationship

## 2.6.2. Factors Affecting Customer Satisfaction

Matzler, K. and Sauerwein, E. (2002), classify factors that affect customer satisfaction in to three factors structures:-

1. **Basic factors:** - these are the minimum requirements that are required in a product to prevent the customer from being dissatisfied. They do not necessarily cause satisfaction but lead to dissatisfaction if absent. These are those factors that lead to the fulfillment of the basic requirement for which the product is produced. These constitute the basic attributes of the product or service. They thus have a low impact on satisfaction even though they are a prerequisite for satisfaction. In a nutshell competence and accessibility
2. **Performance factors:** - these are the factors that lead to satisfaction if fulfilled and can lead to dissatisfaction if not fulfilled. These include reliability and friendliness.
3. **Excitement factors:** - these are factors that increase customers' satisfaction if fulfilled but does not cause dissatisfaction if not fulfilled which include project management.

## 2.6.3. Reasons of Customer Dissatisfaction

Sometimes customers become dissatisfied with many reasons some of which includes the following (www.qualitygurus).

- **Not knowing the Expectations** Customer remains dissatisfied unless the company knows what the customer actually expects out of their product.
- **Not Meeting the Expectations:** a customer may become dissatisfied because the service does not live up to expectations. In addition to that as a result of the rapid improvement in the technology, customer may compare the services provided by a company with those of the competitors, which may lead to dissatisfaction and customers over expectations and their changing needs may lead them for dissatisfaction.

## **2.6.4. Things to Do When You Have a Dissatisfied Customer**

If customers dissatisfied, the first step is to identify and define their dissatisfaction. Their wants and needs first must be uncovered and defined to see if the features and benefits of your company's product or services can satisfy those wants and needs. Their dissatisfaction as well as their satisfaction should be measured and analyzed to get a better perception of their true level of dissatisfaction. Once the reason and level of their dissatisfaction is exposed then a system to improve that unhappiness can be instituted and a control can be implemented to insure continuation of that improvement in product or level of service. ([www.qualitygurus.com](http://www.qualitygurus.com), accessed on February 19, 2017)

## **2.7. The Relationship between Service Quality and Customer Satisfaction**

Several evidences found in literature that there is a significant correlation between service quality and customer satisfaction (Sureshchandar *et al.*, 2002).

Service companies have since recently focused on customers in order to improve competitiveness. Customer satisfaction is one of the important outcomes of marketing activity Mick and Fournier; (1999). In the competitive banking industry, customer satisfaction is considered as the fundamental of success. Satisfying customers is one of the main objectives of every business.

The specific relationship between service quality and customer satisfaction has been the subject of a number of empirical studies. The relationship is often described as the 'satisfaction mirror' reinforcing the idea that business success results from employee satisfaction being 'reflected' in terms of customer satisfaction Schlesinger & Heskett, (1991); Norman & Ramirez, (1993); Whilst Silvestro and Cross, (2000) suggests that employee satisfaction is a key driver of service quality.(Voss, C., Tsikritis, N. and Funk, B 2004), for example, find that 'employee satisfaction directly affects both service quality and customer satisfaction', whilst Vilares and Coehlo, (2003) are so convinced about the fit that they recommend changes to one of the existing customer satisfaction indexes to recognize the 'cause and effect relationship between employee behavior and customer satisfaction'.

As with customer surveys, staff surveys should be subject to due rigor with regard to their planning and execution. This means that objectives need to be clearly articulated, data sets specified and

classification categories defined. It is particularly important to incorporate questions regarding aspects of customer service into staff surveys. For example, staff should be asked what they believe to be the appropriate expectations of customers with regard to the role that they and their department perform.

## **2.8 Empirical Literature**

An empirical study made by Navaratnaseelan and Elangkumaran (2012) reveals that, there is a significant positive correlation between service quality and customer satisfaction. In the same fashion, the study has found that service quality has significant impact on customer satisfaction. It add points that, maintaining high quality services in United bank will have excellent customer satisfaction where as low quality services will lead to a decline in customer satisfaction which also may result to loss of customers.

In relation to this finding, the researcher will come up with the recommendation that there should be improved communication between the management and customers in order to improve quality of services so as to satisfy their customers.

Finally, the researcher concluded that quality service is an important factor when one is to retain customers. The increase in the customer satisfaction in the bank is due to an increase in quality of services provided.

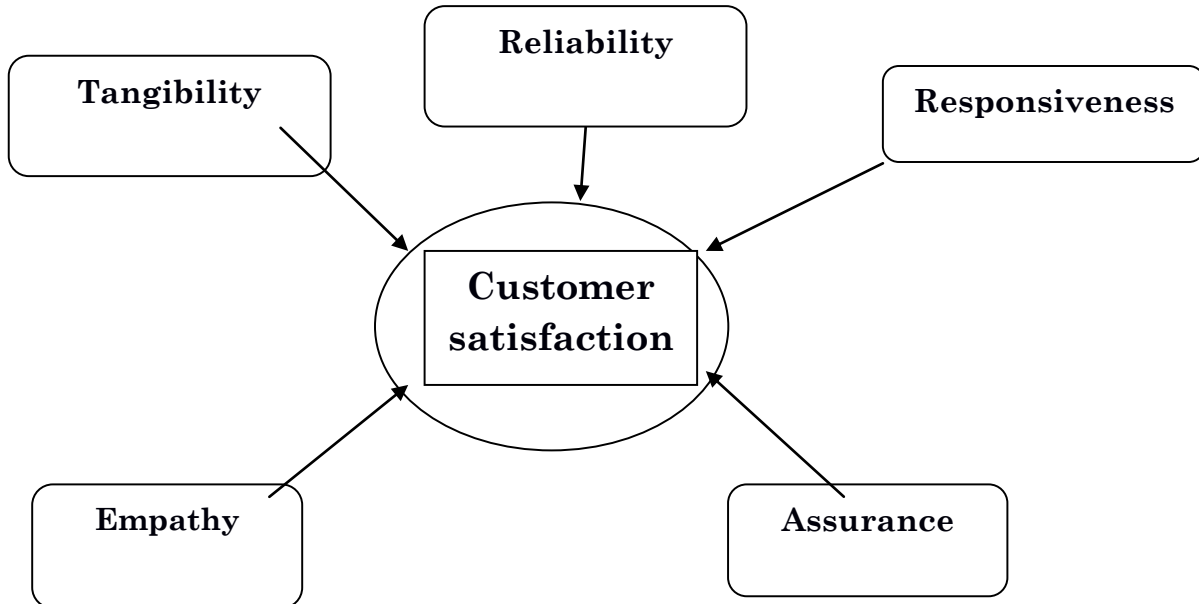
## **2.9. Conceptual Framework**

This model tries to measure the quality of services using the following five service standards:

- I. Tangibility:** - refers the appearance of physical facilities, equipment's, and personnel (Jabnoun and Al Tamimi, 2003). Indicated that customers choose tangibility factor of service quality in the banking industry "Banks could build customer relationships by delivering added tangible and intangibility elements of the core products" (Zineldin, 2005). This tells us that services will be in a better quality when service providers are equipped with appealing physical facilities and staff.
- II. Reliability:** - refers to the ability to perform the promised service dependency and accurately. Reliability is a significant factor of product quality in addition to good personal service, staff attitude, knowledge and skills (Walker, 1990). "It is found that service reliability is the service

“core” that most customers and managers should use every opportunity to build a “do-it-right-first” attitude” so as to build the necessary first time impression (Berry, Leonard L., Valarie A. Zeithaml and A.Parasuraman;1990)

- III. Responsiveness:** - refers to willingness to help customers and provide them prompt service. “Customers are very sensitive to employees' working environment in service organizations” (Brown and Mitchell, 1993). (Gollway and Ho, 1996) reported that proper balance between staff skills and customers' expectation resulted in superior service quality towards customers.
- IV. Assurance:** - is a service quality measurement standard which indicates knowledge, courtesy and ability of employees to inspire trust and confidence at the minds of customers Parasuraman *et al.*, 1988).Assurance has “the strongest impact on customer satisfaction that leads to positive word of mouth outcome” (Arasli, H., Katircioglu, T. and Smadi, S.M;2005).
- V. Empathy:**-refers to the provision of caring and individualized attention to customers. Jabnoun and Al-Tamimi, 2003 found that bank customers believed empathy as an essential factor of service quality. “It is suggested that employees' commitment to deliver quality services, skillfully handling of conflicts and efficient delivery of services will result satisfied customers for long term benefits” (Nelson and Chan, 2005).



**Figure 2.1. SERVQUAL Model Service Quality Dimensions**

## CHAPTER THREE

### 3. RESEARCH DESIGN AND METHODOLOGY

This chapter discusses about the methodologies which has been deployed in doing the research, the ways the research results has been analyzed, presented and interpreted at later stages.

#### 3.1. Research Design and Approach

Both descriptive and explanatory research design has been used to analyze data collected from customers. The reason behind using descriptive study design is because the researcher is interested in describing the existing situation under study. The study used descriptive analysis to describe the service quality dimensions that lead to customer satisfaction. This study also used explanatory study design to investigate the impact of service quality a dimension (Tangibility, Reliability, Responsiveness, Assurance, and Empathy) on the levels of customer satisfaction. The study was cross-sectional in the sense that relevant data was collected at one point in time.

#### 3.2. Population and Sampling Techniques

##### 3.2.1. Sample Size

In determining the sample size, the researcher used the formula which was developed by Taro Yamane in 1967 expecting 95 % level of confidence in the findings of this research. In the 42 branches of the United Bank selected for there are 126,000 business and individual customers (excluding dormant / inactive accounts) as of August 30, 2016.

So, sample size was calculated as follows:

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

Where, n= sample size  
N= population size  
e= sampling error

$$n = \frac{126,000}{1+126,000(0.05)^2} = 400$$

Hence, the numbers of samples taken for the studies were four hundred customers.

### **3.2.2. Sampling Techniques**

Since there were a relative homogeneity in the customer service quality provided to clients of United Bank selected city branches with regard to the study variables, the researcher used simple random sampling method in selecting 400 samples to undertake this research.

## **3.3. Types of data and Tools/Instruments of Data Collection**

### **3.3.1. Primary sources of data**

In order to achieve the research objectives, primary data has been collected from the selected 42 Addis Ababa branches using a predefined questionnaire.

### **3.3.2. Secondary sources of data**

Secondary sources of data has been referred from written documents of the Bank concerning the subject matter .Alongside, Books, data from suggestion box, previous studies made on the area, the media, relevant journals etc. was used in achieving the research questions under consideration.

A Predefined questionnaire has been used as a prominent method of collecting primary data. Therefore, Standardized SERVQUAL model which encompass the variables under consideration which is attitudinal was measured using Likert scale with five response categories (strongly disagrees, disagree, neither agree nor disagree, agree and strongly agree). “The Likert scale method was preferred to make questions interesting to respondents and thereby enhance their cooperation, ultimately to ensure maximum response rate” (Robson Colin, 2002).

## **3.4. Procedure of Data Collection**

The distributed copies of the questionnaire were collected back for analysis after being properly filled. Data collection via questionnaire took a period of three weeks until the required number of questionnaire which was (400) has been returned for analysis.

## **3.5. Methods of Data Analysis**

Statistical Package for Social Science (SPSS) version 20 has been used to analyze and present the data through the statistical tools which was suitable for analyzing and presenting the study. Moreover, to analyze the data, descriptive analysis, correlation analysis and regression analysis has been used accordingly.



## I. Descriptive analysis

Descriptive statistical tools such as tables, percentages, frequency distributions, pie charts, histograms and bar graphs were provided a solution to the problems stated and meet the research objectives specified.

## II. Correlation analysis

In doing this research, Pearson's correlation analysis has been used to determine the relationship between service quality dimensions (Tangibility, Reliability, Responsiveness, Assurance and Empathy) and customer satisfaction.

## III. Regression Analysis

Multiple regression analysis was used to investigate the impact of service quality dimensions (Tangibility, Reliability, Responsiveness, Assurance, and Empathy) on the levels of customer satisfaction.

### ➤ Regression function

Multiple regression equation which has been in this research was built by the dependent variable (customer satisfaction) and independent variables (Tangibility, Reliability, Responsiveness, Assurance, and Empathy). The basic objective of using regression equation on this study is to make the researcher more effective at understanding the impact, describing and controlling the stated variables.

Regress customer satisfaction on the service quality dimensions:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5$$

Where, Y = Dependent variable (customer satisfaction)

X1 = Tangibility

X2 = Reliability

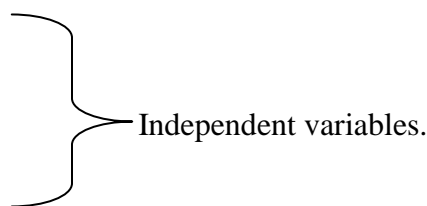
X3 = Responsiveness

X4 = Assurance

X5 = Empathy

B<sub>0</sub> = the intercept

B<sub>1</sub>, β<sub>2</sub>, β<sub>3</sub>, β<sub>4</sub>, and β<sub>5</sub> are the coefficients of respective independent variables.



## 3.6. Validity and Reliability of the research

### 3.6.1. Validity of the Research

Validity is defined as the extent to which data collection methods accurately measure what they intended to do. To ensure the validity of this study, data will be collected from reliable sources like respondents who have experiences in using the services of the bank. Furthermore, this study will be tested, reviewed and commented by the research advisor and other colleagues.

### 3.6.2. Reliability Test

As stated by Hair, J.F., Black, B., Babin, B., Anderson, R. & Tatham, R.L. (2007) reliability indicates the extent to which a variable or set of variables is consistent in what it is intended to measure" (cited by Siddiqi; 2011:20). Reliability analysis used to measure the consistency of a questionnaire. There are different methods of reliability test, for this study Cronbach's alpha is considered to be suitable. Cronbach's alpha is the most common measure of reliability. For this study the Alpha coefficient for the overall scale calculated as a reliability indicator is 0.95. The individual Alpha coefficients for the scales were presented on the following table. As described by Andy (2006) the values of Cronbach's alpha around 0.8 is good. The alpha values in this study are around 0.8 and above therefore it is good.

**Table 3.1 Reliability Test of Service Quality Dimensions**

<b>SERVEQUAL Dimension</b>	<b>Number of Attributes</b>	<b>Cronbach's Alpha of Perceived Performance</b>	<b>Cronbach's Alpha of Expectation</b>
Reliability	4	0.912	0.978
Responsiveness	4	0.931	0.950
Assurance	4	0.970	0.987
Empathy	4	0.914	0.941
Tangibles	4	0.969	0.935

Source: SPSS Reliability Result Output

## CHAPTER FOUR

### 4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter involves the presentation, analysis and the interpretation of data gathered through structured questionnaire. The data considered in this chapter is obtained by using SERVQUAL model. Under this section, the relationship between the five service quality dimensions and customer satisfaction, and impact on the overall customer satisfaction of customers have been presented and analyzed using tables, correlation and regression analysis.

In doing this research, 400 questionnaires were distributed of which 380 were returned back to the researcher after they have been completely filled.

#### 4.1 Respondents Characteristics

In order to get the general backgrounds of respondents, selected customers were asked to describe their gender, age, educational qualification and length of customer relationship with the bank and presented as follows.

<b>Table 4.1- Characteristics of the Respondents</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Gender of Respondent</b>	Male	222	58.4	58.4	58.4
	Female	158	41.6	41.6	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	
<b>Age of Respondent</b>	18-30	143	38	38	38
	31-40	215	57	57	95
	41-50	22	5	5	100
	<b>Total</b>	<b>380</b>	<b>100</b>	<b>100</b>	
<b>Educational Qualification</b>	Read and write	19	5.0	5.0	5.0
	High school	9	2.4	2.4	7.4
	Diploma	102	26.8	26.8	34.2
	Degree	147	38.7	38.7	72.9
	second degree and above	103	27.1	27.1	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	
<b>Customer Relationship-with the Bank</b>	1-2 years	116	30.5	30.5	30.5
	3-5 years	68	17.9	17.9	48.4
	More than five years	196	51.6	51.6	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	

Source: Own survey compiled from SPSS

As indicated in the above table, among 380 respondents 222 (58.4%) were males while the rest 158 (41.6%) were females which may indicate that most respondents are males than females.

While analyzing the age of respondents, the research has found that 38% of the respondents are in the ages of 18-30. On the other hand 57% of the respondents are between the ages of 31-40 and 5% are between the ages of 41-50, the age composition may imply that most respondents which accounts 57% are between young and adult age range

In analyzing educational qualifications of the respondents, the researcher has found that majority of the respondents (38.7%) were first degree holders and above which it indicates that the educated society is more better than the illiterates in using bank and banking products. To add points, as indicated in the graph above only little shares of the respondents (2.4%) were high school complete in their educational qualifications. It implies that most of the banks customers are degree holders. There are also customers who can only read and write, this can sometimes create problem on adoption of technology enabled products specifically digital channels.

From the above depicted figure indicate that significant proportions of the respondents (51.6%) have customer relationship with United Bank for a period of more than five years, followed by 30.5% who had relationship with the bank for the period of 3-5 years and only few of the respondents (17.9%) have customer relationship for a period of less than one year. This implies that majority of the respondents had a customer relationship with the bank for a period of more than three years which indicates longer years of customer relationship with the bank for one or another reason.

## 4.2. Analysis of Service Quality Dimensions

### 4.2.1 Analysis of Tangibility

**Table 4.2 Tangibility of Services**

Tangibility		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Equipment and Modern Looking</b>	Strongly Disagree	94	24.7	24.7	24.7
	Disagree	118	31.1	31.1	55.8
	Neutral	53	13.9	13.9	69.7
	Agree	92	24.2	24.2	93.9
	Strongly Agree	23	6.1	6.1	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	
<b>Staff Neatness</b>	Strongly Disagree	103	27.1	27.1	27.1
	Disagree	86	22.6	22.6	49.7
	Neutral	19	5.0	5.0	54.7
	Agree	124	32.6	32.6	87.3
	Strongly Agree	48	12.7	12.7	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	
<b>Attractive Branch Layout</b>	Strongly Disagree	81	21.3	21.3	21.3
	Disagree	136	35.8	35.8	57.1
	Neutral	32	8.4	8.4	65.5
	Agree	88	23.2	23.2	88.7
	Strongly Agree	43	11.3	11.3	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	
<b>Visually appealing service center</b>	Strongly Disagree	105	27.6	27.6	27.6
	Disagree	112	29.5	29.5	57.1
	Neutral	46	12.1	12.1	69.2
	Agree	69	18.2	18.2	87.4
	Strongly Agree	48	12.6	12.6	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	

Source: Own survey compiled from SPSS

As presented in the above table, most of the respondents (24.5%) agreed followed by 10.7% strong agreement with the tangibility of banking services in united bank, Addis Ababa selected branch. On the other way round, 25.2% of the respondents have strong disagreement with the tangibility of services while 29.7 % completely disagree with the tangibility of the service in the bank under consideration. In general, the research had revealed that greater numbers of the respondents (35.2%) provide their agreement to the tangibility of united bank services as compared to 54.9% disagreement. Therefore, majority of respondents mentioned that the bank falls short of having good tangibility like having modern looking, neatness of dressing, comfortable layout as well as attractive and visually appealing service center.

#### 4.2.2 Analysis of Reliability

**Table 4.3- Reliability of Service**

Reliability		Frequency	Percent	Valid Percent	Cumulative Percent
Dependable Network	Strongly Disagree	119	31.3	31.3	31.3
	Disagree	94	24.7	24.7	56
	Neutral	18	4.7	4.7	60.7
	Agree	94	24.7	24.7	85.4
	Strongly Agree	55	14.6	14.6	100.0
	Total	<b>380</b>	<b>100</b>	<b>100.0</b>	
Accurate Error -Free Records	Strongly Disagree	139	36.6	36.6	36.6
	Disagree	100	26.3	26.3	62.9
	Neutral	19	5.0	5.0	67.9
	Agree	79	20.8	20.8	88.7
	Strongly Agree	43	11.3	11.3	100.0
	Total	<b>380</b>	<b>100.0</b>	<b>100.0</b>	
Promised Quality	Strongly Disagree	116	30.5	30.5	30.5
	Disagree	114	30.0	30.0	60.5
	Neutral	44	11.6	11.6	72.1
	Agree	60	15.8	15.8	87.9
	Strongly Agree	46	12.1	12.1	100.0
	Total	<b>380</b>	<b>100.0</b>	<b>100.0</b>	
Service at right Time	Strongly Disagree	109	28.7	28.7	28.7
	Disagree	115	30.3	30.3	58.9
	Neutral	29	7.6	7.6	66.6
	Agree	57	15.0	15.0	81.6
	Strongly Agree	70	18.4	18.4	100.0
	Total	<b>380</b>	<b>100.0</b>	<b>100.0</b>	

Source: Researcher Computation from Primary Data

As it is presented in the above diagram, it is clear that more respondents (31.8%) have strongly disagreed that united bank services are not-reliable on which they cannot depend on. In addition, 27.8 % of the respondents disagreed that the service they are getting from the bank are not reliable. On the other hand, 14.1strongly agree with the reliability of services. In addition, significant number of respondents (19.1%) had agreed that the service is reliable. The research had revealed that the reliability of services is agreed by 33.2% of the respondents and disagreed by 59.6 %.Therefore, as depicted in the finding majority of respondents complains about the reliability of the banks service in terms of network failure, viability to errors, fulfilling the promise made at 0accurate time which shows as the bank has gap with this perspective.

### 4.2.3 Analysis of Responsiveness

**Table 4.4- Responsiveness of services**

Responsiveness		Frequency	Percent
Employees ability to provide quick response to all customer requests	Strongly Disagree	117	30.8
	Disagree	99	26.1
	Neutral	19	5.0
	Agree	59	15.5
	Strongly Agree	86	22.6
	<b>Total</b>	<b>380</b>	<b>100.0</b>
Employees readiness and willingness to help customers at the right time	Strongly Disagree	124	32.6
	Disagree	93	24.5
	Neutral	18	4.7
	Agree	83	21.9
	Strongly Agree	62	16.3
	<b>Total</b>	<b>380</b>	<b>100.0</b>
Fast and satisfactory responses of employees to customer requests	Strongly Disagree	117	30.8
	Disagree	87	22.9
	Neutral	23	6.1
	Agree	91	23.9
	Strongly Agree	62	16.3
	<b>Total</b>	<b>380</b>	<b>100.0</b>
Timely resolution of customer complains	Strongly Disagree	104	27.4
	Disagree	97	25.5
	Neutral	30	7.9

	Agree	61	16.1
	Strongly Agree	88	23.1
	<b>Total</b>	<b>380</b>	<b>100.0</b>

**Source: Own survey compiled from SPSS**

As it can be seen in the above table and/or diagram, majority of the respondents (39.2%) agreed that employees of the bank are responsive while providing banking services. On contrary, 52.9 percent are not responsive to the customers' requests and other compliance issues. The result is also similar to the case of tangibility and reliability of services in the bank. Therefore, majority of the respondents which encompass 53% fall short of getting quick response from the staffs, getting appropriate help when they need which also indicates that the bank has strong gap with this service quality dimension

#### **4.2.4 Analysis of Assurance**

**Table 4.5- Assurance of services**

In analyzing assurance of services in the bank, respondents were asked to provide their level of agreement/disagreement and it has been summarized as follows.

<b>Assurance</b>		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
	Strongly Disagree	94	24.7	24.7	24.7
	Disagree	105	27.7	27.7	52.4
	Neutral	25	6.6	6.6	59
	Agree	67	17.6	17.6	76.6
	Strongly Agree	89	23.4	23.4	100
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	

As shown from the above table, 156 respondents replied that they agree with assurance of services they are getting from the bank. On the other hand, 199 of 380 respondents disagree with the assurance of the bank's services.

From the above figure, (17.6%) of the respondents agree and 23.4% strongly agree with the assurance of united bank services. On the other side, majority of them (27.7%) do have disagreement and some of them (24.7%) do strongly disagree with assurance of services in the bank. Nevertheless, the total percent of disagreement is higher than customer's agreement in the case of assurance of service



From the above finding we can see that majority of respondents i.e. 52.4% fail in having strong trust, confidence in the bank as well they doubt on the staffs knowledge and related issues.

#### 4.2.5. Analysis of Empathy

**Table 4.6-Empathy of United Bank Service**

Empathy		Frequency	Percent	Valid Percent	Cumulative Percent
Care and individual attention to customers Care and individual attention to customers	Strongly Disagree	104	27.4	27.4	27.4
	Disagree	90	23.7	23.7	51.1
	Neutral	23	6	6	57.1
	Agree	84	22.1	22.1	79.2
	Strongly Agree	79	20.8	20.8	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	
Staffs correctly know customers' needs while providing services Staffs correctly know customers' needs while providing services	Strongly Disagree	140	36.8	36.8	36.8
	Disagree	72	18.9	18.9	55.7
	Neutral	14	3.7	3.7	59.4
	Agree	93	24.5	24.5	83.9
	Strongly Agree	61	16.1	16.1	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	
Convenient working hour	Strongly Disagree	150	39.5	39.5	39.5
	Disagree	76	20.0	20.0	59.5
	Neutral	10	2.6	2.6	62.1
	Agree	63	16.6	16.6	78.7
	Strongly Agree	81	21.3	21.3	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	
Best interest at heart by branch staffs	Strongly Disagree	139	36.6	36.6	36.6
	Disagree	92	24.2	24.2	60.8
	Neutral	14	3.7	3.7	64.5
	Agree	75	19.7	19.7	84.2
	Strongly Agree	60	15.8	15.8	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	

**Source: Own survey compiled from SPSS**

From the total number of 380 respondents 216 have disagreed with the empathy of services that they are getting from the bank. In addition, 149 (39.2%) had in general have agreement in this variable. From the summarized respondents response rate it has found that majority of respondents which accounts 57% believes that the banks doesn't give individual attention to its customers or doesn't segment it's customers based on their individual interest.

### **4.3. Level of Customers' Expectation and Perception on Service Quality in United Bank**

This section presents the customers' expectation and perception towards service quality of UNITED BANK. Service quality is composed of tangibility, reliability, responsiveness, assurance, and empathy. The respondents were asked to rate each statement concerning their expectation and perception of service quality of UNITED BANK.

As stated in the research methodology, Likert scale was used to measure the contribution of service quality dimensions for building customer satisfaction. The researcher has explored customers' expectation and perception levels towards service quality of the bank. The degree of satisfaction towards service quality of the bank is set from 1 to 5 (5 is from the highest expectation/satisfaction, whereas, 1 is the lowest expectation/satisfaction). The translation of level ranking is analyzed based on the following criteria of customers' satisfaction designed by Best (1977: PP 174) The score between 1.00-1.80 mean lowest satisfaction (Lowest) The score between 1.81-2.61 mean low satisfaction (Low) The score between 2.62-3.41 mean average satisfaction (Average or Medium) The score between 3.42-4.21 mean good satisfaction (High) The score between 4.22-5.00 mean very good satisfaction (Highest)

### **4.4. Respondents Responses of the Proposed Items**

The average perceptions (on the scale from 1 to 5) of the proposed 22 Service Quality issues are rated by the respondents. The following table presents the item statistics, which is sorted by occurrence in the questionnaire. In particular the customer's expectation and perception towards service quality of United Bank. Service quality is composed of tangibility, reliability, responsiveness, assurance, and empathy. The respondents were asked to rate each statement concerning their expectation and perception of service quality of the United Bank.

As stated in the research methodology, Likert scale was used to measure the contribution of service quality dimensions for building customer satisfaction. The researcher has explored customers' expectation and perception levels towards service quality of the bank. The degree of satisfaction towards service quality of the bank is set from 1 to 5 (5 is from the highest expectation/satisfaction, whereas, 1 is the lowest expectation/satisfaction). The translation of level ranking is analysed based on the following criteria of customers' satisfaction designed by Best (1977: PP 174) The score between 1.00-1.80 mean lowest satisfaction (Lowest) The score between 1.81-2.61 mean low satisfaction (Low) The score between 2.62-3.41 mean average satisfaction (Average or Medium)

The score between 3.42-4.21 mean good satisfaction (High) The score between 4.22-5.00 mean very good satisfaction (Highest)

**Table 4.7- Mean and Standard deviation Values of Service quality dimensions**

<i>Service Quality dimension</i>	<i>N</i>	<i>Mean</i>	<i>Std.Deviation</i>
Tangibility	380	2.657	1.360
Reliability	380	2.551	1.446
Responsiveness	380	2.717	1.555
Assurance	380	3.300	1.388
Empathy	380	2.659	1.562

As it can be depicted in the table above, the quality of service in the bank is below the average score in all service quality measurement parameters. Exceptionally, the mean value is highest (3.33) in assurance indicating that the service is much better in its quality in terms of assurance followed by responsiveness (2.71 mean score). The research has found out that, all dimensions of customer's satisfaction are weak in their score measures.

The standard deviation of responses is highest (1.55) in responsiveness dimension of service quality and it is minimal (1.36) for tangibility of service in the bank. But overall the standard deviation looks smooth and statistically similar for all the dimensions of quality measures.

#### **4.5. The Quality of Overall Services in United Bank**

To analyze the overall quality of services that the bank is providing to its customers, selected customers were asked to provide their judgment to categorize it to very poor, poor, good or excellent and it has been summarized as follows. As can be seen from table above the overall assessment of customer relationship with the bank on generalized satisfaction level, 112 customers responded as it is very poor, 27 replied it is poor, 75 answered it is good and 67 agree the service is excellent. It can be depicted from the customer's attitude for the bank is almost 57 percent of the time is not good (See Table 4.8 the quality of overall services)

**Table 4.8-The Quality of overall Services**

<b>The Quality of overall Services</b>				
	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Very poor	112	29	29	29
Poor	101	27	27	56
Fair	25	7	7	63
Good	75	20	20	82
Excellent	67	17	17	100
<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	

**4.5.1 Customers Interest to Recommend the Bank to other Clients**

**Table 4.9-Customer Recommendation**

<b>Customer Recommendation</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
	Yes	159	41.8	41.8	41.8
	No	221	58.2	58.2	100.0
	<b>Total</b>	<b>380</b>	<b>100.0</b>	<b>100.0</b>	

As can be depicted from the above table, 58.2 percent of the respondents are not willing to recommend the bank to any other new customer for lack of quality service. On contrary, 41.8 percent agreed to recommend the bank since they are confident that the bank is delivery quality banking services to its esteemed customers. Generally, the figures reflect, the customer services standards are not in a good position in the bank under study.

## 4.5.2 Customers Interest to Continue with United Bank

In addition to customer's recommendation to other clients it was assessed if they are willing to continue with United Bank, together in the future. Table and chart below reveal the cliental statuses or response attitude to work with the bank it the future.

**Table 4.10-Customer Interest to Continue with the Bank**

	Frequency	Percent	Valid Percent	Cumulative Percent
very much interested	101	26.6	26.6	26.6
interested	76	20.0	20.0	46.6
Neutral	57	15.0	15.0	61.6
Not Interested	146	38.4	38.4	100.0
Total	<b>380</b>	<b>100.0</b>	<b>100.0</b>	

The biggest proportions of respondents are not interested to continue partnership with the bank in the future. They are not interested and decline to recognize the qualities of services in the bank. On contrary, 46.6 of the customers are interested or strongly interested to continue with the bank in the future. This can be for different reasons in customer bank relation cases, may not be for the guaranteed quality services in the bank.

## 4.6. Correlation Analysis

A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 Field (2005). A correlation analysis with Pearson's correlation coefficient (r) was conducted on all variables in this study to explore the relationships between variables. To interpret the strengths of relationships between variables, the guidelines suggested by Field (2005) were followed, mainly for their simplicity. His classification of the correlation efficient (r) is as follows: 0.1 – 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong. Correlation coefficients say nothing about which variable causes the other to change. Although it cannot make direct conclusion about causality, we can take the correlation coefficient a step further by squaring it (Andy, 2005). The correlation coefficient squared (known as the

coefficients of determination, R<sup>2</sup>) is a measure of the amount of variability in one variable that is explained by the other

**Table 4.11-Pearson Correlations**

Pearson Correlations			R <sup>2</sup>
Dimensions of Customer Satisfaction		Customer satisfaction	
Tangibility	Pearson Correlation	.832	0.692
	Sig. (2-tailed)	.081	
Reliability	Pearson Correlation	.978**	0.956
	Sig. (2-tailed)	.004	
Responsiveness	Pearson Correlation	.986**	0.972
	Sig. (2-tailed)	.002	
Assurance	Pearson Correlation	.900*	0.810
	Sig. (2-tailed)	.038	
Empathy	Pearson Correlation	.945*	0.893
	Sig. (2-tailed)	.015	
*. Correlation is significant at the 0.05 level (2-tailed).			
**. Correlation is significant at the 0.01 level (2-tailed).			

The strength of relationship between the dependent variable i.e. the customer satisfaction and the independent variables that is the dimensions of customer satisfaction can be identified by the strength of correlation between the variables. In the above table, it can be seen that the strength and dimension of correlation between the customer satisfaction and other independent variables is significantly high. The higher correlation exists between responsiveness and customer satisfaction. The measure of Pearson correlation, r is 0.968 and R<sup>2</sup> is 0.972 which indicate the responsiveness of staff and the customer satisfaction are positively related and further more higher variability of differences in customer satisfaction are explained by responsiveness of the staff. Similarly, Reliability of service in United Bank has strong correlation with the customer satisfaction in the same bank under consideration .In general, empathy, assurance and tangibility of customer service is identified to be related strongly with customer satisfaction in United Bank.

## 4.7. Regression Analysis

Regressions fit a predictive model to data and use that model to predict the values of dependent variable from one or more independent variables (Andy, 2005). Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable.

In multiple regressions we use an equation of  $y_i = (b_0 + b_1X_1 + b_2X_2 + \dots + b_nX_n) + E_i$

Where:  $y$ =the outcome variable  $b_0$ =the coefficient of the first predictor ( $X_0$ )  $b_1$ =the coefficient of the first predictor ( $X_1$ )  $b_n$ =the coefficient of the  $n$ th predictor ( $X_n$ )  $E_i$ = the difference between the predicted and observed value of  $y$  for the  $i$ th participant Therefore, in this study the following multiple regressions were used:

$$CS_i = b_0 + b_1Ti + b_2Ri + b_3RES_i + b_4Ai + b_5E_i$$

### 4.7.1 Assumptions of Multinomial Regressions

**a. Normality of the Sample:** is the population from which the sample is drawn fail to be normal, it cannot be tested for and the least of square assumption fails. Therefore, the skewness and kurtosis of the sample is tested. The interval for skewness should be in between -.5 and 0.5. On the other hand, the kurtosis of the sample should fall out of a set -1 to +1. The researcher finds that the values of both kurtosis and skewness are in required limits. Therefore, the normality assumption is correct.

**Table 4.12-Normality Test Using Kurtosis and Skewness of Sample**

	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
Tangibility	-.380	.313	-2.869	2.000
Reliability	-.077	.213	-1.606	2.100
Responsiveness	-.366	.413	1.524	2.200
Assurance	-0.352	.313	1.492	1.800
Empathy	-.234	.221	1.782	1.520
Customer satisfaction	-.359	.223	1.343	1.235
Valid N (listwise)				

**b. Model summary:** the summary of model reveals the goodness of the fit of the model. In other words, the ability of multinomial model to explain the variability occurred in the dependent variable is due to the independent variables fitted in the model. Accordingly, the following summary model results are obtained from SPSS analysis.

**Table 4.13-Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.976 <sup>a</sup>	0.952	0.813.	.	1.868

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

b. Dependent Variable: Customer satisfaction

Hence, it can be seen from the model above, the 81 percent of the variability in the model is explained by the independent variables selected for the multinomial regression.

**C. Universality or Utility of the model:** Here the hypothesis that all coefficients of the independent variables are insignificant or zero versus at least one of the coefficients is different from zero. The following table indicates the F-test results of the model.

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4604.000	4	1151.000	560.0	000. <sup>b</sup>
	Residual	.000	0	.		
	Total	4604.000	4			
a. Dependent Variable: Customer satisfaction						
b. Predictors: (Constant), Empathy, Tangibility, Assurance, Reliability						

**Table 4.14 -ANOVA<sup>a</sup>**

Again the ANOVA table shows that the calculated F value 560 is significant at 5 percent alpha level again one of the coefficients of the model are significantly different from zero, i.e. the model predicted is reliable to use for prediction purpose.

**D. Individual student t-tests:** here the researcher assesses the significance of individual independent variable coefficients are significantly different from zero. Which means again, the independent variable has meaningful impact on the dependent variable? The following table depicts the reality in the model.



Coefficients Test									
Model		Un- standardized Coefficients	Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Co linearity Statistics	
		B	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	.479		0.983	0.012	.479	.479		
	Tangibility	.132	.133	0.885	0.129	.132	.132	.149	6.701
	Reliability	.321	.358	0.632	0.234	.321	.321	.143	6.904
	Responsiveness	.422	.413	0.585	0.029	.422	.462	.139	7.701
	Assurance	.320	.297	0.743	0.043	.320	.320	.319	3.132
	Empathy	.232	.288	0.534	0.156	.232	.232	.103	9.710

**Table 4.15-Coefficients Test**

Therefore, the summarized table above indicates that, every coefficients of the independent variables, namely, tangibility, reliability, assurance, and empathy turns to be significant at  $\alpha = 5\%$ . e. Effect of Multicollinearity, the assumption of multicollinearity takes into account that the independent variables are independent of each other; otherwise the multicollinearity assumption that the independent variables are independent of each other is violated. As usual we need to test the sample is clear from the multicollinearity effect. The accepted test in this case is to assess the tolerance and VIF results from SPSS analysis. Similarly, the above table reveals that, the tolerance zone is greater than 0.1 for each variable and less than 10 in the case of VIF. Therefore, it can be concluded that, there is insignificant effect of multicollinearity in the fitted model.

#### 4.7.2 Interpretation of the Model Fitted

The general fitted model has the following functional relationship between the dependent variable i.e. customer satisfaction and the independent variables list which include tangibility, reliability, responsiveness, assurance and emphasis.

$$CS_i = 0.479 + .132Ti + .3212Ri + .320RES_i + .232Ai$$

The intercept is greater than zero, which indicate at zero customer service dimensions, the customer satisfaction is equivalent to 0.479 i.e. customer still uses the service of United Bank with reasons apart from the customer satisfaction elements. Similarly, the coefficients of reliability and assurance are higher compared with other determinants of customer satisfaction. Accordingly, the customer satisfaction practices in the bank under study are more affected by these dimensions of quality service parameters. Though the magnitude is a little bit lower for emphasis and tangibility,

both are identified to influence the customer satisfaction of the bank with significant beta coefficient changes.

In general, for a unit change in tangibility measure, the customer satisfaction grows with 0.113 units or vice versa. On the same token, a unit change in reliability affects the customer satisfaction by 0.358 units in the direction of the reliability change. The impact of responsiveness is a little bit higher than other element of quality service dimensions. For a unit change in responsiveness of the United Bank service customers responds with 0.422 units of customer satisfaction in either side depending on the growth direction of the independent variable. We can interpret in similar way to the rest of the customer service dimensions.

# CHAPTER FIVE

## 5. CONCLUSIONS AND RECOMMENDATIONS

This chapter will present the study's conclusion from the research and the research questions will be answered. The chapter ends with recommendations and implication for manager.

### 5.1. Summary of Major Findings

The demographic part has shown that gender of the respondents found, 58.4% (222) are males and 41.6% (158) were females. The age of the respondents showed that, 57% (215), are between the age category of 31-40. Followed by 18-30 age group which accounts (38%) finally age group between 41-50 accounts 5%. Educational qualification of the respondents showed, most respondents holds their first degree which accounts 38.7% (147) followed by those who have second degree and above 27.1(103), diploma which accounts 26.8% (102), read and write 19(5%) finally from high schools 9 (2.4%). The customer relationship with the bank showed, 51.6% have relationship with the bank more than five years 17.9% of them between 3-5 years and 30.5% between 1-2 years.

The strength and dimension of correlation between the customer satisfaction and other independent variables is significantly high. The higher correlation exists between responsiveness and customer satisfaction. The measure of Pearson correlation,  $r$  is 0.968 and  $R^2$  is 0.972. Reliability of service in United Bank has strong correlation with the customer satisfaction in the same bank under consideration. Empathy, assurance and tangibility of customer service are identified to be related strongly with customer satisfaction in United Bank.

Some regression model assumptions were tested and found to be valid.

- ❖ **The normality test** conducted so far showed skewness and kurtosis value of the entire dependent and the independent variables are within the acceptable ranges of plus or minus 1.
- ❖ **The linearity test** conducted so far which considered customer satisfaction as a dependent variable denoted as  $Y$  and tangibility, reliability, responsiveness, assurance and empathy as an independent variables denoted as  $X_1, X_2, X_3, X_4, X_5$  showed, a positively sloped least square regression line.

Regarding regression impact analysis output for a unit change in tangibility measure, the customer satisfaction grows with 0.113 units or vice versa. A unit change in reliability affects

the customer satisfaction by 0.358 units in the direction of the reliability change .The impact of responsiveness is a little bit higher than other element of quality service dimensions. For a unit change in responsiveness of the United Bank service customers responds with 0.413. A unit change in Assurance affects the customer satisfaction by 0.297 units in the direction of the assurance change .A unit change in empathy affects the customer satisfaction by 0.288 units in the direction of the empathy change.

## 5.2. Conclusions

Both practitioners and academics measure service quality and try to identify those areas that need improvement in order to gain a competitive advantage. Therefore, the study makes an attempt to compare different methods that help bank managers to decide upon those service quality aspects that need improvement and further investment. In addition, the researcher has examined the relationship between five service quality dimensions and customers' satisfaction in United Bank and tried to identify which dimension has the highest impact on customers' satisfaction and which need improvement.

The customer gap is evaluated on the basis of five service quality dimensions encompassing Tangibility, Reliability, Responsiveness, Assurance and Empathy. Based on these five service quality dimensions questionnaire has been conducted. The questions posed are all pertaining to service quality attribute aiming to explore the respondents expected and perceived service evaluations in all aspects of the service delivery of the bank

Responsiveness shows the highest positive correlation ( $r=.972^{**}$ ,  $p<0.01$ ) with customer satisfaction and reliability demonstrates the second highest positive correlation( $r=.956^{**}$ ,  $P<0.01$ ) with customer satisfaction. The relative importance of the significant predictors is determined by looking at the standardized coefficients. Responsiveness has the highest standardized coefficient and the lowest significance, which means responsiveness, is the best predictor. Tangibility and customer satisfaction had a high correlation of .832 and the value of  $R^2=.692$ . This indicates that variability in customer satisfaction can be explained by tangibility dimension which accounts 69%. The findings indicate that customers' perceptions vary according to the nature of service. In this case, the highest customers' perceptions are demonstrated in the assurance area such as employee quick responses, employee willingness and readiness to help customer in specific time frame, the response is also satisfactory to the customer, followed by the empathy area such as timing of the bank, effective communication and personal attention. On the other hand, the low perceptions

comparing to the other dimensions are in the tangibility area, such as office layout and equipment, the branch office appearance and related issues. Because of the wide variation of responses, the bank needs to consider the weak areas in order to meet customer requirement. The impacts of “Tangibility”, “Reliability”, “Responsiveness”, “Assurance”, and “Empathy” on customers’ satisfaction with the bank are .133, .358, .413, .297 and .288 respectively, in their descending order indicating that Tangibility has the highest impact on customer satisfaction.

### **5.3. Recommendations**

Banks that will thrive in the future will be those that are able to focus more on their customers, rather than on the products and services, which they sell. Banks should have the interest of their customers at heart, because customers are the true business of every company”. Based on the results of the analysis the following recommendations are given which help United Bank in service delivery system in order to narrow the gap might exist between customer perception and expectation and so as to increase customer satisfaction and delight them.

- In order to continuously adapt the proposed service proposition to the changes in customer needs and attitude, surveys like the one conducted in the study should be performed by the bank. Hereby, the management will obtain an up-to-date understanding of the customer attitude, where the internal feedback to the respective employers will guide the implementation of any improvement program.
- According to the service profit chain model the satisfaction of employees/internal customers contributes indirectly for the satisfaction of external customers (Zeithaml and Bitnere,2003).Therefore, the bank should give employees effective training, development skill and give incentive which enable them deliver prompt service to customers.
- The results reveal that “Reliability” (m=3.95), and “Responsiveness” (m=3.87) dimensions have less impact on customer satisfaction. Therefore, the bank should provide services according to these results. In order to achieve this, employees have to be well-trained and informed to provide services that exceed customer demand.
- During service provision interaction occurs from the moment the client and agent (employees) contact each other either verbally or non-verbally. Managers should ensure that the benefits offered to customers in promotional activities are delivered as promised.

Delivering a high standard of quality requires management commitment and teamwork. Employees must realize how their performance affects the rest of the team. Therefore, the bank needs to give due attention to the “Responsibility and Responsiveness” factors so that customers may have higher expectations helping the bank to improve.

- Moreover, the bank should evaluate employees’ performance constantly. Employees should participate in scheduled training courses because behaviour of employees is often instrumental in bringing about desired outcome. Learning involves both the development and modification of thoughts and behaviours, therefore the bank should continuously redefine goals and policies, modify structures, re-engineer jobs, and track training, monitoring, and rewarding of employees.
- A customer experiences and judges the service quality on the basis of his or her perception of services. Therefore, the bank should provide customers with full experiences conforming to their individual desires.
- In the present competitive banking environment, most of the banks offer the same or similar products around the world and service quality is a vital means to differentiate them in the market place. Therefore, to be successful, the bank must provide service to their customers that meets or exceeds their expectations, and the present study will provide at least some sorts of guidelines to the policy makers of the bank, to take right decision to improve the quality of services of the bank.
- Increase communications amongst staff members using update data base system and create a sense of teamwork. This enables the bank to deliver service with care and attentiveness by improving employee motivation and capabilities.
- By introducing above mentioned gap analyses, the management will be able to leverage findings from the present customer gap analysis, and ensure a holistic approach to the service quality dimensions assessment.

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# APPENDIX

St. Mary's University

School of Graduate Studies

Department of Business Administration in General Management

Dear Respondents,

The purpose of this questionnaire is to collect primary data for conducting a study on the topic "The impact of service quality on customer satisfaction: A case study in United Bank selected city branches" for the partial fulfillment of Masters of Business administration (MBA).

I kindly request you to provide me your genuine and reliable response to all of the questions as it is very helpful for the outcome of research. All the information collected through this questionnaire will be used only for academic purposes and I will assure you that it will be kept secret/confidential.

Thank you very much in advance for your kind cooperation in taking your precious time in filling the questionnaire.

## ***General Instruction***

- 1. No need of writing your name*
- 2. Please use a thick (✓) mark inside the box or table for the alternative you think is right.*
- 3. If you have any question or anything which isn't clear you can contact me through email [mariyasolii21@gamil.com](mailto:mariyasolii21@gamil.com) before responding to questions.*

## **Part I. Personal information**

- 1.1 Gender:      1) Male  2) Female
- 1.2 Age ( in years): 1) 18-30     2) 31-40                     3) 41-50     4) above 50
- 1.3 Educational qualification: 1) Read & write  2) High school complete   
3) Diploma  4) 1<sup>st</sup> degree     5) 2<sup>nd</sup> degree and above
- 1.4 Length of your customer relationship with the bank:
- 1) Less than 1 year  2) 1-2 years  3) 3-5 years     4) More than 5 years

**Part II- Service quality (SQ)**

Please indicate your level of agreement to the following service quality questions by circling your choice.

*1= Strongly Disagree, 2= Disagree, 3= Neutral 4= Agree, 5= Strongly Agree*

	<b>II. Service Quality (SQ) questions:</b>	<b>Response codes</b>				
<b>Tangibility</b>	<b>TA1.</b> The branch has modern looking office equipment's	1	2	3	4	5
	<b>TA2.</b> Branch staffs appear neat and well dressed.	1	2	3	4	5
	<b>TA3.</b> The branch has attractive and comfortable layout (set up) for service.	1	2	3	4	5
	<b>TA4.</b> The branch has visually appealing service center.	1	2	3	4	5
<b>Reliability</b>	<b>RL1.</b> The branch has dependable network that I can always relay on it.	1	2	3	4	5
	<b>RL2.</b> Branch staffs always make accurate (error free) records of transactions.	1	2	3	4	5
	<b>RL3.</b> The branch provides the promised quality of service without fail.	1	2	3	4	5
	<b>RL4.</b> The branch provides its service at the right time it has promised to so.	1	2	3	4	5
<b>Responsiveness</b>	<b>RS1.</b> Employees have ability to provide quick response to all of your requests.	1	2	3	4	5
	<b>RS2.</b> Employees are ready & willing to help you at the right time.	1	2	3	4	5
	<b>RS3.</b> Employees provide fast and satisfactory response to your requests.	1	2	3	4	5
	<b>RS4.</b> Staffs provide timely resolution to customers complains.	1	2	3	4	5
<b>Assurance</b>	<b>AS1.</b> Employees are able to inspire trust and confidence on you.	1	2	3	4	5
	<b>AS2.</b> Employees have adequate knowledge to provide services.	1	2	3	4	5

	<b>AS3.</b> Employees are very polite and friendly while treating you.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>AS4.</b> Staffs are respectful to in providing services.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Empathy</b>	<b>EM1.</b> Employees provide you care & individual attention.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>EM2.</b> The staffs correctly know your needs while providing services.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>EM3.</b> The branch has convenient working hour for you.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>EM4.</b> The branch works for your best interest at heart.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**Part III – Customer satisfaction (CS)**

Please indicate your level of satisfaction with the branch services by circling your choice.

**1=Highly dissatisfied, 2=Dissatisfied, 4=Satisfied, 5= Highly Satisfied (delighted)**

<b>II. Customer Satisfaction (CS) questions</b>		<b>Response codes</b>			
CS1.	Your level of satisfaction with the bank’s complete range of services.	<b>1</b>	<b>2</b>	<b>4</b>	<b>5</b>
CS2.	Your level of satisfaction with employees’ professional competence.	<b>1</b>	<b>2</b>	<b>4</b>	<b>5</b>
CS3.	I am satisfied with the bank’s way of treating its customers.	<b>1</b>	<b>2</b>	<b>4</b>	<b>5</b>
CS4.	Your level of satisfaction with the bank’s service delivery time.	<b>1</b>	<b>2</b>	<b>4</b>	<b>5</b>
CS5.	I am satisfied with the complain handling system of the bank	<b>1</b>	<b>2</b>	<b>4</b>	<b>5</b>
CS6.	I am satisfied of being a customer of this bank	<b>1</b>	<b>2</b>	<b>4</b>	<b>5</b>
CS7.	How much are you satisfied with the overall services of the branch?	<b>1</b>	<b>2</b>	<b>4</b>	<b>5</b>

**Part IV. General questions**

1. Do you recommend the banks products and services to others?

A) Yes I do recommend    B) No I don't

2. How much you are interested to work with us?

A) Very much interested    B) Interested    C) Neutral    D) Not Interested

E) Not interested at all

**Part V- Open ended question**

Please put forward if u have any insight, comment , suggestions or opinions which assists the bank to improve its service quality?

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***Thank you very much!!***