



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

**ASSESSMENT OF THE SERVICE QUALITY DIMENSIONS AFFECTING
CUSTOMER SATISFACTION: A CASE STUDY OF AWASH
INTERNATIONAL BANK S.C**

**BY
HENOK YILMA**

**JUNE, 2017
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF
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BY

Henok Yilma

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Declaration

I, the under signed, declare that this thesis is my original work, prepared under the guidance of Tesfaye Wolde (Phd.) I further confirm that the thesis has not been presented for any academic purpose in any other university and all sources of material used for the thesis have been dully acknowledged.

Name

Signature and Date

Endorsement

This thesis is submitted for examination with my approval as university advisor of the candidate.

Tesfaye Wolde (PhD)

June, 2017

Signature & Date

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List of Abbreviations/ Acronyms

AIB Awash International Bank

SERVQUAL Service Quality

SERVPERF Service Performance

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Abstract

The purpose of this paper was assessing the service quality affecting customers' satisfaction in Awash International Bank. Accordingly, descriptive survey design was used to conduct the study using SERVPERF model of Cronin and Taylor's (1992). By using convenience sampling 400 participants were included in the study. Accordingly; 400 questionnaires were distributed for study participants. The quantitative data gathered through questionnaire was analyzed and interpreted using appropriate statistical tools like percentage, mean, and regression analysis. The findings of data analysis indicated that among the five service dimensions: Reliability, Empathy and Tangibility were with higher mean value than other dimensions. This indicates that the level of quality of service delivered by AIB for its customers were better in the dimensions of Reliability, Tangibility and Empathy in relation to other dimensions. Hence; other dimensions Like Assurance and responsiveness needs some improvement. Moreover, the overall predictive powers of the three service dimensions were higher than the other two dimensions. Since reliability has 3.3 beta value to predict customers satisfaction. Similarly, Empathy has 3.291beta value to predict on customers satisfaction and tangibility has 3.189 beta values to predict on customers satisfaction. The conclusion of the study indicated that the dimensions; Reliability, Tangibility and Empathy have higher mean value which indicates better satisfaction and dominantly affect customers satisfaction in Awash International Bank Whereas, some improvement is needed for Responsiveness and assurance dimensions. Based on the findings and conclusions of the study; the following recommendations are forwarded for concerned bodies; it was found that among all service dimensions Responsiveness and assurance needs some improvement. Therefore, Awash International Bank should try to improve Responsiveness and assurance dimensions by improving the rate of the service by responding promptly to customer service requests on time with minimal waiting hour. Similarly, the bank has to improve assurance dimension which relates to the capability of the service provider to deliver the output specifically in terms of the knowledge, politeness and trustworthiness of the employees to customers' of the Bank.

Key Word: Service Quality, Customer satisfaction, Service performance

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CHAPTER ONE

INTRODUCTION

This introductory part of the paper consists of the background of the study, problem statement, research questions, objective, significance, scope, limitation, delimitation and organization of the study.

1.1. Background of the study

In the current volatile business world in order to be competitive, service providers' organizations must provide quality service to their customers. Moreover, understanding and meeting customers' expectations and subsequently being different from competitors are important in order to survive for any business organizations.

According to Stafford (1996) Financial services in general, particularly banks; compete in marketplace with generally undifferentiated services and products, thereby service quality becomes a key competitive weapon. Angur. (1999) pointed out that, banking organization can only differentiate itself from competitors by providing high quality services. Structural changes have resulted in banks to perform a greater range of activities, and enabling them to become more competitive with non-bank financial institutions.

Presently, technological advancements are causing banks to revise their strategies for services offered to both individual and commercial customers. Furthermore, banks that excel in quality services can have distinct marketing edge since improved levels of service quality are related to higher revenue, higher customer retention, higher cross-sell ratios (Bennett & Higgins, 1993), and increased market share (Bowen & Hedges, 1993). In addition, the banks understand that customer will be loyal if they can produce greater value than their competitors (Dawes & Swailes, 1999). Moreover, higher profits will be earned by banks if they can position themselves better than competitors within a specific market (Davies *et al.*, 1995).

Hence, banks should focus on service quality as a core competitive strategy (Chaoprasert & Elsey, 2004). Hossain & Leo (2009) sounds that customer satisfaction and service quality has

become the focal point of all banking institution. Therefore, Service quality and its measurement have become an important research topic because of its apparent relationship to cost, customer satisfaction, customer retention and profitability (Rust, Roland and Oliver L. Richard, 1994). Service quality is regarded as a driver of corporate marketing and financial performance (Rust, Roland and Oliver L. Richard, 1994). A sound measure of service quality is necessary for identifying the aspects of service that need performance improvement, assessing how much improvement is needed on each aspect and evaluating the impact of the improvement efforts.

The evaluation of quality service is more complex than for products because of their intrinsic nature of heterogeneity, inseparability of production and consumption, perishability and intangibility (Zeithaml, 1996). According to (Parasuraman et al, 1988) service quality is a function of pre purchase customer expectation, perceived process quality and perceived output quality. Customer expectation is understood as “desires or wants of consumers” or “what they feel the service provider should offer rather than would offer”.

On the other hand, customer perception is defined as customer’s judgment of how service or product fulfill their needs, wants and desire (Armstrong & Seng, 2000). Perceived quality is the consumer’s assessment of an entity’s overall excellence or superiority (Zeithaml 1996). The widely used instrument that helps to measure service quality was designed by (Parasuraman et al, 1988). This standard multiple survey instrument consists of five generic dimensions include Tangibility, Responsiveness, Assurance, reliability and Empathy (A detailed discussion of SERVQUAL model will be done in the literature review section of this paper).

Quality service has direct impact on performance and hence on customer satisfaction. Higher levels of customer satisfaction sustain customers’ confidence, which is essential for competitive advantage (Kortner and Armstrong, 2001). Customer satisfaction produces real rewards for the company in the form of customer loyalty and corporate image, customer business come again and again because they know the quality of the service; they are also aware that they depend on the people there, and they will get consistent service, which indicates they are satisfied with the activities of the organization. (Denton, 1992)

Banking Service Quality is a key differentiator between the competing banks. It is especially very critical in a highly competitive environment such as that of the Awash International Bank

S.C. Therefore, Service Quality improvement is key issue that determines the very survival of the Awash International Bank S.C.

The gap-model of the (Parasuraman, Zeithaml and Berry, 1991) compares that the perception of performance (P) to expectation (E), has been widely used in past studies in a variety of industries. Moreover, different scholars try to indicate the gaps using the five dimensions in the case of commercial bank and some other private banks and also many studies indicate the service gap rather than explaining the effect of the service dimensions on customers' satisfaction.

Therefore, as indicated in Cronin and Taylor (1991) argument that only perception was sufficient for measuring service quality and therefore expectations should not be included as suggested by SERVQUAL. Hence; this study will attempt to use the SERVPERF measurement of Cronin and Taylor (1992) to explain the effect of the five service dimensions in relation to customer satisfaction in Awash International Bank S.C.

1.2. Statement of the problem

According to Collart (2000), one of the determinants of success of a firm is how the customers perceive its service quality, as the perceived service quality is the key driver of perceived value (Collart, 2000). It is the perceived value, which determines customer satisfaction. Many firms including banking industries begin to track their customers' satisfaction through measuring their level of service quality perceived by their customers (Collart, 2000).

Spreng and Olshavsky (1993) also stated that customer satisfaction or dissatisfaction is considered to be the result of a comparison between the pre-use expectations that a customer has about the product or service and the post-use perception of product or service performance.

Munusamy et al; (2010) sounds that, though the ultimate goal of every service giving industry including banks is satisfying customers, more often, many of the service delivering organizations are flailed to satisfy customers as a result of not understanding customers' interest well. Hence, this dilemma creates job difficulty to most business organizations that focus on customer relations (Munusamy et al; 2010).

According to Collart (2000), one of the determinant successes of a firm is how the customers perceived the resulting service quality, as this is the key driver on perceived value. It is the perceived value which determines customer satisfaction. Many firms including banking industries begin to track their customers' satisfaction through measuring the level of service quality by their customers.

Stafford (1996) also indicated that financial services, particularly banks, compete in the marketplace with generally undifferentiated products, therefore service quality becomes a primary competitive weapon.

Furthermore, those banks operating in Ethiopia are consequently put into lot of pressures as a result of the increased competition in the industry. Since, in the last eighteen years the number of banks had increased in Ethiopia i.e. in 1994 there were only two commercial banks in the country. However, in 2011 the number of banks reached fourteen which creates a stiff competition among banks in meeting customer service expectation and satisfaction (Beliyu Girma, 2011).

In this regard Beliyu Girma (2011), in his study of assessment of quality services delivery and its impact on customer satisfaction tried to see the relationship between service quality dimensions and customer satisfaction in selected commercial banks in Addis Ababa and identified the most important dimension of service quality for commercial bank customers. Also, he showed the gaps between customer's expectation and perception on the quality of service delivery system in the banks. The result of his study indicated that the overall service quality perceived by consumers was not satisfactory meaning expectations exceeded perceptions and all the dimensions showed higher expectations than perceptions of services. But he didn't address specifically a single bank. In similar way Bethelehem Tesfaye (2015), in her study of impact of service quality on customer satisfaction in the case of Comercial bank of Ethiopia, found that among the five parameters responsiveness and reliability was better than the other three variables such as empathy, tangibility and assurance. But she didn't address private banks of Addis Ababa; hence, it is better to see the impact of these variables in private bank.

On the other hand, William & Susana (2011), in their study of assessment and analysis of service quality and customer satisfaction with banking services at National Investment Bank of Gahana,

Kumasi. They analyzed using the five generic service quality dimensions (Tangibility, empathy, assurance, responsiveness and reliability) and found that the variables of Tangibility, empathy and assurance has much significance to affect customers satisfaction in the selected National Investment Bank of Ghana.

Even though, these findings indicate these service quality dimensions impact customers' loyalty negatively; if customers are not satisfied. With similar tone, Awash International Bank is not different from similar business firm. Awash International Bank is the first among the private banking industry in Ethiopia to open its doors in 1994 following the liberalization of the banking industry in Ethiopia at the start of the 25-year tenure of the government led by the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF). AIB mission is articulated as; "provide Innovative, Competitive and Diversified banking services accessible to the society with qualified and committed staff in a profitable and socially responsible manner"

However; the mission statement is smart enough but didn't include customer satisfaction at the heart of mission statement. Hence, customer satisfaction should be assessed in order to provide service meaningfully. Hence; to overcome its challenges and attain its mission; it is important to consider periodic evaluation and performance review of its service in order to retain its customer. Within this view, this paper is intended to assess the service quality that affects customers' satisfaction.

1.3. Research Questions

In order to attain its objectives; this paper tried to answer the following basic questions:

- ❖ What is the level of quality of service provided by AIB?
- ❖ What is the level of customers satisfaction derived from the services of AIB?
- ❖ What dimensions affect the satisfaction of AIB customers?
- ❖ How do customers' perceive each of the five dimensions of service quality?

1.4. Objectives

1.4.1 General Objective

The main purpose of this study was to assess and analyze the quality of service and the extent of customers' satisfaction with the banking service at Awash International Bank.

1.4.2 Specific Objectives

The above general objective breaks down in to the following objectives. Hence, the specific objectives of this paper were:

- ❖ To examine the level of quality of service provided by AIB.
- ❖ To assess the level of customer satisfaction in the services of AIB.
- ❖ To identify the factors that affects the satisfaction of AIB customers.
- ❖ To find out customers' perception of each of the five dimensions of service quality.

1.5. Scope of the Study

Even though the Assessment and Analysis of Service quality and customer Satisfaction of every bank was very important; but time and financial constraints bound the scope of this study. Hence; in order to manageable; this study attempt to collect data questionnaire were distributed to 400 respondents from 39 branches of AIB in Addis Ababa and the respondents were taken using convenience sampling method since it is difficult to get all customers at a time. The paper is intended to make an assessment of the service quality affecting customer satisfaction using five genetic service quality dimensions (Tangibility, empathy, assurance responsiveness and reliability) . The data was analyzed using linear regressions to explain the predictive power of service quality dimensions on customers' satisfactions. The mean value was also computed to see service quality perceived by customers.

1.6. Significance of the Study

The findings of this study would provide the following importance: The findings of the study would enable Awash International Bank officials to understand their customers view with respect to their service. It might also help the bank to identify actions to ensure high level of customer satisfaction in their operations to meet the needs and expectations of their customers in order to maintain customer loyalty. The findings of the study would also serve as a reference document for further studies in the areas of the banking industry with regard to customer satisfaction.

1.7. Organization of the Study

This paper was compiled in to five chapters. The first chapter deals with introduction. It was consist of the back ground, statement of the problem, objective of the study, research questions, and significance of the study, limitation of the study and organization of the paper. The second chapter focused on related literature and review of relevant sources based on the topic according to the research questions. Research design and method presented in the third chapter. It also provided details on the population, sample and sampling procedures as well as the instruments used in collecting data for the study. It also discusses the data collection procedures and method of analysis. Facts and figures obtained from both primary and secondary sources were presented in the forth chapter which was analyzed based on research questions. In the last chapter; based on the findings conclusions were drawn and based on the conclusions possible recommendations were forwarded.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter dealt with intensive review of related literature. It included assessment of major related sources in relation to the topic under investigation. Accordingly both theoretical and empirical sources were reviewed. Hence, the following area was assessed: services offered by banks, factors that cause customer satisfaction and assessment of customer satisfaction, dimensions of service quality, the service quality model and improvement of quality service delivery by banks.

2.1. Conceptual review

2.1.1. Definition of Bank

Banking is the business of providing financial services to consumers and businesses. The basic services a bank provides are checking accounts, which can be used to make payments and purchase goods and services; savings and time deposits accounts for investment, precautionary and speculative purposes, loans for consumer and capital goods as well as working capital and basic cash management services such as check cashing and foreign currency exchange (Johannes, 2005). Online banking and other electronic products like ATMs, VISA cards are some of the latest and innovative electronic services offered by Ethiopian Banks. According to Article 2(12) of the Monetary and Banking Proclamation No 83/1994, banking business means any operation involving receiving money on deposit, lending money, receiving commercial instruments on deposit, accepting, negotiating/ transferring, discounting commercial instruments and other evidences of debt, and buying and selling of gold and silver notes and foreign exchange.

Similarly, Article 2(2) of the Licensing and Supervision of Banking Business Proclamation No 84/1994 defines banking business as:

Any business involving acceptance of money on deposit, using such funds or deposits, in whole or in part, for loans or investments on the account of and at the risk of the person undertaking the business, purchasing, selling and deposit of

negotiable instruments (shares, bonds and other securities/ and checks, bills and notes, and buying and selling of gold and silver bullions and foreign exchange).

On the other hand, the term bank is defined, under Article 2(1) and (4) of the same proclamation, as a share company whose capital is wholly owned by Ethiopian nationals and/or business organizations wholly owned by Ethiopian nationals and which is registered under Ethiopian laws and which has its head office in Ethiopia and licensed to undertake banking business by the national bank of Ethiopia.

2.1.2. Definition of Service

Many of the writers perceive and define ‘service’ in different ways: for example (kottler; 2003); defined service as “any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product” (kottler; 2003). According to Rao (2007) any intangible actions that are performed by person or machines or both to create good perception within users is called service. Although services are performed by service providers it results in perception and value assessment by the customer (Rao; 2007).

2.1.3. Definition of Service Quality

In today’s increasingly competitive business environment, service quality is essential for the success of any organization. Service quality is important aspect that affects the competitiveness of business. Banks should increase the quality of service constantly since there is no assurance that the current outstanding service is also suitable for future.

Accordingly, banks should “develop new strategy” to satisfy their customer and should provide quality service to distinguish themselves from rivalries (Siddiqi; 2011). According to Jamal & Naser (2002), Service Quality is multidimensional concept; it is defined differently interpreted by different people (Benjaminton & Cummane, 1998 cited in JIBR 2008). Service is abstract (Sureshchandar, Rajendran and Anantharaman, 2002). Consequently, service is difficult for suppliers to explain and for customers to assess (Edvardsson et al., 1994).

Quality is also defined differently by different people Crosby (1979) defined quality as “Conformance to requirements”. This definition implies that organizations must establish requirements and specifications. Once these specifications are established, the quality goal of the various functions of an organization is to comply strictly with them. Juran (1982) defined quality as “Fitness for use”. Secondly, no global definition of quality has been established until the time of speaking even though this has been the focus of discussions throughout history.

Rather, different definitions are accepted under different circumstances (Reeves & Bednar, 1994). The search for this definition carried out by Benjamin and Cummane (1998) showed that quality has been defined variously as excellence (pirsig, 1974 & Kitto, 1951), value (Feienbaum 1951 & Abbott, 1955), conformance to specifications (Levitt, 1972 & Gilmore,1974), conformance to requirements (Crosby, 1979), fitness for use (Juran, 1974; 1988), loss avoidance (Taguchi cited in Ross 1989) and meeting and or exceeding customers expectation (Gronroos, 1982 cited in Parasuraman et al., 1988).

Quality is also defined as “a measure of the extent to which the service delivered meets the customer’s expectation” (Ghobadian, Speller & Jones, 1993) , which was supported by Harrison (2000). Among many definitions, stated that, the most popular definition of quality was meeting and or exceeding customers’ expectations (Reeves & Bednar, 1994).

2.1.4. Characteristics of Services

According to Shostack (1981), the most important and distinguishing characteristic of services is intangibility; i.e. it is not possible to taste, feel, see, hear, or smell services before they are purchased. Many researchers argue that intangibility forces consumers to rely on external indicators of quality such as the surroundings and equipment (Berry, 1980; Eigler, Langeard, Lovelock, Bateson & Young, 1977; Grove & Fish, 1983; Shostack, 1977; Upah, 1982), service personnel (Gronroos, 1981; Rathmell, 1974), and price (Berry1980; Booms & Bitner, 1981; Zeithaml, 1981).Whereas goods are produced, sold, and consumed, most services are first sold, and then produced and consumed simultaneously. The inseparability of production and consumption means that the service provider is often physically present when consumption takes

place. Only direct distribution is possible in services that have to be delivered face-to-face (Upah, 1980).

Consequently, marketing and production are highly interactive processes (Gronroos, 1978). Indeed, services are often classified based on this interactive dimension. Chase (1978) argued that services are differentiated on the extent of customer involvement. One of Lovelock's (1983) multidimensional classification matrices also uses the service provider customer involvement dimension to differentiate services.

Because of the intangibility, it is difficult for consumers to make a conscious evaluation and comparison of the quality of various service offerings. In the absence of tangible cues for customer evaluation, the firm may find it difficult to understand how the consumers perceive and evaluate their services (Zeithaml, 1981). The predominance of human contact in service offerings also highlights the importance of the service experience. Parasuraman, Zeithaml, and Berry (1985) found that 8 out of the 10 dimensions important in determining quality were experiences drawn from the service encounter, such as friendly staff and speedy service. Their results imply that the service provider takes a central role in communicating quality (Parasuraman, Zeithaml, and Berry, 1985).

The involvement of both customer and service provider suggests that services that require high customer contact are more difficult to control and standardized than those with low consumer contact (Chase, 1978). The simultaneous production and consumption of services means that quality occurs during the service delivery, usually in an interaction between the customer and service provider. It is difficult to inspect the service prior to delivery to the customer. The problems created by intangibility and inseparability highlight the need for a system of service delivering to be built into the firm to ensure consistent quality delivery (Chase, 1978).

2.1.5. Definition of Customer Satisfaction

As indicated by Lovelock (2004) many researchers conceptualize customer satisfaction as “an individual's feeling of pleasure (or disappointment) resulting from comparing the perceived performance or outcome in relation to the expectation.”

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. Businesses recognize that keeping current customers is more profitable than having to win new ones to replace those lost. Management and marketing theorists emphasize the importance of customer satisfaction for a business's success (Kennedy & Schneider; 2000).

Good customer satisfaction has an effect on the profitability of nearly every business. For example, when customers receive good service, each will typically tell nine to ten people. However, customers who receive poor service will typically relate their dissatisfaction to between fifteen and twenty others (Naik:2010). Anderson and Zemke; 1998) stated that "Satisfied customers improve business and dissatisfied customers impair business". Therefore, customer satisfaction is an asset that should be monitored and managed just like any physical asset.

The satisfaction judgment is related to all the experiences made with a certain business concerning its given products, the sales process, and the after- sale service. Whether the customer is satisfied after purchase also depends on the offer's performance in relation to the customer's expectation. Customers form their expectation from past buying experience, friends' and associates' advice, and marketers' and competitors' information and promises (Kotler; 2000).

Higher customer satisfaction leads to greater customer loyalty which in turn leads to higher future revenue. As a result, many market leaders are found to be highly superior customer-service orientated. They have been rewarded with high revenue and customer retention as well. For that reason, organizations in the same market sector are forced to assess the quality of the services that they provide in order to attract and retain their customers. Because satisfied customers are key elements to long-term business success (Zeithaml et al., 1996).

2.1.6. Customers' Expectation of Service Quality

Customer expectations are beliefs about a service that serve as standards against which service performance is judged (Zeithaml et al., 1993); which customer thinks a service provider should offer, rather than on what might be on offer (Parasuraman et al., 1988). This is influenced by their prior knowledge, personal desires, word-of-mouth and service provides. Literature explains expectation as predictions made by consumer about what is likely to happen from a transaction (Parasuraman et al., 1988).

2.1.7. Customers' Perception of Service Quality

Customers perception of performance is what they experienced (Parasuraman et al., 1988). Literature maintains that customers total perception of a service is based on their perception of the outcome and the process; where the outcome is either value added or quality and the process is the role undertaken by the customer (Edvardsson, 1998). The customer's perception of quality of service is based on the degree of agreement between expectations and experience (Kandampully, 1998).

The result of this comparison is perceived service quality (Gronroos, 1982, 1984; Takeuchi and Quelch, 1983; Parasuraman et al., 1985, 1988). Parasuraman et al, (1988) define perceived quality as a form of attitude, related but not equal to satisfaction, and results from a consumption of expectations with perceptions of performance. Therefore, having a better understanding of consumers attitudes will help know how they perceive service quality in banking operations (Parasuraman, et al, 1988).

The pivot to the concept of service quality is gap model, which stipulates that service quality is a function of the difference scores or gap between expectations and perceptions ($P - E$). The gap between expectation and performance can be positive (satisfactory), when performance exceeds expectations or negative (dissatisfaction), when performance falls short of expectations (Anderson, 1973). Service quality is low, if what is perceived is below expectation, and is high, if what is perceived meets or exceeds expectation. The result of this comparison is perceived service quality (Gronroos, 1982, 1984; Takeuchi and Quelch, 1983; Parasuraman et al., 1985, 1988).

2.1.8. Dimensions of Customer Perceptions

The customers' perceptions of the service process are separated into two parts these are the process dimension or how the service process functions and the outcome dimension or what the process outcome. According to Gronroos (1982), the two quality dimensions are termed technical quality which indicates what the service process leads for the customer in the technical sense and functional quality which show how the process functions. Customers perceive the quality of the service in these two dimensions, what they get and how they get it (Gronroos, 1982).

Gronroos (1982) also indicated that; technical quality is a condition for good perceived quality, but it is not often enough. Additionally, functional quality part of a service must be on a satisfactory level. Gronroos (1982) also pointed out that, the perceived technical quality part of the service become visible for customers as soon as it is good enough, and after that the functional qualities aspect determine the level of perceived quality of service in the minds of consumers (Gronroos,1990).

2.1.9. Managing Service Quality

One of the critical tasks of service companies is service quality management. It is commonly said that "*what is not measured is not managed*" (Anonymous). Without measurement managers will not be sure whether service gaps exist, let alone what types of gaps and where they exist. Many organizations are eager to provide good quality services, but fall short simply because they do not accurately understand what customers expect from the company. The absence of well-defined tangible cues makes this understanding much more difficult than it would be if the organization were making manufactured goods. Services organizations should ask the following key question: - (Cole; 1995)

- What do customers consider the important features of the service to be?
- What level of these features do customers expect?
- How is service delivery perceived by customers?

In service marketing the quality of service is critical to a firm's success. Service providers must understand two attributes of service quality: - first quality is defined by the customer not by producer or seller. Second, Customer assesses service performed (Stanton; 1987). Consequently, to effectively manage quality, a service firm should:

- ❖ **Help customers formulate expectation** Expectations are based on information from personnel and commercial sources promises made by the service provider and experience with the particular service as well as other similar services (Stanton; 1987).
- ❖ **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 and Strive to maintain consistent service quality at or above the expectation level (Stanton; 1987).

2.1.10. Customer satisfaction and service quality in banking industry

Without any doubt, service quality is gaining more importance in banking industry (Munusamy et al, 2010). Both the marketing and service management literatures suggest that there is strong theoretical underpinning among customer satisfaction, customer loyalty and profitability (Hollowell, 1996). Levesque & McDougall (1996) pointed out that customer satisfaction and retention are critical for retail banks, and investigate the major determinants of customer satisfaction (service quality, service features, situational factors and customer complaint handling), and future intentions in the retail bank sector. Bloemer et al. (1998) explore how image, perceived service quality and satisfaction determine loyalty in a retail bank. Armstrong & Seng (2000) analyze the determinants of customer satisfaction in the banking industry (purchase intentions, transactional paradigm, and fairness (equity)). The study of Lassar et al. (2000) examines the effects of service quality on customer satisfaction from two distinct methodological perspectives – technical/functional quality and SERVQUAL.

Jamal & Naser (2002) suggest that customer satisfaction is based not only on the judgment of customers towards the reliability of the delivered service, but also with customers' experiences with the service delivery process.

Therefore, they report demographic differences (education, gender and income levels) in the degree of customer satisfaction. Hence, customer satisfaction with commercial and retail banking is composed of a wide variety of dimensions (Jamal & Naser, 2002).

Thus, customer satisfaction reveals the general evaluation of the actions carried out by a given business in relation to expectations accumulated after various contact between the consumer and business (Bitner & Hubber, 1994). If customers perceive that they are obtaining additional benefits from their relationship with establishment employees, their satisfaction level with the service provider will increase (Beatty et al., 1996).

Relational benefits can then be considered as important factors for customer satisfaction with financial businesses. Therefore, relational benefits mean special treatment, social benefits and confidence, which were investigated by Gwinner et al. (1998), would have a strong influence on customer satisfaction with their habitual establishments.

2.1.11. Improvement of Service Quality

Complaints provide a very important tool in the overall assessment of customer satisfaction and acts as a useful early warning sign. Cartwright and Green (1997)

An organization cannot benefit from complaints if there is no mechanism to handle them effectively. An effective complaints management system should include the following elements: a detailed policy for handling complaints, regular training and monitoring system in place for dealing with regular or specific problems or complaints, a good recording and reporting system, authority for action (as part of the policy and practice), systems for addressing the problem which causes complaint, speedy and courteous response rate at the complaints, investigation and solution stages, regular review of handling complaints, accessibility i.e. customers should not be passed on from one department to the other before they can make their complaints, and solutions should be designed to satisfy customers rather than satisfy internal interest (Ian, 1994).

Johns (1994) also suggested that in order to find out what is wrong, how often and how it should be put right, customers should be encouraged to complain. For example, the organization should make it easy for people to complain through free telephone lines and complaint forms and also

ask for complaints perhaps by selecting and approaching customers at random. They should listen to the complaints of customers without becoming defensive. They should act quickly and with goodwill to solve the problem for e.g. they should replace defective products immediately, or repeat the service and take positive steps to prevent its recurrence (Johns, 1994).

2.1.12. Sources of Complaints

Customers tend to complain when they do not maximize utility from the product or service consumed. A company may have one of the finest products or services in the market but if customers cannot get value for their money, they complain and the survival of the company is at stake. Companies should therefore constantly find ways of improving products or services to ensure maximum utility for customers. One way of doing this is by constantly asking the customers how the organization is doing and how it can get better (Dei-Tumi, 2005).

Furthermore, customers will always complain if it takes more time than necessary for products or services to reach them. Companies should design time scales for delivering products or services and if a particular product or service requires different timing standards, it is necessary to communicate this timings to customers. It is important to note that if a competitor is able to serve a customer faster, the customer will definitely think of switching to the competitor (Dei-Tumi, 2005).

2.1.13. Relationship between Service Quality and Customer Loyalty

In various studies the relationship between service quality and customer preference loyalty had been examined (Boulding, Kalra, Staelin, & Zeithaml, 1993; Cronin & Taylor, 1992). In their study Cronin and Taylor (1992) focused solely on repurchase intentions, whereas Boulding et al. (1993) focused on the elements of repurchasing as well as the willingness to recommend. In the study by Cronin and Taylor service quality did not appear to have a significant (positive) effect on repurchase intentions (in contrast to the significant positive impact of satisfaction on repurchase intention), whereas Boulding et al. (1993) found positive relationships between service quality and repurchase intentions and willingness to recommend.

According to Clark (2001), long-term customer retention in competitive markets requires the provider going beyond basic satisfaction to creating loyalty in order to guard against competitor attack". According to Day (1994) the identification and satisfaction of customer needs leads to improved customer retention (Day, 1994).

2.2 Empirical Review

2.2.1 Quality Vs Service Quality

2.2.1.1 Quality

Quality has been defined from diverse perspectives. Quality was primarily seen as a defensive mechanism but it is seen as a competitive weapon for emergence of new markets as well as growing market share (Davis *et al.*, 2003). Quality can be defined as satisfying or exceeding customer requirements and expectations, and consequently to some extent it is the customer who eventually judges the quality of a product (Shen *et al.*, 2000).

An extensive range of literature over the last 25 years has examined the concept of service and acknowledged the intangibility of services as one of the problems allied with measurement (Joseph *et al.*, 2005). Furthermore, in the service sector, where production, delivery and consumption can occur simultaneously, the concept of quality refers to the matching between what customers expect and what they experience. Customers evaluate service quality by comparing what they want or expect to what they actually get or perceive they are getting (Berry *et al.*, 1988). When it comes to the service sector in banks, it turned out to be that they propose comparable kinds of services worldwide (Lim and Tang 2000), rapidly corresponding their competitors innovations. Nevertheless, customers can perceive differences in the quality of service. Banks have realized the significance of concentrating on quality of services as a approach to increase customer satisfaction and loyalty, and to develop their core competence and business performance (Kunst and Lemmink, 2000)

2.2.1.2 Service Quality

Nowadays, with the increased competition, service quality has become a popular area of academic research and has been acknowledged as an observant competitive advantage and supporting satisfying relationships with customers (Zeithmal, 2000).

Service quality is concepts that has aroused substantial interest and argue in research. There are difficulties defining and measuring it with no overall consensus emerging on either (Wisniewski, 2001). Service quality has been defined as the overall assessment of a service by the customers (Eshghi *et al.*, 2008), while other studies defined it as the extent to which a service meets customers' needs or expectations. Service is assumed to be quality when it consistently conforms to customer expectations (Asubonteng *et al.*, 1996; Wisniewski and Donnelly, 1996). Parasuraman *et al.* (1985) argues that service quality is the measure of service delivered as against expected service performance.

Service quality is defined as customer perception of how does a service meets or exceeds their expectations (Czepiel, 1990). Several practitioners define service quality as the difference between customers' expectations for the service encounter and the perceptions of the service received (Munusamy *et al.*, 2010). Customer expectation and perception are the two main ingredients in service quality. Customers judge quality as low if performance (perception) does not meet up their expectation and quality as high when performance exceeds expectations according to Oliver (1980).

Service quality consists of five dimensions: tangibles (appearance of physical facilities, equipment, personnel and written materials), reliability (ability to perform the promised service dependably and accurately), responsiveness (willingness to help customers and provide prompt service), assurance (knowledge and courtesy of employees and their ability to inspire trust and confidence), and empathy (caring and individual attention the firm provides its customers). Reliability is considered the vital core of service quality. Other dimensions will matter to customers only if a service is reliable, because those dimensions cannot compensate for unreliable service delivery (Berry *et al.*, 1994).

Perceived quality has been defined as a form of attitude, related but not equal to satisfaction, and fallout from a consumption of expectations with perceptions of performance. Consequently, having an improved understanding of consumers attitudes will facilitate knowing how they perceive service quality in banking operations (Parasuraman *et al.*, 1988).

In the changing banking scenario of 21st century, the banks had to have a vital identity to provide excellent services. Banks nowadays have to be of world-class standard, committed to excellence in customers' satisfaction, and to play a major role in the growing and diversifying financial sector (Balachandran, 2005). There has been a remarkable change in the way of banking in the last few years. Customers have also accurately demanded globally quality services from banks. With various choices available, customers are not willing to put up with anything less than the best. Banks have recognized the need to meet customers' aspirations. Consequently service quality is a critical motivating force to drive the bank up in the high technology ladder.

The soundness of banking sector is of a dominant importance because it is a main component of the financial sector, and as efficiency in the utilization of the savings of the depositors and the banking sector resources is essential to improve the growth rate of the existent sectors of the economy (Central Bank, 2003). The purpose of banking operations supposed to be to progress the quality of life for the overall society not just the maximization of shareholders' wealth.

2.3 Service quality Model

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

The model adopts the five dimensions of SERVQUAL and the 22 item scale is used in measuring service quality. In the SERVPERF model, the results demonstrated that it had more predictive power on the overall service quality judgment than SERVQUAL. (Cronin and Taylor 1994). Therefore; the researcher preferred to use SERVPERV model to undertake this study.

2.3.1. Tangibles

The tangibles involve the firms' representatives, physical facilities, materials, and equipment as well as communication materials. Furthermore, Physical environmental conditions appeared as a clear evidence of the care and attention paid for the details offered by the service provider (Fitzsimmons & Fitzsimmons, 2001). Davis et al. (2003) summarize tangibles like the physical confirmation of the service. More specifically, Parasuraman et al. (1985) define the tangibility appearance of physical facilities, equipment, personnel, and written materials. Finally, in the present research, tangibles are the facilities and the banking services offered by the providers of the AIB as perceived by its customers. Such tangibles are measured using four items of the tangible dimension of the 22-item SERVPERF. Moreover, Salman K., Babak M. et al., (2011), in their study on Service Quality in Conventional Banking in Pakistan ; concluded that there is moderate but positive ($r = 0.461$) relationship between tangibles and customer satisfaction in the conventional banking sector of Pakistan. In contrast to this, scholars like Anber , M. and Shireen Y. (2011), in their study on Commercial Banks of Jordan from their analysis the weakest correlation was for tangibles and customer satisfaction ($r = 0.17, P \leq 0.01$).

2.3.2. Reliability

Reliability depends on handling customer service issues, performs the services right the first time; offers services on time, and maintain a record of error-free. Moreover, Cronin and Taylor (1992) define reliability as the most significant factor in conventional service. Reliability also consists of the right order fulfillment; accurate records; accurate quote; right in the bill; Results are more accurate than commissions; keep the promise of service. Cronin and Taylor (1992), also mentions that reliability is the most significant factor in banking services. More specifically, SERVPERF was applied to gather data in four different companies, including banks, credit card companies, the company's maintenance services, and long-distance phone company. They found high reliability in all four of these companies, with the possible exception of some of the values

associated with significant dimensions (Cronin and Taylor, 1992). Finally, reliability is defined as the “ability to perform the promised service dependably and accurately” (Parasuraman et al., 1988). In this research, reliability is the ability of banking service providers at a specific AIB bank to execute the promised service as perceived by customers of AIB in Addis Ababa.

2.3.3. Responsiveness

Responsiveness is defined as "the willingness to help customers and provide prompt service"(Parasuraman et al., 1988). Furthermore, Johnston (1997) defines responsiveness such as speed and timeliness of service delivery. This consists of processing speed and service capabilities to respond promptly to customer service requests, and wait a short and queuing time. More specifically, responsiveness is defined as the willingness or readiness of employees to provide services. It contains the timeliness of service (Parasuraman et al., 1985). It also contains understanding the needs and requirements of the customer, easy operation time, individual attention provided by the staff, attention to the problem and customers' safety in their dealings (Kumar et al., 2009). Finally, in this research, responsiveness is the readiness of banking service providers at a specific AIB bank Addis Ababa Branches to provide punctual services as perceived by a specific AIB in Addis Ababa Branches banking customers.

2.3.4. Empathy

Parasuraman et al. (1985) defined empathy as a caring and individual attention that the firm provides to its clients. It contains giving individual attention to employees who understand the needs of their customers and customer facilities during business hours.

Furthermore, Ananth (2011) demonstrates empathy in their research of private sector banks, provide individual attention and easy operation time; give personal attention, and understand the specific needs of customers. Fitzsimmons and Fitzsimmons (2001) suggest that empathy contains approachability, sensitivity, and efforts to understand customer needs. Also, Johnston (1997) defined empathy as the ability to make customers feel welcome, especially by staff contacts. Additionally, the SERVQUAL model indicates that satisfaction is related to the size and direction of disconfirmation of a person’s experience when he/she faces his/her initial expectations (Churchill & Surprenant, 1982; Parasuraman, Zeithaml& Berry, 1985; Smith &

Houston, 1982).

2.3.5. Assurances

An assurance refers to the safety and security of customer transactions with the AIB including a privacy policy. Dabholkar (1996) recommended adding the Assurance dimension to future service quality research. An assurance is ensued when the service becomes safe, and the customer information gets protection (Parasuraman et al., 2005; Zeithamlet al., 2002).

Angur *et al* (1999) examined the applicability of alternative service quality measure in the Retail Banking industry in India. They conducted their research on the consumers of two major banks in India. They use SERVQUAL model to measure the overall service quality. They found that all the dimensions are not equally important in explaining variance in overall service quality. The result indicated that responsiveness and reliability seem to be the most important dimensions followed by the empathy and tangible dimensions; whereas, assurance appears to be the least important dimension. Finally, they concluded that SERVQUAL is the best measure of service quality in banking industry.

The applicability of the SERVQUAL measure is well established in the retail banking industry. As mentioned earlier, Angur *et al* (1999) stated that SERVQUAL is the best measure of service quality in the retail banking industry in the developing country. Most of the researchers use the SERVQUAL measure or the modified SERVQUAL (SERVPERF) that is used in the retail banking industry.

From the above discussion it can be concluded that SERVPERF is suitable as an assessment tool to measure the service quality perceptions in the banking industry. Moreover, scholars like Anber , M. and Shireen Y. (2011), in their study on Commercial Banks of Jordan from their analysis of coefficient of determination (R^2) was 0.261, this showed that 26.1 percent of customer satisfaction can be explained by the five independent variables of service quality dimensions; their study also showed that there is statistical significance between the independent variables(service quality dimensions) and the dependent variable (customer satisfaction) at $p < 0.01$. Similarly, Salman K., Babak M. et al., (2011), in their study on Service Quality in Conventional Banking in Pakistan ; there is statistically positive and strong relation between the

independent variables (service quality dimensions) and the dependent variable (customer satisfaction) at $p < 0.01$. William & Susana (2011) also showed on their study of assessment and analysis of service quality and customer satisfaction; the dimensions: empathy, tangibles and assurance were the most important service quality dimensions to the customers of NIB of Kumasi in Ghana.

2.4 Customer Satisfaction

According to Oliver (2010), satisfaction is the consumer's execution response. It is a decision that a product or service feature, or the product or service itself, provided (or is providing) an enjoyable level of consumption-related fulfillment, including levels of under or over-fulfillment (Oliver 2010). Furthermore, Zeithaml and Bitner (2000), showed customers' satisfaction as the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations.

As per to Tse and Wilton (1998), customer satisfaction can also be defined as the "customer's response to the evaluation of the perceived discrepancy between prior expectation and the actual performance of the product as perceived after its consumption".

On top of this, Jamal and Nazer (2002), argued that customer satisfaction is not only linked with the view of customers but also on their experience with the service delivery process. With regard to satisfaction reaction; Aborampah Amoah Mensah (2010), explained that, customer satisfaction reflects the degree of a customer's positive reaction for a service provider in a bank context, it is necessary for service providers (bank) to recognize the customer's dream. Hence, a high level of customer satisfaction can have a positive impact on customer loyalty (Deng et al., 2010).

According to researchers Lee, et al., (2000), their mixed findings on the satisfaction and service delivery showed that, regarding the casual direction between service quality and satisfaction; customers' satisfaction lead to service quality or vice versa. Similarly, Yavas et al. (1997) explained that although some studies interpreted service quality perceptions as an outcome of satisfaction, recent studies have characterized service quality as an antecedent of satisfaction. We except the position that customers can evaluate a service (be satisfied or dissatisfied) only after they perceive it. Many authors who studied the relationship between perceived service quality

and customer satisfaction have shown that service quality determines customer satisfaction. (Anderson et al, 1994).

As per to Edvardsson (1998), the concept of service should be approached from a customer perspective. It is the customer's total perception of the outcome, which is "the service". It forms the perception of quality and determines whether a particular customer is satisfied or not. Customers have different values and grounds for assessment; they may perceive one and the same service in different ways.

Therefore; a bank must first find out the level of satisfaction of its current customers to improve its customer satisfaction. One common way of measuring satisfaction is to ask customers first to identify what factors are important in satisfying them and then to evaluate the performance of a service provider and its competitors on these factors. Many firms use a five point scale to measure customer satisfaction, with the following format:

1= very dissatisfied

2=somewhat dissatisfied

3=neutral

4= somewhat satisfied

5=very satisfied.

The result of the satisfaction surveys could be used to estimate the number of loyal customers a bank has as well as how many are at risk of defecting Lovelock and Wright (1999).

2.5 Summary of Literature

Customer Satisfaction is one of the most important outcomes in the marketing literature. It serves to link processes culminating purchase and consumption with post purchase phenomena such as attitude change, repeat purchase, and brand loyalty (Surprenant and Churchill, 1982). This definition is supported by Jamal and Naser (2003) and Mishra (2009).

According to Oliver (1980), the customer satisfaction model explains that when the customers

compare their perceptions of actual products/services performance with the expectations, then the feelings of satisfaction have arisen. Any discrepancies between the expectations and the performance create the disconfirmation.

2.6. Conceptual Framework

The conceptual framework indicates the crucial process, which is useful to show the direction of the study. The study shows the relationship between the five service quality dimensions (reliability, responsiveness, assurance, empathy and tangible) and customer satisfaction. Customer satisfaction is a dependent variable which occurs when the services provided by AIB is rated by customers as high quality and satisfactory.

The study shows that the quality of the services provided by the Bank determines the satisfaction rate of customers with the bank. Based on the above literature the following conceptual framework was drawn.

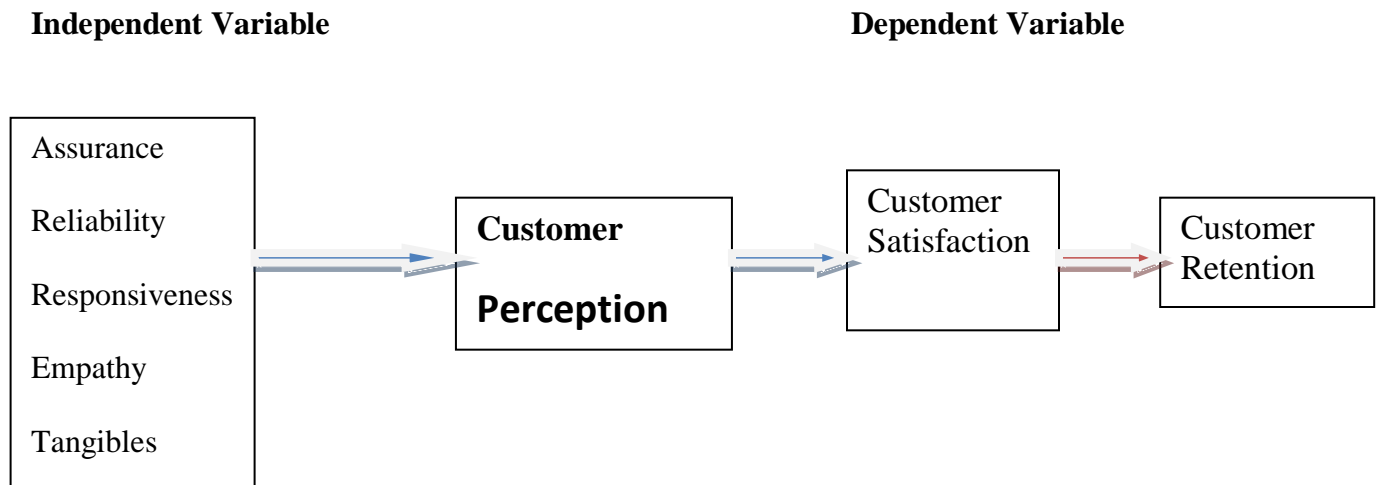


Figure 2.1 Conceptual frameworks,

Source: Parasuraman et al., (1988)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter dealt with research design, research methods, population, sampling techniques, sources of data and the instruments employed in the data gathering as well as method of data collection.

3.1. Research Design

The research is quantitative and data was collected on the service quality dimensions using SERVPERF model. Descriptive study is used to explain the relationship between the independent variables, (service quality dimensions) and the dependent variable (customer satisfaction) in order to indicate the impact of independent variables on the dependent variable.

3.2. Population and Sampling Technique

In Addis Ababa there are 121 branches of Awash International bank with a total population of 702,508. Sarantakos (2005) stated that in social science, ten to thirty percent of the population is assumed to be sample size for a given population. Hence, 36 branches were selected as sample size for this study. Therefore, the target populations for this study were 321,090 customers in these 36 branches.

Among 121 branches of AIB 36 branches were selected using researcher convenience; in order to give equal chance for all Awash International Banks in Addis Ababa. Accordingly, customers were selected from both saving and Current Accounts. Sarantakos (2005), stated that in social science, ten to thirty percent of the population has to be assumed to be sample size for a given population. Therefore; maximum sample size, i.e., Thirty percent of 121 branches which constitutes 36 branches. Hence 36 branches were randomly selected and included in the study. Furthermore, for appropriate sample size determination from sampled branch; statistical formula developed by Yamane (1967) was used for sample determination. It was computed as follows:

Assumptions

At 95% confidence level, $e = \pm 5\%$ and $Z = \pm 1.96$

$n = \frac{N}{1 + Ne^2}$ will be used to select appropriate size of participants in the sample.

Where, n = required sample size,

N = No of population in a selected branch and

e^2 = the level of precision (Sampling error)

Hence, the required sample size is calculated as: $\frac{321,090}{1 + 321,090 * 0.0025} = 400$

From the total population of 321,090 customers in the selected 36 branches, 400 samples of respondents were determined to be taken from 36 branches of AIB banks. Furthermore, from selected branches; customers were selected by researcher's convenience and questionnaires were distributed for the selected customers in each of the selected branch. Moreover, customers were selected from both Current and saving Account holders.

Table 3.1 Target population and Sample Size in each branch

S.N	Branches	Sample Taken from each Branch (using convenience sampling)		Total
		Current Account	Saving Account	
1.	Kottebe branch	7	43	50
2.	Head office branch	15	37	52
3.	4 kilo branch	11	34	45
4.	Goffa Sefer branch	13	25	38
5.	Mahal Arada branch	5	23	28
6.	Lagaher branch	2	24	26
7.	Addis kettama branch	8	15	23
8.	Gurd Shola branch	-	1	1
9	Merkato K/Shaleka	-	1	1
10	Mesalemia	1	-	1
11	Meskel Flower	-	1	1
12	Mexico	3	-	3
13	Mikililand	-	2	2
14	Milinium Akab.	-	1	1
15	Mierab Merkato	1	-	1
16	Moenco	1	-	1
17	Nifas Silk	2	13	15
18	Olompiya	2	-	2
19	Piazza	1	4	5
20	Rufael	-	1	1
21	Sidamo Tera	3	2	5
22	Salo Gora	-	3	3
23	Sarbet Akababi	-	2	2
24	Saris Addis Sefer	1	3	4
25	Saries	2	8	10
26	Sebategna Aka.	5	20	25
27	Sengatera	-	1	1
28	Shala Akababi	1	-	1
29	Sheger	-	3	3
30	Shegole	-	2	2
31	Sidest Kilo	-	1	1
32	Signal	-	3	3
33	Stadium	4	21	25
34	Temenja Yaj	1	4	5
35	T/Haymanot	3	8	11
36	Torhayiloch	-	2	2
Total		92	308	400

Source: Awash International Bank 2016 2nd quarter report.

3.3 Research Frame Work

The SERVPERF model was carved out of SERVQUAL by Cronin and Taylor (1992); SERVPERF directly measures the customer's perception of service performance and assumes that respondents automatically compare their perceptions of the service quality levels with their expectations of those services. To this end, all the original 22 service quality item 'as is' propounded by Parasuraman et al; were used.

To measure customer satisfaction the researcher use one scale adopted from Lovelock and Wright (1999) with response ranging from 'Highly Satisfied' to 'Highly Dissatisfied'. Then to collect valid data using first hand information; 400 questionnaires were distributed and collected to capture customers' response from all selected branches. Using descriptive statistics and regression analysis the data was analyzed.

3.4. Source of Data and Data collection tools

In this study mainly primary data was used. It was gathered from the customers of Awash International bank branches under study. Specially, from the selected branches namely; Kottebe, Head office, 4kilo, Goffa, Mahal Arada, Lagaher Addis kettama , Gurd Shola, Merkato K/Shaleka, Mesalemia, Meskel Flower, Mexico, Mikililand, Milinium Akababy, Mierab Merkato, Moenco, Nifas Silk, Olompiya, Piazza, Rufael, Sidamo Tera, Salo Gora, Sarbet Akababi, Saris Addis Sefer, Saries ,Sebategna Aka, Sengatera, Shala Akababi, Sheger, Shegole, Sidest Kilo, Signal, Stadium, Temenja Yaj, T/Haymanot and Torhayiloch branches.

3.5. Data Collection Procedures

In order to get first hand information from customers primary data was used in this study. Likewise, to measure bank's services with respect to customers' satisfaction of AIB, The questionnaire was designed in a five likert scale measurement. A 22 item measure was used to indicate the customer's degree of agreement for the 22 performance statements, based on their assessments of the service provided by the AIB adopted from SERVPERF model by Cronin and Taylor's (1992). Moreover, Customer satisfaction was measured with one scale adopted from Lovelock and Wright (1999) with response ranging from 'Highly Satisfied' to 'Highly Dissatisfied'.

3.6 Method of Data Analysis

The descriptive statistics was used to present demographic variables. Quantitative data from questionnaire was analyzed. Furthermore; the statistical tools such as: frequency, percentage, mean value and standard deviations were used for quantitative data analysis. To see the relationship between service quality and customer satisfaction the data was analyzed using linear regression.

3.7. Reliability and Validity

In order to check the reliability; the questionnaire was pilot tested before actual distribution. Accordingly, 20 questionnaires were distributed to see the reliability of the items. Among the distributed questionnaire 17 questionnaire were returned and the result showed cronbach alpha ($\alpha=0.801$) for Perception Items. Furthermore, validity issue was addressed through expertise value judgments; hence the university advisor and my colleagues evaluated the items validity. After doing these test the questionnaire were distributed to the participants in order to collect the actual data.

3.8 Ethical Considerations

In collecting the valid data the researcher has followed the following procedures. Before distributing the questionnaire official permission letter that was written from the university was provided to the manager of AIB selected branches in Addis Ababa in order to get official consent. Then after, objectives of the study and confidentiality of the data was explained for study participants in order to get their attention and to encourage them for valid response.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSIONS

This Chapter mainly focused on data presentation in more figurative manner using tables and some statistical tools with detailed analysis following discussion of the findings from analysis of the data gathered from the participants of the study through data collection instruments.

4.1 Response Rate

Among 400 sampled participants of Addis Ababa branch of AIB customers 381(95.25%) of the questionnaires were filled and returned while 19(4.75%) of the questionnaires were not returned after distribution

Table 4.1: Response Rate

Response Rate	Frequency	%
Questionnaires which were filled and returned	381	95.25
Questionnaires which were not Returned	19	4.75
Total	400	100

Source: From Field Survey (2016)

4.2. Background Information of the Respondents

The following section briefly presents the Background information of the respondents. It is presented in a tabulated manner using descriptive statistics of frequency and percentages as shown below:

Table 4.2 Gender and Age composition

Demographic Variables		Response Rate	
		Frequency	%
Gender	Male	231	57.8
	Female	150	37.5
	Total	381	100
Age Category	18-29	20	5
	30-39	175	43.8
	40-49	103	25.8
	50 & above	83	20.8
	Total	381	100

Source: From Field Survey (2016)

As shown in the above table among the participants 231 (57.8%) the largest proportion of the gender composition was male whereas 150(37.5%) of the respondents were female. Therefore, this analysis of data indicates that there is slightly gender disparity in the customers of AIB in Addis Ababa. Hence; even though there is promising figures that indicates the effort of the Bank to narrow gender gap but still some work has to be done to minimize the gap.

On the other hand, among the demographic variable age compositions was also assessed. As a result the larger group was categorized under the age group of 30-39 which constitutes about 43.8% out of total population. The second largest age group was 40-49 years, it constitutes about 25.8%. Furthermore, those who constituted about 20.8% were categorized above age group of 50 whereas 5% of the respondents were under age category of 18-29 years. This age statistics indicated that the sampled respondents of AIB were adult enough to give genuine response since majority of them were categorized at the age group of 30 and above ,so they are matured enough to give valid response. Hence; wise analysis of this response leads to grasp the problem at hand and consequently to come with strong and valuable recommendations.

Table 4.3: Educational Level and Marital Status of the Respondents

Demographic Variables		Response Rate	
		Frequency	%
Customers Educational Level	Below grade 8	20	5
	Grade 8 complete	10	2.5
	Secondary school complete	61	15.3
	First Degree	248	62
	Second Degree	42	10.5
	Total	381	100
Marital Status	Married	251	62.8
	Unmarried	130	32.5
	Total	381	100

Source: From Field Survey (2016)

The third demographic variable was educational level of participants as shown in the above Table 4.3 The majority 248(62%) of the respondents were first degree (BA/BSc) Holders. The second largest groups in education level category were secondary school graduates they accounts for 61(15.3%). Moreover, from the analysis of the data it was indicated that 5% of the respondents were under grade eight , 2.5% of them were grade eight complete whereas 10.5% of them were MA/MSc holders. From this educational statistics of the respondents most customers of AIB in Addis Ababa are first degree holders. Therefore, the AIB should promote itself in order to attract customers from all educational background.

The above Table 4.3 clearly indicated that the majority of the participants were married, it constituted about 251(62.8%) whereas 130(32.5%) of the participants were unmarried. This analysis indicates that married couples are better in saving than unmarried single ones.

4.3 Descriptive Analysis of Service Quality

To measure the customers' perception of the service quality provided by Awash International Bank, SERVPERF model was used in this study. Accordingly, this section of the analysis mainly tries to present the descriptive analysis of the data in all five service dimensions with respect to customer perceptions of Awash International Bank in Addis Ababa Branches. As per to this Cronin and Taylor (1992); SERVPERF directly measures the customer's perception of service performance and assumes that respondents automatically compare their perceptions of the service quality levels with their expectations of those services. Cronin and Taylor argued that only perception was sufficient for measuring service quality and therefore expectations should not be included as suggested by SERVQUAL (Baumann et al, 2007).

On the basis of this, for all the service quality dimensions (Reliability, Responsiveness, Assurance, Empathy and Tangibility), the mean score have been computed. The table below represents the results briefly.

4.3.1 Reliability

Reliability is the ability to perform the promised service dependably, accurately as well as consistently. It is also providing the service right the first time. Moreover, it means that the firm honors its promises. Reliability of service designates the bank's capability to supply the promised output at the stated level.

Table 4.3: Mean Score for Reliability of AIB

Items	Mean Value for Reliability Items	Standard dev.
Q1. When AIB promises to do something by a certain time, it does so.	3.54	1.11
Q2. AIB ensures effective problem solution	3.72	1.16
Q3. AIB performs its service right first time.	3.51	1.12
Q4. AIB provides its services at the time it promises to do so.	3.70	1.14
Q5. AIB insists on error-free records.	3.50	1.12
Average	3.59	1.14

Source: From Field Survey (2016)

Accordingly to the table 4.6 the mean value of reliability is 3.59. The highest mean score is obtained on questions no.2 thus respondents agree that the AIB ensures effective problem solution for its customers and item no. 4 was also with highest mean value that respondents agree on AIB that it provides its services at the time it promises to do so. The lowest mean score is obtained on question no.5 which asks whether the bank's employees perform error free records or not. Hence, this analysis showed that AIB is better in solving its customers' problem and it provides service as it promises for its customer. On the other hand, the analysis indicated that the employees of AIB are somewhat performed less in error free records.

4.3.2 Responsiveness

Responsiveness refers to the prompt response to the service need of the customer and the readiness of employees to provide service. It is the momentum and timeliness of service delivery. This includes the rate of output and the ability of the service to respond promptly to customer service requests, with minimal waiting and queuing time. When the customer is kept waiting for no apparent reason creates unnecessary negative perceptions of quality. Conversely, the ability for the bank to recover quickly when service fails and exhibit professionalism will also create very positive perceptions of quality. This dimension focused on subjects as information about the request by customers being authorized promptly, communication of new products to customers and handling of customer professionally.

Table 4.4: Mean Score for Responsiveness

Items	Mean Value for Responsiveness Items	Standard dev.
Q6. AIB employees tell you exactly when the service will be performed.	3.53	1.181
Q7. AIB employees give you prompt service.	3.39	1.13
Q8. AIB employees are always willing to help you.	3.46	1.18
Q9. AIB employees are never too busy to respond to your requests.	3.32	1.13
Average	3.43	1.16

Source: From Field Survey (2016)

As it is indicated in the above table the average mean score of responsiveness is 3.43. The highest mean score 3.53 is obtained on question number 6 that is presented as; AIB employees tell you exactly when the service will be performed and question number 8 which is presented as; AIB employees are always willing to help you was also with higher mean value 3.46. This indicates that majority of the respondents were agreed on that employees of AIB are always helpful whereas the lowest mean score is obtained on question number 9; an item presented as AIB employees are never too busy to respond to your requests. Hence, this analysis indicated that employees in Awash International Bank somewhat seems to be busy to respond for customers request even though they are helpful.

4.3.3 Assurance

Assurance is the knowledge and courtesy of employees and their ability to convey trust and Confidence; so that the customer feels he or she is in polite, able and competent hands. It relates to the capability of the service provider to deliver the output, specifically in terms of the knowledge, politeness and trustworthiness of the employees to the customer of the Bank. This dimension traces about the behavior and ability of the employees to instill/inspire confidence, secure transactions, courtesy of the employees and the knowledge of the employees to answer questions from customers.

Table 4.5: Mean Score for Assurance

Items	Mean Value for Assurance Items	Standard dev.
Q10. The behavior of AIB employees instills confidence in you.	3.55	1.18
Q11. You feel safe in your transactions with AIB	3.57	1.13
Q12. AIB employees are consistently courteous with you.	3.68	1.18
Q13. AIB employees have the knowledge to answer your questions.	3.70	1.13
Average	3.56	1.16

Source: From Field Survey (2016)

Accordingly, the above Table 4.8 revealed, assurance has an average mean score of 3.56. The highest contributor for this score is question 13, which is presented as; AIB employees have the knowledge to answer your questions, where the majority of the respondents are of the same opinion that they feel safe in transacting with Awash International Bank. Whereas the lowest mean Score is 3.55; it is obtained on question 10. It was presented as; the behavior of AIB employees instills confidence in you. Hence, this analysis indicated that, the employee inspiration on their customers' seems to be less.

4.3.4 Empathy

Empathy is providing caring and individualized attention to customers to make them feel they are receiving caring services and individualized attention. Service empathy characterizes both the service provider's willingness and capability to respond to individual customer desires. This means putting one's self in the shoes of the customer.

Table 4.6: Mean Score for Empathy

Items	Mean Value for Reliability Items	Standard dev.
Q14. AIB gives you individual attention.	3.70	1.19
Q15. AIB has operating hours convenient to you.	3.72	1.12
Q16. AIB has employees who give you personal attention.	3.51	1.08
Q17. AIB has your best interests at heart.	3.52	1.09
Q18. AIB understand your specific needs.	3.67	1.14
Average	3.63	1.13

Source: From Field Survey (2016)

Based on the above Table 4.9 the average mean score for Empathy is 3.63. The majority of the respondents agreed on that the bank's service hour is convenient and hence the highest mean score is obtained there in for item 15 that was presented as; AIB has operating hours convenient

to you. While the lowest mean score is obtained on the item no. 16 which asks whether the banks employees understand the banks service with regard to individualized attention. Therefore; the descriptive analysis of the dimension empathy indicated that Awash international bank has a convenient service hour to its costumers whereas with regard to employees individualized attention for their customer seems low.

4.3.5 Tangibility

Tangibility refers to the appearance of physical facilities, equipment, personnel and communication materials. Accordingly the table below briefly indicated the customers' view on the service dimension tangibility.

Table 4.7: Tangibility of AIB

Items	Mean Value for Responsiveness Items	Standard dev.
Q19. AIB has modern-looking equipment.	4.45	0.76
Q20. AIB physical facilities are visually appealing	4.38	0.79
Q21. AIB employees are well dressed and neat in appearance.	3.71	1.17
Q22. Materials associated with the service (such as pamphlets or statements) are clear and visually appealing at AIB	3.69	1.16
Average	4.06	0.97

Source: From Field Survey (2016)

In the above Table 4.10 the average mean value of tangibility is 4.06 and as it can be seen from the table from the 4 questions asked under tangibility the highest mean score is obtained on item 19 that was presented as; AIB has modern-looking equipment. Hence, it indicates that, the bank has up to date equipment and technology. Conversely, the lowest mean score is obtained for the question number 22 which was asked as; Materials associated with the service (such as pamphlets or statements) are clear and visually appealing at AIB. Hence, this analysis also

showed that the bank’s service associated with pamphlets or statements are somewhat vague for its customers.

4.4. Overall Customer Satisfaction Rating

As explained in the literature review, customer satisfaction involves the fulfillment of customers’ expectation of the goods and services in the Bank. So, Customers become satisfied if the performance of the good or service is equivalent to, or even surpasses, their expectation level.

Accordingly, assessing satisfaction level of customers is one of the research questions in this study. The satisfaction level in this study is also categorized as; highly dissatisfied, Dissatisfied, Neutral, Satisfied and Highly Satisfied. The table below presents in brief the overall level of customer satisfaction.

4.8: Frequency and Descriptive Analysis of Customer Satisfaction

Table 4.8 Frequency and Descriptive Analysis of Customer Satisfaction

Level of Customers Satisfaction	Frequency (N)	Percent	Mean	Std. deviation
Highly dissatisfied	31	8.14	3.69	1.16
Dissatisfied	21	5.51		
Somewhat satisfied	82	21.52		
Satisfied	146	38.32		
Highly satisfied	101	26.51		
Total	381	100		

Source: From Field Survey (2016)

In the above table 4.11, in order to see the overall customer satisfaction of Awash International Bank service, respondents were requested to rate their feeling on Likert’s 5 point Scale against the service they provided. Accordingly, the overall satisfaction of the respondents indicated that only 101(26.51%) of the customers’ were said that they are highly satisfied and 146(38.32%) of them were indicated as they are satisfied while 82(21.52%) of the customers were said that they are somewhat satisfied. On the other hand, among the respondents 21(5.51%) of the participants were responded as they are dissatisfied at the service they are provided by AIB and 31 (8.14%) of them were rated as they are highly dissatisfied against the service provided to them by Awash

International Bank. From this analysis one can observe that even though majority of the respondents 64.83% of them were satisfied on the service they provided but about 13.6% of them were rated as they are not satisfied on the service of Awash International Bank. Moreover, about 22% of the respondents were indicated they are somewhat satisfied .Furthermore, the mean score of the satisfaction 3.69, this indicates that there is a need for improving the level of customer satisfaction.

4.4 Regression Analysis of the Service Quality Dimension on Customer Satisfaction

Table 4.9 Regression Analysis of the Service Quality Dimension

Variables (service dimension)	Regression weight(bi)	Standard error	Beta coefficient	t	Sig.
Reliability(X ₁)	3.300	0.434	0.111	7.602	0.000*
Responsiveness (X ₂)	0.33	0.472	0.161	4.207	0.000*
Assurance(X ₃)	0.178	0.085	0.097	9.681	0.000*
Empathy (X ₄)	3.291	0.397	0.142	8.293	0.000*
Tangible(X ₅)	3.189	0.426	0.145	7.483	0.000*

Source: From Field Survey (2016)

Constant =21.567, *P_≤0.05

On the basis of data in table 4.9 the raw score regression the estimation model equation is

$\hat{Y} = 21.567 + 3.3X_1 + 0.33X_2 + 0.178X_3 + 3.291X_4 + 3.189X_5$ the Y gap estimation model is used to minimize standard error.

From the above table it is clearly indicated that on the coefficient table the beta value which measures how strongly each independent variable influences the dependent variable. Thus a unit increase in reliability leads to 3.3 increases in customer satisfaction other things being constant.

The bank should invest to enhance its ability to perform the promised service dependably and accurately so that the satisfaction level of its customers increases. Similarly, from the above coefficient table it is found that the beta value which measures how strongly each independent variable influences the dependent variable indicates Empathy dimensions was significant impact on customers' satisfaction. Thus a unit increase in empathy leads to 3.291 increases in customers' satisfaction other things being constant. Therefore the more the bank gives care and individualized attention to customers, the more will be customers' satisfaction. Among the service dimensions; the other variable with highest beta value was Tangible service dimension. Hence, a unit increases in tangible leads to 3.189 increases in customers' satisfaction other things being constant. Therefore the more the bank invests on its physical facilities equipment, technology and appearance of its personnel the more it satisfies its customers.

Even though the dimensions assurance and responsiveness seems to be less relative to other three dimensions it has impact on customers' satisfaction. Since the beta value for responsiveness was 0.33 and for assurance was 0.178 respectively. Hence, this result revealed that a unit increase in responsiveness will make 0.33 increments in customers' satisfaction. Similarly, a unit increment in assurance will leads to 0.178 increments in customers' satisfaction. Therefore; the more the bank invests on enhancing its employee's ability to help customers and be responsive to customer's enquiry, the more will be customers' satisfaction. With the same token the more the bank invests on enhancing its employee's knowledge, skill and on their ability to instill confidence to serve customers, the more will be customers' satisfaction.

4.7 Overall Regression analysis

Table 4.10 Model Summary of Service Quality Dimensions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.759	.577	.521	.85564

As it can be represented in the table below there is a positive and strong statistically significant relationship between the independent variables (tangibility, reliability, responsiveness, empathy and assurance) and the dependent variable (customer satisfaction) since coefficient of correlation

$r=0.759$. Moreover, coefficient of multiple variation $R^2 = 0.577(57.7\%)$ of variation on customers' satisfaction is explained by the five service dimensions independent variables (tangibility, reliability, responsiveness, empathy and assurance).

Table 4.11 ANOVA for service quality dimensions and customer satisfaction

Model	Sum of square	df	Mean square	F	Sig
Regression	335.022	45	7.614	10.40	0.000
Residual	245.991	336	0.732		
Total	581.013	381			

More over for service quality dimension the analysis of variance indicates that ($F = 10.400$) at $P < 0.05$ at $df = 45, 336$) it indicates that there is statistically significant difference on customers satisfaction because of improvement in service quality dimension at 95% confidence interval level.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5. Introduction

This chapter tried to present the major summary of the paper in brief. Following these findings, conclusions are drawn and recommendations are forwarded for the concerned stake holders based on the findings.

5.1 Summary of Major Findings

The main purpose of this study was to assess the quality of service affecting customers' satisfaction with the banking service in selected branches of Awash International Bank of Addis Ababa. Accordingly, this paper tried to see the most important service quality dimensions for Awash International Bank of Addis Ababa .SERVPERF model was the instrument employed in the study to measure the service quality perception in Awash International Bank. Among the distributed 400 questionnaires 381 were collected and analyzed. After detailed analysis of the information gathered through questionnaire the following measure findings were obtained.

- As the above findings indicated the level of quality services delivered by Awash International Bank to its customers was better in the dimension of Tangibility. Whereas; the service delivered in the remaining dimensions need some improvement.
- The overall level of customer satisfaction from the service of AIB in Addis Ababa branches of mean value of 3.69 indicates; there is a need for improvement of service quality.
- Relatively among the five service quality dimensions; Tangibility, Empathy and Reliability was the dimensions those dominantly affect customers' satisfaction. Moreover, there predictive power was also higher than the other two dimensions. Since Reliability has 3.3, Empathy has 3.291 and Tangibility has 3.189 predictive powers respectively. Therefore; one can notice that these dimensions could dominantly affect the satisfaction of customers in Awash international Bank.

- Among the mean score analysis for perception items in all five dimensions; Tangibility was with highest mean value following this Empathy was also higher mean value similarly, responsiveness and assurance was relatively with low mean value Even though as indicated by coefficient of multiple variations about 57.7% of the variation in customer satisfaction is accounted for by variability in all service quality dimensions. Therefore, the bank should collect periodic assessment about these dimensions in order to satisfy customers need.

5.2 Conclusions

The intention of this paper was to assess the major factors associated with service quality of AIB branches found in Addis Ababa City. Accordingly, based on the above analysis and major findings the following conclusions were drawn.

As the above findings indicated the level of quality services delivered by Awash International Bank to its customers was better in the dimensions; Tangibility, Empathy and Reliability respectively. Whereas; the service delivered in the dimensions of Responsiveness and Assurance needs some improvement.

Moreover; the above findings lead to some conclusions as follows; first, evidence supports in the conclusion that, the overall level of customer satisfaction from the service of AIB in Addis Ababa branches was low which about 3.69 is. Likewise, from the mean result of all dimensions we can say that customers of Awash International Bank S.C are not satisfied with the bank's service. Accordingly when we look at the overall regression result 57% of variation in customer satisfaction is explained by all five service quality dimensions.

Second, the findings of the study underpin the conclusion of scholars like, Salman K., Babak M. et al., (2011), that in their study on Service Quality in Conventional Banking in Pakistan ; concluded that there is moderate but positive ($r = 0.461$) relationship between tangibles and customer satisfaction in the conventional banking sector of Pakistan. Similarly, the analysis of this study; confirms that the Awash International Bank has excelled in three out of the five dimensions (Tangibility, Empathy and Reliability) of service quality dimensions that are important to the customers in Awash international Bank. Whereas responsiveness and

Assurance; needs a rigorous improvement. Hence; this finding adds validity to the SERVPERF model and hints of its international applicability. It suggests that customers everywhere on the globe have the same or similar expectations from their clients/Bank. Indeed, globalization has made the world a global village rendering customers cosmopolitan in behavior.

Third, among the mean score analysis for perception items in all five dimensions; Tangibility, Reliability and Empathy were dominantly affect customer satisfaction in Awash International Bank. It was also noticed that; from coefficient of multiple variations about 57.7% of the variation in customer satisfaction is accounted for by variability in all five service quality dimensions. Therefore, the bank should collect periodic assessment about these dimensions in order to satisfy customers need and retain them.

In sum, customers' of Awash international bank; perceive the service quality dimensions inadequately except Tangibility. It was also noted that the service quality dimensions significantly correlated with customer satisfaction at $r=0.77$. Moreover, about 57.7% of customers' satisfaction level associated with variability in the dimensions of (Assurance, Reliability, Responsiveness, Empathy, and Tangibility). Hence; these dimensions could affect negatively the level of customer satisfaction if the officials neglect to improve the service quality handling.

5.3 Recommendation

Based on the above analysis and conclusions of this study the following recommendations are forwarded for concerned bodies.

It was found that, among all service dimensions; except Tangibility dimension remaining four dimensions need some improvement. Therefore, Awash International Bank should improve the service in these dimensions through different mechanisms; such as providing regular training for its officers, collecting feedback from its customers about its service and respond promptly to customer service requests with minimal waiting time; this will contribute for service improvement in order to satisfy its customer.

Furthermore, periodic assessment about service quality dimensions is better to oversee customers need and to improve immediately if there is any discomfort for customers in any dimensions. Hence, it is better if the bank officials use this mechanism to see the service quality dimensions with respect to customers' satisfaction. Therefore; it needs regular training and monitoring system in place for dealing with regular or specific problems in relation to customer satisfaction. It also recommended if there is a good recording and reporting system, authority for action (as part of the policy and practice), systems for addressing discomfort of customers.

5.4 Implications for Further Research

This Study was bounded only in Addis Ababa branches of Awash International Bank. Hence; it may not be large enough but it can contribute as a bench mark for further study on quality of the banking service in relation to their customer satisfaction. Therefore, it might be better for any forthcoming researcher who wants to carry out the same study by including all other branches of the bank with the consideration of newly opened branches of the bank with considerable sample size. It would be very important if it represent the entire branches of the bank in the country.

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Appendix A
St. Mary University
School of Graduate Studies
Department of Masters of Business Administration

Background of respondents

Dear Respondent,

The purpose of this questionnaire is to collect primary data for conducting a study on the topic, "Assessment and analysis of service quality and customer satisfaction" for the partial fulfillment of the Masters of Business Administration (MBA) Program at St. Mary University. This questionnaire has been designed to collect data for academic purposes only. Any information provided will be treated with the strictest confidence it deserves.

Thank you in advance for your cooperation!

N.B

- No need to write your name
- Put (X) inside the box or table for an alternative you think is right.

Part I. Personal information

- 1.1 Gender Male Female
- 1.2 Age 18-29 years old 30-39 years old
 40-49 years old 50 years old and above
- 1.3 Marital Status Single Married
- 1.4 Educational level Primary school Secondary school
 High school First degree
 Second degree and above

Part II. Customers Perceptions

Directions: Please indicate the extent to which you agree with the following statements that you believe Awash International Bank S.C has the feature described by the statement. Please circle the appropriate rating based on your experiences as a customer of the bank.

S.No	Statements to evaluate	Strongly disagree	Disagree	Undecided	Agree	Strongly disagree
I	Reliability					
1.	When AIB promises to do something by a certain time, it does so.	1	2	3	4	5
2.	AIB ensures effective problem solution	1	2	3	4	5
3.	AIB performs its service right first time.	1	2	3	4	5
4.	AIB provides its services at the time it promises to do so.					
5.	AIB insists on error-free records.	1	2	3	4	5
II	Responsiveness					
6.	AIB employees tell you exactly when the service will be performed.	1	2	3	4	5
7.	AIB employees give you prompt service.	1	2	3	4	5
8.	AIB employees are always willing to help you.	1	2	3	4	5
9.	AIB employees are never too busy to respond to your requests.	1	2	3	4	5
III	Assurance					
10.	The behavior of AIB employees instills confidence in you.	1	2	3	4	5
11.	You feel safe in your transactions with	1	2	3	4	5

	AIB					
12.	AIB employees are consistently courteous with you.	1	2	3	4	5
13.	AIB employees have the knowledge to answer your questions.	1	2	3	4	5
IV.	Empathy					
14.	AIB gives you individual attention.	1	2	3	4	5
15.	AIB has operating hours convenient to you.	1	2	3	4	5
16.	AIB has employees who give you personal attention.	1	2	3	4	5
17.	AIB has your best interests at heart.					
18.	AIB understand your specific needs.	1	2	3	4	5
V.	Tangibility					
19.	AIB has modern-looking equipment.	1	2	3	4	5
20.	AIB physical facilities are visually appealing	1	2	3	4	5
21.	AIB employees are well dressed and neat in appearance.	1	2	3	4	5
22.	Materials associated with the service (such as pamphlets or statements) are clear and visually appealing at AIB	1	2	3	4	5

Part III. Level of Customer Satisfaction

Direction: the following statement describes your feeling about Awash International Bank S.C. Please respond by choosing the number which best reflect your own perception.

❖ My feeling about Awash International Bank S.C service delivery can be best described as

1. Highly dissatisfied
2. Dissatisfied
3. Somewhat satisfied
4. Satisfied
5. Highly satisfied

Thank You for Taking Your Time to Fill This Questionnaire!

Appendix B

ቅድስት ማርያም ዩኒቨርሲቲ

የቢዝነስ አስተዳደር ት/ቤት

የቢዝነስ አስተዳደር ትምህርት ክፍል

ይህ መጠይቅ የተዘጋጀበት ዓላማ የቢዝነስ አስተዳደር የአዎሽ ባንክ አገልግሎት አሰጣጥ ጥራት እና የደንበኞች እርካታ ግምገማና ምርመራ በሚል ርዕስ ለሚደረግ ጥናት የመጀመሪያ ደረጃ መረጃ ለመሰብሰብ ነው። የሚሰጡት መልስ የሚውለው ለዚህ ጥናት አላማ ብቻ ሲሆን የሚሰጡት ምላሽ በከፍተኛ ሚስጥር የሚጠበቅ ይሆናል።

መጠይቁን በመሙላት ለሚደረግልኝ ትብብር በቅድሚያ አመሰግናለሁ።

መመሪያ:

- ስምዎን መጥቀስ አስፈላጊ አይደለም።
- ትክክል ነው የሚሉትን መልስ በተዘጋጀው ሳጥን ውስጥ (X) በመስጠት ያመልክቱ።

ክፍል አንድ

1.1 ፆታ ወንድ ሴት

1.2 ዕድሜ ከ18-29 ዓመት ከ30-39 ዓመት ከ40-49 ዓመት
 50 ዓመት በላይ

1.3 የጋብቻ ሁኔታ ያላገባች/ች ያገባች

1.4 የትምህርት ደረጃ አንደኛ ደረጃ ሁለተኛ ደረጃ ሰርተፍኬት
 ዲፕሎማ የመጀመሪያ ዲግሪ እና በላይ

ክፍል ሁለት

ስለ አዋሽ ኢንተርናሽናል ባንክ ያለዎትን አመለካከት ከቀረቡት አማራጮች ከ1-5 ውስጥ በመክበብ እባክዎት ያመልክቱ

1.	አዋሽ ባንክ ዘመናዊ የሆኑ መሳሪያዎች አሉት።	1	2	3	4	5
2.	የአዋሽ ባንክ መገልገያ መሳሪያዎች ለአይን የሚስቡ ናቸው።	1	2	3	4	5
3.	የአዋሽ ባንክ ሰራተኞች በደንብ የሚለብሱና ንዕህናቸውን የሚጠብቁ ናቸው።	1	2	3	4	5
4.	በአዋሽ ባንክ ውስጥ ከአገልግሎት ጋር የሚያያዙ እቃዎች ወይም ማስረጃዎች (አነስተኛ መዕረፎች የመሳሰሉት) ለአይን ማራኪ ናቸው።	1	2	3	4	5
5.	አዋሽ ባንክ አንድ ነገር በተወሰነ ጊዜ ውስጥ ለማድረግ ቃል ከገባ የገባውን ቃል ይፈጽማል።	1	2	3	4	5
6.	አዋሽ ባንክ ችግር በሚገጥም ጊዜ ችግርዎን ለመፍታት ያለውን ፍላጎት በቅንነት ያሳያል።	1	2	3	4	5

7.	አዋሽ ባንክ አገልግሎቱን ከመጀመሪያ ጀምሮ በትክክል ይተገብራል።	1	2	3	4	5
8.	አዋሽ ባንክ አገልግሎቱን ቃል በገባበት ሰዓት ይፈጽማል።	1	2	3	4	5
9.	አዋሽ ባንክ አገልግሎት አሰጣጥ ከስህተት የጸዳ መረጃ ላይ የተመሰረተ ነው።	1	2	3	4	5
10.	የአዋሽ ባንክ ሰራተኞች በመን ሰዓት አገልግሎት እንደሚሰጥዎት ይገልፁሉታል።	1	2	3	4	5
11.	የአዋሽ ባንክ ሰራተኞች ፈጣን አገልግሎት ይሰጥዎታል።	1	2	3	4	5
12.	የአዋሽ ባንክ ሰራተኞች ሁል ጊዜ እርስዎን ለመረዳት ፈቃደኞች ናቸው።	1	2	3	4	5
13.	የአዋሽ ባንክ ሰራተኞች ጥያቄዎን ለመመለስ ጊዜ አያጡም።	1	2	3	4	5
14.	የአዋሽ ባንክ ሰራተኞች ባህርይ በእርስዎ ላይ መተማመንን ይፈጥራል።	1	2	3	4	5
15.	ከአዋሽ ባንክ በሚያገኙት አገልግሎት ላይ የመተማመን ስሜት አለዎት።	1	2	3	4	5
16.	የአዋሽ ባንክ ሰራተኞች ሁሉም ለእርሶ ትሁት ናቸው።	1	2	3	4	5
17.	የአዋሽ ባንክ ሰራተኞች ጥያቄዎን ለመመለስ የሚያስችል ዕውቀት አላቸው።	1	2	3	4	5
18.	አዋሽ ባንክ ለደንበኞቹ ትኩረት ይሰጣል።	1	2	3	4	5
19.	የአዋሽ ባንክ የስራ ሰዓት ለእርሶ ምቹ ነው።	1	2	3	4	5
20.	አዋሽ ባንክ ለእርስዎ ትኩረት የሚሰጡ ሰራተኞች አሉት።	1	2	3	4	5
21.	አዋሽ ባንክ የደንበኞቹን ፍላጎት ያውቃል።	1	2	3	4	5
22.	የአዋሽ ባንክ ሰራተኞች የርስዎን ፍላጎት ይረዳሉ።	1	2	3	4	5

Appendix C

Reliability Statistics

Cronbach's Alpha	No of Items
.801	22