ST.MARY'S UNIVERSITY

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AN ASSESSMENT OF CUSTOMER SATISFACTION ON ATM
SERVICEQUALITY
(THE CASE OF COMMERCIAL BANK OF ETHIOPIA, IN
EAST DISTRICT)

BY

BETHEL DAWIT

January, 2018

ADDIS ABABA, ETHIOPIA

AN ASSESSMENT ON CUSTOMER SATISFACTION ON ATM SERVICE QUALITY

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A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY COLLEGE SCHOOL OF GRADUATED STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE DEGREE OF MASTERS OF GENERAL BUSINESS ADMINISTRATION

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Internal Examiner   Signature   Date

DECLARATION

I, Bethel Dawit, hereby declare that this Master Thesis titled "**Assessment on customer satisfaction on ATM service quality: The case of: Commercial Bank of Ethiopia in East district.**" is an original work. I have accepted out the present study independently with the guidance and support of the research advisor, TemesegenBelaynah (Ph.D.). Any other research or academic bases used here in this study have been correctlyaccepted. Furthermore, this study has not been submitted for the honor of any Degree orDiploma Program in this or any other institution.

Bethel Dawit _____   _____

Signature   Date

St Mary's university collage, Addis Ababa   Jan,2018

ENDORSEMENT

This thesis has been submitted St Mary's university, school of graduate studies for examination with my Approval as a university advisor.

Temesegen Belaynah (Ph.D.) _____   _____

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St Mary's university collage, Addis Ababa   Jan,2018

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List of Acronyms and Abbreviation

CBE: Commercial Bank of Ethiopia

ATM: Automated Teller Machine

E-banking:Electronic banking

E-payment: Electronic Payment

NGO: Non-Governmental organization

ABSTRACT

Banks connect technology, skilled human resource and delivery outlets to sell their products in a way that customers find them convenient to buy. Ensuring customer satisfaction is the driver of success in today's dynamic business environment. CBE envisions building competitive edge in every aspect to become a world class commercial bank by the year 2025. Moreover, its corporate strategy accords values to its customers as essential actors in all its undertaking of fulfilling customers' expectations.The general objective of this thesis is to assess the level of customers' satisfaction with ATM service at Commercial Bank of Ethiopia in the case of East District.Descriptive research design is used in thisresearch. Primary data was collected through the administration of close ended questionnaires to the customers which are selected through convenience sampling method. The target population that is select for this specific study is various customers of CBE who are users of the CBE's ATMs and residing in East district.Non-probability sampling was used to select the sample. Frequency, percentage and mean scores were used to assess the ATM service and measure customer satisfaction of CBE ATM service.Analysis of responses indicates that: CBE ATM machines does not provide 24/7 services or all the time, service provided is not accurate and consistent, service doesn't consider disabled individuals, education and direction on usage of the services are not adequate. Regarding factors that affect CBE ATM's and challenges they encountered while entertaining the service clients reflect that telecommunication/ network problems significantly affect service availability and performance. Therefore, there is need to improve on the communication link by the banks negotiating with Ethio Tel Com to avoid interruptions which results in communication break between the ATM and main server resulting failure to process the transaction accurately. In addition, the bank should work hard to create knowledge and awareness on means of usage among the clients through brochures, leaflets and instructional videos embedded within the machine itself and social media platforms.

Key word: - CBE-commercial bank of Ethiopia, ATM- Automated Teller Machine

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Customer satisfaction is a sign of how products and services offered by a company meet expectations of end users. This concept may be conceived of as the number of customers, or percentage of total customers, reporting their perception on satisfaction level in terms of product quality and service delivery. In fact, expectations are key factors behind satisfaction. Customer satisfaction is a concept of service quality. Customer is satisfied with a product/service if the product/service meets or exceeds the customer's expected performance of the product/ service performance service. Customer satisfaction is the major issue for the business that is operating in technology-based servicesand related services. Good customer service quality is the main factor that will determine; in the future whetherthe business will survive or fail (Thompson &Bokma 2000).

Due to rapid technology change and market competition service quality becomes an increasingly important issue. Therefore, understanding a service quality issue becomes very important to satisfy the customer (Broderick& Vachirapornpuk 2002).

 Banks connect technology, skilled human resource and delivery outlets to sell their products in a way that customers find them convenient to buy. Ensuring customer satisfaction is the driver of success in today's dynamic business environment. Building competitive power is of vital importance for banks to maintain stable position in the industry. Since, Banks provide homogeneous products and services and more or less with similar tariffs. Therefore, service excellence is the leading weapon to augment market share, keeping in mind that product and service diversification also matters. A bank is an institution that deals in money and its substitute and provides other money related services. In its role as a financial intermediary, a bank accepts deposits and makes loans. It derives a profit from the difference between the costs (including interest payment) of attracting and servicing deposits and the income it revises through interest charged to borrowers or earned through securities. Many banks provide related services such as financial management and products such as mutual funds and credit cards. In recent years, banks have made their services increasingly convenient through electronic banking. Electronic banking is a method of banking in which

customer conduct transactions electronically. It also means 24-hours access to cash through an automated machine (ATM).

ATM (Automated teller machine) is a device that is used by banks for financial service delivery. It is also described as an electronic computerized telecommunication device used by banks customers to access their accounts and carry out transactions such as; checking account balance, withdrawal of cash and account transfer without the requirement of a customer service officer during and outside working hours. ATMs provide bank customers with 24-hour access to banking products/services; they are easy to use and are faster than human tellers in the banking halls. An automated teller

machine allows a bank customer to conduct their banking transactions from almost every other ATM in the world. The developments of technologies have enabled organizations to provide superior services for customers 'satisfaction (Surjadjaja et al., 2003). The availability of several ATMs country wide has greatly improved the quality and convenience of service delivery however, some researchers have stated that users' satisfaction is an

CBE envisions building competitive edge in every aspect to become a world class commercial bank by the year 2025. Moreover, its corporate strategy accords values to its customers as essential actors in all its undertaking of fulfilling customers' expectations. In fact, being customer focus is the bank's corporate mission, as service excellence is antecedent to customer satisfaction and loyalty.

Undertaking customer satisfaction is about ensuring the qualities of services provided are as per the expectation of customers. As stated on its corporate strategic plan, the CBE foresees becoming a "World Class Commercial Bank" by the year 2025. This vision would be realized only if the Bank could provide quality service that took customer satisfaction at the center of its business strategy.

Commercial bank of Ethiopia (CBE) despite the pioneer in introducing ATM based payment system. Over the years Commercial Bank of Ethiopia has been experiencing significant change and developed in its information and communication technology. Among the development, is the introduction of Automated Teller Machine (ATM) that intends to reduce the number of customers in the banking halls because customers nowadays can go to the closest ATM for withdrawals. Customers can have access to withdraw their money 24-hours and reduce queues in front of the banks. Today, the ATM is an intelligent self-service device.

Financial institutions across the world use them to promote sale of new services, enhance customer experience; improve efficiency and increase profitability. An automated teller machine (ATM) service continues to grow in importance in the banking sector. CBE deploys over 1000ATMs all over the country which are available in branches, malls, business centers, government organizations, NGOs, International organizations and any areas with highly populated regions.Hence; the bank assures the installment of the machine in appropriate places to satisfy the customers through convenience and availability of services. Thus, the bank can make its ATM machines more user friendly, efficient& effective service delivery to the customer.

1.2 Statement of the problem

The banking industry has gone through evolutions and dynamic changes through the years. Sustaining a financial practice with a standardized manner has become the focal point banks strive for. As a result, the emergence of technology has played a great role to create an operational excellency which is bringing customer satisfaction.

Automated tailor machines have played a great deal of contributions for self-serving banking experiences. Consequently, decreasinglong queues in bank branches by substituting them and assisting to create a less stifled branch working environments is the main goal the bank has realized while deploying ATMs throughout the country. But poor telecom infrastructure has been a problem hindering the overall service delivery of the ATMs. Considering the low extent of development of ICT infrastructure in developing countries, when compared with the developed countries E-banking has not really been able to diffuse into society given the low rate of internet access (Banji& Catherine 2004).

ATMs are branch substitute with reliable, secure, and fast payment mechanisms. Furthermore the machines are expected to generate a high level of customer satisfaction.

It is well known that CBE holds the lion share of the country's ATM deployment, currently the bank is administering 67% of the total ATM deployed. Nevertheless the ATM users are limited in number, since the card holders who activated or used the ATMs are small in number.

Despite the numerous advantages to be derived from the use of ATM, most customers are yet to subscribe to ATM services, the few who have subscribed prefer over the counter services rather than

the use of ATM. This situation had led to a small number of subscribers using ATM services irrespective of the huge sum CBE had invested in the establishment of ATM sites. It is therefore necessary to determine the factors contributing to underutilization of ATM in the bank in order to find solutions to help decongest the banking hall.

Customer satisfaction is the determinant factor that mirrored the overall service delivery and provision system. If the companies customers said to have a zero or negative satisfaction towards its services, it is a red flag that indicates the entity to become forewarned and alter its service connivance mechanism. Meanwhile CBE is the country's biggest e payment service provider with prominent number of ATMs. Nevertheless the transaction reports on ATMs suggest that less utilization and implementation of the service in contrast with international standards and transaction trends. Thus, to understand and look through the challenges it is vital to know and asses the satisfaction level of the customers.

Hence this document was done in account of assessing the customer satisfaction on ATM services in case of commercial bank of Ethiopia.

1.3 Research Question

In order to address the point under discussion, the researcher tried to assess to answer the following research question.

1. What is the level of satisfaction on CBE customer's regarding the service quality of ATM?

2. What kinds of problem faced by CBE customers while using ATM Service?

3. what are the benefit of CBE ATM'S regarding the customer satisfaction?

1.4 Objective of the study

This thesis raises the assessment on the customer satisfaction on ATM services. There are various variables that affect and control the satisfaction level regarding ATM services. Accordingly, it aims to address a particular aspect of satisfaction on ATM services: the customers.

1.4.1 General Objective of the study

The general objective of this thesis is to assess customers' satisfaction on ATM service quality the case of commercial bank of Ethiopia in East district

1.4.2 Specific Objective of the study

Specifically, the thesis seeks to address;

- To determine the level of the satisfaction from the respondents who operates the service of ATM.
- To determine the major bottlenecks to customer satisfaction regarding ATM services.
- To assess the benefit of CBE ATM'S on the customer satisfaction.

1.5 Significance of the study

First this thesis would help to the banks what should take in order to satisfied the customer from ATM service. Plus, it provides have a better understanding of the service that is being given and how they can manage to change what they are lacking and to excel on what they are doing best on. Second, the outcomes of this study assisted other researcher for further study in the area customer satisfaction on ATM service. Finally, the study can be used for another banks sit can help as a benchmark.

1.6 Scope/Delimitation of the study

This study focused on the assessment of customer satisfaction on ATM service quality. The study is limited to assess the ATM service quality and customer satisfaction of CBE from the view point of customers who use its ATM's. Because there are a number of banks scattered around the country and it's impossible to all banks in this study. Therefore the scope of the study to select purposely located in Addis Ababa city, which is commercial bank of Ethiopia

1.7 Limitation of the study

The study is limited in scope and sample size because of time, financial and geographical constraints but it gives insight for other researcher for further study.

- The study conducted in Addis Ababa by focusing only East district.
- Its also conducted based on limited variables therefore the study is limited to customers of CBE ATM cardholders in East district that may not be the sample representative of the whole ATM bank service of the country. This is because of time and financial constraints.

1.8 Organization of the study

The study is organized five chapters that discuss assessment of customer satisfaction on ATM services quality at commercial bank of Ethiopia in the case of East district. .Chapter one explains the background of the research and illustrates what the research intends to achieve. Chapter two will form the Literature Review of the thesis that provides a general understanding of previous studies and theories related to the research area. Chapter three will discuss the methods that are used for the research and it highlights the primary and secondary data collection methods that the research is engaged in. chapter four is focused on the analysis and discussion of the results obtained from the study. The last chapter will exhibit conclusion of the research and provides some recommendations for improvement.

CHAPTER TWO

RELATED OF LITERATURE REVIEW

Introduction

This chapter aims to provide a review of related literature. In line with the objectives of this study. This part covers concepts related to service, service quality, service quality dimensions, ATM service and customer satisfaction.

2.1 Service

Service is "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; p128). Although services were performed by service providers and consumers together, its quality results in perception and value assessment by the customer (Rao; 2007).

Service industries are playing an increasingly important role in the overall economies of thecountries of developed and developing countries.There are many definitions regarding the concepts of service. Services are deeds, processes, and Performances. (Parasuraman et al., 1985).

Greenrooms, (1984) defined service as an activity or series of activities of more or less intangiblesnature that normally, but not necessarily, take place in interactions between the customer andservice employees and/or physical resources or goods.

Similarly Kotler,(2000) defined service asany activity or benefit that one party offers to another which is essentially intangible and doesn't result in the ownership of anything, and it may or may not be tied to a physical product. Service is found on all companies strategic tools for gaining a competitive advantage. Nowadays Products heavily rely on its services to acquire competitive advantage, and to satisfy customers 'needs (Kotler& Armstrong, 2012).

Service has been defined in many ways by various scholars through time. Still there is no universal definition of service. But these are well known definitions of service. A service is any act or performance that one party can offer to another that is essentially intangible and does not result in ownership of anything. Its production may or may not be tied to a physical product (Kotler& Keller, 2012). Alternatively, Gronröos, (2001) defined service as an activity or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between the

customer and service employees and/or systems of the service provider, which are provided as solutions to customer problems.Furthermore, a service is an act or performance offered by one party to another.

Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production. Services are economic activities that create value and provide benefits for customers at specific times and places as a result of bringing about a desired change in the recipient of the service (Lovelock & Wright, 1999). In addition, services are deeds, processes, and performances. Services are not tangible things that can be touched, seen, and felt, but rather are intangible deeds and performances (Zeithaml&Bitner, 2004).

2.2 Service Quality

Service quality is an assessment of how a delivered service conforms to the client's expectations. Service business operates often assess the services quality provided to their customer in order to improve their service to quickly identify problems and to better assess client satisfaction.

Philip Kotler (1997) defined service as 'an action or an activity which can be offered by a party to another party, which is basically intangible and cannot affect any ownership. Service may be related to tangible product or intangible product' On the other hand, Zeithaml and Bitner (2003:85) mentioned that, 'Service quality is a focused evaluation that reflects the customer's perception of specific dimensions of service namely reliability, responsiveness, assurance, empathy, tangibles.' Based on the assessment of service quality provided to the customers, business operators are able to identify problem quickly, improve their service and better assess client expectation.

Service quality has widely been discussed since 20th century and its idea is still relevant
to help today organizations in creating differentiation and gaining competitive advantage in an era of borderless world and globalization [Ali et al. 2016, Fotaki 2015, (Karatepe 2016]. In a quality managementliterature, service quality is often seen as a multi-dimensional construct.

The quality of service can bring customer intention to use the service again. These will bring the loyalty of the customer to the business. Service quality came as a superior quality to customer and brings the customer loyalty [Zeithaml, Berry &Pasuraman 1996] and there are strong relationships between service quality and customer loyalty [Kuo, Wu & Deng 2009, Saura et al. 2008].

The good quality of service will convincingly client to repeat the demand ofservice. It show customer behavioral towards service provider. The quality of service thatfulfills customer expectation will gain thecustomer loyalty. This intention will makecustomers' favorable inclination a servicerelative to other firms offering the sameservice [Kaura, Prasad & Sharma 2015].

service quality is essential for the success of any organization. Banks should increase the quality of service constantly since there is no assurance that the current outstanding service is also suitable for future. Consequently, banks should "develop new strategy" to satisfy their customer and should provide quality service to distinguish themselves from rivalries (Siddiqi; 2011).

Customers judge service quality relative to what they want by comparing their perceptions of service experiences with their expectations of what the service performance should be. Marketers described and measured only quality with tangible goods, whereas quality in services was largely undefined and not researched (Parasuraman, et.al., 1985).Service quality has become an important key factor for companies to differentiate their products and services from other competitors by using service quality as a process that customers can evaluate .Perceived service quality is believed to be resulting from comparison between customers' priorexpectations about the service and their perceptions after actual experience of service performance (Parasuraman et al., 1985).

The major concepts of service quality that are mentioned in various books and articles are four: intangibility, heterogeneity, inseparability and perishability. According to the definition of Kotler& Armstrong, (2012), the four service quality dimensions service intangibility that cannot be seen, tasted, felt, heard, or smelled before they are bought; service inseparability: service is produced and consumed at the same time and cannot be separated from its providers; service heterogeneity (variability) is also the quality of services may vary greatly depending on who provides them and when, where, and how. Finally, service perishability is a service that cannot be stored for later sale or use.

2.3 Customer satisfaction

Customer satisfaction is a critical issue in the success of any business system, let alone a business in the financial sector. In a highly competitive environment such as the banking sector in Ethiopia, CBE needs to understand how to satisfy its customers in order sustain growth and market share since customer satisfaction is critical for establishing long term client relationships. customer satisfaction surveys havebecome common in many financial institutions. To understand satisfaction, we need to have a clear understanding of what is meant by customer satisfaction. Customer satisfaction is defined as a result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance. If the perceived performance is less than expected, customers will be dissatisfied. On the other hand, if the perceived performance exceeds expectations, customer will be satisfied (Lee and Lee, 2003).

customer satisfaction is often viewed as a function of transaction-specific satisfaction and multiple transaction-specific satisfactions [Fornel 1992, Rust&Oliver 1994]. Under this view point, for example, customer satisfaction is defined based on several perspectives such as a decision made by customers about the service quality, product quality and price [Parasuraman et al. 1991, Zeithaml et al. 1996], an inner view resulted from customer's own experience from the service, an output of customers' comparison between expected performance and actual performance [Churchill &Surprenant 1982, Rosen, Surprenant& Rosen 1998], a series of customer post experience decisions with a product or service over time [Clemes, Gan & Ren 2011, Fournier & Mick 1999] and a difference between customers' expectations and experience performance after using the particular services [Kotler & Clarke 1985, Ramayah, Osman &Rahbar 2010]. The discussion shows that customer satisfaction is achieved if a customer feels that services delivered by a service provider may fulfill his/her needs, expectations and/or goals.

Customer satisfaction is the major issue for the business that is operating in technology based servicesand related services. Good customer service quality is the main factor that will determine; in the future whether the business will survive or fail (Thompson &Bokma 2000). Due to rapid technology change and market competition service quality becomes an increasingly important issue .Therefore understanding a service quality issue becomes very important to satisfy the customer (Broderick&Vachirapornpuk 2002). An automated teller machine allows a bank customer to conduct

their banking transactions from almost every other ATM in the world. The developments of technologies have enabled organizations to provide superior services for customers' satisfaction (Surjadjaja et al., 2003). The availability of several ATMs country wide has greatly improved the quality and convenience of service delivery however, some researchers have stated that users' satisfaction is an essential determinant of success of the technology-based delivery channels (Tong, 2009).

Several authors have defined satisfaction in a different way. The following definitions of customer satisfaction will try to give us a clearer idea about customer satisfaction concept. Kotler, (2000) defined it as Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectation. Yi, (1990) defined Customer satisfaction as a collective outcome of perception, evaluation and psychological reactions to the consumption experience with a product/service. The more customers are satisfied with products or services offered, the more are chances for any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth marketing. Customer satisfaction leads to repeat purchases, loyalty and to customer retention (Zairi, 2000).

Satisfied customers are more likely to repeat buying products or services. They will also tend to say good things and to recommend the product or service to others. On the other hand dissatisfied customers respond differently. Dissatisfied customers may try to reduce the dissonance by abandoning or returning the product, or they may try to reduce the dissonance by seeking information that might confirm its high value (Kotler, 2000).

customers' satisfaction is defined through different perspectives (Egert and Ulaga, 2002; Srijumpa et al, 2007). It is considered as "the feeling of welfare resulted from experience of use" (Lévy and Varela, 2006). At another phase, customer satisfaction is the response of completion of consumers' needs. It is considered as a service characteristics or service itself which gives a happy fulfillment of consumption-related factors (Zeithaml and Bitner, 2000). As discussedby ACSI (American Customer Satisfaction Index) form in Fornell et al's (1996) that "customer satisfaction is greater quality-pull than price-pull and value-pull." From the translation of many researchers it was observed that satisfaction is a sense of feeling which comes from a procedure of interpreting and judging what is received as a result of expectation as an inclusion of wishes and requirements coupled with the purchase and purchase choice (Armstrong & Kotler, 1996). From point of view of

Wang, Lo and Yang (2004) cumulative satisfaction is used more as compared to definite satisfaction for evaluation of performance of any firm and attitude of customer. Focus of this paper is on cumulative satisfaction because on customers' satisfaction most of studies havedone. It is stated by Bitner and Zeithaml (2003) that "satisfaction is estimation of customers of a service or product either thosefulfill their hopes and requirements. As defined by Boselie, Hesselink and Wiele (2002) satisfaction is an affective and positive form which comes as a result from the appreciation of all of aspects of working of party in relation with another. Two aspects of satisfaction of customers have been inspected by previous researchers: definite transaction satisfaction and cumulative satisfaction (Andreassen, 2000). It is discussed by Giese and Cote (2000) as an evaluative concept that satisfaction is the analysis by consumer effectively. As a definition of (Oliver, 1993) it is the thinking of customeraccomplishment of demands, objectives and requirements. In different areas, satisfaction of customer is mostly known and conventional concept. Different areas include economics, consumer research, marketing, economic psychology and welfare-economics. Literature of service management persuade that satisfaction of customer is conclusion of a thinking of customer about the value received in any links or transaction about SERVQUAL where service quality in terms of acquisition, cost of customer and price (Blanchard and Galloway, 1994; Heskett et al.,1990). It relates to hope value from links or transactions with combination of competing suppliers (Zeithaml et al., 1990).Literature of service management argues that customers' satisfaction affects loyalty of customers which automatically influences profitability. Researcher for this theory include(Rust, et al. (1995); Schneider and Bowen (1995); Anderson and Fornell (1994); Heskett et al. (1994); Storbacka et al. Gummesson (1993); and Zeithaml et al. (1990Reicheld and Sasser (1990); Heskett et al. (1990) Above mentioned researchers explain the relationship between profitability, satisfaction and loyalty. Examination of link as a result of calculating statistically byNelson et al. (1992) who explain link between satisfaction and retention of customers in banking especially in retail banking Rust and Zahorik (1993).

2.4 Importance of Customer Satisfaction

Customers are always aiming to get maximum satisfaction fromthe products or services that they buy. Winning in today's marketplace entails the need to build customer relationship and not just building the products; building customer relationship means delivering superior value over competitors to the target customers (Kotleret al., 2002, p. 391). Whether an organization provides quality services or not will depend on the customers' feedback on the satisfaction they get from consuming the products, since 2higher levels of quality lead to higher levels of customer satisfaction (Kotler & Keller. 2009, p. 169). Most companies are adopting quality management programs which aim at improving the quality of their products and marketing processes, because it has been proven that "quality has a direct impact on product performance, and thus on customer satisfaction" (Kotler et al., 2002, p. 8).

2.5 Customer Satisfaction and Service quality

Since customer satisfaction has been considered to be based on the customer's experience on a particular service encounter, (Cronin & Taylor, 1992) it is in line with the fact that service quality is a determinant of customer satisfaction, because service quality comes from outcome of the services from service providers in organizations. Another author stated in his theory that "definitions of consumer satisfaction relate to a specific transaction (the difference between predicted service and perceived service) in contrast with 'attitudes', which are more enduring and less situational-oriented," (Lewis, 1993, p. 4-12) This is in line with the idea of Zeithaml et al (2006, p. 106-107). Regarding the relationship between customer satisfaction and service quality, Oliver (1993) first suggested that service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative ortransaction-specific. Some researchers have found empirical supports for the view of the point mentioned above (Anderson & Sullivan, 1993; Fornell et al 1996; Spreng&Macky 1996); where customer satisfaction came as a result of service quality. In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specificallyon dimensions of service. (Wilson et al., 2008, p. 78). Although it is stated that other factors such as price and product quality can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml et al. 2006, p. 106-107).It has been proven from past

researches on service quality and customer satisfaction that Customer satisfaction and service quality are related from their definitions to their relationships with other aspects in business. Some authors have agreed to the fact that service quality determinescustomer satisfaction. Parasuraman et al., (1985) in their study, proposed that when perceived service quality is high, then it will lead to increase in customer satisfaction. Some other authors did comprehend with the idea brought up by Parasuraman (1995) and they acknowledged that "Customer satisfaction is based upon the level of service quality that is provided by the service providers" (Saravana & Rao, 2007, p. 436, Lee et al., 2000, p. 226).

2.6 Definition of ATM

ATM stands for Automated Teller Machine. It's a specialized computer that makes it convenient to manage your money. For example, almost all ATMs allow you to withdraw money, and many allow you to make deposits. At some ATMs, you can print a statement transaction, check your account balances, transfer money between your accounts; and even purchase stamps. You can usually access the most services at an ATM that's operated by your own bank.

Automated Teller Machine (ATM), according to Ogbuji, Onuoha and Izogo (2012) was conventionally introduced as an electronic delivery channel in 1989 and was first installed by National Cash Registers(NCR) for the defunct Society General Bank of Nigeria (SGBN) in the same year. Peter and Sylkia (2008) in Adesuyi, Solomon, Robert & Alabi (2013), outline the features of the Machine to include a computer terminal, record keeping system and cash vault in one unit, that permitscustomers to enter a financial firm's bookkeeping system with either a plastic card containing a personal identification number (PIN) by punching a special code number into a computer terminal linked to the financial firm's computerized records 24 hours a day. Sinceit inception, banks in the country and their customers haveembarrassed the machine.

According to Central Bank of Nigeria (CBN) report in Ogbuji et al (2012) some reasons have been advanced for the increase in the use of ATMs

by banks. Included in the reasons are the need to increase market share and the fact that the cost of a single transaction performed by an ATM is far less than the cost of a transaction conducted by a teller since ATMs, are able to handle more transactions per unit than tellers.

2.7 ATM Service quality

The use of ATM's has become extremely popular among customers as convenient mode of transactions. The technological innovation has transformed the banking business. Banks are aggressively adopting this mode. The advantages of using ATM's have given new momentum in dimensions of service quality and banks are offering new choices to customers.

Anguelov et al. (2004) stated that such technologies as direct deposit, automated teller machines, and debit cards can speed processing and reduce costs. This acts as a motive to banks to install and add new ATM to the existing network.

ATM as an electronic device which allows customers to deposit, withdraw, transfer money and perform other financial transactions without the aid of a branchrepresentative or a teller. It is argued that ATM is the electronic version of the brick-and-mortarbanking halls and customers visit the ATM to perform financial transactions. The ability of theATM to perform these functions to the satisfaction of customers will measure customerperceptions of ATM service quality. This study therefore defines ATM service as thecustomers' overall evaluation and judgment of services provided through ATM channels. (Stone,2003).

Research has shown that service quality, whether through traditional or electronic channels, have different dimensions (Joseph and Stone, 2003). Even though studies such as joseph and Stone identified the dimensions of e-banking channels such as internet banking, ATM and PC banking in a single study, not much attention has been paid to the quality dimensions of the individual technologies. Recently researchers have started to address ATM service quality dimensions. General details of studies on ATM banking service quality conducted in different countriesacross the world over a period of years are elaborated below in order to give a better understanding of the study.

Lovelock (2000) mentioned that effective service delivery in ATM system guarantees quality excellence and superior performance and provide autonomy to the customers. He identified secure and convenient location, adequate number of ATMs, user-friendly system, andfunctionality of ATM as dimensions of ATM banking service quality.

Joseph and Stone (2003) investigated some of the various roles technology plays in the US banking sector and how technology in general impacts the delivery of banking service.

The authors developed a grid for bank managers when making decisions concerning the priority of implementation of service-oriented technology. Authors conducted an empirical evaluation of US bank customer perceptions of the impact of technology on service delivery in the banking sector. They examined the United States customers' perception of ATM quality and found that user-friendly, convenient locations, secure positions, and the numbers of ATM provided by the banks are essential dimensions of ATM service quality.

Al-Hawari et al. (2005) developed a comprehensive model of banking automated service quality taking into consideration the unique attributes of various delivery channels including ATM,

Internet Banking, Telephone Banking and other dimensions that have a potential influence on quality issues. The proposed model was empirically tested for reliability, and validity using confirmatory factor analysis. They compiled a list of major dimensions of ATM service quality based on previous studies. The dimensions include secure locations, user friendliness of the ATM system, convenient location and functions of ATM. These dimensions were also tested by conducting an empirical study.

Khan (2010) investigated significant dimensions of ATM service quality and its effect on customer satisfaction in Pakistan. He used questionnaires to collect the data from a convenience sample of 500 customers of multinational and national Banks. Regression results indicated that convenience, efficient operation, security and privacy, reliability and responsiveness are significant dimensions of ATM service quality and that ATM service quality positively and significantly contributes toward customer satisfaction.

Narteh and Owusu-Frimpong (2011) conducted study in Ghana to determine the dimensions of ATM service quality and their relation with customer satisfaction. The survey employed a convenience and systematic sampling methods and a self-completion questionnaire were administered to 650 ATM users of 15 banks in Ghana. The results generated by exploratory factor analysis method indicate that reliability, ease of use, accuracy, convenience and responsiveness are all significant dimensions of ATM service quality. Further analysis indicated that ATM service quality is positively related to customer service satisfaction. However, individually, only reliability, convenience and accuracy dimensions have a significant impact on customer satisfaction. The study therefore suggested that managers who intend to improve ATM service experience of customers should focus on the reliability, convenience and accuracydimensions of the ATMs.

Katono (2011) identified the most important e-service quality evaluation dimensions in Uganda, focusing specifically on automatic teller machines (ATMs). The study employed a triangulation approach, using both qualitative and quantitative methods based on a convenience sample composed mainly of students at Uganda Christian University. Instrument development was based on the results of a qualitative study. The psychometric properties of this instrument wereassessed using exploratory factor analysis followed by cross-validation using confirmatory factor analysis. This was followed by hierarchical linear regression to identify the most important dimensions of e-service quality. The study established that tangibles, card issues, reliability and location are the most important student service quality evaluation dimensions of ATMs in Uganda.

Therefore, this study used the most significant dimensions that were mostly used to measure ATM service quality by the above-mentioned studies. It was reported in most of the studies that the most significant general dimensions that were mostly used and tested are reliability, responsiveness, ease of use, security and privacy, convenience and fulfillment. In line with this, the study measures ATM service quality of CBE and the level of customer satisfaction.

2.8 E-Service Quality

The idea of e-service is one of the prominent applications of utilizing the use of Information and communication Technologies (ICTs) in different areas but it is difficult to provide a comprehensive definition for e-service. Along with the development of the internet and web-based technologies, online customers use necessary information on products and services. Zeithaml et al. (2001) are believed to be the first one who provided a formal definition of website service quality or e-service quality. According to Zeithaml et al. (2001), e-service quality is defined as the extent to which a website facilitates efficient and effective shopping, purchasing, and delivering of products and services. As stated, the meaning of service is comprehensive, which includes both pre- and post-website service aspects. There are virtual numbers of criteria that customers use in evaluating websites in general and service quality deliverythrough websites. E-service quality can be also described as the consumer's judgment about an entity's(services) overall excellence or superiority (Zeithaml, 1988).

2.9 E-SERVQUAL

The definitions of the significant E-SERVQUAL dimensions that were used to measure ATMservice quality are as follows:

2.9.1 Convenience

This dimension covers the issue of how closely the ATM are located in respect to the customers, when they want to use it.

2.9.2 Reliability

The reliability dimension is critical because it embeds the dynamic capability to perform the promised service dependably and accurately. Reliability refers to the correctness of product information provided on the website. (Ho & Lee (2010) explained that reliability is the site's content to be represented as the promised services. Especially for the online website, users can only acquire information about products or service from the websites, therefore, the information provided is important for customers. Weinberger & Gilly (2003) gave another point of reliability that it refers to customer perception of the site's reliability such as a confirmation email, and order tracking. While Zeithaml et al. (2002) defined that it is associated with the technical functioning of the websites in order to have a proper function.

2.9.3 Ease to use

Parasuraman et al., (2005) defined the efficiency as the ease of use and speed accessing and using the website, in other words, this refers to ease of website access, the simplicity of using the web to find information effortlessness, and fast check out. On the other words, efficiency is the accessibility to the speed of access, information downloading and the availability of the website. They also found out that efficiency has a strong impact on customer satisfaction of users. A study by Li et al. (2009) found out that ease of use is ranked the most important factor of e-service quality. Zeithaml et al.(2000) referred to this dimension as navigability and stated that for a good site to be perceived positively by customers, it should provide functions that help customers to find what they need easily and quickly, as well as providing a user-friendly environment.

2.9.4 Responsiveness:

The quality of support customers receives when we face with questions or running into problems, and thespeed with which this support is provided, largely determine customer evaluations of post-transactionservices. Customer support is appreciated during the pre-transaction stage, particularly for onlineservices: the online customer is relatively powerless in enforcing help, having to rely on the willingnessof the firm to provide support. The faster a provider responds to requests, the better the service will beevaluated (Van Riel et al, 2003).Ease of use: denote the degree to which the customers expect the system to be free of effort or how the ATM ensures a hassle-free transaction for the customers.

2.9.5 Fulfillment

Fulfillment refers to the accuracy of the service, the ability of firms to deliver products and services in the promised time. Parasuraman et al., (2005) explained that the dimension is the extent of what the website promises to deliver products or services and to fulfill customers' needs. Ho & Lee (2007) explained that the dimension refers to the success of online stores to deliver product and services to customers as well as the willingness to accept and correct the mistakes happening in the transactions. Their research also found out that customers emphasized on this quality the most. A study by Wolfinbarger& Gilly (2003) especially laid emphasis on the non-error ordering process and on-time delivery.

2.9.6 Security

security refers to the protection of personal and financial information (Yoo&Donthu, 2001) andthe degree that a site is considered by consumers as being safe from intrusion (Parasuraman et al. 2005)Security has been identified as a vital factor to determine e-service quality for consumers of onlinebanking services (White &Nteli, 2004). Security is the most important factor on intention store visit asite and makes purchases (Yoo&Donthu, 2001). Security addresses the technical specifications of awebsite's security and payment methods; this dimension also incorporates company reputation, confidence and general confidentiality among consumers and those operating from within the company, engaging in the communication process. Privacy refers to the dimension to which the website is safe in term of customer information.
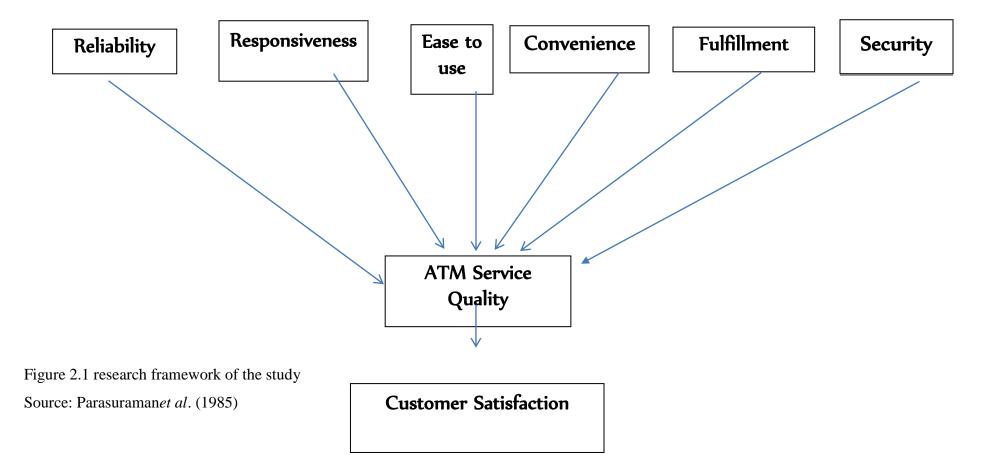
2.10 EMPRICAL REVIEW

Singh (2009) described ATM as 'AvoidTravelling with Money' or 'Any Time Money' but Certainlyit implies both. He asserts that Slim ATM cards are fasterplacing compounding withdrawal form as a convenientway of getting your money from banks. A smartperson no longer needs to carry a wallet-full of papermoney on his person. All he need to do is fish-out anATM card inserts it in the slot, punch in a few details and go home with hard cash. Ogunniyi, Onuaoha and Izogo (2012), studied the 'Analysis of the Negative Effects of the ATM as a channel for delivering banking services in Nigeria'. The authors sampled 600 respondents from Anambra and Lagos states in Nigeria. The reason according to the authors was because the two states constitute different people from different parts of Nigeria. Chi-square was used to test the hypothesis, and result showed that ATMshould not be installed indiscriminately everywhere andthat ATM has increased the rate of crime in Nigeria. Muhammed (2010), empirically studied ATM Service Quality and Customer Satisfaction in Pakistani Banks using data from 500 customers of multinational and national banks. He used regression analysis to test his six hypotheses. The most captivating hypothesis in his study was the sixth hypothesis, he found that 'ATM Service Quality has positive and significant relationship with customer satisfaction'. Moutinho and Brownlie (1989) recommendedthat some consumers have positive attitudes towards ATMs based on dominant perceptions of convenience,accessibility and ease of use. On the other hand, Reichheld and Sasser (1990) have recognized the benefits the customer satisfaction delivers to a bank. For instance, the longer a customer stays with a bank the more utility the customer generates. This is a result of a number of factors relating to the time the customer spends with a bank. Without usage of technology the banking sector cannot provide customers with a satisfactory service (Patricio et al.,2003). Effective service delivery is a new or significantly improved service concept that is taken into practice. Musiime and Biyaki,(2010). According to, Patricio et al. (2003) customers will use different service delivery systems depend ending on their assessment of each channel and how it contributes to the overall service offering. Hence service satisfaction will not merely be based on isolated service encounters and experiences but rather on the overall feelings of satisfaction. With automated teller machines networks already in place in most of the urban areas, the drive is now focused towards the rural areas where the use of automated teller machines is still uncommon. Musiime and Biyaki(2010).

Bashiridas (2014) have done, a research on customer satisfaction on ATM based on service quality in Nigeria bank and the result indicated that the customer with agree responses on perceived easy to use and perceived accessibility has highest mean while the perceive security responses has higher mean of disagree responses.

Lemma and Biruk (2017) explore on the effect of ATM service quality on customer satisfaction in Ethiopia Commercial bank in Debremarkos Town the result indicated that except assurance, tangibility, responsiveness, reliability and empathy, have positive and significant effect on customer satisfaction and customers are were mostly satisfied with the respondent dimensions of service quality.

2.11Conceptual frame work

Figure 2.1 research framework of the study

Source: Parasuraman*et al*. (1985)

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

In this chapter, the research design and methodology that the researcher was adopted for this study. This include the research design, data type and source, data collection method, the population, sampling, data processing and Analysis methods.

3.1 Research Design

In order to address the research problem and achieve research objectives carefully, the research design is reflected on and discussed in each step below. In answering the research objectives, this paper was proposed an integrated conceptual framework for assessing the service quality as a point of departure. In this paper the five dimensions and their respective attributes of the model are expressed using a five-point Linker scale. Theresearchmethodapplied inthisstudy isdescriptivesurvey type.*Descriptiveresearch*includes surveysandfact-findingenquiriesofdifferentkinds.Descriptivesurvey methodisemployedforitisefficienttoevaluateanddeterminethe adequacyof aprogram under existing condition againstthe established standards particularly toidentify andexplaininvestigationsof an assessment on customer satisfaction on ATM service quality in the case of CBE in East district. Quantitative approached was employed with the view assessing the customer satisfaction on ATM service quality to show the phenomena in number.

3.2 Study Area

The study were east district branches of the bank. The district contains 106 branches and selected grade 3 & 4 branches of the bank.

3.3 Source of data

In order to achieve the objective of the researcher used both primary and secondary data. The primary data collected through questionnaires from the ATM users of CBE. The secondary data assessed through published work books, magazines, journals and related articles that were for the better understanding ATM service quality and customer satisfaction.

3.4 Sampling techniques&Sample size

3.4.1 Sampling techniques

There are ranges sampling methods that can be used in research development. And this study based on quantitative method, hence non-probability sampling method used. Thus, purposive sampling was employed to the representative sample which is CBE ATM users in each district branches. The researchershave taken only grade 3 & grade 4 branches. It is because those branches have larger number of customer bases related to other branches. In order toget large number of respondents. The researcherdoes not choose grade 1 & 2 branches because of most of them are newly branches so that they have not enough ATM's plus most of their customers are they don't have well experienced using ATM service.

3.4.2, Sample size determination

To determine the sample size, use the following formula would be applied as follows:

$$n = \frac{N}{1+N(e)^2} \qquad = \quad \frac{27{,}132}{1 + 27132(0.05)2}$$

$$= \quad 395$$

Where, n -designates the sample size the research uses.

N- designates the total number of ATM card holders in the target population

e- designates maximum variability or margin of error 5% (0.05)

1- designates the probability of the event occurring

Thus,sample size 395 customers were selected from the population of 27,132

Table 3.1 Questionnaires distributed to selected branches.

Branch Grade	No of branch in each grade	Questionnaires distributed in each branch	Total no of Questionnaires distributed
Grade 4	16	13	208
Grade 3	17	11	187
Total			395

3.5 Instruments and Data collection

The data collection tools that employed in this study is questionnaires and other related documents from secondary source. The questionnaires are structured with close ended typed. Accordingly, 5 points Likert scale (1 being strongly disagree to 5 being strongly agree) scale item were prepared for respondents. Because it helps to choose one option from the given scaling that best align with their views. The questioners were distributed to respondent while there were served at the branch.

Questionnaires: thisisadatacollectioninstrumentmostly usedindescriptivesurveys.Thisisa systematically preparedformordocumentwithasetofquestionsdeliberately designedtoelicit responsefromrespondentsorresearchinformantsforthepurposeofcollecting dataor information.

QuestionnairespreparedforCBE card holders customers,thestructureofthequestionsare thoseinwhichsomecontrolorguidanceisgivenfor theanswer.Thisisdescribedasclosedendedformbecausethequestionsarebasically short, requiring therespondenttoprovideamultiplechoiceoptionsfromwhichtherespondentselects theanswerclosertotheirownopinion.The respondent 'schoicesare limitedtothesetofoptions provided.

3.6 Method of Data Analysis Technique

The research has used descriptive statistics because it supports to illustrate and summarize the input data. Descriptive research involves describing a problem, Context or situation. Descriptive type questions are more structured and more relianton prior idea and methods.

The data's received from respondents were set in to the statistical package for social science(SPSS) and Microsoft excel in order to make the analysis and was analyzed by using appropriatestatistical tool based on E-SERVQUAL method Mean & Standard deviation for each E-SERVQUAL dimensions to assess the service quality.

E-SERVQUAL created by Parasuraman et al. (1988) was adapted as the instrument for service quality measurement to obtain data required for analysis the Likert questionnaires of five ranges" Strongly Disagree" to Strongly Agree" as measuring scale.

3.7 Ethical Consideration

Anobviousformofstudentmisconductisplagiarism.Copyingorquotingdirectly fromsource materialwithoutproviding quotationmarksorcreditingthesourceisafundamentalissueof ethical partof the researcher. A more indirect form, butequallyimproper is paraphrasing materialorusinganideathatisnotproperly introducedanddocumented(i.e.,noreference citationprovided)leadsthequality ofresearchaswellasresearcher.TheDepartmentof Educationrequiresfollowingthestudentconductanddisciplining.Butthereisalackingfor directmonitoring.Thus,itisnotimplementedyet.Therefore,strong recommendationhasbeen made for effectiveactionagainstplagiarismandsuchunethicalpracticesimmediately.The researcherwasconsidering thefollowing ethicalvaluesandapproacheswhilecollecting both primary andsecondarydataforconsideringthesis. Whenpreparingquestioners,theresearcher clearlyexplainsthepurposeofthequestionnaire 'sandtherighttoacceptorrefusestoparticipate inany timesoftheresearchactivity whencollectingdata.Showthepurposeofthestudy and clearly stating in the introduction of each questionnaire.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

Introduction

This chapter presented a discussion of the final results and the process through which the results were obtained. In addition, in this back ground of respondents is presented. Finally, the statistical method was discussed which is the descriptive analysis using SPSS.

A total of 395 questionnaires were distributed out of which 374 were returned. Seven questionnaires were rejected due to missing data. Therefore 367 questionnaires served as data for analysis to present the findings and draw conclusions.

4.1. Demographic Variables

In this section of the paper the demographic characteristics of the respondents who participated on this project will be presented.

Table 4.1: Distribution of demographic variables (N367)

No	Variable	Frequency	Percent
1	Gender: A. male	243	66.21
	B. Female	124	33.8
	Total	378	100%
2	Age: 18-25	96	26.15
	26-35	121	32.97
	36-50	81	22.08
	50 +	69	18.8
	Total	367	100
3	Educational level: High school	84	22.
	Diploma	115	31.34
	Degree	146	39.8
	Masters or above	22	5.9
	Total	367	100
4	Occupation: Unemployed	21	5.72
	Government employee	187	50.9
	Private employee	97	26.43
	Student	62	16.9
	Total	367	100
5	Time duration: Daily basis	7	1.90
	Weekly basis	116	31.62
	Monthly basis	244	66.5
	Total	**367**	**100**

As the above table 4.1 shown the male respondents were (66.2%) and the female respondents were (33.8%) this shows that males and females were disproportionately represented in the sample of this research. Thus, should not be taken as an indication that more males use CBE ATM service than females.

Another demographic factor in this research was age of respondents (26.15%) were in the age range of 18-25, were in the age range of, (32.9%) were in the age range of 26-35, (22.08%) were in the age range of 36-50, (18.8%) were in the age range of 50 and above. This indicates that the dominant users are youth and adults.

Concerning educational level (22.8%) were from high school, (31.34%) of respondents were diploma holders, (39.14%) of the respondents have first degree, while there were fewer (5.99) of those with masters or above this shows that CBEs ATM users have good knowledge on the service and explain their feelings regarding CBE's ATM service.

Concerning the occupation of the respondents (5.7%) were unemployed, (50.9%) were governmental employees, (26.4%) were private employees, 16.8%) were students.

Regarding the time duration of using the ATM service most of the respondents (66.5%) use the ATM service on a monthly basis, (31.62%) of the total clients use the ATM service in a weekly basis, (1.9%) of the respondents use the ATM service on a daily basis.

Table 4.2: Descriptive Statistics on convenience Dimension of e-service quality

Item	All (n=367)		Mean Score	Std. Deviation
	No. of respondents	Percentage		
ATM machines' accessible where demanded				
Strongly Disagree	0	-	4.05	0.932
Disagree	37	10.08		
Neutral	0	-		
Agree	236	64.3		
Strongly Agree	94	25.61		
CBE ATM machines provides 24/7 services				
Strongly Disagree	77	20.9	2.11	1.326
Disagree	229	62.4		
Neutral	8	2.17		
Agree	49	13.35		
Strongly Agree	4	1.08		
Waiting time to complete a transaction is acceptable				
Strongly Disagree	5	1.4	3.78	1.179
Disagree	51	13.9		
Neutral	0	-		
Agree	272	74.11		
Strongly Agree	39	10.6		
	Overall mean score		3.31	1.145

Source:Questionnaires survey,2018

According to the above table 4.2, the first item is ATM machines' accessible where demanded indicates that 89.1% respondents give positive response, none of the respondent's response neutral, 10.08% of respondents give negative response and the mean value of this item is 4.05 which fall in strongly agreed scale it means customers level of satisfaction is high on this item.

The second item on the convenience dimension is on CBE ATM machines provides 24/7 services 14.4% respondents give positive response, 2.17% respondents response neutral, 83.3% respondents give negative response and the mean value of this item is 2.11 which falls in disagreed scale   which indicates that there is a large amount of system fail and delaying happens while getting the service. And shows that customers level of satisfaction is low on this item.

Regarding the Waiting time to complete a transaction is acceptable shows that 84.71% respondents give positive response, none of the respondent's response neutral, 15.3% respondents give negative response the mean value of this item is 3.78 which falls in agreed scale. This indicates that it took few minutes to get the service and shows that customers are satisfied on this item.

The overall mean for the convenience dimension perceived by the customers is 3.31 which is significantly above the median value. Moreover, each attribute of the convenience dimension is optimistically perceived by customers. However, one of the attributes under the convenience dimension i.e., CBE ATM machines provides 24/7 services been rated with a mean score of 2.11 which is below the median value. Therefore, bank management needs to improve this attribute.

Table 4.3: Descriptive Statistics on reliability Dimension of e-service quality

Item	All (n=367)		Mean Score	Std. Deviation
	No. of respondents	Percentage		
Reliable enough that no need to carry cash				
Strongly Disagree	33	9	2.22	0.052
Disagree	286	77.92		
Neutral	0	-		
Agree	28	7.62		
Strongly Agree	20	5.44		
ATM services improves customer satisfaction				
Strongly Disagree	0	-	3.96	1.179
Disagree	61	16.62		
Neutral	0	-		
Agree	197	53.7		
Strongly Agree	109	29.7		
Current CBE ATM services satisfying				
Strongly Disagree	69	18.8	2.54	0.52
Disagree	173	47.13		
Neutral	6	1.63		
Agree	95	25.9		
Strongly Agree	24	6.53		
CBE ATMs provides accurate and consistent services				
Strongly Disagree	27	7.35	2.04	0.15
Disagree	316	86.1		
Neutral	5	1.36		
Agree	19	5.17		
Strongly Agree	0	-		
CBE ATMs functional all the time				
Strongly Disagree	55	14.98	2.1	0.267
Disagree	263	71.7		
Neutral	4	1.08		
Agree	37	10.08		
Strongly Agree	8	2.17		
	Overall mean score		**2.66**	**0.527**

Source: Questionnaires survey,2018

On the issues of reliability of the ATM services of the bank four items were measured. According to table 4.3 the first item is Reliable enough that no need to carry cash indicates that 13.06 respondents gives positive response none respondents response neutral 86.9% respondents gives negative response and the mean value of this item is 2.22 this implied that customers are not confident to rely on the on the ATM's.

The second point is that on ATM services improves customer satisfaction 83.4% respondents give positive response none of respondent's response neutral, 16.62% respondents give a negative response and the mean value of this item is 3.96 which fall in agreed scale that means ATM service customers have positive response on this item because it will help to reduce the long queue at the branches in order to get the service.

The third item under reliability dimension is CBE ATMs provides accurate and consistent services 5.17% of respondent give a positive response, 1.36% respondents response neutral, 93.45% of respondents give a negative response and its mean value is 2.04 which falls in disagreed scale which indicates that system fail happens and customers are not satisfied on this item.

The other item is that CBE ATMs functional all the time 12.25% of respondent give a positive response, 1.08% respondents response neutral, 86.68% of respondents give a negative response and its mean value is 2.1 which falls in disagreed scale which indicates that the network is not doing well the bank should give higher concern for this issue.

The overall mean for the reliability dimension is 2.66

Table 4.4: Descriptive Statistics on ease to use Dimension e-service quality

| *Item* | *All (n=367)* | | | |
	No. of respondents	*Percentage*	*Mean Score*	*Std. Deviation*
CBE's ATM services are user friendly				
Strongly Disagree	21	5.72		
Disagree	54	14.71		
Neutral	11	2.99	3.63	0.433
Agree	233	63.5		
Strongly Agree	48	13.07		
ATM's provide tailored services for disable persons				
Strongly Disagree	89	24.3		
Disagree	231	62.94		
Neutral	31	8.44	1.93	1.25
Agree	16	4.35		
Strongly Agree	0	-		
CBE ATM uses simple and clear language				
Strongly Disagree	0	-		
Disagree	67	18.25		
Neutral	0	-	3.89	0.871
Agree	207	56.4		
Strongly Agree	93	25.34		
Education and direction on usage are offered				
Strongly Disagree	63	17.1		
Disagree	229	62.4		
Neutral	41	11.1	2.29	0.62
Agree	25	6.8		
Strongly Agree	9	2.5		
	Overall mean score		**2.93**	**0.793**

Source: Questionnaires survey,2018

On the issues of ease to use four items were measured. According to table 4.4 CBE's ATM services are user friendly indicates that 76.57% respondents gives positive response 2.9% respondents response neutral 20.43% respondents gives negative response and the mean value of this item is 3.63 which indicates that customers does not face problem while operating the ATM's.

The second point is that on ATM's provide tailored services for disable persons none of the respondents give positive response 8.44% of respondent's response neutral, 87.24% respondents give a negative response and the mean value of this item is 1.93 which indicates that the bank does not provide access to use the ATM service for disable persons.

The third item CBE ATM uses simple and clear language with this regard, 81.74% respondents give positive response, none of the respondent's response neutral, and 18.25% respondents give negative response with mean value 3.89 which indicates that simple and easily understandable language is used and customers are satisfied.

The other item under ease to use dimension is Education and direction on usage are offered 9.3% of respondent give a positive response, 11.1% respondents response neutral, 79.5% of respondents give a negative response and its mean value is 2.93 which falls in disagreed scale which indicates that the bank doesn't give a formal guidance on how to use the ATM's.

Table 4.5: Descriptive Statistics on fulfillment Dimension of e-service quality

Item	*All (n=367)*			
	No. of respondents	*Percentage*	*Mean Score*	*Std. Deviation*
Daily cash withdrawal limit is adequate				
Strongly Disagree	44	11.98		
Disagree	92	25.06		
Neutral	0	-	3.18	1.65
Agree	214	58.31		
Strongly Agree	17	4.63		
CBE ATM machines dispense a qualified birr notes				
Strongly Disagree	0	-		
Disagree	7	1.9		
Neutral	0	-	4.01	0.944
Agree	339	92.4		
Strongly Agree	21	5.72		
Service charges for CBE ATM services are fair				
Strongly Disagree	11	2.99		
Disagree	26	7.08		
Neutral	39	10.62	3.85	0.891
Agree	220	59.94		
Strongly Agree	71	19.34		
All money denomination types are available				
Strongly Disagree	21	5.72		
Disagree	48	13.07		
Neutral	5	1.36	3.6	1.346
Agree	276	75.2		
Strongly Agree	17	4.63		
	Overall mean score		**3.66**	**1.207**

Source: Questionnaires survey,2018

As indicated in the above table 4.5 the first item under fulfillment dimension is Daily cash withdrawal limit is adequate 87.03% have positive response none of the respondent's response neutral 37.04% have negative response with mean value 3.18 it indicates that the bank should increase the daily cash withdrawal limit.

The second item under fulfillment dimension is CBE ATM machines dispense a qualified birr notes 1.9% respondent give negative response none of the respondent's response neutral,98.1% respondents give positive response with mean value 4.01 which fall in agreed scale this indicates that customers do not get soiled notes from ATM's.

The other item on the assurance dimension is Service charges for CBE ATM services are fair in this regard 79.2% give positive response 10.62% of the respondent's response neutral 10.07% have negative response with mean value 3.85 which indicates that customers are not that affected by the service charges of the ATM service.

The fourth fulfillment itemAll money denomination types are available shows that 79.83% give positive response 1.36% of the respondent's response neutral 18.79% have negative response with mean value 3.6 which shows that customers are satisfied on this item.

Generally, compared to the previous dimensions fulfillment has the highest overall mean result which is 3.66 it is evident that customers of CBE perceive all the elements under the fulfillment dimension positively. This depicts that CBE are working well on this service quality dimension.

Table 4.6: Descriptive Statistics on responsiveness Dimension of e-service quality

Item	*All (n=367)*		*Mean Score*	*Std. Deviation*
	No. of respondents	*Percentage*		
Satisfactory Customer compliant handling on ATM				
Strongly Disagree	116	31.6		
Disagree	185	50.4		
Neutral	31	8.45	1.98	1.432
Agree	28	7.63		
Strongly Agree	7	1.9		
Fast reversal after wrongly being charged CBE ATM				
Strongly Disagree	53	14.4		
Disagree	197	53.7		
Neutral	78	21.3	2.28	0.482
Agree	39	10.6		
Strongly Agree	0	-		
	Overall mean score		**2.13**	**0.957**

Source: Questionnaires survey,2018

As shown in Table 4.6 Satisfactory Customer compliant handling on ATM with this regard 9.53% have positive response 8.45% response neutral and82% of respondents give negative response the mean value of this item is 1.98 the result implies that customers are expecting more from the bank to demonstrate willingness to help them while they are facing problems.

Also, the second attribute of responsiveness Fast reversal after wrongly being charged CBE ATM.10.6% respondents have positive response 21.3% response neutral 68.1% respondents have a negative response, the mean value of this item is 2.28 this indicates improvement is required from the bank in order to render quick reversal after wrongly being charged.

In contrast to the above dimension's results, responsiveness has the lowest overall mean score i.e. 2.13 which falls in disagreed scale.

Table 4.7: Descriptive Statistics on security dimension of e-service quality

Item	All (n=367)		Mean Score	Std. Deviation
	No. of respondents	Percentage		
CBE ATM machines sites are not exposed to robbery				
Strongly Disagree	14	3.81		
Disagree	23	6.27		
Neutral	7	1.9	4.04	0.782
Agree	214	58.3		
Strongly Agree	109	29.7		
Feel secure while using CBE ATM machines				
Strongly Disagree	27	7.35		
Disagree	30	8.17		
Neutral	4	1.088	3.9	0.891
Agree	190	51.77		
Strongly Agree	116	31.60		
CBE applied a secured system on its ATM services				
Strongly Disagree	19	5.18		
Disagree	56	15.25		
Neutral	29	7.9	3.7	1.346
Agree	176	47.95		
Strongly Agree	87	23.7		
	Overall mean score		**3.88**	**1.006**

Source: Questionnaires survey,2018

As indicated in the above table 4.7 the first item under a security dimension is CBE ATM machines sites are not exposed to robbery 88% have positive response1.9% response neutral 10.08 of the respondents have negative response with mean 4.04 which indicates that also yields highest score so this indicates that customers got no question on the security.

The other item on the security dimension Feel secure while using CBE ATM machines 83.4% respondents give positive response 1.08%response neutral,15.5% respondents give negative response with mean value 3.9 which fall in agreed scale shows that there is an assurance while using CBE's ATM.

The other item on the security dimension is CBE applied a secured system on its ATM services in this regard 71.65% gives positive response 7.9% gives neutra20.43% of the respondents have negative response with mean value 3.7 which indicates that the secured system inspires confidence on the ATM users.

Generally, compared to the previous dimensions assurance has the highest overall mean result which is 3.88 it is evident that customers of CBE perceive all the elements under the security dimension positively. This depicts that CBE are working well on this service quality dimension.

Table 4.8: Descriptive Statistics on benefits of CBE ATM for customers

| *Item* | *All (n=367)* | | | |
	No. of respondents	*Percentage*	*Mean Score*	*Std. Deviation*
ATM makes life easier for customers				
Strongly Disagree	0	-		
Disagree	58	15.8		
Neutral	0	-	3.96	0.78
Agree	206	56.13		
Strongly Agree	103	28.06		
ATM significantly reduces long queue at branches				
Strongly Disagree	10	2.72		
Disagree	18	4.9		
Neutral	11	2.99	3.99	0.66
Agree	254	69.2		
Strongly Agree	74	20.16		
	Overall mean score		**3.9**	**0.72**

Source: Questionnaires survey,2018

As shown in Table 4.8 ATM makes life easier for customers with this regard 28.06% have positive response none response neutral and84.19% of respondents give negative response the mean value of this item is 3.96 the result implies that ATM provide round the clock so customers can withdraw cash up to a certain limit during any time of the day or night so this makes life easier to customers.

Also, the second attribute of responsiveness ATM significantly reduces long queue at branches 7.62% respondents have positive response 2.99% response neutral 89.36% respondents have a negative response, the mean value of this item is 3.99 this indicates that ATM reduces the work pressure of bank staffs and avoid the queues in the bank premises.

Table 4.9: Descriptive Statistics on encountered problems

Item	All (n=367)		Mean Score	Std. Deviation
	No. of respondents	Percentage		
The network facility affects service availability				
Strongly Disagree	13	3.54		
Disagree	61	16.62		
Neutral	42	11.44	3.65	1.246
Agree	177	48.22		
Strongly Agree	74	20.16		
ATM capture the card while processing transaction				
Strongly Disagree	29	7.9		
Disagree	119	32.42		
Neutral	16	4.35	3.34	1.28
Agree	105	28.61		
Strongly Agree	98	26.7		
The ATMs sometimes failed to pay while debiting the account				
Strongly Disagree	48	13.07		
Disagree	129	35.14		
Neutral	52	14.16	2.87	1.06
Agree	100	27.24		
Strongly Agree	38	10.35		
Cash withdrawal limit per day				
Strongly Disagree	48	13.07		
Disagree	103	28.06		
Neutral	38	10.35	3.08	1.33
Agree	126	34.33		
Strongly Agree	52	14.16		
Amount of surcharge /charge per transaction				
Strongly Disagree	31	8.44		
Disagree	67	18.25		
Neutral	48	13.07	3.44	1.24
Agree	147	40.05		
Strongly Agree	74	20.16		
	Overall mean score		**3.3**	**1.231**

As shown in Table 4.12 The network facility affects service availability with this regard 68.4% have positive response 11.44% response neutral and 20.16% of respondents give negative response the mean value of this item is 3.65 the result implies that customers face network problem while using ATM service.

Also, the second attribute of encountered problem customers face is that ATM capture the card while processing transaction 55.3% respondents have positive response 4.35% response neutral 40.3% respondents have a negative response, the mean value of this item is 3.34 this indicates that customers are highly facing a problem of capturing the card.

 The other attribute of encountered problem customers face, The ATMs sometimes failed to pay while debiting the account 37.6% respondents give positive response, 14.16% response neutral 47.21% respondents give negative response and the mean value is 2.87 This result indicated that customers are not facing problem on this item.

The other attribute of encountered problem customers face, Cash withdrawal limit per day 48.5% respondents give positive response, 10.4% response neutral 41.13% respondents give negative response and the mean value is 3.08 This result indicated that cash withdrawal per day is not fair.

The other attribute of encountered problem customers face, Amount of surcharge /charge per transaction 60.21% respondents give positive response, 13.07% response neutral 26.7% respondents give negative response and the mean value is 3.44 This result indicated that the amount of charge per transaction is being a problem for customers.

The overall mean for this item is that 3.3

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

Thischapterdealswiththesummaryofmajorfindings,conclusionsandrecommendations.The recommendations partontheotherhandsuggests possiblesolutions tothemajorfindingsthe study.

5.1 Summary of the findings

The objective of the study was to assess the customer satisfaction on the ATM service quality in east district of CBE branches. This study used to E-SERVQUAL model developed by Zeithamel et al. (2000). The dimensions are convenience, reliability, responsiveness, fulfillment and security.In this research descriptive study method and purposive sampling techniques was used to collect the data andinvestigate researchobjective. the study was conducted by distributing questioners to395 ATM users from which 367 has been collected the perceived e-service quality of ATM was measured using point Likert scale range from strongly disagree to strongly agree.

The demographic back ground to the sample respondent presented in for parameter to understand the customer profiles. Gender, age, educational status, occupation and time duration usingthe ATM. Based on the data presented majority (66.21%) of the respondents were male. Regarding the age of respondent'smajority (59.12%) of them are the age range of 18-35. Regarding to their educational status majority (71.12%) of the respondent's diploma degree holders. Regarding to duration of using ATM service majority (66.5%)of the respondents use in a monthly basis.

Regarding to occupation of respondent's majority (50.9%) are governmental employee.

The overall level customer satisfaction toward the ATM service quality are presented in six e-service quality dimensions. Those are convenience,reliability, responsiveness, Ease to use, fulfillment and security. the overall convince dimension of ATM service quality score mean value of 3.31 which falls agreed scale. This dimension is the thirdhighest e-service quality dimension on CBE ATM service.

The overall reliability dimension of ATM service quality scores mean value of 2.66 which fall in disagree scale. Its it shows for the service quality to comparing to other service quality dimensions. This mean customer of satisfaction is low on the reliability of the service.

The over all of ease to use dimension of ATM theservice quality score mean value of 2.93 which between disagree &neutral scale which shows that customers are not satisfied on his service quality dimension.

The overall fulfillment dimension of ATM service quality score mean value of 3.66 which is close to the agree having highest level of customer satisfaction and It is the second higher dimension relation to other dimension of CBEs ATM service.

The overall responsiveness dimension of ATM service quality score 2.13 which falls in a disagree scale and its shows the poor service quality is comparing to the other service quality dimension those, CBE should analyses and revised its respondent in order to improve the service quality.

The overall security dimension of ATM service score in value of 3.8 which is found in agreed scale also CBE ATM shows the highest service quality in security dimension comparing to the other dimension was shows that there is high level of customer satisfaction on this level.

The overall benefit of CBE ATM for customers score mean value 3.9 and shows that ATM is making life easier for customer by minimizing long queuing at branch.

The overall in countered problem faced by customers score mean value of 3.3 which shows that customers are facing problem while using the ATM service.

5.2 Conclusion

The introduction of Automated Teller Machine (ATM) that intends to reduce the number of customers in the banking halls as customers now can go to the closest ATM for withdrawals. Customers can accesses to withdraw their money 24-hours and reduce queues in front of the banks. Today, the ATM is an intelligent self-service device. Financial institutions across the world use them to promote sells of new services, enhance customer experience; improve efficiency and increase profitability.

Commercial bank of Ethiopia (CBE) is a pioneer in introducing ATM based payment system. Over the years Commercial Bank of Ethiopia has significantly increased the number and quality of ATM service. In order to maintain the competitive edge it has in the country and realize its aim of becoming a world class commercial bank by the year 2025 E.C, the bank should be able to satisfy its customers by providing fast reliable and quality service in all aspects.

Analysis of responses regarding customer satisfaction regarding ATM service indicates that: CBE ATM machines does not provide 24/7 services or all the time, service provided is not accurate and consistent, service doesn't consider disabled individuals, and education and direction on usage of the services are not adequate. In addition customer compliant handling regarding its ATM services is lacking and CBE should work on improving reversal services for the money clients have been wrongly charged without being paid by so that clients wouldn't rely on ATM enough not to carry cash. Regarding factors that affect CBE ATM's and challenges they encountered while entertaining the service clients reflect that telecommunication/ network problems significantly affect service availability and performance.

5.3 Recommendation

- There is a need to improve convenience in the usage of ATM service to ensure increased preference to ATM banking.
- There should be a dedicated ATM complaint management team who are also well trained in order to handle customerqueries confidently and competently.
- The bank should provide phone support to clientswhoexperience service interruption, so users can get direct assistance.
- In addition, there should be astandby team equipped with a car that can be dispatched to any location where a customer facesanyinconvenience like card gets stuck in ATM and when clients get wrongly charged by the machine.
- There is need to improve on the communication link by the banks negotiatingwithEthio Tel Com to avoid interruptions which results in communication break between theATM and main server resulting failure to process the transaction accurately.
- The management of bankshouldconsider having staff specifically assigned to carry out daily routine checks on functionality and ensure that officers in charge of ATMs always put inenough cash available so as to enable the machine dispense cash to customers throughout the day.
- The bank should work hard tocreateknowledge and awareness on means of usage among the clients through brochures, leaflets and instructional videos embedded within the machine itself and social media platforms.

5.4 Future researches

The researcher assessed customer satisfaction on ATM banking focusing only in east district. Hence, it will be necessary to replicate this study on a sample different in demographic characteristics such as having low levels of education and indifferent regions of the country, for comparison of the study results. This also would help in developing ATM banking as strategic access channel for bank products and services.

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Appendix

St. Mary's University

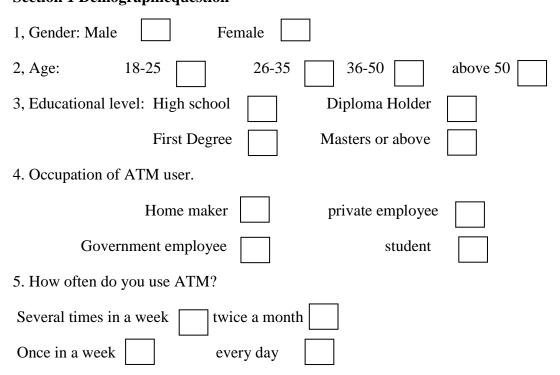**Department of Business Administration**

Questionnaire

Dear participant

This questionnaire is designed to conduct a research for partial fulfillment of the requirements of MA in business administration. The purpose of this study is to assess of customer satisfaction on ATM service with regards to the Commercial Bank of Ethiopia in East district. Thus, you are kindly requested to cooperate in filling this questionnaire as discreetly as possible.

Your honest and accurate response will make this study more valuable. Your response is solely meant for academic purpose and kept confidential. Thank you in advance for your cooperation.

General instruction; indicate the following by ticking ( ) on the space in front of the response option.

Section 1 Demographicquestion

1, Gender: Male ☐ Female ☐

2, Age: 18-25 ☐ 26-35 ☐ 36-50 ☐ above 50 ☐

3, Educational level: High school ☐ Diploma Holder ☐

First Degree ☐ Masters or above ☐

4. Occupation of ATM user.

Home maker ☐ private employee ☐

Government employee ☐ student ☐

5. How often do you use ATM?

Several times in a week ☐ twice a month ☐

Once in a week ☐ every day ☐

Section 2; - survey of your response toward the service quality

The score levels are described as; 5= Strongly agree 4=Agree 3=Natural 2=Disagree 1=Strongly disagree

No	Dimensions and related items	1-SD	2-D	3-N	4-A	5-SA
Convenience						
1	Do you think you can get ATM machines' where demands or human traffic are available?					
2	Do you believe CBE ATM machines provides 24/7 services?					
3	Do you think CBE's ATM waiting time to complete a given transaction is acceptable?					
Reliability						
4	Do you think CBE's ATM services are reliable enough that you don't need to carry cash wherever you go?					
5	Do you believe the availability of ATM services is believed to improve customer satisfaction?					
6	Do you think you are satisfied with current CBE ATM services?					
7	Do you think CBE ATMs provides accurate and consistent services?					
8	Do you get CBE ATMs functional all the time?					

	Ease to use					
9	Do you think CBE's ATM services are user friendly?					
10	Does CBE's ATM's provide tailored services for disable persons?					
11	Does CBE ATM uses simple and clear language?					
12	Does CBE's ATM offer Education and direction on the usage of the services?					
	Fulfillment					
13	Do you believe the daily cash withdrawal limit on CBE ATM is adequate?					
14	Do you think CBE ATM machines dispense a qualified birr note?					
15	Do you think the service charges allocated for CBE ATM services are fair?					
	Do you believe all money denomination types are available on CBE ATM machines?					
	Responsiveness					
16	Do you think CBE customer compliant handling regarding its ATM services is satisfactory?					
17	Do you get fast reversal services for the money you have been					

	charged without being paid by the CBE ATM					
Security						
18	Do you think CBE ATM machines sites are not exposed to robbery?					
19	Do you feel secure while using CBE ATM machines?					
20	Dou believes CBE applied a secured system on its ATM services?					
Benefits of CBE ATM for customers.						
21	ATM makes life easier for customers to get banking activities					
22	ATM services significantly reduces long queue at branches					
Encountered challenges: That have been faced by customers while entertaining ATM services.						
23	Do you believe the network facility that CBE uses often makes the ATM'S being out of services?					
24	Does the ATM capture the card while processing requested transaction?					
25	Does the ATMs sometimes failed to pay customers while debiting the account?					
26	Cash withdrawal limit per day					

27	Amount of surcharge/charge per transaction					