



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

**AUTOMATED TELLER MACHINE SERVICE QUALITY
AND CUSTOMER SATISFACTION IN THE CASE OF
UNITED BANK S.C.**

BY

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY
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LIST OF ACRONYMS

ICT	Information and Communication Technology
ATM	Automated Teller Machine
PIN	Personal Identification Number
POS	Point Of Sale
SERVQUAL	Service Quality
SPSS	Statistical Package for Social Sciences
CBE	Commercial Bank Of Ethiopia
HSBC	Hong Kong and Shanghai Banking Corporation

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ABSTRACT

Background: In the last few decades, information technology has changed the banking industry. It provided a way for the bank to offer different products and services to their customers. One of the innovative ideas of information technology among others in the banking sector is automated teller machine (ATM). In order to supports customers and reduces cost in the provision of easy services, this machine play a great significant role. Service quality is the major factor for the satisfaction and attracting of the customers. Service quality and customers satisfaction becomes the focal point of every bank in order to attract as many customers as possible. And also Banks gives more attention because it has influential relation with cost, financial performance, customers' retention and profitability.

Objectives: The objective of this study is to assess the level of Automated Teller Machine (ATM) service quality and its effect on customers' satisfaction of ATM users in United Bank.

Method: A structured questioner was used to collect the data from the convenience sample of 200 respondents' of ATM users at selected five branches of the Bank.

Result: The analysis and findings of this study shows respondents give the lowest satisfaction level to the accessibility and responsiveness. So, relative to the other dimensions accessibility and responsiveness are the most unsatisfied features of the ATM services. Concerning to the reliability and assurance, most of the respondents are relatively gave good response. It is also observed that the dimension of ease of use gets the highest satisfaction level of the respondents relative to all other dimensions. The findings of the analysis in the assessment of suggestion to improve the ATM service indicates that most respondents suggested to increase the number of ATM machines and also to select new ATM locations as the first and the second suggested service quality dimensions for improvement .

Conclusion: From the findings, it can be concluded that the management of the bank should focus and gives priority to those service quality dimensions, which gets relatively unsatisfied response from the customers. Therefore it is clearly observed that the Bank should improve and gives priority to the accessibility and responsiveness of the ATM Banking services. And the management should give high priority and focuses on the increasing of the ATM machines and selecting new ATM locations to increase the satisfaction and to retain the customers.

Key Words: ATM Banking service quality, Customers satisfaction, Service Quality.

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

Technology is one of the most important factors for the development of mankind. Information and communication technology (ICT) is the major initiation in the field of technology which is used for access, process, storage and dissemination of information electronically. ICT plays a vital role in the business activities, more especially in the banking sector. Banking industry is fast growing with the use of technology. In the last few decades, information technologies have changed the banking industry and have provided a way for the banks to offer different products and services to their customers. One of the innovative ideas among others in the banking sector is automated teller machine (ATM). In order to supports customers and reduces cost in the provision of easy services, this machine play a great significant role (Adeleye and Samson, 2015).

ATM can be defined as computerized telecommunication devices that provide the clients of a financial institution with access to financial transactions in the public space without the need for cashier, human clerk or bank teller. Automated Teller Machine (ATM) is the first well known machines to provide electronic access to customers (Sultan and komal, 2009).

ATM was invented in 1967 by John Shepherd-Barron. He is Scottish national born in India and later relocated to Britain and pursued his education from the University of Edinburgh, and at Trinity College, Cambridge. For many, this was the first tangible evidence that comes true the changing of retail banking. The introduction of ATM marked the dawn of contemporary digital banking (Automated teller machine Information about Automated teller machine, 2012).

With the introduction of ATM, banks are able to serve customers outside the banking hall. ATM is designed to perform the most important function of banks such as withdrawal of cash, deposits, printing of mini statements, settlements of bills, making balance enquiry, and transferring money from one account to another. It does all through an access to personal identification number (PIN), and a plastic card that contains magnetic chip which customer is identified through. In the years back, banking operation and/or transaction was an ease process of

walk-in to deposit or withdraw with less congestion or time consuming process via pass-book or check book. Researchers have found that service quality is the major strategy for the satisfaction and retention of the customers. In recent time, the complexity of human demand and business transaction creates the inflow of customers in and out of banking halls, which in one hand requires either the need for additional hands or stretching the services of the available staff. (Wondwossen tadesse, 2005)

Today's banking industry of Ethiopia mainly competes with the utilization of information technology for the effective service delivery to the customers and attracts the customers by providing new technology support service. Researchers have found that service quality is the major factor for the satisfaction and attracting of the customers (Gardachew worku, 2010)

Historically, Commercial Bank of Ethiopia (CBE) introduces ATM to the Ethiopian banking industry in Dec, 2003 and also the first private commercial bank which begins to delivering this service is Dashen Bank. (ATM Banking, 2015). Now a day's many private banks, those are found in the country, are providing ATM services to their customers. United Bank is one of the private Banks which provides this service since 1998. As a professional banker and user of the ATM service the researcher of this study observed that, the service quality of the ATM is still the question of bank customers, i.e., many ATM users still complaining about the service provision and the machine performance. In that regard according to the internal records of the bank even if the bank strives to increase its distribution and ATM service quality to its customers the distribution and utilization of the service are not as its target. According to the researcher of this study assessing the service quality and customer satisfaction of the ATM service to identify the factors that create these problems is very crucial. Therefore, the intention of this study was examining the extent of customers satisfaction associated with the service quality features provided by the ATM service of the United Bank and to identify the important service quality features that increases the customer satisfaction according to the Bank's customers' perception.

United Bank was incorporated as a Share Company on 10 September 1998 in accordance with the Commercial Code of Ethiopia of 1960 and the Licensing and Supervision of Banking Business Proclamation No. 84/1994. Today, United Bank is a full service Bank that offers its

customers a wide range of commercial banking services with a network of 125 branches. It provides Card Banking Services through ATM and point of sale (POS) terminal since July, 2012. And its debit card named as “HIBIR DEBIT CARD”. United bank sustainably strives and uses multidimensional approaches to improve its service quality, to attracts, retain and satisfy its customers. United bank is the pioneers in providing money send/received service on ATM (ATM banking, 2015). In Dec, 2015 it provides the service with more 125 ATM machines and POS terminals located at different places throughout the country.

The internal records of the Bank in Dec, 2015 indicate that the total number of ATM cards distributed to the customers reaches 66,945 in 125 ATM locations around the country and out of which 42,987 cards are distributed in Addis Ababa in 48 different ATM locations (ATM card issuing report, 2015).

1.2 Statement of the Problem

High competition in the banking sector forces the banks to continuously improve their service delivery to their customers. Information communication technology provides numerous advantages to the banking sector for their various service deliveries to their customers among them are Automated Teller Machine (ATM), Internet Banking, Mobile Banking and various electronic fund transfer services etc.

Even though ATM’s are installed by the public and private banks in Ethiopia, long queues are still seen in the banking hall for drawing money, peoples still handle too much cash for payment and bank customers complains about the service quality of the ATM all around the country. Poor telecommunication infrastructures, frequent power interruption, the resistance of peoples to accept new payment mechanism, lack of skilled manpower in the area, and unavailability of laws and regulations particularly for electronic payments are some of the challenges to expand the service and maximize the customers’ satisfaction in the country (Gardachew Worku, 2010).

ATM services intended to enhance operations and customers satisfaction in terms of flexibility of time, add value terms of speedy handling of volume of transactions, providing

detail account information at most convenience time and place than during banking hours. Consequently, it makes life convenience and increases the customers' satisfaction to a certain level. However, the internal record of United Bank S.C on the distribution of the Bank's ATM service to its customers is very low. The Bank's top management prepares quota to its 128 branches to enhance the distribution to the intended budget level until June, 2016 (United Bank S.C ATM distribution budget plan, 2015). Also as the Bank's record indicates that from the ATM cards distributed to the customers up to Dec, 2015, i.e. 66,945 it is only 46,928.00(70%) of card users are actively uses their card the rest 20,017 (30%) of the card users don't uses their card even once in the ATM machine.

The proper identification of customer satisfaction helps to retain customers and to increase brand awareness, profitability, and effectiveness of ATM services (Adeleye and Samson, 2015). For to do so, it is important to identify what the ATM users are thinking about its various features, what are their problem area and what are their recommendation for improvement. However, no sufficient work has been done with regard to ATM services and customers satisfaction especially in the case of United Banks customers.

1.3 Research Questions

This study aimed at analyzing the satisfaction level of ATM users in United Bank regarding some aspects of the service quality such as its ease of utilizing, location, sufficient of ATM and its regular functioning. In addition to this, the study also aimed at assessing the customers' suggestion for the improvement of the service by raising the following research questions:

- ❖ How do ease of use and accessibility of the ATM service affects the level of satisfaction of the bank's ATM customers?
- ❖ How responsiveness and assurance of the ATM service do affects the level of satisfaction of the bank's customers?
- ❖ To what extent does the ATM service of the bank is reliable?
- ❖ What service quality dimensions are suggested by the customers to improve the Banks ATM service?
- ❖ What service quality dimension of the ATM services importantly prioritized by the customers?

1.4. Objectives

1.4.1. General Objective

To assess the level of ATM services quality and its effect on customers satisfaction of ATM users in United Bank S.C

1.4.2. Specific Objective

- ❖ To examine the extent of the customers' satisfaction on the ATM banking service quality features of ease of use, accessibility, reliability, responsiveness and assurance provided by United Bank S.C.
- ❖ To identify the customers suggestions on five service quality dimensions to improve the ATM services provided by the bank.
- ❖ To assess the level of important ranked to each of the five ATM banking service qualities by the bank's customers.

1.5 Scope of the study

Due to time and cost constraints, the scope of this study is limited to the customer satisfaction of ATM with particular reference to United Bank S.C. It is also limited in sample size of number of respondents and also branches of the bank those are found in Addis Ababa namely Bole, Lideta, Yoseph, Genet and Meskel flower.

1.6 Limitation of the study

In spite of the researcher's efforts to gather the necessary information as objective as possible, the analysis of this study was based on the opinion of respondents, so the respondents were not fully cooperative to fill and gave all the necessary data but by the efforts of the data collectors most of the problem are solved. This may in turn limit the ability to make broader generalization

from the study undergone. In addition, the study is cross-sectional in design, so, the possibility of recall biases resulting in under or over reporting and misreporting of events was likely.

1.7 Significance of the study

The study will be important in the sense that it will reveal to what extent ATM customers satisfy by the ATM service delivered. Current business organizations are concerned with finding out new ways to serve their clients with respect to modern technology requirements and trying to give what customers want. Therefore, this study indicates how far the United bank S.C customers satisfied by the current ATM service provided by the bank. This will serve as an input for formulating effective policies, strategies and projects. And also, it will initiate and increase the level of awareness of the customers and service deliverer system in the area of introducing new technology for the user so as to achieve the common goals of the bank service. Furthermore, it will also serve as a stepping stone for related researches that will be conducted in the future.

1.8. Organization of the Paper

This study was organized into five chapters; chapter one presents introduction of the study, the literature review part of the study is presented in chapter two, chapter three told about the method of the research, chapter four data analysis and presentation and finally chapter five deals about conclusion and recommendations.

CHAPTER TWO

2. REVIEW OF RELATED LITRATURE

2.1. Theoretical framework

Service quality has been widely recognized as a dimension which has strong influence on overall customer satisfaction (Jamal and Naser, 2002).

Service quality, customer satisfaction and company profitability are intimately connected. Higher level of service' quality results in higher level of customer satisfaction which may results in to higher price and often lower cost. Studies have shown a higher correlation between relative product quality and company profitability (Phillip and Keven, 2006). One of the most useful measurements of service quality is the dimensions from the SERVQUAL model. SERVQUAL is a best fits for the evaluation of service quality from the customer perspective. The SERVQUAL instrument developed by Parasuraman (1991) has popularly used in many studies of service quality. He developed the gap model and the subsequent SERVQUAL instrument designed to identify and measure the gap between customers' expectations and perceptions of the service received. SERVQUAL refers to five dimensions of quality measurement these are.

- ❖ Reliability refers to the developing of the promised outputs at the stated level.
- ❖ Responsiveness refers to the providing prompt service and help to customers.
- ❖ Assurance is the ability of a service firm to inspire trust and confidence in the firm through knowledge and trustworthiness of the employee.
- ❖ Empathy is the willingness and capability to give personalized attention to a customer.
- ❖ Tangible is the appearance of a service firm's facilities, employees, equipment and communication motivation.

2.2. Empirical findings

2.2.1. Information Communication Technology and Banking Sector

Information communication technology has become a very critical aspect of today's banking and financial services in the world at large. The computerization of financial institutions initiates the electronic innovation in banking industry around 1970 (Malak, 2007). E-banking is simply the use of electronic means to transfer funds directly from one account to another, rather than by check or cash. Its system as a technological banking platform that enable customers to access banking services through intelligent electronic banking devices such as computers (internet banking), mobile phone (mobile banking), point of sale terminals (POS), Automated tellers machine (ATM). (Gardachew worku,2009).

2.2.2. Automated tellers machine (ATM) and Banking

The innovation in banking industries since 1970's introduces ATM to the bank customers. ATM is an electronic terminal which gives for the customer opportunity to get banking service at any time. ATM technology now appears common and generally accepted among bank customers. With the introduction of ATM banks are able to serve customers outside of the banking hall and also ATM provides a chance to the banking industry for offering convenience, speedy, and 24 hours service to their customers. Every banking operation requires some technological application to increase the service efficiency. Researchers vary on the subject of relationship between the level of technological application employed by automated teller machine and the level of the banking efficiency increases. But many researchers agreed on the importance of ATM for the further development of the banking industries (Automated Teller machine Information about Automated teller machine, 2015).

ATM cards offer a number of benefits to the issuing bank and the customers including:

- ❖ Dramatically reduces printing, mailing, and financial handling cost associated with processing transactions.

- ❖ Enhances payment securities by minimizing theft or loss.
- ❖ Prevent fraud through automated controls.
- ❖ Increases customers' satisfaction and enhances service to the customers.
- ❖ Ensures the continuity of service to the card holders in the emergency or disaster situation.
- ❖ Improves operational efficiency and professionalism of the issuing bank (ATM Banking, 2015).

2.2.3. Automated Teller Machine in Ethiopia

In Ethiopia cash is still the most dominant medium of exchange and ATM is at the infancy stage. The customers of Ethiopian commercial banks have missed the utilization of ATM for many years. All private as well the governmental banks in Ethiopia are too late to apply the electronic payment system in their service like providing ATM services. Commercial Bank of Ethiopia is the pioneer in introducing ATM services to the Ethiopia banking industry in 2001 with its eight ATM locations at Addis Ababa (Branch Network and ATM Locater, 2012). Despite its pioneer in introducing ATM to the country CBE lagged behind Dashen Bank. Dashen Bank is the first private commercial Bank that introduces ATM to its customers. Furthermore, this bank plays a significant role for the expansion and installation of ATM's at most convenient locations to its card holders. The tripartite agreement of utilizing same ATM and POS were done by three private commercial banks in February, 2009. These were Awash International Bank, Nib Bank, and United Bank. Now the unification of utilizing same ATM and POS terminals includes additional three young commercial Banks; these are Birhan International Bank, Addis International Bank and Cooperative Bank of Oromiya. This agreement is the first significant cooperation between competing banks in Ethiopia. United Bank provides the card banking service since July 2012 and expands its services to 125 ATM locations in December 2015 (United Bank Hiber debit card report, 2015). Banks in Ethiopia faces numerous challenges to expand their service in to the electronic payment system such as:

- ❖ Lack of developed telecommunication infrastructure,

- ❖ Lack of suitable and developed legal and regulatory framework for any electronic payment,
- ❖ High rate of illiteracy to adopt electronic payment in the country,
- ❖ Lack of reliable power supply and
- ❖ Resistance in accepting new technology (Wondwossen Taddesse and Tsegai G. Kidan, 2005).

2.2.4. Service quality

Service quality is defined as perceived quality which means a customer's judgment about a service. SERVQUAL is used to assess the service quality for different service providers. It is also defined as the gap between customers' perception of what happened during the service transaction and their expectation of the service transaction. SERVQUAL suggests Service quality is not solely the outcome of the service but also it is the process of service delivery. The customers' expectations and perceptions are the two main ingredients in service quality. When the customers judge the service quality as "low, if the performance (perception) doesn't meet up their expectation; whereas, when customers judge the service quality as is high which meant the performance exceeds expectation. (Parasuraman et al, 1991).

Similarly, ATM service quality is defined as the customers overall evaluation of the excellence of the provision of services through electronic network such as Automated Teller Machine (ATM). (Bashir, 2014).

2.2.5. Customers Satisfaction

Under existing service competition conditions customers satisfaction and retention becomes critical for retail Banks. The literatures suggests that customers satisfaction with retain banking is a multidimensional.

Customer satisfaction defined as a person's feeling of pleasure or disappointment resulting from comparing the service rendered (delivered) perceived by the customer (outcome) in relation to his or her expectation. If the performance much with expectation the customer becomes satisfied.

If the customer falls short of expectation the customer is dissatisfied. If the performance exceeds the expectation the customer becomes highly satisfied or delighted (Kotler and Lane, 2006).

Mc Dogll (1996) studied that the factors that has a positive relation with customers' satisfaction in the dimensions of service quality and indicates the key factors as core and relational performance, problem encounters, and satisfaction with problem recovery. Jamal and Nasser (2002) also found out a positive and significant association between customer satisfaction and the core (reliable) and relational (tangible, responsiveness, empathy and assurance dimension of service quality).

Understanding customers need, both current and future and keeping in line with the changing market requires effective strategy for listening to and learning from customers, measuring customer's satisfaction relative to competitors and building a relationship. Understanding the satisfactory or dissatisfactory of customers is important because it leads to the right improvement of that to create the satisfied customers. Satisfaction can be expressed in many ways like positive word of mouth, giving complains to the service provider and brand loyalty to the organization. It is assumed that satisfied customers will be brand loyal and will have high purchasing rate than dissatisfied customers. Consequently brand loyalty of the satisfied customers leads the organization to enhance the quality of service and achieve high profit.

The only measure of acceptable quality is customer satisfaction, which takes in account both objective and subjective interpretation of acceptable quality of the need and expectation of the customers. If the customers are satisfied with the service offered, the organization has not only understands the customers but also means that it produces the service with acceptable quality. (Kotler, Lane, 2006).

2.2.6. Relationship between service quality and customers Satisfaction

Obviously, Parasuraman and his colleagues (1988) found that service quality has a direct link with customer satisfaction (Paraasuraman et al, 1988). Likewise, Ali Dehghan (2006) indicated the empirical relationship between service quality and customer satisfactions. According to his finding, service quality dimensions and quality performance of all the dimensions was shown to have a strong impact on customer satisfactions. The findings of Chich Jan Shieh (2006) was also showed that the overall service quality has significant positive effect on overall user satisfaction.

2.2.7. Automated Tellers Machine (ATM) Service quality and Customers satisfaction

Bashir Indris (2014) studied the customer satisfaction of automated teller machine (ATM) based on service quality in Nigeria Banks. He used descriptive statistics to measure quantitatively the satisfaction level of ATM user based on the service quality rendered by the various Nigerian banks in Zamfara state. In his study the user overall attitude towards using ATM was under considered. His findings elaborated that the ATM service quality is the function of three variables. Those are the perceived ease of use, perceived accessibility and perceived security and the ATM service quality. All of those variables had direct effect on the customer satisfaction. His overall result indicated that the customers with agreed response on perceived ease of use and perceived accessibility has higher mean and standard deviation, while the perceived security response has higher mean and standard deviation of disagree response. Lasisi and Abubakar, 2014 also had done an empirical study of automated teller machine and user satisfaction in Nigeria with particular reference to United Bank for Africa in Sokoto metropolis Nigeria. The study carried through questioner of 100 respondents who uses the ATM services in united bank for Africa with in Sokoto metropolises. Data was analyzed by multiple regression analysis. The main objective of the study was to determine the degree of satisfaction among respondents of the ATM service user. To achieve this study the researchers determines the important factors that affect the customers' satisfaction as ease of use, availability of money in the booth, transaction cost and service quality. The questioner contains 5 likert scale questions which were distributed to the respondents at various ATM centers and branches. The finding revealed that the impact of ATM services in terms of their perceived ease of use, transaction cost, and service security is positive and significant. Contrarily, the result indicated that the impact of ATM services in terms of availability of money is insignificant. Rafigulislam and Samira K., 2014) examined the customer satisfaction of ATM services in the case of Hong Kong and Shanghai Banking Corporation (HSBC) ATM. The study aimed at investigating the satisfaction level of HSBC ATM card holder (both staff and non-staff). The study used the convenience sampling technique and on the basis of 57 non staff ATM users and 42 staff ATM users were selected. Moreover, the study used many secondary data source for supplementary purpose. The secondary source includes the bank's annual report, the group ATM branches procedural manual, relevant web-

based materials and prior research report. In the study data were analyzed by using descriptive statistics. Mean level of satisfaction of the two group of respondents (staff and non-staff) ATM user were calculated. The study indicates the five determinant factors that evaluate the satisfaction level of HSBC bank which is questioned by categorizing in to two groups these five factors are promptness of card delivery, the performance of ATM, service quality of ATM personnel, the quality of note (currency) and relative position of HSBC ATM. The finding in the study stated that both the non-staff as well as staff ATM users were more than the average state of satisfaction with respect to the five determinant factors. But the staff users were more satisfied in all aspect than the non-staff ATM users.

AbebeTeklu (2013) studied the automated tellers machine service quality and customers satisfaction at selected commercial banks in Addis Ababa. He selected three commercial banks those are find in Addis Ababa city namely Commercial Bank of Ethiopia, Dashen Bank and Zemen Bank. The study collected data through questioner by convenience sampling method of 150 customers. The basic target of the study were determined factors that influence the service quality and measures the customers satisfaction level based on the five pillars, i.e., reliability, convenience, ease of use, accuracy and responsiveness. The researcher selected three banks due to their unique characteristics regarding ATM banking as indicated in the study. The study used quota sampling techniques to collect data. In the study even if the sample size determination formula shows with a 95% confidence level of the size 398, the researcher was limited his size into 150. As the result revealed CBE customers were more dissatisfied regarding to the reliability criteria than the other two banks. Concerning the convenience dimension CBE also take the lower position among the three banks; similar result observed in the responsiveness, accuracy and ease of use dimension.

2.3. Conceptual framework

The main objective of the study is to measure the ATM customers' satisfaction among the respondents who uses the service from United Bank S.C of different branches. To achieve these objectives, it is necessary to look how most of the factors associated to each other. The following figure shows the enter relationship between variables:

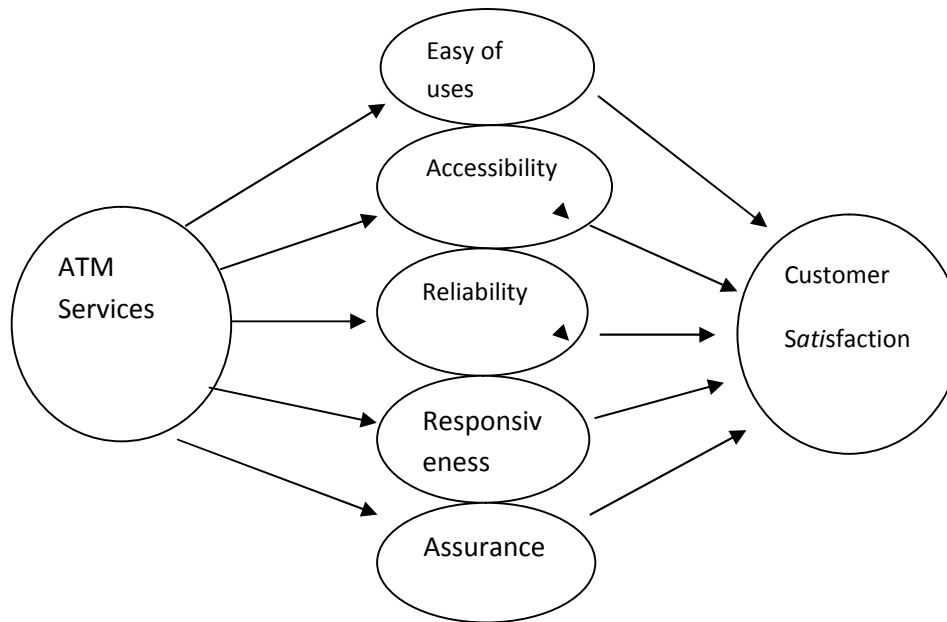


Figure 1: Conceptual Framework of the study

Source: Adapted from the research model developed by Basir Idris, “customers’ satisfaction of automated teller machine (ATM) based on service quality”, WEI international academy conference, USA, 2014.

2.3.1 Variables

Ease of use: - It is the convenience for customers to interact with a given system. Regarding the ATM service ease of use refers mainly the degree of user friendliness of the ATM to process ATM transaction by the customers (Basir Idris, 2014).

Accessibility: - it is an approachably and easy of contact to service to make the ATM more approachable and accessible. It should be more accessible in the public place. The ATM services should have location convenience to the user. Accessibility measures the availability of ATM locations with the nearby distance around the ATM users and it is also the degree of providing 24/7 cash access to the user to increase the customers’ satisfaction. (Kotler et al., 2000).

Reliability: - it is the ability to provide the promised service accurately and dependably. According to the SERVQUAL it is one of the instruments used to measure consumers’ perception of service quality. In order to solve the service quality and reliability, technical and

professional staffs of the bank should participate. In addition, the required transaction and ATM related problems have to resolve.

Responsiveness: - it is the pre - dominate service quality dimension that influences the satisfaction of the customers. Due to the various limitations of the ATM service customer demands multiple support from the bank staffs for the effective utilization of the ATM service. Therefore, responsiveness measures the degree of quick response and assistance to the customers' problem and also it is the banks' ability of service recovery and handling of customers complains raised by system failures quickly. (Chi Anh and Phong Tuan, 2015).

Assurance: - This dimension was viewed as “qualified staff “that is the people rendering the service to customers have the attribute of knowledge and ability to inspire trust and confidence. SERVQUAL describes assurance as knowledge and courtesy of employees and their ability to inspire trust and confidence (Parasuraman et. al. 1988 p23). It also refers to the qualifications as well as polite and courteous attitude of ATM card issuing staffs to the customers.

CHAPTER THREE RESERCH DESIGN AND METHOD

3.1. Research Design

In order to evaluate the ATM Service quality and Customer Satisfaction in the case of United Bank S.C, experimental or longitudinal designs are not suitable but cross-sectional design is capable to do so; because the cause and effect of the study are made at the same time. And also the duration of data collection and other activities take place within a limited time.

3.1.1 Research Method

There are three common approaches to conduct a research project in the area of both sciences and natural sciences fields of study namely; quantitative, qualitative, and mixed research approaches. Quantitative method is an objective and systematic process in which pieces of numerical data are used to obtain information about the world and which are analyzed by using statistical methods. It is also used to test a theory by identifying the variables based on the previous studies, examining the research relationships and obtaining the findings. It is a best method for giving generalization when the researcher collects a data from the given population by using probabilistic manor; i.e., the sample represents the population. Quantitative method can also achieve greater objectivity and more accurate results if it is comparing with the other methods. It also has many tools for testing the validity and reliability of the data. Therefore, in order to achieve the objectives of this study and thereby to give answer for its problems, quantitative research approach was used by the researcher.

3.1.2 Research Approach

Research approaches help researchers to provide data that can answer the research questions or achieve the research objectives. There are many types of research approaches , depending on the types of data that the researcher want to utilize and analyze, such as, experiment, survey, case study, action research and grounded theory. So, this study employed survey approach because the data collected from as such kinds of approach can be used to suggest a possible explanation of the

relationship between the study variables. Furthermore, the survey is the most relevant to the study which follows deduction approach and quantitative method.

3.2 Population and sampling techniques

3.2.1. Source of Study Population

A sample is a segment of the population selected to represent the population as a whole. The research population includes all United Bank ATM customers in five different branches.

3.2.2. Study Units

The customers who were selected in the given study purpose from the service delivery line of those five selected branches that full file the inclusion criteria.

3.2.3. Sample size determination

There are a lot of techniques for the determination of the sample size. This study applies the Rules of Thumb method. The sample size was calculated by using Harris's (1985) formula for yielding the absolute minimum no of participants. Harris suggested that a minimum of 10 participants per dependent variables is appropriate for the number of participants with five or fewer dependent variables. In addition he suggested if the circumstance allows a researcher would have better power to detect a small effect size with approximately 30 participants per independent variable. He uses $N > 50 + 10m$ formula (Where N is total number of population and m is the number independent variables). Using this formula the sample size was found to be as follows $N > 50 + 30m$ (where m is the five independent variables in this study).

Therefore $N > 50 + 30(5) = 200$

This shows that the number of sample size is 200. Regardless of gender, age and financial capability of the respondents'. Both random and convenience sampling is used for sample selection these sampling method is selected due to easily accessibility of respondents and it involves less time and cost to gather the information. In addition random sampling involves collecting information from the member of the population that is near and available for the research purpose.

3.2.4. Sampling procedure

Both probabilistic and non-probabilistic sampling selection systems were implemented. Primarily, five branches were selected randomly from the stratified group of branches, according to their age of ATM service delivery. Thus, Bole and Lideta branches were selected from the branches which begin ATM service delivery earlier. The other two branches, i.e., Yoseph and Genet were selected from branches which start ATM service during the expansion period of the ATM service. And the last branch, Meskel flower, was selected from branches which had recent operating deliverance.

Currently, those five selected branches had a total of 4,538 customers (United Bank Hiber debit card report, 2015). Quota sampling technique was used to collect the data. However because of time constraint the sample of the study is limited to 200 respondents. The numbers of ATM customers from each branch were used as a base for the quota distribution. Accordingly the proportion of sample from Bole, Lideta , Genet, Yosep and Meskel flower branches are 54, 50, 40, 38 and 18 respectively.

**Proportion of Respondents' between Branches according to the United Bank S.C
Hiber Debit Card Issuing Report
As of Dec, 2015**

S.NO	Branch	Total Cards delivered to Customer as of dec,2015	Proportion of respondents' between Branches
1	Bole	1236	54
2	Lideta	1126	50
3	Genet	922	40
4	Yoseph	873	38
5	Meskel flower	381	18
	Total	4538	200

Table 1 Proportion of the respondents' between branches

3.3 Types of Data and Tools/Instruments of Data Collection

This research used both primary and secondary data source according to its relevance. Structured questioners were employed for the collections of primarily sources of data. The questioner was divided in to three sections. Section one contains questions about personal profile of the respondents including gender, age, and educational level. Section two contains questions of five dimensions which assess the respondents' perception of ATM services quality of the bank and finally, section three, comprises of the items which questions the respondents to provide their suggestions to improve and to rank the service quality dimensions according to their importance. The questioner was designed using the Likert scale measurement. This study employed the 5 point Likert scale which was recommended to be more appropriate and easier to understand by the respondents. Concerning the secondary data, information collected from the actual internal data of the bank that shows the customers usage of ATM card and actual ATM transactions of specific branch.

3.4 Procedures of Data Collection

For the data collection process, the Bank staffs were participated to collect the data from the respondents'. The researcher explained about the topic and the objective of the study and the types of the question to be answered directly to the bank staffs of the selected branches who participated in the data collection process. The bank staffs of the selected branches also explained same to the respondents and give support for those who needs and couldn't properly understand the language of the questioner.

3.5 Method of Data Analysis

After the data was collected, the following activities on data processing have been carried out. The raw data was converted into suitable form for analysis and interpretation. This was achieved through sequences of activities including editing, coding, entry, and tabulation. The objectives were to check the completeness, internal consistency and appropriateness of the answers to each

of the questions. Finally, an analysis progress was developed using Statistical Package for Social Science (SPSS).

The appropriate descriptive statistics were used to analysis and find out the results. The descriptive methods of statistical analysis like percentage, measures of central tendency and measures of dispersion were used to analysis the data.

CHAPTER FOUR

RESULT AND DISCUSSION

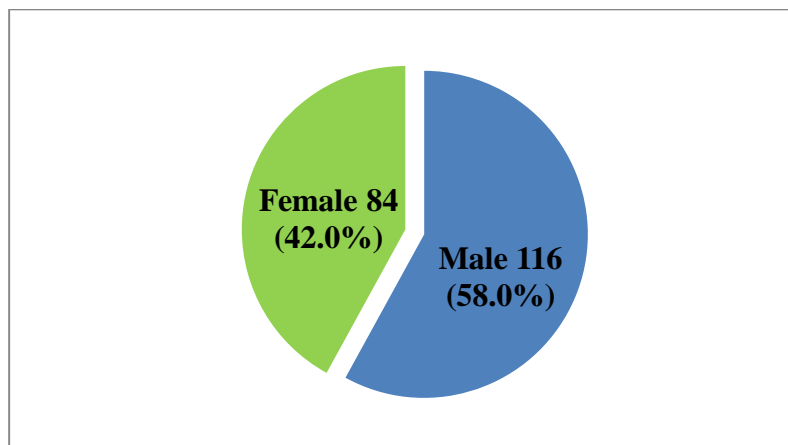
4. Data Presentation, Analysis and Interpretation

4.1 INTERODUCTION

This chapter presents, analyzes and interprets the data gathered on the assessment of the effect of the customers' perception regarding the ATM service quality of United Bank S.C. The data collected are presented in tabular and graphical form and analyzed and interpreted following the sequence of questions raised in the conceptual framework. The presentation, analysis and interpretation of the questioners were also done by considering all the 200 sample responses of the selected five branches. The first part presents the demographic information of the respondents. The second part of the analysis told about the five point Lickert scale and interpretation of the mean score of the collected data for each of the 25 items. The last part of the analysis told about the respondents' suggestions for improvement and ranking of the five service quality dimensions according to their importance.

4.2. Demographic Information of the respondent

As the demographic result indicated under the figure below, figure 2, shows that male ATM customers took a superior position followed females. That is, around 116 (58.0%) male respondents involved in the study, whereas, the remaining 84 (42.0%) respondents are female.



Source: Own sour

Figure 2: Gender distribution of the respondents'

As to realization, the majority of the respondents, i.e., 98 (49%), are first degree holders. Diploma holders took the next largest, 54 (27%), position while around 24 (12 %) respondents are twelve completed and below and also 24 (12%) of the respondents' were holder of second degree and above. The below table shows the respondents education level (See Table 2)

Education Level	Frequency	Percent
Below grade twelve	1	0.5
Twelve grade completed	23	11.5
Diploma	54	27.0
First degree	98	49.0
Second degree	20	10.0
PHD	4	2.0
Total	200	100.0

Table 2: Respondents' educational level

Coming to age, the majority, 72 (36%) , of respondents' age is below 25. As shown on figure 3, 56 (28.0%) of the respondents age laid between 36 and 45 years old. Likewise, 54 (27.0%) of the respondents are between 26-35 years. Only 2 (1.0%) are above 55 age (Figure 2).

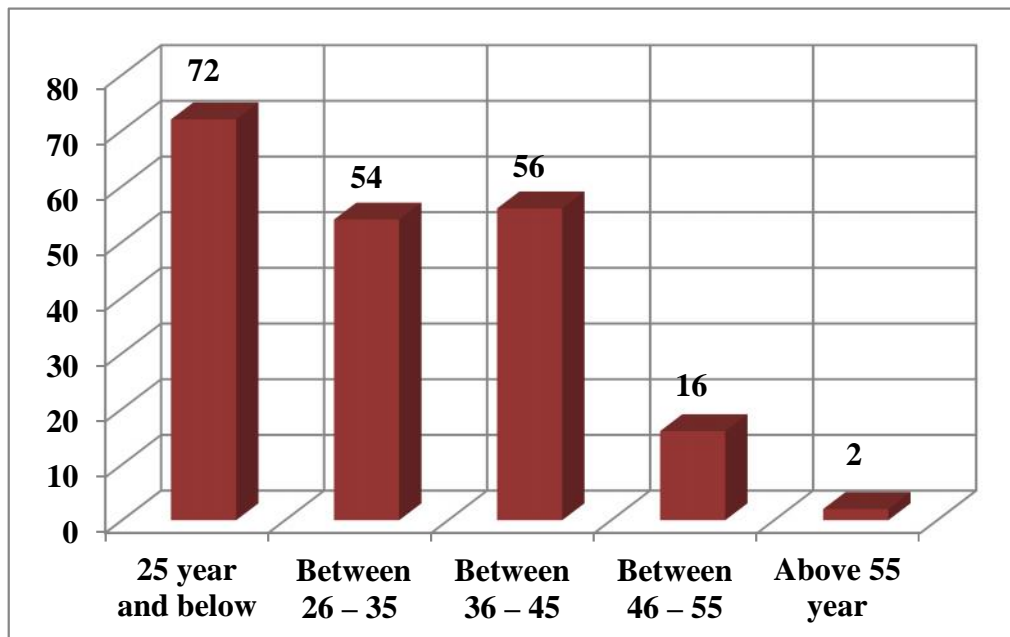


Figure 3: Age distribution of respondents'

4.3. Reliability test

To measure the consistency of the questionnaire particularly the Likert-type scale the reliability analysis is essential in reflecting the overall reliability of constructs that it is measuring. To carry out the reliability analysis, Cronbach's Alpha () is the most common measure of scale reliability and a value greater than 0.700 is very acceptable (Field, 2009)¹ and according to Cronbach's (1951)², a reliability value () greater than 0.600 is also acceptable. So, the table 2 below indicated that the Cronbach's value is higher than that of the acceptable reference level, i.e., the questions are reliable to measure the target this study (Table 3).

Cronbach's Alpha	N of Items
.635	25

Table 3: The Reliability test table

4.4. Level of customer satisfaction for the delivery of ATM service

The study is used five level Likert scale variables which are anchored 1-strongly disagree, 2-disagree, 3-Neutral, 4-agree and 5-strongly agree. That is the range of value below 3 shows the quality of the service delivered by the service provider is below the customers' satisfaction. In other word, it doesn't meet the customer minimum expectation level. On the other hand, if the respondent evaluation lay on the midpoint (3), customers get their minimum expectation from the service but they are not satisfied, nor dissatisfied. The scale above a median (3) class indicates, the service quality is above the customers' expectation, i.e., the customers are satisfied and very satisfied with the quality of the service provision. The core point in the analysis is that only achieving the minimum expectation of the customers is not adequate enough for the bank to retain customers and become the winner in the todays competing banking environment.

Therefore, the bank should work for the better quality (level scale above 3) to achieve and meet the expected satisfaction level.

4.4.1. The extent of customer satisfaction by quality dimension

In this section all dimensional customer satisfaction questions explains on an analysis of the responses collected from the 25 items spread across the five identified domains of satisfaction: ease of use, accessibility, reliability, responsiveness and assurance. The data analysis presents the rating of the elements of each domain, followed by the average rating for each domain. It concludes with an interpretation of the overall weighted average for the service deliverance.

I. Ease of use

Under this first domain, clients were asked to rate (on a 5-point scale) the easiness of the utilization of ATM service of United Bank S.C. customers. As shown in Table 4, anyone can access ATM simply is rated highest (3.87), followed by the interface is user friendly (3.78). The instruction clarity also rated 3.69. Utilization of the card for daily utility payment is rated least (3.11).

In general this item, ease of use, score above the threshold reference (3). This implies the majority of the respondents are agreed by the easiness of the system utilization. And also this implies that the majority of the customers can easily understand the instructions of the ATM and also they can easily utilize the service by themselves.

Items: ease of use	Item Average score
Anyone can use ATM easily	3.87
Anyone can simply understand the ATM instruction	3.69
The user prefer to use their ATM card usually for their utility payment	3.11
The screen of ATM displays clearly and has user friendly interface	3.78
Item Average total	14.45
Mean	3.61

Table 4: the mean score of the item ease of use

II. Accessibility

Table 5 presents the ratings of the elements of the second customer satisfaction domain, accessibility. The highest rating for the accessibility is registered under “ATMs are installed in a convince place to make transactions” (3.70). That is most of the customers agreed the bank ATM machines placed in an appropriate place. The ATM service offered variety of financial services in easy and fast manor (3.51), a factor helpful for accessibility. In the four items which measure the level of accessibility such as the presence ATM service availability in everywhere, the service points accessible in a very close distance, the availability of money in the machine is always reliable and the ATM cards are issued quickly as the customers requested almost rated nearer to the median value. That means according to the respondents either agrees or disagreed about those four ATM Banking service dimensions. The least rated (2.92) of accessibility is “the ATMs are always functioning”. As per the respondents’ perception the ATM machines are not usually functioning better. The service of this dimension is below the customers’ expectation. The table below elaborated more about the items of accessibility whether achieve the target or not.

All in all, accessibility of ATM service delivery which is given by the bank is ranked 3.25. This indicated that the service deliverance is good.

Items: Accessibility	Item Average score
ATM service available everywhere	3.26
The ATMs are always functioning	2.92
The ATM points can be accessed in a very close distance	3.11
The availability of money in the ATM is always reliable	3.07
The ATM service offered variety of financial services	3.51
The ATMs are installed in a convince place to make transactions	3.70
The ATM cards are issued quickly as the customers requested	3.01
Item Average total	22.58
Mean	3.25

Table 5: the mean score of the item Accessibility

III. Reliability

The third assessed domain is the reliability status of service provision. There were couples of opinion questions raised for the respondents which can measure the reliability. As shown in table six, the result of the study revealed that the mean score of “everyone is informed by SMS message after each transaction done by ATM” took spurious position. As the majorities of respondents informed after they get a service from the bank, SMS message comes paper to tell the current balance amount. The item which stated that every account is affected by the exact amount of transaction in the ATM scored 3.63. This indicates that respondents are agreed and satisfied by the exactness of the transaction amount which affected by the ATM service delivery of the bank. Respondents also agreed by the question which implies the bank commits to provide all the ATM services as it promised. That is the selected respondents satisfied with the bank’s commitment to provide all the ATM services. Regarding the opinion questions which stated “anyone can have difficulty with the ATM of the bank” and “the services are performed quickly and with no mistakes” are ranked 3.44 and 3.41 respectively. Meaning that based on the respondents opinion, the performance of the service and the happening of the difficulty during transactions are slightly above the minimum thresholds. In general the reliability average items the moderate but below the highest extent. So, the reliability of the service delivery is still good. For more information look at the below table (Table 6).

Items: Reliability	Item Average score
The Bank commits to provide all the ATM services as it promised	3.60
The ATM services are performed quickly and with no mistakes	3.41
Anyone can have difficulty with the ATM of the bank	3.44
Everyone is informed by SMS message after each transaction done by ATM	3.76
Every account is affected by the exact amount of transaction in the ATM	3.63
Item Average total	17.84
Mean	3.57

Table 6: the mean score of the item Reliability

IV. Responsiveness

Responsiveness is also one of the expected determinant factors for customer satisfaction. As the result depicted in table 7 below, respondents rated moderate extent (3.00) for the statement which stated the bank corrects the wrong transactions quickly. That is the respondents neither strongly agreed or disagreed about quick correction if the transaction distraction occurred in the ATM service due to various reasons like network error, power breakdown etc. In other word this action need a corrective action. The study also wants to check whether the respondents agreed about the statement which said the bank fixes the breakdown of ATM machines quickly or not. On the average every participants rated nearer to a moderate extent (3.18) value, i.e., the respondents believed that the bank maintain the machine but not as quick as their evaluation level. Quick resolved action when ATM transaction related problems line with the customer service is rated lower (3.31), followed by the provision of clear instructions about the ATM services available (3.40). That means, the respondents are agreed with the minimum level on the banks quick response to solve the ATM related problems and providing clear instruction about the ATM service available. The relatively high rating for “the bank staffs are willing to help customers and solving their problems” (3.73); reflects the high emphasis given to customer satisfaction. The majority of the respondents are agreed on that the bank staffs always open their office to help customers and solve their problems if the users faced any difficulty especially in the areas of ATM. Table 7 elaborate more about the responsiveness (See table 7).

Items: Responsiveness	Item Average score
The ATM transaction related problems are quickly resolved	3.31
The Bank staffs are willing to help customers and solving their problems	3.73
The Bank fixes the breakdown of ATM machines quickly	3.18
The Bank corrects the wrong transactions quickly	3.00
The bank provides clear instructions about the ATM services available	3.40
Item Average total	16.62
Mean	3.32

Table 7: the mean score of the item Responsiveness

V. Assurance

Table 8 presents the ratings of the elements of the last satisfaction domain, assurance. The highest rating for the assurance is registered under “the ATM issuing staffs are always gentle and polite” (3.62), followed by “the ATM card issuing staffs can provide all the information about the card” (3.61) and “the ATM card issuing staffs can provide a clear explanation about the card ” (3.55). Obviously, those items average scores are nearest to the higher extent. This implies that the respondents are a bit strongly agreed and satisfied with the bank’s issuing staffs’ capability of providing information, explain about the card and their politeness in their customers handling. However, the least rated (3.33) assurance capacity is “everyone feels safe and confidence when making any transaction at ATM”. Even if this item gets a least rate, still it is above the average threshold (3). So, this indicated that the respondents agreed with the minimum level of safety and confidentiality about ATM transaction. All in all the average total of assurance items rated 3.52, which indicates that regarding the assurance issue feature of ATM banking service respondents are agreed and satisfied.

Items: Assurance	Item Average score
The ATM card issuing staffs can provide all the information about the card	3.61
The ATM card issuing staffs can provide a clear explanation about the card	3.55
Everyone feels safe and confidence when making any transaction at ATM	3.33
The ATM issuing staffs are always gentle and polite	3.62
Item Average total	14.11
Mean	3.52

Table 8: the mean score of the item Assurance

Table 9 presents a summary of the likelihood of the customer satisfaction of the ATM service delivery, based on the above results under each domain. As depicted, while the five “means” of the five customer satisfaction domains are above the expected average score (3). Easy to use is highly rated (3.61), followed by reliability (3.57) and assurance (3.52). On the other hand, much desires to be done in the responsiveness (3.32) and accessibility (3.25). In general, the likelihood of customer satisfaction is viable.

	Doman				
	Easy to use	Accessibility	Reliability	Responsiveness	Assurance
Item Average Total	14.45	22.58	17.84	16.62	14.11
Domain Average	3.61	3.25	3.57	3.32	3.52
Grand Mean	3.45				

Table 9: The Grand domain average means score

Figure 4 presents the United Bank selected service delivery areas customer satisfaction Index. The index (the grand mean) is calculated by taking the “weighted average” of the means of the five domains. As the number of elements vary among the five domains, this computational method avoids, what is commonly known as the “Simpson’s Paradox” or “Reversal Paradox” (refereeing to the paradox of the reversal of statistical scores depending on whether the groups are looked at separately, or whether they are combined into a larger group). The calculated satisfaction Index is 3.45. This “data point” is plotted on a line segment, conveniently termed as “the customer satisfaction range”, ranging from a score of 1 (to a small or no extent) to 5 (to a very large extent). The numbers and the ratings verbal interpretations on the Likert Scale are replaced with corresponding expressions related to the lexicon of sustainability: Stagnant, Budding, Evolving, Established and Mature. As the data point (3.45) occupies the space between “to a moderate extents” (3) and “to a large extent” (4), the trend for the overall customer satisfaction through the given domains is positive. However, there are two cautionary notes for this conclusion. (i) The conclusion reflects the customers’ perception only. (ii) Also the conclusion is based on the activity undertaken by the respondents’ . .

1	2	3	x	4	5
To no or a very small extent	To a small extent	To a moderate extent	To a large extent	To a very large extent	
Stagnant	Budding	Evolving	Established	Mature	

Figure 4: Grand mean customer satisfaction Index.

Source: Program sustainability assessment tool, Washington University, St Louis, MO, 2012

4.4.2. Suggestions of service quality for the improvement of ATM service

The other dimensional measurement of customer satisfaction is the respondents' suggestion for the improvement of service quality features. The researcher inquired the respondents about their suggestions that which dome need fast improve from the alternative given. As a result all 200 (100.0%) respondents gave at least one suggestion, according to their opinion, which may help to improve the ATM service delivery. In here any one should expect a multiple response. As the summary result indicated, from the entire participants, 101(50.5%) of them recommended that increasing the number of ATM machines may help to improve the ATM services delivery. As their opinion the number of ATM machine and users proportion is not balanced. Therefore, if the bank increases the number the machine the service provision can be better. About 68 (34%) respondents responded that they are recommended allocation of new ATM location as a suggestion to improve the ATM services. That is, based on the respondents believe, the installed planted machines are not enough for the customers. Therefore, if the bank escalating the numbers ATM machines, in different secure positions, the bank can satisfy its customers better than now. The better quality customer service is recommended by 56 (28%) respondents. That means if the bank improves the customer service quality, the users satisfied more and attracted by the service; so, more service seeker come to the bank to get the service. Moreover, the bank can increase its customers. As to realization, few respondents, i.e. 18 (9.0%), are suggested that user friendly interface may escalate the customer satisfaction. As the previous result indicated most of the respondents gave a better rank for the interface. So, as per the most participants opinion the interface is well organized, but fewer still have a doubt to say the interface is not completely friendly for the user. Table 10 below shows the alternative suggestions given by the respondents which may help to improve the ATM service quality (See Table 10).

Suggestion alternatives	Responses	Column N %
User friendly	18	9.0
New ATM location	68	34.0
Increase the number of ATM machine	101	50.5
Better customer service	56	28.0
More withdrawal limit	28	14.0
Facility to pay utility	25	12.5
Total	296	100.0

Table 10: Summary of respondents' suggestions alternatives

4.4.3. Ranking of the service quality dimensions

The last questions dealt with the ranking of the five service quality dimensions according to their importance. In here, the researcher wants to identify which of the following quality dimensions more important for the improvement of ATM service delivery according to the respondent points of view. As the pictorial representation shows as below 76 (38%) respondents are prioritized reliability as the first and the most important service quality for the improvement of customer satisfaction. Accessibility of ATM is the second prioritized service quality dimension scoring 61 (30.5%), i.e., as per the respondents opinion, so as to improve the customer satisfaction accessibility play a significant role. Accordingly responsiveness, assurance, and ease of use are the third, fourth, the fifth prioritized service quality dimensions scoring 41 (20.5%), 14 (7%) and 8 (4%) respectively. As the graph depicted below customers are more prioritized and give more emphasis to reliability and accessibility of the ATM services quality. Therefore, the improvement in reliability and accessibility of the ATM services has positive impact on the customers' satisfaction. Also the result shows that ease of use ranked as the last prioritized service quality dimension by the respondents. Through, customers are more or less satisfied with the easiness in utilizing of the ATM and it has minimal impact to improve the satisfaction of the customers (Fig. 5).

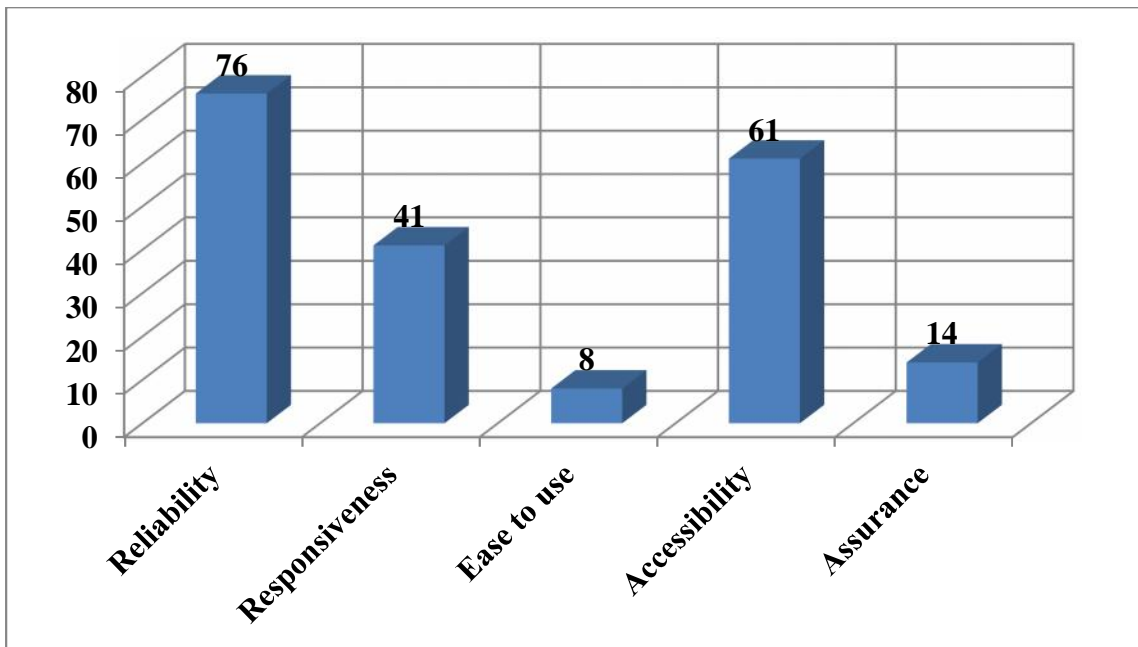


Fig 5: ATM service quality dimensions ranking

4.5 Discussion

This study examined the extent of the customers perception of the five variables i.e. ease of use, accessibility, reliability, responsiveness and assurance of the ATM services provided by the United Bank selected branches. The study revealed that the respondents' average mean on ease of utilizing the ATM machine is 3.61. This implies that the customers are satisfied with the simplicity of the ATM machines in other word it means that customer can easily use the ATM machine by themselves without the need of others and also they can simply understands the instructions of the ATM. Regarding the accessibility dimension the average mean score is 3.25. This is very slightly above the minimum score level of the customers' satisfaction. When anyone look at the individual items of this variable, can realize that some items like the functionality of the ATM score of the mean (2.92) goes below the threshold level. This implies that most of the customers are not satisfied and have no confidence on the every time functionality of the ATM. In general these results are equivalent with Bashir (2014) studied findings. The overall findings of his result indicated that customers had high satisfaction on ease of use and accessibility of the service. Moreover, Lasisi and Abubakar (2014) revealed that the impact of ATM service in terms of their perceived ease of use is positive and customers are highly satisfied with the ease of utilizing of the service.

As to realizing, the customer satisfaction, reliability and the assurance scores the mean average of 3.57 and 3.52 respectively. Both domains are greater than the threshold value. Therefore, customers are satisfied with the reliability and assurance features of the ATM service. An appraisal of these findings on the usefulness and importance with other similar studies shows a very high degree of comparability. A qualitative research conducted by Abebe (2013) with the selected commercial Banks in Addis Ababa city reviled that most customers ranked the reliability and accuracy service dimensions as their first and second ranked

As the result of the study elaborated, the average mean score of responsiveness is 3.32 which is very slightly above the indifference satisfaction level of the respondents. This explains that with this dimension of the ATM service customers have a bit full confidence. If anyone looks the fixing of the breakdown of the ATM machines and the banks quick response to correct the wrong transaction which is scores a minimum satisfaction level. These drugged the overall average into

the median threshold. So, from this can conclude that even the majority of them satisfied, it need more work for approving the level of customer

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

This study aimed at assessing the level of the customers' perception on the ATM service delivery that delivered by United Bank S.C. The study used different dimensions to measure the customer satisfaction levels; i.e., ease of use, accessibility, reliability, responsiveness and assurance. Moreover, the study identifies the customer suggestions for the improvement of the service and also ranks the service dimensions according to their importance as perceived by the respondents. Therefore, based on the analysis and interpretations made in the previous chapters the summary, conclusion and recommendations of the study presented as follows.

5.1 Summary of major findings

The analysis and findings of this study shows respondents give the lowest satisfaction level to the accessibility and responsiveness. So, relative to the other dimensions accessibility and responsiveness are the most unsatisfied features of the ATM services. Especially, when we look at the items in the accessibility, such as, uninterrupted functioning of the service, the availability of money and the number of ATM machines in a very close distance are the problem area that causes the customers dissatisfaction.

When it comes to the responsiveness dimension the items like the banks responsiveness to correct the wrong transaction and also to fix the breakdown of machines is the problem area of the service feature that reflected in the finding. According to the reliability and assurance domains concerns, most of the respondents are relatively gave good response. However, the item in these dimensions, i.e., the feeling of safe and confidence when making transactions with the ATM gets the lowest response. This implies that customers are unsatisfied and not feeling safe and confidence when making transaction with the ATM. It is also observed that the dimension of ease of use gets the highest satisfaction level of the respondents relative to all other dimensions.

The findings of the analysis in the assessment of suggestion to improve the ATM service indicates that most respondents suggested to increase the number of ATM machines and also to

select new ATM locations as the first and the second suggested service quality dimensions for improvement . The finding also shows that the bank should consider improving its customer service as the third stage of suggestion for improvement.

The assessment in the ranking of the service quality dimension according to their importance to the customers' showed that reliability is the most important dimension of the service, which ranked at first by the respondents. The second important dimension is the accessibility. The responsiveness, assurance and ease of use get the third, fourth and the fifth stage of importance by the respondents.

5.2 Conclusion

Based on the above findings, the following conclusions were drawn: the management of the bank should focus and gives priority to those service quality dimensions, which gets unsatisfied response from the respondents. Therefore it is clearly observed that the bank should improve and gives priority to the accessibility and responsiveness aspects of the ATM banking service. According to the assessment undertaken on the suggestion for the improvement and the ranking of the important service quality dimension, the management should give higher priority and focus on the increasing of the ATM machines and selecting new ATM locations to increases the satisfaction of the customers. When we come to the ranking of the important dimension it is clearly observed that the bank management should give high priority to the reliability and accessibility of the ATM service quality. In general the findings revealed that the majority of the customers have high satisfaction on the ATM service quality of ease of use and assurance. However, the reliability, accessibility and responsiveness service quality dimensions need focus and high priority by the bank management in order to improve the satisfaction level and retain the customers.

5.3 Recommendation

Even though the scope of this study is limited to the five branches of the banks, the basic problem of statements of this study are elongated throughout the bank's ATM service. Therefore,

based on the findings and conclusion presented above the researcher recommended the following to improve the banks overall ATM service quality.

- It is very crucial that in order to serve and satisfy large number of customers the bank should increase the number of the ATM machines and also should get new ATM location areas.
- The bank should always confirm that the ATM machines at different locations are functioning, and have enough money in their vault. It is also recommended that additional functionality and service of the ATM machine are features uses to increase the customers' satisfaction.
- In order to increase the customers satisfaction the bank has to be responsive to correct the ATM related problems. And also the quickly fixing of the breakdown of the ATM machine is very important in building the customers' confidence on the service provided by the bank.
- In addition the bank should also shorten the card issuing and processing time and make the service easily timely available to the customers.
- In order to increases the customers confidence on the ATM service provided by the bank and also to increases the accessibility of the customers to their finance through ATM cards, the bank should work on the facilitation of the utility payment through the ATM cards by coordinating with the different government and private business like the private and government hotels, retail shops, entertainment and tourism locations.

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Appendix I



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

**QUESTIONNAIRE TO BE FILLED BY UNITED BANK S C.
ATM CUSTOMERS**

Researcher: Tibebe Negash

Advisor: Asmamaw Getie (Asst. Prof.)

Research Topic: Automated Tellers Machine (ATM) Service Quality and Customer Satisfaction in the case of United Bank S.C.

Dear Respondents:

I would like to express my sincere appreciation and thanks in advance for your time and prompt response.

Objective: The purpose of the research in general is to study on the “Automated Tellers Machine (ATM) Service Quality and Customer Satisfaction in the case of United Bank S.C.

This research is only for academic purpose authorized by St. Mary University MBA program coordination office and the result will not be presented for any other purpose. Thus, your idea and comments are highly honored and kept confidential. For your free and genuine response you are not required to write your name.

Contact Address

If you have any query, please do not hesitate to contact me and I am available as per your convenience at (Telephone: 0911 886847 or e-mail: tibebetilaye@yahoo.com)

Section I General Information

Please put a tick “ “mark for the following questions on the space of your choice.

1. Gender

Male

Female

2. Age

25

26 - 35

36 - 45

46 – 55

Above 55

3. Please indicate your educational level

Diploma

12 grade complete

First Degree

Below grade 12

Second Degree

PHD

Section II

As a customer of ATM Banking Service, please provide information about your perception of ATM banking Service in comparison to your expectation. Please put a tick mark “ “on the column that best represents your perception. 1 indicates strongly disagree (SDA), 2 indicates disagree (DA), 3 indicates neutral (N), 4 indicates agree (A) and 5 indicates strongly agree (SA).

		SDA	DA	N	A	SA
		1	2	3	4	5
	Ease of use					
1	In my bank using the ATM is very simple					
2	I require no body to interpret the ATM instructions					
3	I prefer using my ATM card usually for my utility payment					
4	The bank ATM screen always display clearly and have user friendly interface					

Accessibility						
1	I can find ATM available everywhere					
2	The ATMs are always functioning					
3	I access many ATM points at a very close distance					
4	The availability of money in the ATM is always reliable.					
5	The bank's ATM offered variety of financial services.					
6	The bank ATMs are installed at a place which are convenient for customers to make transactions					
7	I received my ATM card as quickly as I need					
Reliability						
1	The bank commits to provide all the ATM services (withdrawal, account management, money send / received transaction in accordance with it promised.					
2	The bank ATM performs the service required quickly and with no mistake.					
3	I have not had difficulties with ATM of the bank					
4	I am informed after every transaction done on ATM by SMS message of the bank.					
5	My account balance always affected with the exact amount of transaction in the ATM					
Responsiveness						
1	The bank quickly resolves problems that are encountered with the ATM transaction.					
2	I find the bank staffs are willing to help customers solving their problems or concern.					
3	The bank fixes the break down of ATM machines quickly.					
4	The bank corrects the wrong transactions quickly.					
5	The bank provides clear instructions about the ATM services available					

	Assurance					
1	The ATM card issuing staffs always clearly gets information about the cards and policies while consulting with cusomers					
2	The ATM card issuing staffs has a clear and understandable explanation to customers.					
3	I feel safty and confidence on service when making any transactions at ATM.					
4	The staffs are always gentle and polite.					

What are your suggestions to improve the bank ATM services?

More user friendly machine	<input type="text"/>	Better customer services	<input type="text"/>
New ATM locations	<input type="text"/>	more withdrawal limit	<input type="text"/>
Increases the number of ATMs	<input type="text"/>	Facility to pay utility	<input type="text"/>

To which measure of service quality you give priority? Please rank according to their importance to you (i.e. write 1, 2... 5)

Reliability	<input type="text"/>	Accessibility	<input type="text"/>
Responsiveness	<input type="text"/>	assurance	<input type="text"/>
Ease of use	<input type="text"/>		

Anything else, if you want to mension or suggest _____

Source: Adapted from the questionnaire developed by Chi,Anh Phan, Phong Juan Nham ,in the study “ Impact of service quality on customers satisfaction of ATM “ VNU University of economics and business, Vietnam, 2015

Appendix II

Program Sustainability Assessment Tool
Rating Instructions

Once you have completed the Program Sustainability Assessment Tool, transfer your responses to this rating sheet to calculate your average scores. Please record the score for each item (1-7), or write "NA" if you were not able to answer.

		DOMAIN							
		Support	Stability	Partnerships	Capacity	Evaluation	Adaptation	Communications	Planning
ITEM	2.								
	3.								
	4.								
	5.								
Add up your scores in each column. Exclude 'NA'		Domain Total:							
Divide the domain total by the total number of items with a score. Exclude 'NA'		Average Score for Domain:							
Average together all the domain scores		Overall Score:							

Use these results to guide sustainability action planning for your program. The domains with lower average scores indicate areas where your program's capacity for sustainability could be improved.

Copyright 2012. The Program Sustainability Assessment Tool is a copyrighted instrument of Washington University, St Louis, MO. All rights reserved. If you would like more information about the sustainability framework or the tool, visit <http://www.sustaintool.org>

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Ass.prof. Asmamaw Getie All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

Signature

St. Mary's University, Addis Ababa

June, 2016

ENDORSEMENT

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

Advisor

Signature

St. Mary's University, Addis Ababa

June, 2016