



**THE EFFECT OF CORE BANKING ON CUSTOMER SATISFACTION IN  
COMMERCIAL BANK OF ETHIOPIA (A CASE OF PIASSA BRANCH)**

**BY**

**YANET DUGUMA**

**A THESIS IS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF  
GRADUATE STUDIES IN PARTIAL FULFILLMENT FOR THE AWARD OF  
DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA)**

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**ADDIS ABABA, ETHIOPIA**

**ST MARY UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

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**DECEMBER, 2020**

**ADDIS ABABA, ETHIOPIA**

## Declaration

I, Yanet Duguma, hereby declare that this thesis entitled "The Effect of Core Banking on Customer Satisfaction in Commercial Bank of Ethiopia a Case of Piassa branch submitted by me for the award of the Degree of Master of Business Administration (MBA), St Mary University at Addis Ababa, Ethiopia, is my original work and it has never been presented in any university. All sources and materials used for this thesis have been duly acknowledged.

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**Name of the candidate**

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**signature**

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**date**

## Letter of Certificate

This is to certify that the thesis entitled, "The Effect of Core Banking on Customer Satisfaction in Commercial Bank of Ethiopia a Case of piassa branch was carried out by Yanet Duguma, under the supervision of Dr. MesfinTesfaye (PhD), submitted in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA) complies with the regulations of the University and meets the accepted standards with respect to originality and quality

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Name of advisor                      signature                      date

Place of submission: Addis Ababa, Ethiopia

## Approval

We, the undersigned certify that we have and hereby recommendation to the St. Mary University to accept the thesis submitted by Yanet Duguma and entitled The Effect of Core Banking on Customer Satisfaction in Commercial Bank of Ethiopia a Case of piassa branch for the fulfillment of the requirement for the award of Master's Degree in Business Administration (MBA).

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## Table of content

<b>Contents</b>	<b>page</b>
Declaration.....	i
Letter of Certificate.....	ii
Approval.....	iii
ACKNOWLEDGMENTS.....	iv
List of figure .....	viii
List of Table .....	ix
ACRONYMS.....	x
Abstract.....	xi
CHAPTER ONE.....	1
1.1 Background of the study.....	1
1.2 Background of the organization.....	3
1.3 Statement of the problem.....	4
1.4 Research Questions.....	6
1.5 Objectives of the study.....	6
1.5.1 General objective.....	6
1.5.2 Specific objectives.....	6
1.6 Significance of the study.....	7
1.7 Scope of the study.....	7
3.8 Organization of the study.....	8
1.9 Definition of Key Terms.....	8
CHAPTER TWO.....	9
LITERATURE REVIEW.....	9
2. Introduction.....	9
2.1 Basic Concepts of Core Banking and core banking solutions.....	9
2.2 Core banking solutions.....	11
2.3 Core banking system products.....	12
2.4 Core banking service benefits for Customers and Banks.....	14
2.5 Service Quality and Customer Satisfaction.....	15

2.6 Measurement of service quality.....	18
2.7 Challenges of core banking services.....	19
2.8 Empirical Review.....	20
2.9 Hypothesis of the Study.....	22
2.10 Conceptual framework.....	23
CHAPTER THREE.....	24
RESEARCH METHODOLOGY.....	24
3. Introduction.....	24
3.1 Research Approach.....	24
3.2 Research design.....	24
3.3 Sampling Design.....	25
3.3.1 Study population/ universe.....	25
3.3.2. Sample Frame.....	25
3.3.3 Methods of sampling and Sampling Technique.....	25
3.4. Data sources.....	26
3.4.1. Primary Data Sources.....	26
3.4.2 Secondary Data Sources.....	26
3.5 Methods of data Collection.....	27
3.5.1 Questionnaire.....	27
3.5.2 Key informant interview.....	27
3.6 Methods of Data Analysis and presentation.....	28
3.7 Reliability and validity of instrument.....	28
3.8 Ethical Consideration.....	29
CHAPTER FOUR.....	31
CHAPTER FOUR: RESULT AND DISCUSSION.....	31
4.1 Introduction.....	31
4.2 Response Rate.....	31
4.3 Background information of respondents.....	31
4.4 Correlation of variables.....	33
4.5 Multiple Regression assumption.....	34
4.4.4 Multi-colliniarity issues and its test.....	37
CHAPTER FIVE.....	41



5. Summary major findings, Conclusion and Recommendations.....	41
5.1 Introduction.....	41
5.2 Summary major finding.....	41
5.3 Conclusion.....	43
5.4 Recommendations.....	44
References.....	46
Annex I Amharic version Questionnaires.....	52
Annex II Interview questions.....	58

<b>List of figure</b>	<b>page</b>
Figure 2. 1 conceptual framework.....	23
Figure 4. 1 core banking service used by bank customers in the last two years.....	33
Figure 4. 2 Histogram regression of standardized residual dependent and independent variables.....	35
Figure 4. 3 Normal P-P Plot of dependent variable customer satisfaction.....	36
Figure 4. 4 Scatter Plot standardized residuals vs predicted values.....	36

## List of Table

page

Table 3. 1 Reliability Test.....	29
Table 4. 1 Responded rate of the study.....	31
Table 4. 2 respondent's characteristics in sample survey.....	31
Table 4. 3 Correlation Matrix.....	34
Table 4. 4 Multi-collinearity test.....	37
Table 4. 5 multiple regression output.....	38

## **ACRONYMS**

**ATM:** Automated Teller Machine

**CBE:** Commercial Bank of Ethiopia

**CBS-** Core Banking Service

**ICT:** Information Communication Technology

**SERVQUAL:** Service Quality

**SPSS:** Statistical Package for Social Science

**SWIFT-**Society for Worldwide Interbank Financial Telecommunication

## **Abstract**

*This study assessed the Effect of Core Banking on Customer Satisfaction in Commercial Bank of*

*Ethiopia a Case of piassa branch To meet the objective the study used explanatory and descriptive research design with mixed (qualitative and quantitative) research approach. Questionnaire was the primary data gathering tools and 368 customers filled up the questionnaire properly. The data collected were analyzed by using descriptive and inferential (correlation and regression analysis) statistics through statistical package for social science (SPSS) version 21. The research finding showed, independent variables responsiveness, tangibility and reliability have statistically strong and positive relationship with customer satisfaction. Also empathy and assurance were moderate and positive relationship with customer satisfaction. Similarly, the regression result revealed that, responsiveness and tangibility were statistically positive and strong significant impacts on customer satisfaction with the value of  $\beta = 0.665$  and  $0.516$  respectively. Following these, reliability and assurance were statistically moderate significant effects on customer satisfaction. Further, empathy was statistically insignificant impacts on customer satisfaction. Moreover, qualitative research finding confirmed the above facts. The introduction of centralized core banking system helps to save time, energy and improved service quality and also enhanced customer satisfaction. However, system/ network interruption was the primary challenge during core banking service provisions. Electricity problem, poor technology experience of customer, poor customer handling, inaccessibility of ATM machine and absence of quality services, access, and customer survey and awareness creation were the other challenge for core banking service users. To improved customer satisfaction the bank should be used fast service delivery channel and used up-to-date core banking solutions and also alleviate the challenges that are face core banking service provision.*

***Key words: core banking, system, solution, customer, customer satisfaction.***



# CHAPTER ONE

## INTRODUCTION

This chapter introduced the research problems, background of the study, research objectives and questions, significance of the study, scope of the study, definitions of terms and finally organization of the paper.

### **1.1 Background of the study**

Today's businesses environment tends to be rapidly and non-linearly changed due to technological innovation, diffusion knowledge (the establishment of knowledge based economy) and unlimited customer demand and its variability. Moreover, the increment of level of competitions, customers' needs and expectation rapid change, high rate of technical obsolescence and shorter product life cycle aggravate it business change. As a result business owners actively engaged to meet the demand of their customer and to be competitive by using sophisticated and modern information and communication technology (Kumar & Phrommathed, 2006). Among those, the banking industry needs attention to retain, attract and satisfying of their customers within the existed competitive and dynamic environment. The use of information and communication is paramount significance for banking sector. Along this, internet is the main medium where all monetary, banking and business activities take place globally. In addition, banking has transformed into customer focused technology driven banking with non-stop digital services for customers and customers' ability to bank from any branch in once country (Maskell and Malmberg 1999).

In relation to this, Core banking solutions is one of the vital bank applications and its transformation is driven by the need for responding to internal business imperatives (growth and efficiency) and external business imperative (regulations and competition). On the other side, Core banking solutions helps an increasing number of products to cater to different customer segments and also the number of channels is expanding with time, which is increasing the complexity of multi-channel banking. This has necessitated investments into modernizing core banking systems in order to handle an increasing volume of product-channel transactions and payments (Camgmeni Analysis, 2013)

Furthermore, Core banking solution technologies facilitate a central shared database support the entire banking application. Business processes in all the branches of a bank update a common database in a central server located at data center, which gives a consolidated view of the bank's operations. Likewise, branches function as delivery channels providing services to the customers of the bank. Core Banking Solution is an integrated application that supports real time, multi banking and multi-channel strategies. The single biggest achievement of implementing the Core Banking Solution is that each customer is truly the customer of the Bank and not just the customer of the Branch, where his/ her account is maintained. He/ she can go to a branch anywhere in the country and perform a transaction. In relation to this, banks to be competitive usually upgraded their technology for greater efficiency, responsiveness, getting platform independent, adding new module to meet new demand, and for fewer system crashes specifically core banking solutions.

As a result, banking industry worked to obtain the attention of existing and new potential customers through accessibility and customer center service i.e. (making available the bank to customers place) to do so mobile banking, internet banking, card banking and CBE birr are the main ones. In addition, interconnection of all branches through network (core banking) is also save customer, time, cost, and energy by providing service with closer branches. Banking industry of the 21<sup>st</sup> century operates in a complex and competitive environment characterized by these changing conditions and highly unpredictable economic climate. Information and Communication Technology (ICT) is at the center of this global change hence banking industry is entering into new phenomena of unprecedented form of competition supported by modern information and communication infrastructure.

A strategic use of ICT and core banking solutions helps an organization gain a competitive advantage through its contribution to the strategic goals of an organization and/ or its ability to significantly increase performance and productivity. Similarly, banking industry has realized the significance of customer-centered philosophies and is turning to quality management approaches to help managing their businesses. Many scholars and service marketers have explored consumers' cognitive and affective responses to the perception of service attributes in order to benefit by providing what consumers need in an effective and efficient manner (Ravichandran et al., 2010).



Banking industry is marked by aggressive competition and ever-changing customer demands. As a result, banks need to adopt themselves to the changing environment. It is essential for the banks to adopt appropriate various strategies to merge as the preferred bank of customers. Timely introduction of various products to suit the diverse needs of customers is a functional necessity to the banks. Technology gives the cutting edge to come out with customer centric products and delivery channels in time (Biju, Devandhiran & Sreehari, 2012).

The focus of this research was The Effect of Core Banking on Customer Satisfaction in Addis Ababa emphasizing on Commercial Banks of Ethiopia(CBE) Piassa branch. To achieve this, the researcher used survey research methods and also employs both qualitative and quantitative approaches.

## **1.2 Background of the organization**

Commercial bank of Ethiopia (CBE) established in 1942 as a state Bank of Ethiopia. It was legally established as a share company in 1963. Following the declaration of socialism in 1974 the government extended its control over the whole economy and nationalized all large corporations. Organizational setups were taken in order to create stronger institutions by merging those that perform similar functions. As a result, in 1974, CBE merged with the privately owned Addis Ababa Bank. Since then, it has been playing significant roles in the development of the country (Yesuf, 2010). Then Addis Bank and Commercial Bank of Ethiopia S.C., were merged by proclamation No.184 of August 2, 1980 to form the sole commercial bank in the country till the establishment of private commercial banks in 1994.

The Commercial Bank of Ethiopia commenced its operation with a capital of Birr 65 million, 128 branches and 3,633 employees. Through time, branches are increased and stretched across the country. In June 30<sup>th</sup> 2019 the bank assets reached 711.96 billion Birr and play a catalytic role in the economic progress & development of the country. Also, CBE has more than 22 million account holders and the number of Mobile and Internet Banking users also reached more than 2.5 million and also active ATM card holders reached more than 8 million. CBE combines a wide capital base with more than 37,894 talented and committed permanent employees and more than 22,000 outsourced jobs ([http:// www.combanketh.et](http://www.combanketh.et)).

Due to information communication technology advancement banks extended and diversified their services such as credit card, Visa and Master Card, mobile and Internet banking services. Thus, the bank's customers will enjoy reduced waiting time and a greater choice of banking channels and services. According to National Bank of Ethiopia, currently there are 17 banks who have acquired core banking solutions that are required to interface with the National Bank. ([http:// WWW.NBE.COM.ET](http://WWW.NBE.COM.ET)).

### **1.3 Statement of the problem**

In recent business, customer centered services and satisfying of their customers is one of the major missions for an organization. This is coming from high linkages of sustainability or competitiveness of business with satisfied customers. When customers are satisfied the organizations achieve higher sales; profit and market share and vice versa. Customer satisfaction also leads organizations to gain loyalty and achieve the desired objectives. Therefore, it is essential for organizations to satisfy their customer's promptly so that they can achieve what they plan. Banks as a business organization should provide a great care for its customers to attract, retain and gain their loyalty (Eskindir, 2016 and Prahalad and Ramaswamy, 2004).

In relation to this, commercial bank of Ethiopia has been providing many kinds of banking services since its establishment in 1942. customers of the bank have not being satisfied by its services due to poor service quality of the banks and absence of technologies that are facilitate bank services (Dejene, 2019)

In recent time, the advancement of information and internet technology, the National Bank of Ethiopia (NBE) required all commercial banks in Ethiopia to install a core-banking system in 2012 to integrate the services delivered in its all branch banks and to improve the quality of its services. During the time The Commercial Bank of Ethiopia CBE successfully installed core banking solutions in major head office organs and 34 branches in Addis Ababa. The regulatory bank introduced the system for better transactions, financial records, including deposits and loans, mortgages, internet banking and expansion of branches among others. In additions, the implementation of this technology would enable the CBE to better cater to customers' requirements in efficient, cost effective and secure manner. Through time core banking

technology application upgraded and expanded its services hence the CBE would also offer additional services, such as internet banking and mobile banking. To this effect, Commercial Bank of Ethiopia (CBE) chose the Swiss IT vendor, Temenos Group to enhance its core banking system (Addis Fortune, 2018),

In this information communication technology era, commercial Banks of Ethiopian core banking service are not that much advanced and little care about their customers (Dawit, 2017) This comes from poor technological changes in the bank and forced to use more obsolete and traditional technologies, these are cause for dissatisfaction and switching customers (Eskindir, 2016). This means the banks are not satisfying their customers enough due to various factors in which using traditional technologies is among them. Levesque and McDougall (1996) have confirmed and reinforced the notion that consistent poor customer experience as a result of poor service quality leads to a decrease in the levels of customer satisfaction and the chances of further willingness to recommend the service (i.e., word-of-mouth advertising or referrals) is lessened. This is true for commercial bank of Ethiopia, which is the leading bank in the country.

On the other hand, the implementation of core banking solutions or technology raised efficiency, quality of process, optimal compatibility and utilization of the functionality, ensured better risk management with good security and other related issues (Finacus Solutions Pvt Ltd, 2012). Further, the application of this technology is believed to have many contributions for the bank.

Also, rapid change of customer's needs and their poor satisfaction, the occurrence of gradual or poor technology installing/ solution of commercial banks of Ethiopia are the primary motive to conduct this study.

Hence, the researcher identified level of contribution of this technology on satisfying the customers of the bank.

## **1.4 Research Questions**

- ❖ What is the impacts tangibility dimension of core banking service quality on customer satisfaction?
- ❖ What is the impacts reliability dimension of core banking service quality on customer satisfaction?
- ❖ What is the impacts responsiveness dimension of core banking service quality on customer satisfaction?
- ❖ What is the impacts assurance dimension of core banking service quality on customer satisfaction?
- ❖ What is the impacts empathy dimension of core banking service quality on customer satisfaction?
- ❖ Which service quality dimensions have greater influence on customer's satisfaction?

## **1.5 Objectives of the study**

### **1.5.1 General objective**

The general objective of the study was to assess the effects of core banking on customer satisfaction in CBE (in case of Piassa branch)

### **1.5.2 Specific objectives**

The specific objectives of the study are

1. To assess the impacts of tangibility dimension of core banking service quality on customer satisfaction in CBE.
2. To assess the impacts of reliability dimension of core banking service quality on customer satisfaction.
3. To assess the impacts of responsiveness dimension of core banking service quality on customer satisfaction.
4. To assess the impacts of assurance dimension of core banking service quality on customer satisfaction.
5. To assess the impacts of empathy dimension of core banking e service quality on customer satisfaction.

6. To identify which service quality dimensions have greater influence on customer's satisfaction.

## **1.6 Significance of the study**

This study was greatly important for bank to assess whether its application of core banking service enhance the level of customer satisfaction.

Moreover, the study will have the following significances:

- Identifies issues related to the application of core banking and which service quality dimensions are more important for customer satisfactions.
- Identify customer perception about core banking service and what actual customer satisfaction look likes in the bank.
- The study helps to enhanced customer satisfaction in the bank.
- Banks can got better information from this research finding regarding with core banking application and customer management
- Banks, marketing and operation manager and technologies can get an input to take appropriate measures from the study.
- This research used as a base point for further studies in the related issues.

## **1.7 Scope of the study**

Delimitation (scope) addresses how a study is narrowed in scope, that is, how it is bounded. Limit your delimitations to the things that a reader might reasonably expect you to do but that you, for clearly explained reasons, have decided not to do" (Dawson, 2007). In relation to this, the study delimitate with concept, time and place. Geographically, the scope of the study will limit core banking services in Commercial bank of Ethiopia (CBE); North Addis district; Piassa branch. The researchers select this branch purposively, because this branch located on the center of the city and accessible to the researcher, which make data collection processes much easier. In terms of concept; the scope of this focuses on the assessing of core banking service and their diminutions (tangibility, reliability, responsiveness, empathy and assurance) on customer satisfaction.

## 1.8 Organization of the study

This research organized in five chapters, chapter one, discussed the introductory part, background of the study ,background of the organization, statement of the problem, research questions, objectives of the study, significance of the study and scope of the study. The next chapter, chapter two discussed the review of related literatures of different scholars .chapter three will deal with methodologies that will be used in conducting the study, in chapter four, the data the collected data was presented, analyzed and interpreted. The fifth and the last chapter, was discussed research finding, conclusions and recommendation of the study.

## 1.9 Definition of Key Terms

**Core banking:** - is refers to a centralized online real time exchange banking (Wikipedia).

**Core banking solutions (CBS):-** is a combination of an application software and network devices.

**Customers' satisfactions:** - refers to a person's satisfaction with a product, a service, or a supplier (Terpstra et al., 2014).

**Service quality:** - is the "the difference between customer expectations and perceptions of service (Parasuraman, 1988).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2. Introduction**

This part of the study discusses the concepts core banking and core banking solution in relation with customer satisfaction. Moreover, this chapter discusses and presents the theoretical, conceptual and empirical review of core banking with customer's satisfaction and suited in the study.

#### **2.1 Conceptual and theoretical review**

##### **2.1 Basic Concepts of Core Banking and core banking solutions**

As it can be seen various research and scholars literature Core Banking concepts stands for "centralized online real-time electronic banking. Core banking refers to the services of networked branches that allow to their clients to access their funds and to perform simple transactions from any place. In broader sense, it refers to the exchange, upgrade and outsourcing core banking system integrated into the package of software applications for processing and posting the transactions, as well as managing the accounting processes. The basis of this system is deposits and loans. In order to meet their clients' needs banks use core banking applications and also manage every change by the help of centralized data center, which contains all necessary data of clients and their accounts. In addition, every banks collect all transactions from individual branches with the help of technology or connectivity (Kreća and Barać, 2015 and Revathy, 2004).

Core banking is a facility provided by banks in which a person having an account in one branch can operate his account in another branch (Kaur, 2012). This has become possible because each account holder is given a specialized computerized and unique account number. In simple terms, CBS is a type of banking in which a person who opens a bank account in a particular branch of a bank will be a customer of the bank rather than being a customer of a particular branch. Core banking is all about knowing customers' needs; providing them with the right services at the right time through the right channels. Moreover, core banking system is providing various alternative delivery service channels, which reduce cost and time taken for the transactions and

also intended to improve banks operational effectiveness (Rahman and Qi, 2016 and Essayas, 2016).

Nowadays, most banks use core banking applications to support their operations and the entire bank's branches access applications from centralized data centers. This means that the deposits made are reflected immediately on the bank's servers and the customer can withdraw the deposited money from any of the bank's branches throughout the world. These applications now also have the capability to address the needs of corporate customers, providing a comprehensive banking solution. In a core banking concept all the systems of the bank are connected to the central office by means of a connectivity which may be either a leased line or a dial up line (Rahman and Qi, 2016).

A few decades ago it used to take at least a day for a transaction to reflect in the account because each branch had their local servers, and the data from the server in each branch was sent in a batch to the servers in the data center only at the end of the day. Normal core banking functions will include deposit accounts, loans, mortgages and payments. Banks make these services available across multiple channels like ATMs, Internet banking, and branches (Rahman and Qi, 2016).

In relation to this, there are many providers around the world that sell their core banking products to the banks, such are FIS, Temenos, Oracle Financial Services Software, Infosys Technologies, Fiserv, TCS FS, SAP, Polaris and many others. These products are called core banking solutions and some of the operations they provide are recording transactions, maintaining savings books, calculating interest rates for loans and deposits, keeping the customer's data, balance of payments, etc. Shortly, the CBS (Core Banking Solution) refers to connecting the branches, which allows clients to manipulate their funds, independently of the branch in which these are opened (Kreća and Barać, 2015).

As a result, Banks aim to reduce costs, enhance efficiencies and guarantee customer retention with use of technology (Turnbull, 2007). In banking, the relationships between institutions and their customers are critical (Seybold and Foss, 2001) and technology such as ATMs, POS, SMS Banking, Online Banking and Mobile Banking is the mediator in that interaction. Technological advances enable close and long-term relations with customers (Chairlone, 2009). For these new



generation banks the technological gene is called Core Banking Systems (CBS). CBS of a bank, an engine to facilities appropriate service for customer. Core banking system (CBS) has been effective in bringing about a radical change in the field of banking. CBS simplify their banking operations by allowing them to conduct common frequently used banking transactions without visiting bank's branches, saving a lot of time. The platform where communication technology and information technology are merged to suit core needs of banking is known as Core Banking Solutions.

## **2.2 Core banking solutions**

The advancement in technology, especially Internet and information technology has led to new ways of doing business in banking. These technologies have cut down time, working simultaneously on different issues and increasing efficiency. The platform where communication technology and information technology are merged to suit core needs of banking is known as core banking solutions. Here, computer software is developed to perform core operations of banking like recording of transactions, passbook maintenance, and interest calculations on loans and deposits, customer records, balance of payments and withdrawal. This software is installed at different branches of bank and then interconnected by means of communication lines like telephones, satellite, internet etc. It allows the user (customers) to operate accounts from any branch if it has installed core banking solutions. This new platform has changed the way banks are working (Rahman and Qi, 2016).

Core Banking Solution (CBS) is centralized Banking Application software. It has several components which have been designed to meet the demands of the banking industry. Core banking solution is supported by advanced technology infrastructure. It has high standards of business functionality. Core Banking Solutions allows or helps the banks to offer a multitude of services both at the branches and through digital medium bringing about a transformation in the bank customer interactions. In other words, Core banking solutions are banking applications on a platform enabling a phased, strategic approach that is intended to allow banks to improve operations, reduce costs, and be prepared for growth (Abbate, 1999 and Kreća and Barać, 2015). This core banking application is centrally accessed by the branches and helps to provide efficient services and it helps to reach bank service for every individual by the use of technology. As they are networked, customers can access their accounts and perform certain transactions

from any of the bank's branches. Broadly speaking, the customer is no longer a customer of the branch but a customer of the bank. Core banking solutions (CBS) is a combination of an application software and network devices. In Core banking solutions there is a central data center and it has large data housing infrastructure that provides high band width access to its clients such as, any services, networking devices, firewalls and other related equipment.

Gartner, (2011) defines a core banking system as a back-end system that processes daily banking transactions, and posts updates to accounts and other financial records. Core banking systems typically include deposit, loan and credit-processing capabilities, with interfaces to general ledger systems and reporting tools. Strategic spending on these systems is based on a combination of service-oriented architecture and supporting technologies that create extensible, agile architectures

The implementation of core banking solutions facilitates the integration of bank's services with installed technologies. This reduced risk that can result from manual data entry and out-of-date information, increases management information and review, and avoids the potential disruption to business caused by replacing entire systems.

## **2.3 Core banking system products**

As a result of technological advancement and unlimited demands of customer core banking system product increased time and space. Core banking products and services are methods used by banking organizations to carry out their transactions at a center through centralized banking services. These services include Automatic Teller Machines (ATMs), Electronic Fund Transfer (ETF), mobile banking, online banking, Electronic Data Interchange (EDI) and telecommunication services (Negalign Mamo, 2016). The major and well known core banking system product discussed below.

### **2.3.1 Automated Teller Machines (ATM)**

It is a computerized telecommunications device that provides the clients of a financial institution with access to financial transactions in a public space without the need for a cashier, human clerk or bank teller. Using an ATM, customers can access their bank accounts in order to make cash withdrawals, credit card cash advances, and check their account balances as well as purchase prepaid cell phone credits by the helps of their owns personal identification number

(PIN) (Thompson, 1997),

### **2.3.2 Point-of-Sale Transfer Terminals (POS)**

It is a system of sale transaction (sell goods or services) with computer, a cash register and other equipment or software. Indeed, sale and payment transaction data can be captured immediately by the computer system electronically. The system allows consumers to pay for retail purchase with a check card, a new name for debit card. This card looks like a credit card but with a significant difference (Malak, 2007).

### **2.3.3 Internet Banking**

Internet banking, sometimes called online banking or web banking and it is outgrowth of PC banking. Internet banking is a system that enables bank customers to access accounts and general information on bank products and services or perform account transactions directly with the bank through a personal computer or mobile using the internet as the delivery channel. Further, an internet banking customer accesses his or her accounts from browser software that runs Internet banking programs resident on the bank's World Wide Web server (Egland, et al., (2008).

### **2.3.4 Mobile Banking**

Mobile Banking refers to provision and availing of banking and financial services with the help of mobile telecommunication devices. It is best described as the newest channel in a banking to provide a convenient way of performing banking transactions using mobile phones or other mobile device. With mobile technology banks can offer a variety of services to their customers such as doing funds transfer while traveling, receiving online updates of stock price or even performing stock trading while being stuck in traffic. Smart phones and 3G connectivity provide some capabilities that older text message-only phones do not (Shan, 2006 and Singh and Nayak, 2012)

### **2.3.5 Telephone Banking**

Telephone banking is a service provided by banks or financial institution, which allows its customers to perform transactions over the telephone without the need to visit a bank branch or automated teller machine offer the service on a 24-hour basis (Vila et al., 2013). Most

telephone banking services use an automated phone answering system with phone keypad response or voice recognition capability. To guarantee security, the customer must first authenticate through a numeric or verbal password or through security questions asked by a live representative. Most financial institutions have restrictions on which accounts may be accessed through telephone banking, as well as a limit on the amount that can be transacted.

### **2.3.6 PC-Banking**

A banking service enables for bank customers to access their account information and perform certain bank transactions using a personal computer and a modem. It has become a popular method for people to manage money and pay bills using online server to log in to their account and pay bills, transfer money between accounts and reconcile check ledgers.

### **2.3.7 Credit and Debit Card**

It is a normal card whereby a holder is able to purchase goods, without having to pay cash immediately. Credit card is built around revolving credit principle. Generally, a limit is set to the amount of money a cardholder can spend a month using the card. At the end of every month, the holder has to pay a percentage of outstanding (Gordao E., and Natarajan, K.). Debit card is used for purchasing goods and services or for obtaining advances for which payments is made from existing funds in bank accounts.

## **2.4 Core banking service benefits for Customers and Banks.**

Core banking and core banking solutions has a significant advantage or benefit for customer in bank industry. Among those, the introduction of new delivery channels for customers, by banks. Internet Banking, Mobile Banking, Mobile Automated Teller Machines (ATMs), multi-functional ATMs, shared ATM services; quick and immediate funds transfer and smart card usage opportunity and financial inclusion are the major once (Revathy, 2004).

Other benefits of customer in the implementation of core banking solution are (1)Availability of electronic delivery channels like ATM, net banking and mobile banking, providing customers alternate channels outside branch working hours(2) Quicker and efficient fund transfers for customers (3) Customer can conduct their banking transaction from any branch of their bank(4) Ability to offer improved services to the customers of the bank by the use of centralized database which provide real time information to the customers of the bank (5) Introduction of new product by banks which are useful to their customers like online bill payment (6)

Customer can operate his account from any of the branch of the bank (7) More service channels can be made available to the customer (8) Customer gets immediate credit if the transaction is between the branches of the bank. Even extension counters can provide all services to the customer (9) Customer gets full attention and service satisfaction at the branches as the branches are freed from all back office functions, clearing functions and almost all accounting functions (10) customer can get SMS alerts on his mobile or e-mail alerts through net for transaction taking place in his account (Revathy, 2004).

On the other hand, Core banking and core banking solutions are paramount advantage for banks such as (1) there is centralized transactions and accounts, this depicts real picture of financial position and situation of the bank and help timely and effective decision making (2) used for centralized product control & monitoring; specifically, interest rate modifications, product modification and interest application can be done centrally from one place for all the branches(3) Introduced technology based services centrally(4) Centrally managed customer account or in any branch services are functioned (5) helps to prepared centralized report and up-dated decision making through connectivity (6) help for Centralized System Administration; this helps also growth opportunities, efficiency gains and risk mitigation for aging systems(Revathy, 2004 and KULKARNI P. R. 2012).

Further, core banking solution implementation increased bank revenue since you will be able to reach more customers, improved customer satisfaction since services will be readily available and fast in their provision, cost reduction because it will not have to incur heavy wage bill, reduced space requirements and hence reduced rent or lease payments. Other benefits include increased efficiency since automation enables you to do more with less input, increased level of output and employee satisfaction and motivation since they will not have to toil really hard. Larger market share through attraction of new customers and customer loyalty may be gained (Czerniawska and Potter, 2000).

## **2.5 Service Quality and Customer Satisfaction**

As it can be seen many researchers literature service quality and customer satisfaction had positive relationships and also tried to differentiate distinction between service quality and customer satisfaction (Bitner, 1990; Bolton & Drew, 1991; Parasuraman et al., 1988). This

differentiation is important for firms to concentrate on enhancing their capability to satisfy customers through providing high service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations (Lewis and Mitchell, 1990 and Wisniewski and Donnelly, 1996). Service quality defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et al ., 1985; Lewis and Mitchell, 1990).

According to Mesay (2012) and Clemes, (2008) service quality leads to customer satisfaction or to achieve high level of customer satisfaction, high level of service quality should be delivered by the service provider. As a result, service quality improves; the probability of customer satisfaction also increases. However, service quality is one of the dimensions to satisfied customers or one of the potential to influence future quality perception. Indeed, service quality and customer satisfaction concept discussed in details to understand the issues.

Customers is any individual who is able to figure out and do processing of account, checking account and all other capable person who operate by banks (Wang and Splegel, 1994). In relation to this customer has a significant role in business operation and the establishment of effective communication between customers and businesses. Sometime consumers are considered as a customer; hence, Businesses obtain better profitability, which stems from satisfying consumers (Elfarmawi, 2019).

Satisfaction is derived from the Latin satis (enough) and facere (to do or make), hence satisfying products and services have the capacity to provide what is being sought to the point of being "enough." two related words are satiation, which loosely means enough up to the point of excess, and satiety, which can mean a surfeit or too much of enough, as if to say that too much is necessarily undesirable. These terms illustrate the point that satisfaction implies a filling or fulfillment (Masrujeh 2009).

According to Kotler (2000), satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectation. Kotler (2006) again defined customer satisfaction by giving details on the attributes of a highly satisfied customer. According to him, a highly satisfied customer stays

loyal, longer, and buys more as the company introduces new products and upgrades existing products; talks favorably about the company and its products, pays less attention to competing brands and is less sensitive to price, offers service or product ideas to the company and costs less to serve him than new customers because transactions are routine.

Similarly, satisfaction is the degree that actual performance of a company satisfies customer expectations, meaning the performance of a company satisfies customer expectations, the customer will have sense of satisfaction; otherwise he/she will be dissatisfied (Abdoli & Fereidunfar, 2008). Also, customer's satisfaction is fulfilling their needs and wants as means for the achievement of organization's objectives. This underlying motivation on customer focus is clear mission to create value for customers, stay profitable and gain desired performance (J. Munaiah, 2017).

On the other hand, service quality defined as "the most powerful competitive weapon", (Haghighi et al, 2003). The customers expect two desirable and sufficient levels of services that are separated by the tolerance zone of the customer (Baglou & Zomorodpoush, 2009). According to interactive views, service quality is the outcome of customer and the service-provider and organizational quality (Shahriari, 2006). In addition, Parasuraman (1988) service quality is the "the differences between customer expectations and perceptions of service". According to him, measuring of service quality as the difference between perceived and expected service was a valid way and could make management to identify gaps to what they offer as services. Similarly, Parasuraman et al., (1988), "service quality involves an attitude and is an evaluation over several service encounters over time". Also, service quality is a global judgment, or attitude, relating to the superiority of the service, whereas satisfaction is related to a specific transaction. Satisfaction is a post consumption experience which compares perceived quality with expected quality, whereas, service quality refers to a global evaluation of a firm's service delivery system."

Furthermore, Oliver (1981) distinguished customer satisfaction from service quality in his definition of attitude as "the consumer's relatively enduring affective orientation for a product, store, or process while satisfaction is the emotional reaction following a disconfirmation experience which acts on the base attitude level and is consumption-specific" Furthermore,

Auka, 2012) also stated that high quality of service will result in high customer satisfaction and increase loyalty.

Parasuraman et al. (1985) and Zeithaml et al. (1990) noted that the key strategy for the success and survival of any business institution is the deliverance of quality services to customers. The quality of services offered will determine customer satisfaction and attitudinal loyalty.

Likewise, service quality and customer satisfaction interrelated concepts and one influence the others. Service quality has a strong correlation with customer satisfaction and also it is a strategic component and marketing plan of an organization (Spathis et al., 2004). Also, service quality indicates the extent to which customers' perceptions of service meet and/or exceed their expectations or the differences between customer expectations and perceptions of service (Zeithaml, 1990 and Parasuraman, 1988).

Service quality can be extended to the overall evaluation of a specific service with ten service quality dimensions: tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding/ knowing the customer (Parasuraman et al., 1985, 1988). These ten dimensions define into five to measure customer's perceived value of service quality, which is known as SERVQUAL. This SERVQUAL adopts the meeting expectations paradigm to measure service against firms (Ladhari, 2009) Parasuraman et al., 1988).

## **2.6 Measurement of service quality**

The SERVQUAL scale which is also known as the gap model by Parasuraman, (1988) has been proven to be one of the best ways to measure the quality of services provided to customers. Also SERVQUAL scale is a principal instrument for assessing customer service quality (Parasuraman et al., 1991; Parasuraman et al., 1988).

Researchers have advised the customization of existing service quality scales depending on the industry to which they are applied as retail industry (Schneider & White, 2004). In addition, regarding to service quality dimensions emerged across a variety of services are important to measured effectively. In the context of this study, five service quality dimensions (three original



and two combined dimensions) are used. These are:-

- (a) **Tangibility:** The physical facilities, equipment, infrastructure and the appearance of the staff/ personnel
- (b) **Reliability:** The dependability and accuracy of the service provider regarding with delivery, service provision, problem resolution and pricing.
- (c) **Responsiveness:** The ability to know and willingness to cater to customer needs or the ability to respond customer request, questions, complaints and problems.
- (d) **Assurance:** The ability of the staff to instill confidence and trust in the company or knowledge and courtesy of employees and their ability to inspire trust and confidence or it focused competence, courtesy, credibility and security.
- (e) **Empathy:** The ability of the staff to provide a caring service to customers through quality services, skillfully handling of conflicts and efficient delivery of services resulted in satisfied customers for long term benefits or it includes access, communication, understanding the customer.

The last two dimensions (assurance and empathy) contain items representing seven original dimensions:- communication, credibility, security, competence, courtesy, understanding/ knowing customers and access; that did not remain distinct after the two stages of scale purifications, therefore while SERVQUAL has only five distinct dimensions, they capture facets of all 10 originally conceptualized dimensions. These service quality dimensions helps to reduced service quality measurement issues through attention centered on the determinants of perceived service quality with particular emphasis on the service delivery process.

## 2.7 Challenges of core banking services

Core banking solution help to facilitate bank service, among those it reduce in cost and improve efficiency, enabling adoption of new customer centric strategies, enhancing business banking and personalized service and incorporating new and increased business. However, this are challenging because of deferent factors. Challenges faced in the process of core banking system development include agreeing on what are actually necessary, security issues, empowering employees to use the new system, vendor capabilities and credentials, risk of the software capability to meet requirements and expectations, unavailability of the diverse skills

required and data migration. Lack of suitable legal and regulatory framework for Core banking and electronic payment is another impediment for the adoption of new technology in the Ethiopia banking industry (Negalign, 2016)

On the other hand, the security issue is of special concern in the Banking Industry, as banking is highly based on trust from its customers. Hence, the risk of hackers, denial of service attacks, technological failures, breach of privacy of customer information, and opportunities for fraud created by the anonymity of the parties to electronic transactions all have to be managed. Depending upon its nature and scope, a breach in security can seriously damage public confidence in the stability of a financial institution or of a nation's entire banking system. Hence, by introducing the appropriate security measures and putting security concerns at ease, the Banking Industry might be able to attract the segments among consumers who previously were not inclined to use core banking. Furthermore, it is also in the banks' own interest to improve security, as digital fraud can be costly both in financial losses, and in terms of the damage it does to the brand of the bank in question (Broderick and Vachirapornpuc, 2002).

## **2.8 Empirical Review**

In relation to the study, some researchers were conducting a study before. Among those Endalkachew, (2013) conducting research on Assessing the Impact of Core Banking and Service Quality on Customer Satisfaction in Commercial Bank of Ethiopia focused on Bishofftu Branch. The researcher used stratified sampling technique and also employed questionnaire for data collection. The collected data was analyzed using descriptive statistics and inferential Statistics. Based on their research findings, there was significant relationship between all service quality dimension and customer satisfaction in commercial bank of Ethiopia. At the same time, there was significant relationship between core banking and customer satisfaction. The three service quality dimension (reliability, assurance, empathy) have positive and significant impact on customer satisfaction at the bank. However, the rest two dimensions (responsiveness and tangibility) have no impact on customer satisfaction Core banking also have positive and significant impact on customer satisfaction.

Similarly, Ateneh (2018) assessed the effects of the five service quality dimension on customers' satisfaction in Commercial Bank of Ethiopia, South Gondar Zone, Debre Tabor

Branch. Results showed that four service quality dimensions which include tangibles, reliability, responsiveness and assurance have significant positive effect on customers' satisfaction. However, empathy was found to have positive and insignificant effect on customers' satisfaction in the study area.

In addition, research conducted by (Yared, 2018) on assessing the effect of core banking on service quality and customer satisfaction under the emphasis on North Addis Ababa district. The researcher used questionnaire and interview for data collection. This study mainly employed a descriptive survey method. The necessary data are collected through primary and secondary sources. The research finding indicates that, implementing modern core banking systems has a contribution to the quick and fast service delivery and also banks need to be mindful of the challenges associated with core banking deployments.

Again, the research conducted by Dejene (2019) focused on assessing the impact of core banking on customer satisfaction In CBE in Bishoftu branch in Commercial bank of Ethiopia. The researcher was used descriptive research design and the data were analyzed using descriptive statistics to meet the research objectives. The result showed that, there were a significant relationship between core banking and customer satisfaction. A volatile economic climate, ever increasing competitiveness and continuous pressure to meet regulatory requirements demand a flexible, consistent, secured, and cost-effective CORE banking systems environment. Moreover, new age business environment is very dynamic and undergoes rapid changes as a result of technological innovation, increased awareness and demands from customers. Core banking system is providing various alternative delivery service channels, which reduce cost and time taken for the transactions and also intended to improve banks operational effectiveness.

Further, Tizazu (2012) conducted the study on the Effect of Customer Service Quality on Customer Satisfaction in Selected Private Banks. The researcher used survey research method focused on service quality in relation to customer satisfaction in commercial bank of Ethiopia. The research finding shows that, there is positive and significant relationship between tangibility, reliability, assurance, and empathy and customer satisfaction. However, the results also indicate that, there is a negative and insignificant relationship between responsiveness and

customer satisfactions.

The research gap among the above study regarding with the impacts of core banking service on customer satisfactions were the previous studies not clearly indicate five service quality measurement with appropriate hypothesis test or an impact measurements. This study try to full fill the research gapes and investigate the impacts of core banking on customer's satisfactions, through its main service quality dimensions.

Other global research studies in relation with the service quality and its influence on customer satisfaction are discussed below. Mohammad and Alhamadani (2011) and Munusamy, et al., (2010) conducted a study on five dimensions of Service quality (tangibility, reliability, responsiveness, assurance and empathy) with customers satisfaction. According to Mohammad and Alhamadani(2011) research finding all service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) have a positive and significant effect on customer satisfaction whereas Munusamy, et al., (2010) research result shows that three service quality dimensions (assurance, empathy, and responsiveness) have positive and insignificant effect on customer satisfaction. Tangibility has a positive and significant impact on customer satisfaction. However, reliability has a negative and insignificant effect on customer satisfaction.

In additions, Mesay, (2012) research finding revealed that, there is a significant positive relationship between the five dimensions of service quality with customer satisfaction. Among those, empathy has strong correlation with customer satisfactions; on the other hand, reliability has weakest correlation with customer satisfactions. This indicates that five service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) current status or organization implementing capability with the issues are determine the result of its relationship and impacts.

## **2.9 Hypothesis of the Study**

H1: Tangibility dimension of core banking service has statistically significant impact on customer satisfaction in CBE.

H2: Reliability dimension of core banking service has statistically significant impact on customer satisfaction in CBE.

H3: Responsiveness dimension of core banking service has statistically significant impact on

customer satisfaction in CBE.

H4: Assurance dimension of core banking service has statistically significant impact on customer satisfaction in CBE.

H5: Empathy dimension of core banking service has statistically significant impact on customer satisfaction in CBE.

## 2.10 Conceptual framework

The conceptual framework of study design based on the review of theories, empirical studies and also comply the independent and dependent variables of the study. Moreover, this conceptual framework summarized from reviewed literature and postulated core banking service and customer satisfactions. As it can be seen the relationships of independent and dependent variables i.e., the core banking service or all independent variables service quality measurement dimensions (tangibility, reliability, responsiveness, assurance and empathy) degree of influence on customer satisfaction clearly indicate in this study.

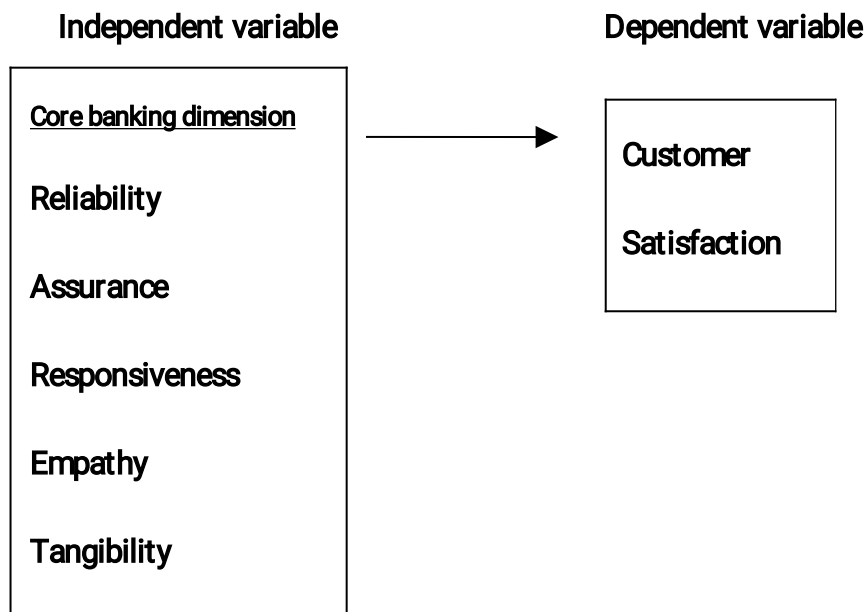


Figure 2. 1 conceptual framework

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3. Introduction**

This chapter deals with the research methodology; it is a plan of action or a way to systematically solve the research problem. Under this topic, research design and approach, target population, sampling design and sample size, methods of data collection and analysis, validity and reliability of the instrument and ethical consideration are discuss in detail.

#### **3.1 Research Approach**

This study used both qualitative and quantitative research approach. The qualitative method used to find out a depth investigation, which is not possible to analysis by quantitative methods. Whereas quantitative approach enables to used numeric explanation, so it helps to breadth research findings. By using both methods together, the researcher substantiated the breadth and depth of the findings (Saunders and Lewis 2018). Therefore, the researcher applied mixed approach in order to conduct this study.

#### **3.2 Research design**

Research design is a general plan of how the researcher goes about answering the research questions. In other words, it the plan or overall research program that helps the researcher obtain answers to the research questions (Kombo and Tromp, 2014). In order to achieve the study objectives, the researcher carryouy survey research types and also used descriptive and explanatory research design based on the ground that it helps is to examine the impact of core banking on customer satisfaction in CBE (in case of Piassa branch).

The explanatory research designed depicts determining causal relationship between core banking and customer satisfaction in CBE whereas Descriptive research design method is an

advantageous to pertinent to collect details of data from many respondents, it describes what the reality or what actually exist within a situation such as current practices, progresses and situations of different aspects of the research (Creswell, 1994).

### **3.3 Sampling Design**

In this study, sample size and sampling design determined in the process of selecting samples. The researcher determined, the study population, the sample frame, sampling technique and then selecting the sample to examine the impact of core banking on customer satisfaction in CBE.

#### **3.3.1 Study population/ universe**

According to Davis, (2000) population is defined as “the complete set of units of analysis that are under investigation, while element is the unit from which the necessary data is collected. The target population has the elements, time, and geographical boundaries showing that the scope of study and the research objective play a major role in the definition of the target population (Bougie & Sekaran, 2013). This study examined the impact of core banking on customer satisfaction in Addis Ababa CBE. CBE had four districts in the country from those the study focused on North Addis district, Piassa branch only. Because of high population and shortage of time are the major reason to select this branch. As a result the researcher easily managed data collection processes. The major respondents of the study are commercial banks of Ethiopia customers. Moreover, the study covers Piassa branch workers as interviews respondents.

#### **3.3.2. Sample Frame**

In order to ensure the validity of the study taking sufficient sample size and utilizing sampling techniques are given special concern. The sample frame of the study focused on the impacts of core banking on customers in North Addis district; Piassa branch only. The total number of customer in Piassa branch is 14,920, which are the total number of current account holder customers are (503) and that of saving account holders are 14,417 (Branch report, October 31, 2019) Also, for the purpose of interview one Piassa branch manager and one expert who are working in customer’s management are included in the study.

### 3.3.3 Methods of sampling and Sampling Technique

The researcher used both probability and non-probability sampling techniques to conduct this study. By using non probability sampling (purposive sampling techniques) the researcher select study area which is researcher select Piassa branch because the branch located on the center of the city and accessible to the researcher, which make data collection processes much easier. Also, under core banking, one is not a customer of a branch but is considered as customer of the bank but for the purposes of this study Piassa branch selected purposively to assess the impact of core banking on customer satisfaction.

On the other hand, the researcher used probability (simple random) sampling technique to get information from Piassa branch customer and its total number were 14,920 in Piassa branch. According to (Kumar 2002), the optimum sample size is one of fulfilling the requirements of efficiency, representativeness, flexibility and reliability while taking into consideration the constraints of time and cost. As a result of this, to determine the sample size take in to account the acceptable confidence level and true representation of sample. Hence, for the purpose of this study Yamane (1967) formula employed with 95% confidence level with 5% margin error.

$$n = \frac{N}{1 + N(e)^2} \quad \text{Where,}$$

N= population size (14,920) these are total number of Piassa branch bank customer

n= sample size

e= sample error=(0.05)

$$n = \frac{14920}{1 + 14920(0.05)^2} = \underline{389} \text{ this are to total number of the sample.}$$

### 3.4. Data sources

To acquire the relevant data the researchers used both primary and secondary data source and also apply various data gathering tools and techniques.

#### 3.4.1. Primary Data Sources

To conduct the study the researcher employed both close and open ended questionnaires,



unstructured interviews to assess the impacts of core banking on customer satisfaction in the study area.

### **3.4.2 Secondary Data Sources**

To ensure the purpose of this research, the researcher collect relevant secondary data source from published and unpublished materials; those are professional journal articles, thesis, report and different research books. This helped the researcher to cross check and validity of the results of primary data.

## **3.5 Methods of data Collection**

For the purpose of data triangulation, the researcher employed both primary and secondary data source by using various data gathering tools and techniques. The primary data was collected through questionnaire, interview and document review, whereas the secondary data collected through document review.

### **3.5.1 Questionnaire**

For this research the researcher used questionnaire to get required information and also apply semi-structured (both an open-ended and closed end) type of questionnaire. The questionnaire has two parts; the first part focuses on demographic information of respondents, while the second part is emphasizing on core banking service and its customer satisfaction practices with five dimensions of service quality such as tangibility, reliability, responsiveness, assurance and empathy. The questionnaires are prepare in English and Amharic then the prepared questionnaires distributed for 10 bank service providers and 10 customers as a pilots test to improve the answerability of the questionnaires and used the feedback properly. Finally, the researchers distributed 389 questionnaires to gather relevant data from Piassa branch customer and analyze qualitatively and quantitatively to confirm its postulate.

### **3.5.2 Key informant interview**

The Interview parts of this study focused on a series of open ended questions related to core banking practices in CBE in Piassa branch and its customer satisfaction. The open-ended natures of the questions try to depict current status of core banking solution and customer satisfaction with its overall service. To get relevant information the researchers will use one

Piassa branch bank manager and one expert who are working in customer management area as an informative interview. This is carryout with appropriate guideline and it also helps to triangulating the finding of the study. During interview the interviewer will use sound recorder to collect information accurately.

### **3.6 Methods of Data Analysis and presentation**

After collecting raw data the researcher analyzed the data quantitatively (inferentially) and qualitatively (descriptively). The open-ended questionnaires, demographic of the respondents and interview parts of the study discussed descriptively and present with words, frequencies, percentage, table, figure and means by the help of statistical package for social science (SPSS version 21), whereas the quantitative data presented by using ordinary least squares regression model and Pearson correlation. To this effect the researcher used 5 point Likert scale, with choices from “strongly disagree” to “strongly agree” and analysis inferentially. Moreover, the researcher used Pearson correlation to identify relationship that exists between dimensions core banking service and customers satisfaction. Similarly, the regression analysis is to indicate level or degree of core banking service dimension on customer’s satisfaction. When analyzing the data, core banking service dimensions were considered as the independent variables whereas customer’s satisfaction is the dependent variable. According to Pohlman (2003) OLS models shows the relationship between a dependent and a collection of independent variables. In OLS models at least one dependent variable and two or more independent variables treated. Also the study depicts how dependent variables influenced with independent variables using multiple linear regression analysis. The regression model and its formulas indicated below.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where Y = customer satisfaction,

$\beta_0$  is regression constant,

$\beta_1 - \beta_5$  regression coefficients,

$X_1$  is tangibility

$X_2$  is reliability,

$X_3$  is responsiveness,

$X_4$  is assurance,

$X_5$  is empathy,

$\epsilon$  model's error term.

### 3.7 Reliability and validity of instrument

According to Hair et al., (2007) reliability indicates the extents to which some variables or set of variables are consistent in what they are intended to measure. Reliability analysis measures the internal consistency of a questionnaire. As a result, the result the researcher used others measurement scales to ensured reliability and also before actual data collection the researchers employed pilot test and improve the clarity and responsiveness of the questionnaire based on pilot test feedback. Then, Cronbach Alpha reliability statistics applied to check reliability of the instruments and the coefficient of the reliability of Alpha,  $\alpha = 0.975$ . According to George & Mallery (2003), the value of Cronbachs alpha coefficient should be more than 0.7 which is an acceptable level of internal consistency or reliability.

On the other hand, Validity concerns with the degree to which a question measures what it is intended to measure. To ensure the issues of validity the researcher selected relevant data collection instrument based on literature and follow scientific research procedures. In additions, the researchers took comment from the advisor. In addition the researcher prepared standardized questionnaires by focusing main variables and research objective. Then the researcher collected the relevant data from correct information providers and the collected data measured by appropriate data analysis tools.

*Table 3. 1 Reliability Test*

Variables	Cronbach's Alpha result	No of items
Tangibility	.996	5
Reliability	.997	5
Responsiveness	.996	5
Assurance	.996	5
Empathy	.996	4
customers satisfactions	.996	4

Total mean	.997	28
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### 3.8 Ethical Consideration

During conducting this study the researcher followed and carryout ethical protocols of scientific research and its procedure. The researcher respects the privacy and willingness of all research participants and fully aware the objectives of the research and their contribution to its completion. The other ethical measures exercise by the researcher treated the respondents with respect and courtesy. This is to be done, the respondents may be ease and more likely to give honest responses to the questionnaire. On the other hand, the information that gathers from the research participant analyzed with its full confidentiality and used for the intended purpose only. Moreover, all sources and scholars property rights issues properly acknowledged throughout the study.



## CHAPTER FOUR

### CHAPTER FOUR: RESULT AND DISCUSSION

#### 4.1 Introduction

This chapter deals with data presentation, discussion and result gained from questionnaire and interview. The result presented by table, figures and statically analysis. As it has been stated before, the study assesses the impacts of core banking on costumer satisfactions on CBE Piassa branch.

#### 4.2 Response Rate

To conduct this study the researcher prepared a total of 389 questionnaires and distributed all of them to collect the necessary information from research participants. The summary of the response rate is indicated in Table 4.1 below.

*Table 4. 1 Responded rate of the study*

Item	Response Rate	
	No of questionnaires	Percent
Distributed questionnaires	389	100%
Collected and used	368	94.6%
Non return and incomplete	21	5.4%

Source: own survey 2020

Tables 4.1 indicate that, from the total 389 distributed questionnaires the researcher used properly 368 questionnaires to conduct the study. This is representing a 94.6% response rate. The remains 21 (5.4% ) of the questionnaires were non return and incomplete.

#### 4.3 Background information of respondents

To shows the back ground information of the respondents, the researcher used descriptive statistic. The next table (table 4.2) summarizes all background information of respondents.

*Table 4. 2 respondent's characteristics in sample survey*

Description		(N=368) frequency	(% )
Sex	Male	204	55.4%
	Female	164	44.6%

	Total	368	100%
Age	15-25 years	88	23.9%
	26-35 years	184	50%
	36-45 years	72	19.6%
	46-55	16	4.3%
	Above 55 years	8	2.2%
	Total	368	100%
Educational background	No formal schooling	4	1.1%
	Primary school completed	48	13.0%
	Secondary school completed	40	10.9%
	Certificate	20	5.4%
	Diploma	68	18.5%
	First degree	144	39.1%
	Masters and above	44	12%
	Total	368	100%
Customer years used for service	Less than 3 years	16	4.3%
	3-6 years	124	33.7%
	7-9 years	112	30.4%
	10-12 years	44	12%
	More than 12 years	72	19.6%
	Total	368	100%

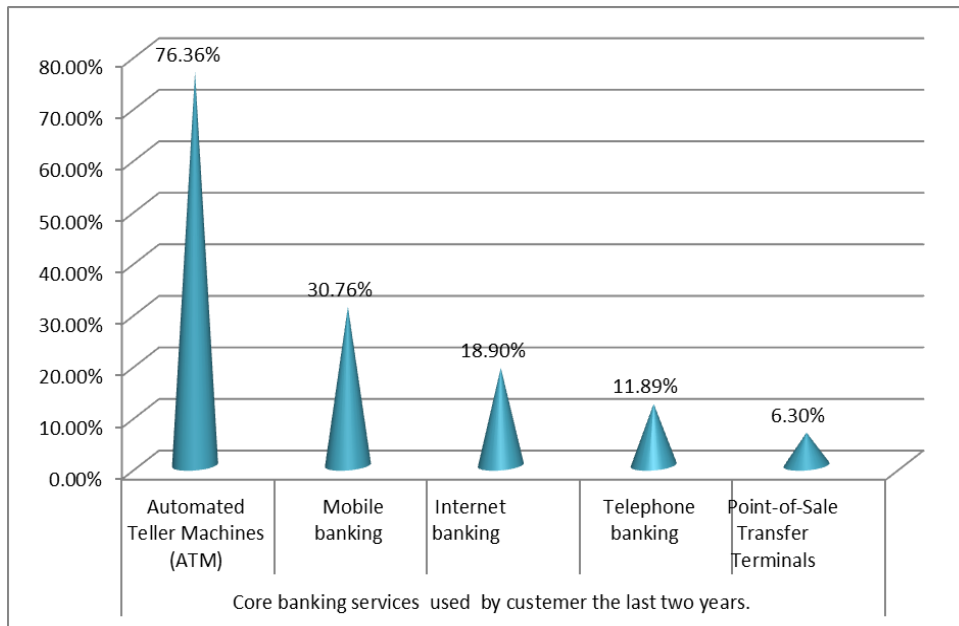
Source: field survey, 2020

Table 4.2, above shows the background information of customers/ the respondents in the study. Nearly half (55.4% ) of the respondents were male and the rest 44.6% of the respondents were female. Furthermore, table 4.2 shows, the respondent's age between 15-25 and 26-35 accounts 23.9% , 50% , respectively. The remaining 26.1% of the respondents were above the age 35. This implies that, half percent (50% ) of Bank customers' age found 26-35 years, hence these young customer are an opportunity for bank to introduced core banking solution. On the other hand, 39.1% of the respondents were degree holders and also and 18.5% of were diploma holders. This indicates the majority of the customers can understand the core banking application and logically determine their level of satisfaction based on them.

Table 4.2 depicts, 64.2% of the respondents took CBE services the years interval with 3-9 years.

When we see years of respondents that are used bank service, 64.2% of the respondents took

CBE services with 3-9 years interval.



*Figure 4. 1 core banking service used by bank customers in the last two years*

According to the above figure, out of 368 respondents, 76.36% of them used Automated Teller Machines (ATM) in the last two years. Next to this, 30.76% of the respondents were used mobile banking, in the last two years. In the last two years, respondents used internet banking, Telephone banking and Point of Sale transfer terminals (POS) with 18.9%, 11.89% and 6.30% respectively. This indicates that, most of customers frequently used Automated Teller Machines (ATM). In addition, mobile banking and internet banking are relatively better frequency to used core banking in the last two years.

#### **4.4 Correlation of variables**

The correlation analysis shows only the direction and degree of association between variables. However, as a result of interactions the direction and degree of relationship varies within variables. This parts of the study presents the results and discussions of the correlation analysis depict the relationship between the independent variables (tangibility, reliability, responsiveness, assurance and empathy) and the dependent variable with customer satisfaction. Below table 4.3, correlation matrixes indicate that, tangibility, reliability and responsiveness independent variables statistically strong relationship with Customer satisfaction. On the other, hand, the independent variables assurance and empathy have statistically moderate relationship with Customer satisfaction. According to Dancey and Reidy



(2004), correlation coefficient result greater than 0.7, it indicates a strong correlation between variables and also correlation coefficient result found between .30 to .70 are deemed moderate correlations. Below this table, shows the facts.

*Table 4.3 Correlation Matrix*

	Tangibility	Reliability	Responsiveness	Assurance	Empathy	Customer satisfaction
Tangibility	1					
Reliability	.912**	1				
Responsiveness	.863**	.771**	1			
Assurance	.600**	.666**	.682**	1		
Empathy	.670**	.709**	.694**	.860**	1	
Customer satisfaction	.860**	.755**	.874**	.530**	.598**	1

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

The correlate matrix indicated that, the independent variable responsiveness, tangibility, and reliability have statistically strong and positive customer satisfaction  $r = 0.874^{**}$ ,  $0.860^{**}$  and  $0.755^{**}$  respectively ( $p = 0.000$ ). Secondly, empathy and assurance have statistically moderate and positive correlation with customer satisfaction  $r = .598^{**}$  and  $.530^{**}$  ( $p = 0.000$ ). As it can be seen the table, responsiveness, tangibility, and reliability were strong correlation with dependent variable customer satisfaction. Likewise, empathy and assurance were moderate correlation with dependent variable customer satisfaction.

#### 4.5 Multiple Regression assumption

In conducting a research multiple regressions depict the relationship between dependent and independent variable and its degree of impacts/ influence within the relationship. However, multiple regressions result should be reliable certain assumptions are crucial and carryout before reached conclusion. These assumptions are not met; the results may not be trustworthy, resulting in an error, or over- or underestimation of significance or effect size. These important multiple regression assumptions and tests show below

## 4.5.1 Normality Test

Normal distributed assumption is relevant to multiple regressions. When histograms are close to zero it is assumed that the data is normally distributed for the dependent variable. However, when skewness and kurtosis are not close to zero and the histogram does not appear to have a normal distribution (Osborne and Waters, 2002). According to figure 4.2 below indicated that the skewness and kurtosis are not far from zero or between them the zero value is indicated. Thus, the result assured that the distribution is normal for this study.

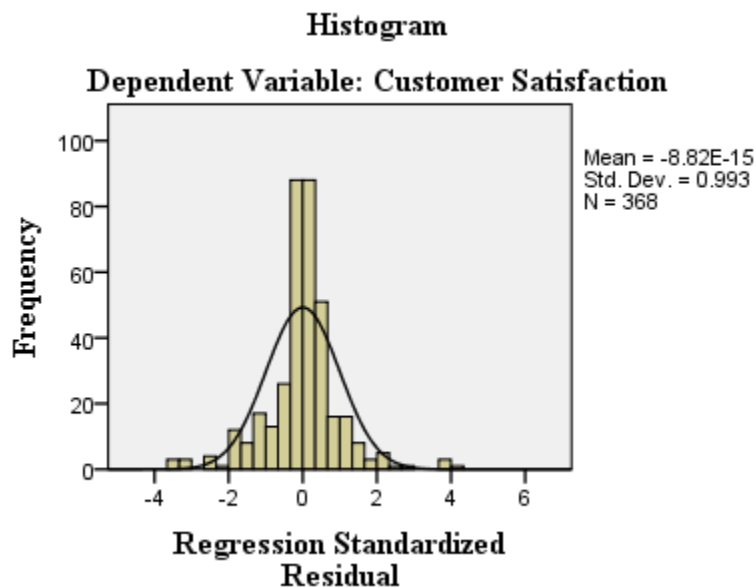


Figure 4.2 *Histogram regression of standardized residual dependent and independent variables*

## 4.5.2 Linearity Assumptions

Multiple regressions need to be a **linear relationship** between the dependent and predictor (independent) variables. As a result normality of residuals can be checked with a normal p-p plot. The plot shows that the points generally follow the normal (diagonal) line with no strong deviation. This indicates that the residuals are normally distributed. As a result figure 4.3 below indicated Normal P-P Plots show that this assumption had been met for this study.

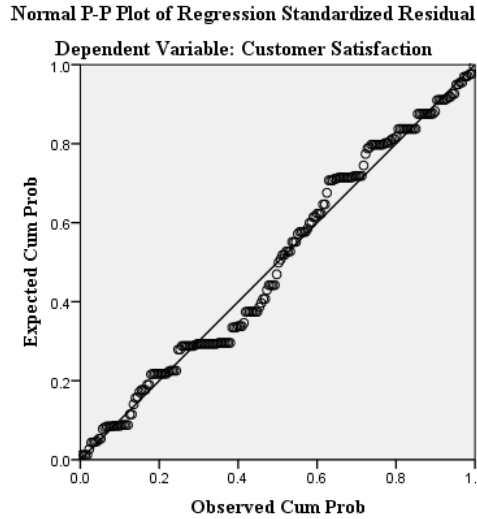


Figure 4. 3 Normal P-P Plot of dependent variable customer satisfaction.

#### 4.5.3 Homoscedasticity test

As it can be seen table 4.3 the variance is constant across all levels of the predictor variables. This assumption is also known as the homogeneity of variance assumption. The variance of the error term is constant across cases and independent of the variables in the model. An error term with non-constant variance is said to be heteroscedastic. Because the dots are scattered randomly without any pattern, it means the variance of the residuals are constant.

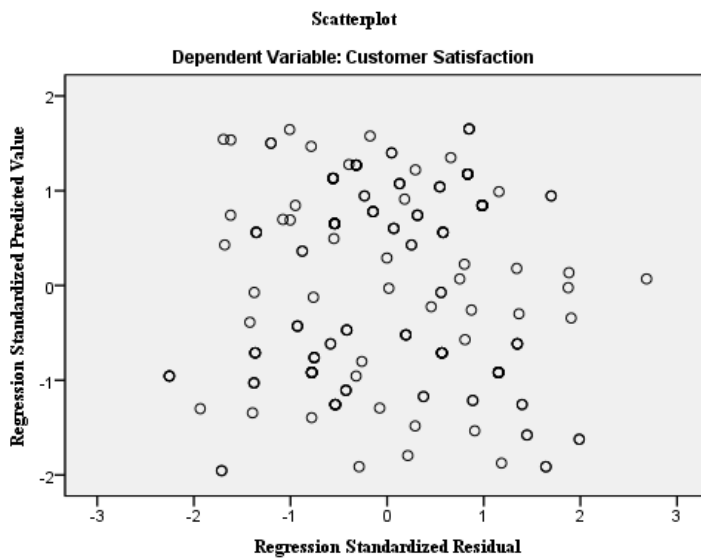


Figure 4. 4 Scatter Plot standardized residuals vs predicted values

#### 4.5.4 Multi-colliniarity issues and its test

Before analysis of multiple regressions the researcher checked multi-collinearity issues. In multiple regressions model multi-collinearity problems are faced as a result of which two or more predictor variables high correlations or non-related existence. If there is an existence of multi-collinearity between variables it implies that one variable can be linearly predicted from the others with a substantial degree of accuracy. The existence of Multicollinearity detected by tolerance values and variance inflation factor (VIF) result. Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model. The value is very small and less than 0.1, it indicates that the multiple correlations with other variables is high, suggesting the existence of multi-collinearity. On the other hand, VIF (Variance inflation factor) is above 10 it is indicating that there is multi-collinearity between variables. The tolerance values of all independent variables and the Variance inflation factor of this study are shows below the table.

*Table 4. 4* Multi-collinearlity test

	Collinearity Statistics		Remarks
	Tolerance	VIF	
Tangibility	.133	8.717	No Multi-collinearlity
Reliability	.175	7.395	
Responsiveness	.199	5.025	
Assurance	.224	4.465	
Empathy	.223	4.494	

NB. Dependent variable: Customer Satisfaction.

Source: Survey Data (2020)

As can be seen from table 4.4 above, the tolerance level of all independent variables are greater than 0.1 and the VIF value of all the independent variables are also less than 10. This confirms the absence of multi-collinearity.

## 4.6 Regression analysis

Regression analyses indicate that how much the independent variable i.e. service quality models (tangibility, reliability, responsiveness, assurance and empathy) explain or influences the dependent variable which is customer satisfaction. The results of the regression analysis are presented the table below.

*Table 4. 5 multiple regression output.*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.905 <sup>a</sup>	.818	.816	.50661

a. Predictors: (Constant), tangibility, reliability, responsiveness, assurance and empathy.

b. Dependent Variable: Customer satisfaction.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	418.661	5	83.732	326.240	.000 <sup>b</sup>
	Residual	92.910	362	.257		
	Total	511.571	367			

a. Dependent Variable: customer satisfaction

b. Predictors: (Constant), tangibility, reliability, responsiveness, assurance and empathy.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.178	.110		-1.625	.105
	Tangibility	.516	.086	.441	6.015	.000
	Reliability	.245	.073	.237	-.615	.000
	Responsiveness	.665	.056	.596	11.867	.000
	Assurance	.211	.060	.166	3.498	.001
	Empathy	.180	.067	.057	1.204	.003

a. Dependent Variable: Customer satisfaction.

The value of R square is used to evaluate the model. The model summary tells us how much of the variance in the dependent variable over all service quality is explained by the model which includes the independent variables of tangibility, reliability, responsiveness, assurance and

empathy. Table 4.5 model summary shows that R Square explains by 0.818 or 81.8 percent of the variance to overall service quality at the significant level of  $p = .000$ .

As depicted in the ANOVA table 4.5 the significance value of F statistics is 0.000 which is less than 0.05. This also shows that there is a significant relationship between the dependent and independent variables with F-value= 326.240.

In addition, table 4.5 shows that all independent variable (tangibility, reliability, responsiveness, assurance and empathy) have positive impacts on customer satisfactions. Particularly, responsiveness and tangibility were statistically strong significant impacts on customer satisfaction with the value of  $\beta = 0.665$  and  $0.516$  respectively. This indicates that responsiveness and tangibility are crucial impacts on the enhancement of customer satisfaction regarding with Commercial Banks of Ethiopian core banking solution. Moreover, reliability and assurance were statistically moderate significant effects on customer satisfaction with the value of  $\beta = 0.245$  and  $0.211$  respectively. Further, empathy was statistically insignificant impacts on customer satisfaction with the value of  $\beta = 0.180$ .

The above findings of this study are consistent with the reports of previous studies. For instance, Mesay (2012) supported that there is a significant positive relationship between the five dimensions of service quality and customer satisfaction, the highest correlation is between tangibles and customer.

In addition, Anteneh (2018) research finding shows that tangibles, reliability, responsiveness and assurance have a positive and significant effect on customer satisfaction. However, empathy doesn't have an effect (beta= 0.102) at 99 percent confidence interval ( $p < 0.01$ ).

### **Hypothesis of the Study**

Based on the above finding all of the independent variables were positive association with customer's satisfactions and all test given below.

H1: Tangibility dimension of core banking service has statistically significant impact on customer satisfaction in CBE. The intended null hypotheses are accepted, hence there is an association between tangibility and customer satisfaction

H2: Reliability dimension of core banking service has statistically significant impact on customer satisfaction in CBE. The intended null hypotheses are accepted, hence there is an association between reliability and customer satisfaction

H3: Responsiveness dimension of core banking service has statistically significant impact on customer satisfaction in CBE. The intended null hypotheses are accepted, hence there is an association between responsiveness and customer satisfaction

H4: Assurance dimension of core banking service has statistically significant impact on customer satisfaction in CBE. The intended null hypotheses are accepted, hence there is an association between assurance and customer satisfaction

H5: Empathy dimension of core banking service has statistically significant impact on customer satisfaction in CBE. The intended null hypotheses are accepted, hence there is an association between empathy and customer satisfaction

On the other hand, the qualitative (opened ended questionnaires and interview) finding shows that core banking application or solution have strong significance on service quality and customer satisfaction. According to them, centralized core banking system and its practices; save time, energy and improved service quality and also enhanced customer satisfaction.

On the contrary, system/ network interruption was the primary challenge during core banking service provisions. Next to this related and others challenge were list out by research participants such as electricity problem, poor technology experience of customer, poor customer handling, inaccessibility of ATM machine and absence of quality services, access, customer survey and awareness creation.

The participants recommended that, introduced fast, efficient, easily used and effective networking through sophisticated core banking application, improved service quality, internet access and customer handling practice, timely supervised the ATM machine, timely update the core banking system, reduced electricity problem and inaccessibility ATM machine and carryout customer survey and used customers feedback to improved centralized banking system.

## CHAPTER FIVE

### 5. Summary major findings, Conclusion and Recommendations

#### 5.1 Introduction

This chapter summarized and discussed the main findings obtained from bank customer. Further, it dealt with conclusions derived from the analysis and also forwarded recommendations that can be used for target stakeholders and future research

#### 5.2 Summary major finding

The major objective of this study was to examine the Effect of Core Banking on Customer Satisfaction in the Case of Commercial Bank of Ethiopia. To achieve this objectives the researcher applied descriptive and explanatory research design with quantitative and qualitative research approach. Also the researcher used simple random sampling technique for questionnaires data and purposively select for interview participants.

The questionnaires data collected from CBE of Piassa branch service users/customer and analyzed by inferential statistics (regression and correlation) and also the qualitative data was analysis descriptively. After this major research finding presented.

As it can be seen demographic information , out of 169 sample respondents , 55.6% of the respondents were male, 64.2% of the respondents took CBE services the years interval with 3-9 years, , 50% , % of the respondents aged found between 26-35 years, 39.1% of the respondents were degree holders and also and 18.5% of were diploma holders and 76.36% of the respondents were used Automated Teller Machines (ATM) in the last two years.

The overall finding of Pearson correlation result shows that, all independent service quality dimensions (responsiveness, tangibility, reliability empathy and assurance) have statistically positive relationship with customer satisfaction. Specifically, responsiveness, tangibility, reliability have statistically strong relationship with customer satisfaction  $r = 0.874^{**}$ ,  $0.860^{**}$  and  $0.755^{**}$  respectively ( $p = 0.000$ ). Secondly, empathy and assurance have statistically



moderate correlation with customer satisfaction  $r = .598^{**}$  and  $.530^{**}$  ( $p = 0.000$ ). This Pearson correlation result confirmed or supported by regression analysis.

As it can be seen regression analysis there is no multi-collinearity and strong deviation problem among the dependent and independent variables. According to regression analysis results the independent variable (tangibility, reliability, responsiveness, assurance and empathy) have positive impacts on customer satisfactions. Particularly, responsiveness and tangibility were statistically strong significant impacts on customer satisfaction with the value of  $\beta = 0.665$  and  $0.516$  respectively. Moreover, reliability and assurance were statistically moderate significant effects on customer satisfaction with the value of  $\beta = 0.245$  and  $0.211$  respectively. Further, empathy was statistically insignificant impacts on customer satisfaction with the value of  $\beta = 0.180$ .

The model summary and ANOVA table of regression result shows that, all service quality dimension (tangibility, reliability, responsiveness, assurance and empathy) R Square explains by  $0.818$  or  $81.8$  percent of the variance at the significant level of  $p = 0.000$ .

Regarding with qualitative research finding, core banking application or solution has strong significance for service quality and customer satisfaction. According to research participants, centralized core banking system and its practices; save time, energy and improved service quality and also enhanced customer satisfaction. However, system/ network interruption was the primary challenge during core banking service provisions. Electricity problem, poor technology experience of customer, poor customer handling, inaccessibility of ATM machine and absence of quality services, access, and customer survey and awareness creation were the other challenge for core banking service users.

### 5.3 Conclusion

This study assessed the impacts of core banking on customer satisfaction in CBE Piassa branch service users. As a result of Pearson correlation result, the independent service quality dimension (responsiveness, tangibility and reliability) have statistically strong and positive relationship with customer satisfaction. Also empathy and assurance were moderate and positive relationship with customer satisfaction. This indicates that core banking solution helps to enhanced customers satisfaction in bank industry.

Furthermore, the regression result revealed that, responsiveness and tangibility were statistically positive and strong significant impacts on customer satisfaction with the value of  $\beta = 0.665$  and  $0.516$  respectively. Following these, reliability and assurance were statistically moderate significant effects on customer satisfaction. Further, empathy was statistically insignificant impacts on customer satisfaction. This indicated that, customer satisfaction highly improved by responsiveness (fast service delivery) and tangibility or modern technology solution. Likewise, reliability, assurance and empathy were positive effects with customer satisfactions but empathy was insignificant effects with it, banks understand and identified the variables based on their level of impacts to maximized satisfaction through core banking solutions.

The descriptive statistics or qualitative result shows that, core banking application or solution has strong significance for service quality and customer satisfaction in CBE. According to research participants, centralized core banking system helps to save time, energy and improved service quality and also enhanced customer satisfaction. However, system/ network interruption was the primary challenge during core banking service provisions. Electricity problem, poor technology experience of customer, poor customer handling, inaccessibility of ATM machine and absence of quality services, access, customer survey and awareness creation were the other challenge for core banking service users

The above finding shows that, to improved customer satisfaction the bank used fast, efficient,

easily used and effective networking through sophisticated core banking application. Also, the bank improved service quality, internet access and customer handling practice, timely supervised the ATM machine, timely update the core banking system, reduced electricity problem and inaccessibility ATM machine and carryout customer survey and used customers feedback to improved centralized banking system and customer satisfaction.

## 5.4 Recommendations

Core banking solutions and its service quality diminutions tangibility, reliability, responsiveness, assurance and empathy were positively impacts with customer satisfaction. Specifically, the regression result revealed that, responsiveness and tangibility were statistically positive and strong significant impacts on customer satisfaction with the value of  $\beta = 0.665$  and  $0.516$  respectively. Also reliability and assurance were statistically moderate significant effects on customer satisfaction. This finding of supported by Pearson correlation; all independent variable have moderate and above relationship with customers relationship. In addition, qualitative result shows that, core banking application or solution has strong significance for service quality and customer satisfaction in CBE. According to research participants, centralized core banking system helps to save time, energy and improved service quality and also enhanced customer satisfaction. However, system/ network interruption was the primary challenge during core banking service provisions. Electricity problem, poor technology experience of customer, poor customer handling, inaccessibility of ATM machine and absence of quality services, access, customer survey and awareness creation were the other challenge for core banking service users

Therefore, the bank and human resource department should be more emphasis for the application of modern technology and fast delivery service to maximized customer satisfactions with centralized banking systems. Particularly, responsiveness and tangibility were greater effects for customer satisfaction hence the bank used these service quality effectively.

Moreover, employee of the bank, manager and others stakeholders should considers the significance or advantages of tangibility, reliability, responsiveness and assurance on customer satisfaction in CBE and also the bank should alleviate network interruption, electricity problem, and inaccessibility of ATM machine. In addition the bank developed technology and customer

survey experience, awareness creation, quality services, access and customer handling mechanism to enhanced customer satisfaction in workplace.

All Bank staff members and service providers give high attention for core banking/centralized service delivery to save time, energy and easily increased satisfaction of customer by considering variable degree of influence.

Further, the bank should installed sophisticated, easily access or used technology, improved service delivery of banks with the implementation of customer survey, and customer feedback

## **5.5 Future Research**

The researcher recommends for further investigation focused with the impacts of core banking on customer satisfaction in comparable with others banks customer satisfaction within centralized core banking solution.

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**Annex I Amharic version Questionnaires**

**በቅድስት ማሪያም ዩኒቨርሲቲ**

**የቢዝነስ አድሚኒስትሬሽን ትምህርት ክፍል**

**ድህረ ምረቃ ፕሮግራም**

የዚህ መጠይቅ ዋና አላማ በኢትዮጵያ ንግድ ባንክ የፒያሳ ቅርጫፍ የሚሰጠው የኮር ባንኪንግ አገልግሎት በደንበኞች (በአገልግሎት ተጠቃሚዎች) ላይ የሚፈጥረውን እርካታ ላይ የሚያደረሰውን ተፅዕኖ (examine the effects of Core Banking on Customer Satisfaction) በጥናት አስደግፎ ማቅረብ ነው። ስለሆነም እርስዎ ይህንን መጠይቅ በተሟላና ግልጽ በሆነ መልኩ ከሞሉልን የጥናቱን ዓላማ በትክክል ለማሳካት ይረዳል። ስለዚህ ጥያቄዎችን በትክክል እንዲሞሉ በትህትና እየጠየቅሁ የሚሰጡት ምላሽ ከጥናቱ ውጪ ለሌላ አላማ እንደማይውል አስቀድሜ አረጋግጣለሁ፤ የሚሰጡት መረጃ በሚስጢር ይጠበቃል። ስለዚህ እባክዎ ሁሉንም ጥያቄዎች በጥሞና በማንበብ እንዲመልሱ በአክብሮት እንጠይቃለን። በማንኛውም ገጽ ላይ ስምዎን መፃፍ አያስፈልግዎትም።

ለትብብርዎ አስቀድመን አናመሰግናለን!

ክፍል አንድ: የመረጃ ሰጪዎች አጠቃላይ መረጃ

መመሪያ አንድ: ከ1-6 የቀረቡ ጥያቄዎችን በማንበብ ከቀረቡት አማራጮች መካከል ትክክለኛውን በመምረጥ በተገቢው ቦታው ላይ የx ወይም የ(✓) ምልክት በማስቀመጥ ይመልሱ?

1. ታ: 1.) ወንድ 2.)
2. እድሜ: 1.) ከ15-25 2.)  26-35 3.) ከ36-45
- 4.) ከ46-55 5.) ከ55 ዓመት በላይ
3. ያጠናቀቁት የትምህርት ደረጃ:
- 1.) መደበኛ ትምህርት ያልተማሩ 2. የመጀመሪያ ደረጃ
- 3.) ሁለተኛ ደረጃ  ሰርተፊኬት
- 5.) ዲፕሎማ  መጀመሪያ ዲግሪ
- 7.) ሁለተኛ ዲግሪና ከዚያ በላይ

4. የኢትዮጵያ ንግድ ባንክ የሚሰጣቸውን አገልግሎት መጠቀም ከጀመሩ ስንት ዓመት ሆነዎ

- 1) ከሶስት ዓመት በታች 2)  ዓመት 3) 7-9 ዓመት
- 4.) 10-12 ዓመት
- 5) ከ12 ዓመት በላይ

5. በአለፉት ሁለት ዓመታት የትኛውን የኮር ባንኪንግ አገልግሎት ከኢትዮጵያ ንግድ ባንክ ተጠቀሙ:: የተጠቀሙትን አገልግሎቶች በሙሉ ለይተው የ(✓) ምልክት በማስቀመጥ ይመልሱ::

- 1.) አውቶማቲክ የገንዘብ መክፈያ ማሽን (የኤ.ቲ. ኤም) 2.) የኢ ባንኪንግ
- 3.) የሞባይል ባንኪንግ  4.) የቴሌፎን ባንኪንግ
- 5.) የቴሌፎን ባንኪንግና የክፍያ መፈጸሚያ ማሽን ሌላ  ክዎት ይፃፉ -----

**ክህል ሁለት**

**መመሪያ አንድ** የኮር ባንኪንግ ስርዓት ማለት አንድ ደንበኛ አካውንት ባወጣበት ወይም ድንበኛ በሆነበት ባንክ ያገኛቸው የነበሩ አገልግሎት በተማከለ (centralized) በሆነ ሁኔታ በማንኛውም የባንኩ ቅርጫፎች ወይም ከሌሎች ባንኮች በኢንተርኔት አማካኝነት አገልግሎት ማግኘት የሚያስችል ስርዓት ሲሆን በውስጡም የኤ.ቲ. ኤም ፣ የኢንተርኔት ባንኪንግ ፣ የሞባይል ባንኪንግ ፣ የቴሌፎን ባንኪንግና የክፍያ መፈጸሚያ ማሽን (Point-of-Sale Transfer Terminals) አገልግሎትን ይዟል። ስለሆነም የኮር ባንኪንግ አገልግሎትን ላይ የእርስዎ እርካታ በምን ደረጃ ላይ እንደሚገኝ ከዚህ በታች የቀርቡ ጥያቄዎች በደንብ በማንበብ ከቀረቡት አማራጮች መካከል በመጀመሪያ ደረጃ የሚስማሙበትን የX ወይም (✓) ምልክት ከአማራጮቹ ትይዩ በማድረግ ስምምነትዎን ይግለጹ (1 = በጣም አልስማማም 2 = አልስማማምም 3 = በከፊል እስማማለሁ 4 = እስማማለሁ 5 = በጣም እስማማለሁ)

የአገልግሎት ጥራት መለያዎች	በጣም አልስማማም (1)	አልስማማም (2)	በከፊል እስማማለሁ (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
1. Tangibility (ተጨባጭነት)					
1.1 ባንኩ ማከላቂነት አገልግሎት መስጠት የሚያስችል					

የኮር ባንኪንግ አገልግሎትን ስርዓትን ተግባራዊ አድርጓል					
1.2 ደረጃውን የጠበቀ የኮር ባንኪንግ አገልግሎት ለመስጠት ባንኩ ዘመናዊ ስፍትዌሮች ይጠቀማል፡					
1.3 በኮር ባንኪንግ አማካኝነት ከሁሉም የባንኩ ቅርንጫፎች ድህነት በተጠበቀ መልኩ አገልግሎት ማግኘት ይቻላል					
1.4 ባንኩ የኮር ባንኪንግን አገልግሎት መስጠት የሚያስችል ድህነት የተጠበቀ የኢንተርኔት ኔትወርክ አለው					
1.5 ባንኩ የተማከለ/ማዕከላዊ (centralized) ዳታ ቤዝ አለው					
2. Reliability (ተዳማኝነት)	1	2	3	4	5
2.1 በባንኩ የኮር ባንኪንግን አገልግሎት አሰጣት ላይ እምነት አልዎት					
2.2 የኮር ባንኪንግን አገልግሎቱ ከሰህተት የፀዳ ነው					
2.3 የባንኩ የኮር ባንኪንግን አገልግሎት ሁል ጊዜም ለደንበኞች አገልግሎት ይሰጣል					
2.4 ደንበኞች ችግሮች ሲያጋጥማቸው የባንኩ ሰራተኞች ፈጥነው ችግሩን ይፈታሉ					
2.5 የባንኩ ሰራተኞች የገቡት ቃል ይጠብቃሉ					
3. Responsiveness (ምላሽ አሰጣጥ)	1	2	3	4	5
3.1 የኮር ባንኪንግ አገልግሎት መጀመር ሰራተኞች/ባንኩ በወቅቱ አገልግሎት እንዲሰጥ አግዟል					
3.2 የባንኩ ሰራተኞች ወቅታዊ መረጃዎች ለደንበኞች ይሰጣሉ					
3.3 ባንኩ ለየት ላሉ ደንበኞች የተለየ የአገልግሎት መስጫ መንገድ ያመቻቻል					
3.4 የኮር ባንኪንግን አገልግሎት መስጠት መጀመር ደንበኞች አገልግሎቱን እንዲጠቀሙ ያነቃቃል					
3.5 የኮር ባንኪን አገልግሎት መስጠቱ ደንበኞች በወቅቱ ትክክለኛ መረጃ እንዲያገኙ አስችሏል					
4. Assurance(እርግጠኝነት)	1	2	3	4	5

4.1 የባንኩ ሰራተኞች የኮር ባንኪንግ አገልግሎት መስጠት በቂ ክህሎት አላቸው					
4.2 የባንኩ ሰራተኞች ደንበኞችን ለማገልገል ዝግጁ ናቸው					
4.3 የባንኩ ሰራተኞች የደንበኞችን ፍላጎት ተረድተው ፍላጎታቸውን ለማሳካት ይሰራሉ					
4.4 በባንኩ የሚከናወነው ሁሉም የገንዘብ-ዘብ ልውውጥ ደህንነቱ የተጠበቀ ነው					
4.5 ባንኩ ከኮር ባንኪንግ ጋር በተያያዘ የፈጠረው ግንዛቤ ከደንበኞች ጋር መልካም ግንኙነት እንዲፈጠር አድርጓል					
5. Empathy(የመረዳት አቅም )	1	2	3	4	5
5.1 ባንኩ በፈጠረው መልካም ግንኙነት ደንበኞች የኮር ባንኪንግን አገልግሎት እንዲጠቀሙ አነሳስቷቸዋል					
5.2 የኮር ባንኪንግን አገልግሎት መስጠት መጀመሩ የደንበኞችን ጊዜ ቆጥቦላቸዋል					
5.4 ደንበኞችን ለመሳብና ለማቆየት ባንኩ ዘመናዊ የኮር ባንኪንግን ለመስጠት የሚያስችል ተክኖሎጂ ያስተዋውቃል					
5.4 ባንኩ የኮር ባንኪንግን አገልግሎት በአስተማማኝ ሁኔታ ያስተዳድራል					
6. Customer satisfaction (የደንበኛ እርካታ)	1	2	3	4	5
6.1 የኮር ባንኪንግን ስርዓት መዘርጋቱ የገንዘብ ልውውጡን ፈጣን አድርጎልኛል					
6.2 በባንኩ የኮር ባንኪንግን አገልግሎት አሰጣጥ ረክቻለሁ					
6.3 በኮር ባንኪንግ ስርዓት አማካኝነት ከሁሉም ቅርጫፎች አገልግሎት ማግኘት ችያለሁ					
6.4 የባንኩ የኮር ባንኪንግ አገልግሎት አሰጣጥ ደረጃ ከኔ ግምት ጋር ይሄዳል/ተቀራራቢ ነው					

መመሪያ ሁለት:- ከዚህ በታች የቀረቡትን ጥያቄዎች በተቀመጠው ክፍት ቦታ ላይ ተገቢውን ምላሽ በመፃፍ ይመልሱ

1. የኢትዮጵያ ንግድ ባንክ የኮር ባንኪንግ አገልግሎት የሚገኝበትን የጥራት ደረጃ ምን እንደሚመስል የኤ.ቲ. ኤም ፣ የኢንተርኔት ባንኪንግ ፣ የሞባይል ባንኪንግ ፣ የቴሌፎን ባንኪንግና የክፍያ መፈጸሚያ ማሽን (Point-of-Sale Transfer Terminals) አገልግሎት ከግምት በማስገባት የደንበኞች እርካታ በምን ደረጃ እንደሚገኝ ይግለጹ? -----

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2. ተግባራዊ እየተደረገ በሚገኘው የኮር ባንኪንግ አገልግሎት የእርስዎ እርካታ ወይም ከጠበቁት አንፃር በምን ደረጃ ላይ ይገኛል በዝርዝር ያብራሩ? -----

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3. የኮር ባንኪንግ አገልግሎት በሚጠቀሙበት ወቅት የሚያጋጥምዎትን ዋና ዋና ተግዳሮች ወይም ችግሮች ይዘርዝሩ?

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4. የኮር ባንኪንግ አገልግሎት የተሻለ እንዲሆንና የደንበኞች እርካታ እንዲጨምር ምን ምን የመፍትሔ እርምጃዎች መወሰድ አለባቸው በዝርዝር ያብራሩ? -----

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Thank you!

## **Annex II Interview questions**

**St Mary University**

**SCHOOL OF GRADUATE STUDIES**

**DEPARTMENT OF BUSINESS ADMINISTRATION (MBA)**

### **Interview questions**

1. What are the major cores Banking services implemented in yours Bank? Which services effectively implemented? Please discussed in details?
2. How do you see Core Banking service quality and customers satisfactions? In yours opinion, the intended objective of the Bank successfully achieved regarding with Core Banking service provision and the incensement of customers satisfaction? Please discuss it?
3. How to treat customers in the Bank? Core banking service helps to retaining and attracting customers? Please discuss in details?
4. What are the major challenge in the provision of core Banking service and maximizing customer's satisfaction?
5. What are the possible mechanism to improved core Banking service and also customer's satisfaction? Please discuss in details?

Thank you!