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The Effect of Service Quality on Customer Satisfaction: The Case of Commercial Bank of Ethiopia at west Addis district selected Merkato branches.

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JANUARY, 2022

DECLARATION

I declared that, this thesis is my own original work on the title of “The Effect of Service Quality on Customer Satisfaction: The Case of Commercial Bank of Ethiopia at west Addis district selected merkato branches.” and it has not been submitted in this and any other university. All sources of materials used for this study have been properly acknowledged.

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ENDORSEMENT

As this Thesis advisor, I hereby certify that I have read and evaluated this thesis prepared, under my guidance, by **Zeraydagne**, entitled “The effect of Service Quality on Customer Satisfaction: The Case of Commercial Bank of Ethiopia at west district selected markato branches”. I recommended that it be submitted as fulfilling the thesis requirement for the Masters of Business Administration (MBA).

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APPROVAL OF THE THESIS

As members of Board of examiners of the final MBA Thesis open defense examination, we certify that we have read and evaluated the thesis prepared by **Zeraydagne** entitled “The effect of service quality on customer satisfaction: The Case of Commercial Bank of Ethiopia at west Addis district selected merkato branches.” and examined the candidate. We recommend that thesis be accepted as fulfilling the thesis requirement for the degree of masters of business administration (MBA).

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List of Acronyms

ANOVA.....	Analysis of Variance
CBE.....	Commercial Bank of Ethiopia
Fig.....	figures
POS.....	Point Of Sale
SERVPERF.....	Service Performance
SERVQUAL.....	Service Quality
SPSS.....	Statistical Package for Social Science
VIF.....	Variance Inflation Facto
ATM.....	Automatic Teller Machine
BANKQUAL.....	Bank Quality
BSQ.....	Bank Service Quality

Abstract

As the significant increasing of service sector in the economy, there is a tight competition in the area. Banking industry also one of the most dominant service sector in Ethiopia; and there is a tight competition within this sector. So the main objective of this study was to assess the overall level of service quality and customer satisfaction in CBE west district selected market branches and to investigate the effect of service quality dimensions on customer satisfaction under the study area. As the significant increasing of service sector in the economy, there is a tight competition in the area. Banking industry also one of the most dominant service sector in Ethiopia; so, they tend to continually find a strategy that enabling them to be competent in this tight competition. This strategy often focuses on the area of improving service quality to increase customer satisfaction to be strongly compete and pooling more customers. Because, service quality is relevant to keep up their competitive advantage and improve customer satisfaction. A conceptual model of service quality dimensions was developed. Data for this study was collected in CBE west district selected market branches, which is situated in A.A, Ethiopia. This study was used both primary and secondary data was employed. A total of 349 respondents taken as a sample customer of the banks were chosen and the questionnaires were distributed to customers of the Banks during office hours of the week. The collected data was analyzed with the help of SPSS version 20. Correlation and multiple regressions were used to investigate the relationship between dependent and independent variables. The findings of the study show that service quality of customer satisfaction is below average, and customers are not satisfied with the service. Based on the finding all service quality dimensions have significant effect on service quality and customer satisfaction. The study concluded that over all service quality of banks is not good and customers are not satisfied with the services of the organization. So, the bank needs to improve the quality of service to satisfy and attract the unsatisfied customers. The researcher recommended that banks should work hard on all these service quality dimensions to improve its service quality and customer satisfaction of the banks. And also emergence of new forms of banking channels such as Internet banking, Automated Teller Machines (ATM), phone banking and also maturing financial market and global competition have forced bankers to explore the importance of customer loyalty. Therefore, studies need to focus on the changing role of the banking system and its dynamic financial market.

KEY WORDS: *Customer satisfaction, Tangibility, Responsiveness, Reliability, Assurance and Empathy*

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In today's fast changing competitive world, companies are losing their significant number of customer not because of the price they offered to those products but the quality of the product or not delivering quality service. Particularly in service giving organization, delivering high quality service is vital for their continued existence (Harris, 1996). The bank industry is among the service giving organization in the world. It provides various service such as accepting deposit, in the form of saving and current account, extending loan and advance for various purpose foreign and local money transfer service, availing credit facility, rendering ATM (automated teller machine) service etc.

For service companies, service quality is a relevant and crucial tool to keep up their competitive advantage in the marketplace. So, banks' competition in the market by using differentiated their products by delivering high quality services, these services are used as a basically competitive tool (Logasvathi&Haitham, 2015). In other words, service organization providing high quality services able to pool or attract customers to them. Service sector like banks have the responsibility to provide the superior services to their customers in order to have long live competitive advantages (Azzam, 2015). Generally service quality is a tool that used to differentiate its product from competitor in the market by increasing customer satisfaction and fostering loyalty for service companies

Service quality offers a way of achieving success among competing services particularly, where a number of firms that offer nearly identical service are comparing with in a small differences such as bank establishing service . Quality may be the only difference; such differentiation can yield higher proportion of consumers financial success or failure (kottler ,2012) .Since the importance of making continuous customer service quality improvement program is to make

Profit, build good images, lead the market and retain customers which lead customer loyalty (Ahmossawi , 2001).

The most widely used model to measure perceived service quality was developed by (Parasuraman, 1988) known as SERVQUAL. Based on the five factors, The SERVQUAL model defines quality as the divergence between customer's expectations and perceptions of the service delivered to measure quality the respondents are asked to answer sets of questions dealing with the same subject (Kotler, 2012).

customer satisfaction is also crucial in the banking sector because of the special nature of the service which is characterized by intensive contact with customers who have different needs and require customized solutions and it is known to be one of the most important and serious issues towards success in today's competitive business environment, as it stay affects company market shares and customer loyalty (Clemes, 2008). Satisfied customer who and buy more. Good customer relationship creates customer delight, in turn delighted customer remain loyal (Kotler, 2012). Many empirical and conceptual studies have been done on effect customer service quality and customer satisfaction. The finding of Mohammad and Alhamadani (2011), indicated that service quality is an important antecedent of customer satisfaction. Parasuraman et al. (1985) "found that service quality is significant predictor of customer satisfaction by using SERVQUAL instrument." Service quality and customer satisfaction "have been identified as key elements of the service-profit chain".

Accordingly, Messay (2012) "believes that excellent service quality is vital to business profitability and survival." Thus, from the finding of Messay (1996), the researcher understands that if service quality is going down in the organization, it will have negative effects on the organization's profitability. Therefore, this study assesses the effect of service quality on customer satisfaction in the case of CBE at west Addis district selected merkatobranches. And try to identify the problem hanging over the neck of providing quality service and recommends possible solution to the identified problems.

1.2. Statement of the problem

Banks operating in Ethiopia are facing lots of challenges due to increase in competition amongst them. As a result various strategies are formulated to retain the customer and increasing the service quality level has been considered key success factor. Service quality is particularly essential in the banking services context because it provides high level of customer satisfaction and hence it becomes a key to competitive advantage (Ahmossawi,2001).At the present time, service quality has received much attention because of its obvious relationship with costs, financial performance, customer satisfaction ,and customer loyalty. Since customer satisfaction is also based upon the level of service quality provided by many market leaders are found to be highly superior customer service orientated. They have been rewarded with high revenue and customer retention as well. For that reason, organizations in the same market sector are forced to assess the quality of the services that they provide in order to attract and retain their customers. Because satisfied customers are a key to long-term business success Zeithaml et al. (1996).

Currently most banks in Ethiopia are negatively affected by the network failure and system interruption which result delayed service delivery time; as a result customers are sometimes forced to stay long time in the premises of the bank. As we know the CBE has showed rapid improvement since the Implementation of BPR. But still there is customer compliant in network failure; power interruptions and low accessibility of ATM machines are still seen in the branches of CBE, (Ayenew, 2014).

The purpose of this study is to show whether there is a similar finding/conclusion or not with those other studies were conducted in other branches of CBE as well as other banks. The main reason that will motivate me to conducted on service quality in CBE especially at west Addis district selected merkato branches this researcher observed many times customer wait a long time in the queue line while frequently go to the bank to gate service as well as conducting own project for academic purpose and also there is a few studies are conducted on service quality and customer satisfaction in CBE. In CBE, many customer voice concerns about inefficiency and lack of quality excellence in theService. But, there is no research made on West Addis Ababa district. Therefore the main interest of this study is to assess the effect of service quality on customer satisfaction in commercial bank of Ethiopia in the area of West Addis Ababa district in merkato branches.

1.3. Research questions

More specifically, this study answers the following research questions

- 1.**What is the level of tangibility for the effects on customer satisfaction in commercial bank of Ethiopia at west Addis district selected merkato branches?
- 2.** What is the level of reliability for the effects on customer satisfaction in commercial bank of Ethiopia at west Addis district selected merkato branches?
- 3.** What is the level of responsiveness for the effects on customer satisfaction in commercial bank of Ethiopia west Addis district selected merkato branches?
- 4.** What is the level of assurance for the effects on customer satisfaction in commercial bank of Ethiopia at west Addis district selected merkato branches?
- 5.** What is the level of empathy for the effects on customer satisfaction in commercial bank of Ethiopia at west Addis district selected merkato branches
- 6.** What is the level of service quality has effects on customer satisfaction in banking service and what kind of impact in commercial bank of Ethiopia at west Addis district selected merkato branches?

1.4. Objective of the study

1.4.1. General objective of the study

The general objective of this study is to examine the effects of service quality on customer satisfaction with in the commercial bank of Ethiopia in west Addis district

1.4.2. Specific objective of the study

In order to accomplish the general objectives of the study, there are few specific objectives that need to be accomplished in the case of CBE. These specific objectives are the following.

To indicate the effects of tangibility on customer satisfaction in commercial bank of Ethiopia at west Addis district selected merkato branches.

- To point out the effects of reliability on customer satisfaction in commercial bank of Ethiopia at west Addis district selected merkato branches
- To identify the effects of responsiveness on customer satisfaction in commercial bank of Ethiopia at west Addis district selected merkato branches
- To demonstrate the effects of assurance on customer satisfaction in commercial bank of Ethiopia at west Addis district selected merkato branches.
- To indicate the effects of empathy on customer satisfaction in commercial bank of Ethiopia at west Addis district selected merkato branches
- To determine the effects of overall service quality dimensions on customer satisfaction in CBE at west Addis district selected merkato branches

- To determine the effects of overall service quality dimensions on customer satisfaction in CBE at west Addis district selected merkato branches.

1.5. Scope of the Study

This study was undertaken to examine the effect of service quality on customer satisfaction in the banking sector in CBE. It is limited to service quality practices of CBE. The Bank has branches in almost all the regions of Ethiopia. It has more than 1600 branches stretched across the country. This study however focused on west district selected branch in Addis Ababa City; and the result will not be extended to other branches of CBE. With regard to sample respondents, only 397 respondents were selected to obtain the required primary data in order to make the study more manageable. Regarding the data collection tool, a recognized structured SERVQUAL questionnaire, which was developed by Parasuraman, et al (1988), was used for this particular study

1.6. Significance of the study

This study has a contribution to the management of the bank. In addition, this study has its own contribution to different party in different way. The findings and results that will be reported in this study will provide good information about the feeling and level of their customer satisfaction from the services deliver by the bank. So, information's from this study final finding and result is

very important to know which problems happen, what the management will be to do to solve these problems, what things are added and minimize to increase/improve customer satisfaction And attract more customers as well as catching the existing customer. Recommendations that were report on this study will provides solution for bank industry service quality problems and it may give them an idea of where they are currently in terms of their service quality and what they should do in the future. Generally this study will serve as an empirical literature to the management of the bank for strategic decision and improving customer satisfaction by providing quality service. To other researchers who are interested to conduct on this kind of investigation, this study will serve as a reference and empirical literature. To different stakeholders like customer, investors, shareholder, employees and other parties responsible to the organization this study will provide reliable information that is useful to improve customer satisfaction. Due to this increasing organization profitability and provide a benefit for its investor, shareholder and employees.

1.7. Limitation of the study

In preparing this study researcher may face some obstacles that make me not to do much more than what researcher have done. These limitations may arise from two sides that are limitations arise from the researcher and limitations arise from organizations. To start up from the organizational level the company employees can resist me to give some data to catch secrets of their organization hence the topic is related to banking industry which is competitive. More over the customers of the organization are busy enough so can't able to make interview\questioner and formal discussed of about the company as much as needed.

. In addition to the above problem the researcher face time constraint that makes hard so to undertake detailed and wide study with respect to the case.

Other factors are

- Shortage of time as the side of respondents was a serious limitation of this study
- Lack of adequate recording system.
- The respondents was not interested to fill and return the quasionary

Despite the limitations the researcher faces the above stated problems the study has been conducted by using the second alternative possible, while maintain the quality of research kept good

1.8. Definition of operational terms

Commercial bank of Ethiopia training manual of corporate strategy overviews and ethical values, October 3 2021. Page 28-39

Service: - any intangible activity or benefit that can be offered by one party (service provider) to another (customer) which is does not result in the ownership of anything.

Service quality: - the ability of service to meet/satisfy customer needs or the difference between customer expectation and the actual service offered by the provider (perceived service). If the perceived (actual) service exceed than customers expectation. There will be a quality of service. .

Customer satisfaction: - a person's feelings of pleasure or disappointment are resulting from comparing a product's or services perceived performance (or outcome) in relation to his or her expectations.

Service quality dimensions: - used to measure the perception of customer about the quality of services that offered by the provider

Tangibility: - one of service quality dimensions that focuses on the general physical appearance of equipment's and employee.

Reliability: - is service quality dimension that pertain the ability to offer a promised service dependably and accurately.

Responsiveness: - is another service quality dimension that refers to the readiness and willingness of employee (service provider) to help customers.

Assurance: - a service quality dimension that focuses about the knowledge and polite behavior of employee that enabling them to convey trust and secret or confidentiality.

Empathy: - is a service quality dimension that shows that the ability of service provider (employee) to understanding customers feeling, specific need, caring and individual attention the firm provides its customers

1.9. Organization of the paper

This research paper was organized into five chapters, the first chapter consisted of the general introduction about the study, the gap or statement of the problem that this project wants to address, the research question that was answered by this paper, research model and hypothesis, objective of this research, scope, significance and limitation of the study.

The second chapter would include the literature review with various theoretical concepts which are related to service quality, customer satisfaction, service quality dimensions, service quality measurement model and many issues that are related to the impact of service quality on customer satisfaction.

In the third chapter was presented the research methodologies which are research design, target population, sampling technique, sample size, source of data, type of data, method of data collection procedure of data collection and methods of data analysis will be included in this.

In the fourth chapter presented interpreting and analyzing the collected data.

Finally, fifth chapter would be presented summary of the finding, conclusion and possible suggestions or recommendations.

CHAPTER TWO

Literature Review-

Core point of this chapter will present an overview of related literature to the research problem Presented in the previous chapter. It includes that the definition and characteristics service, service quality, customer satisfaction, relation between customer satisfaction and service quality and service quality model is included in order to give a clear idea about the research area.

2.1. Concept and Theory

According to Kotler et al. (2005) service can be defined as any intangible activity or benefit that can be offered by one party to another which does not result in the ownership of anything. It may be either tied with production or may not be tied to a physical product. Service can be defined as economic activities that produce time, place, form, or psychological utilities (Kotler and Armstrong, 2012).

Kotler and Armstrong (2012) state on their book principle of marketing, Services are growing faster in the world economy and it making up 64 percent of the gross world product. Due to the Service industries vary greatly, Governments and private organization which are profit oriented or nonprofit oriented offer services.

According to Kotler and Armstrong (2012) list out that some example of services offered by government like courts, employment services, hospitals, military services, police and fire departments, the postal service, and schools. Private which are not-for-profit organizations offer services like museums, charities, churches, colleges, foundations, and hospitals. And a large number of business (profit oriented) organizations offer services like airlines, banks, hotels, insurance companies, consulting firms, medical and legal practices, entertainment and telecommunications companies, real-estate firms, retailers, and others.

2.1.1. Characteristics and Nature of Service

Most authors agreed that there are four special service characteristics. Some of them are; according to Bitner et al. (1993), Wolak et al. (1998) and Kotler and Armstrong, (2012) intangibility, inseparability, variability/heterogeneity, and perish ability of services are considered as the main service

Intangibility of Service

Intangibility of Service means that services cannot be seen, tasted, felt, heard, or smelled before they are bought (Bitner et al., 1993).

Service Inseparability

Service inseparability means that services provider and service doesn't separate each other. The providers are either people or machines. Both the provider and the customer affect the service outcome.

Variability or Heterogeneity of Service

Service variability means that the quality of services depends on who provides them as well as when, where, and how they are provided. It is the degree of uniformity is varying in service delivery (Wolak et al., 1998).

Perish ability of Services

Perish ability of Services means that services cannot be stored and carried forward to a future time period and suggest that services are time dependent and time important which make them very perishable. The issue of perish ability is primarily the concern of the service producer and that the consumer only becomes aware of the issue when there is insufficient supply and they have to wait for the service (Bitner et al., 1993).

2.2. Concepts of Service Quality and their Definitions

2.2.1. Definition of service quality

Quality is the totality of features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. For some quality signifies the degree of perfection. In fact, quality, like beauty, lies in the beholder's eyes. Quality is often described as getting things done „right first time, and every time”. The broadly definition of quality refers to the ability of a product or service to consistently meet or exceed customer requirements or expectations. It means that the difference between actual performance and customer expectation of the product or services can be reflecting its quality (W.J. Stevenson, 2012).

Service quality is the ability of service to meet/satisfy customer needs (J.Heizer, B.render and C. Munson, 2017). Service quality is a customer's overall impression of the relative inferiority or superiority of the organization and its services (Bitner& Hubbert, 1994).

Service quality defined as the degree and direction of discrepancy between consumer's perceptions and expectations in terms of different but relatively important dimensions of the service quality, which can affect their future purchasing behavior.

Service quality is interpreted as perceived quality in the service literature and it provides the meaning of a customer's judgment about a service (Culiberg and Rojšek, 2010). It means that service quality can be determined by the way of customer perception, expectation and the actual performance of service. so, service quality has different definition due to different people have different perception and expectation. As a result of this different scholars define the concept of service quality in different way and they have introduced different ways of measuring service quality.

Lovelock et al. (2011) defined service quality as „consistently meeting or exceeding customer expectations“. This means that Service providers firms offer service which is continuously meet or exceed customer expectations termed as quality service.

Grönroos (1984) defines the perceived quality of a service is the result of an evaluation process in which customers compare their expectations of service delivery and its outcome to what they expect. Service quality is considered as an important tool for a firm's sustainable competitive advantage with in the market and to differentiate itself from its competitors (Ladhari, 2009). Offering a quality service is essential for service organization; by providing a sustainable competitive advantage, building organization goodwill, improving customer satisfaction and pooling more customers to the organization.

The difficulty of defining service quality is that it is a subjective concept. It means that, everyone has a different definition based on their personal opinion, intuition, observation or reasoning, the external environment and mindset or experiences. It has also received a great deal of attention from academicians, practitioners and services marketing literature, service quality is defined as the overall assessment of a service by the customer.

Understanding service quality must involve acknowledging the characteristics of service which are intangibility, heterogeneity and inseparability.

Researcher points out that, by defining service quality, companies will be able to deliver services with higher quality level presumably resulting in increased customer satisfaction. In that way, service quality would be easily measured (Negi, 2009). Crosby (1984) Defined quality as conformance to requirements. This definition implies that organizations must establish requirements and specifications. Once these requirements and specifications are established, the quality goal of the various functions of an organization is to comply strictly with them. Quality also defined from different point of views, from customer point of view quality means fitness for use and meeting customer satisfaction and from process point of view it means conformance with the process design, standards and specifications. Quality may also be defined as the degree of excellence at an acceptable price from product point of view and from the cost point of view it means best combination between costs and features. A solid foundation in defining and measuring service quality was emanated in the mid-eighties by (Gronroos, 1984) and (Parasuraman et al. 1985). They were amongst the earliest scholars laid down the foundation for the definitions as well as development of service quality.

2.2.2. Service quality dimensions

“Service's unique characteristics of intangibility, heterogeneity, and inseparability lead them to possess high levels of experience and credence properties, which, in turn, make them more difficult to evaluate than tangible goods” (Bitner and Zeithaml 1985). “Identification of the determinants of service quality is necessary in order to be able to specify measure, control and improve customer perceived service quality” (Johnston,1995).

SERVQUAL “is a concise multiple-item scale with good reliability and validity that researcher can use to better understand the service expectations and perceptions of consumers and, as a result, improve service” (Parasuraman et al., 1988). SERVQUAL was also selected since it is important when it is used occasionally to track the service quality trends, and when it is used in combination with other forms of service quality instrument (Parasuraman et al., 1985).

Parasuraman et al.(1985)identify ten determinants for measuring service quality which are tangibility, reliability, responsiveness, communication, access, competence, courtesy, credibility, security, and understanding/knowledge of customers. Later these ten dimensions were further purified and developed into five dimensions i.e. tangibility, reliability, responsiveness, assurance and empathy to measure service quality.“SERVQUAL” Parasuraman et al.(1988). These five dimensions identified as follows:

A. Tangibility:-refers to physical facilities, equipment, and appearance of personnel. (Jabnoun and Al-Tamimi, 2003).Indicated that customers choose tangibility factor of service quality in the banking industry “Bank could build customer relationships by delivering added tangible and intangibility elements of the core products” (Zineldin, 2005).

B. Reliability:-means ability to perform the promised service dependency and accurately. Reliability is a significant factor of product quality in addition to good personal service, staff attitude, knowledge and skills (Walker, 1990). “It is found that service reliability is the service “core” to most customers and managers should use every opportunity to build a “do-it-right-first” attitude”(Berry et al., 1990).

C. Responsiveness:-means willingness to help customers and provide prompt service. “Customers are very sensitive to employees' working environment in service organizations” (Brown and Mitchell, 1993). (Gollway and Ho, 1996) reported that proper balance between staff skills and customers' expectation resulted in superior service quality towards customers.

D. Assurance:-indicates knowledge and courtesy of employees and their ability to inspire trust and confidence. (Parasuraman et al., 1988) found that assurance is an important factor of service quality next to reliability and responsiveness towards customer satisfaction. Assurance has “the strongest impact on customer satisfaction that leads to positive word of mouth outcome” (Arasli et al., 2005).

E. Empathy:-refers to caring, individualized attention the firm provides its customers (Jabnoun and Al-Tamimi, 2003) found that bank customers believed empathy as an essential factor of service quality. “It is suggested that employees' commitment to deliver quality services, skillfully handling of conflicts and efficient delivery of services resulted in satisfied customers for long term benefits” (Nelson and Chan, 2005)

2.2.3. Service Quality Models

2.2.3.1 Service Quality

Service quality model of service quality was developed by Parasuraman, Zeithaml and Berry (1985, 1988). And it is one of the most frequently used measures, is a multi-item scale developed to assess customer perceptions of service quality. The founder of **service quality** model (Parasuraman et al. (1985, 1988)) said that, if the actual service is less than expected service, it will show/imply that service quality is less than satisfactory. But, when actual or experienced service is higher than expected service, it shows that customers have got more satisfactory service quality. Perception of service quality by the customers depends on the level the gap between the actual service that the customer experienced or received and they expect to receive Parasuraman et al. (1985).

Therefore, service quality is the difference between the actual service that customers perceived or experienced and the expectation of customer about that service. The gap theory is the method for calculating the service quality by subtracting the customers' evaluation for perception of the service from the evaluation of what was expected, Clow and Kurtz (2003). Therefore, this model has a disconfirmation scale which is the gap between expectations and actual or perception of the service.

On their empirical research, Parasuraman, Zeithaml and Berry (1988) identified a total of 22 factors distributed under five service quality dimensions i.e., Responsiveness, Empathy, Tangibles, Assurance & Reliability.

The service quality measurement scale is comprising a total of 44 attributes (22 for expectations and 22 for perceptions). Customers' responses to service expectations and perceptions that is acquired by a 7-point Likert scale and are calculated to arrive at (P-E) gap scores. The higher is the perception minus expectation scores, the higher is the level of service quality, Parasuraman et al. (1985).

The service quality gap model is the most valuable and one of the best received contributions to the service literature, (Brown et al. 1993); (Ladhari, 2009).

2.2.3.2. Service performance

Service performance is one of service quality model; and it was developed by Cronin and Taylor in 1992. Service performance directly measures the customer's perception of service performance and assumes that respondents automatically compare their perceptions of the service quality levels with their expectations of those services.

Cronin and Taylor argued that only perception was sufficient for measuring service quality and therefore expectations should not be included as suggested by service quality (Baumann et al, 2007 as cited by meron, 2015). Instead of measuring the quality of service via the difference between the perception and expectation of customers as in service quality, Service performance operationalizes on the perceived performance and did not assess the gap scores as expectation does not exist in the model. Thus, it is performance-only measure of service quality. The model adopts the five dimensions of service quality and the 22 item scale is used in measuring service quality. In the Service performance model, the results demonstrated that it had more Predictive power on the overall service quality judgment than service quality. (Cronin and Taylor 1994) „The Service performance scale is found to be superior not only as the efficient scale but also more efficient in reducing the number of items to be measured by 50% (Hartline and Ferrell, 1996; Babakus and Boller, 1992; Bolton and Drew, 1991)““ cited by Mesay2012.

Many studies have been conducted by adopting the Service performance model. Also, Wall and Payne(1973) note that when people are asked to indicate the “desired level” (expectations) of a service and the “existing level”(perceptions) of the service, there is a psychological constraint that people always Tend to rate the former higher than the latter ($E > P$). Babakus and Boller1992 have found that service quality, as measured in the service quality scale, relies more significantly on the perception score than on the expectation score.

Due to the above-mentioned facts the researcher also preferred to use Service performance model to undertake the study. They developed this instrument to simplify the measurement of service quality and customer satisfaction. It has the same dimensions of the service quality model. The model is developed to study banking, pest control, dry cleaning, and fast food sectors. It is a modification of the service quality model and based upon the performance theory.

The fact that Service performance does not consider customer expectations it becomes only difference BetweenService performance and service quality. It brings into consideration only customer perceptions of service performance. Therefore disconfirmation scale, which is the gap between expectations and perceived performance of service, is not used by this model; Service performance has only one part, which is the perceived performance of service. In this instrument, customers are only required to rate their perceptions of performance of the same attributes that are covered in the service quality model. The five dimensions, i.e. Reliability, responsiveness, tangibles, empathy and assurance, identified in the service quality model are equally applicable to the Service performance model (Girma, 2016).

2.2.3.3. Bank service quality

Bank service quality scale was proposed by Bahia and Nantel in 2000 when they have conducted a study on banks' service quality in Canada. The bank service quality is the acronym for Bank Service Quality. The bank service quality scale is the extension of service quality scale. In service quality scale there are five dimensions, while bank service quality scale is composed of six dimensions with 31 attributes. The service dimensioned proposed in the bank service quality include Effectiveness & Assurance, Access, Price, Tangibles, Service Portfolio and Reliability (Girma, 2016).

2.2.3.4. Bank quality

Bank quality scale was proposed by Tsoukatos and Mastrojianni (2010) in the study conducted in Greece retail banking industry. The Bank quality scale proposed, with key dimensions effectiveness, reliability, assurance/empathy and confidence, which is a combination of Service quality and Bank service quality dimensions. The 27 attributes in Bank quality scale consists of twelve service qualities, seven Bank service qualities, two common in Bank service quality and service quality and six are specific setting items. In this respect, the scale is a mixture of the service quality and Bank service quality scales. The dimensions structure of Bank quality consists of service quality Empathy, and Assurance (Parasuraman et al., 1988), Bank service quality's Effectiveness (Bahia and Nantel, 2000), Reliability which is common in servicequalityand Bank service quality and finally Confidence (Dejene, 2017).2.3. Customer Satisfaction ForBusiness organization, customers is a relevant part. So, they tend to manage its customer properly. Customers satisfied when the actual products provided by the organization

are exceeded or met with the expectations of customers. If customers are satisfied, they will be remain loyal, less sensitive and speak positively about the company and buy more. Customer satisfaction normally intimates that customer opinion of the fulfilled condition and customer response to the state of fulfillment (Oliver, 1997). According to Kotler (1997), Customer satisfaction is: “a person's feelings of pleasure or disappointment arise from the comparisons of the perceived performance of the product that offered by the firm with their expectation.

Regarding to Zeithaml&Bitner (2003) Satisfaction defined as post-purchase assessment of consumer about the performance of good or service. Further suggest that service quality has become an important topic because of its positive relationship to profitability, customer satisfaction, customer retention and positive word of mouth. Customer satisfaction is also widely considered as a driver of financial performance and corporate marketing.

2.3. Customer Satisfaction

2.3.1. Customer Satisfaction Measurement

The information can be gathered and analyzed in many different ways. Many organizations continually measure the levels of customer satisfaction to supervise performance over time and measure the effect of service performance/quality. So it is the process of gathering data that generate information about the extent or level of customer satisfaction with services provided by the firm. Henley center headlight vision (Smith, 2007) shows the study conducted in the United Kingdom in the public sector organizations recommends that there are five tells that are likely to be relevant to all organizations in measuring customer satisfaction.

- Delivery of the service (how problems were minimized, reliability, outcome)
- Timeliness (length of times waiting in the queue line, frequently contacted)
- information (free from mistake, exactness, enough information, kept informed)
- Professionalism (competent staff, fair treatment)
- Staff attitude (friendly, polite behavior, attractiveness, sympathetic)

2.3.2. Determinants of Customer Satisfactions

Customer satisfaction is influenced by specific product or service features, perception of quality, customer's emotional responses, their attributions and their perception.

Product Service Features- Customers satisfaction with a product or service is influenced by customer evaluation of product or service feature (Zeithaml et al.,1985)

Customer Emotion- Customer's emotion can also affect their perception of satisfaction with products and services. These emotions can be stable preexisting emotion. (Zeithal et al, 1985)

Attribution of Service Success or Failure- Attribution influence perception of satisfaction when they have been surprised by an outcome, (the service is either much better or much worse than expected), customers tend to look for the reasons their assessments of the reasons can influence their satisfaction. (Ibid)

Perception of Equity or Fairness- Customer satisfaction is also influenced by perception of equity and fairness customers ask the service. Have I been treated fairly compared with other customers? Did other customers get better treatment, better prices or better-quality service and the like? Notions of fairness are central to customer's perception of satisfaction with products and services. (Zettmal et al., 1985)

Organizations take different approaches to identifying customer service standards and they vary in detail. Robert-Phelps uses "SPECIAL (Speed, Personality, exceed expectations, Competence and courtesy, Information, Attitude, Long-term relationship)" as a model to satisfy customers.

2.4. Relationship between Service Quality and Customer Satisfaction

(Kotler and Armstrong, 2012) state that satisfaction comes from the post-purchase assessment of good or services and comparing this with the expectations. Studies which are conducted in the earlier time on service quality and customer satisfaction tells that service quality able to generate satisfaction. Therefore, the studies of many researchers suggest a quality service leads to customer satisfaction. To achieve a high level of customer satisfaction, they suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction (Mesay, 2012). As service

quality improves, the probability of customer satisfaction increases. Quality was only one of many Dimensions on which satisfaction was based; satisfaction was also one potential influence on future quality perceptions (Clemes, 2008). Parasuraman et al (1988) defined service quality and customer satisfaction as follows: 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” (Parasuraman et al., 1985). Siddiqi (2011) described that all the service quality attributes are positively related to customer satisfaction and customer satisfaction is positively related to customer loyalty in the retail banking settings. Furthermore, Daniel O. Auka (2012) also stated that high quality of service will result in high customer satisfaction and increase loyalty.

2.5. Empirical literatures

so many different studies are conducted on the effect of service quality on customer satisfaction on service industry including banking service. Some of these studies are: the study of melesse (2014) on customer satisfaction with service quality in commercial bank of Ethiopia Addis Ababa branches result shows that the service quality and customer satisfaction indicated that generally, CBE has a big gap from the dimensions expected by its customers and failure to meet or exceed customers’ expectations which may necessitate the bank to rethink about its services.

The finding of Khan & Fasih (2014) state that the variables of service quality (tangibles, reliability, responsive and empathy) and customer satisfaction are significantly prevailing in the banking sector of Pakistan while variable of assurance is also exiting but this proposition could only be made with less confidence and significance. According to Fasil (2015) study shows that dimensions of service quality have a positive and significance relationship with customer satisfaction. But respondents are most satisfied with tangibility, and followed by responsiveness. Customers are relatively less satisfied with reliability and empathy.

The mean score of service quality that is an average of overall service quality dimensions indicate that customers almost agree that their insurers have delivered best quality services to satisfy their various needs (fasil, 2015).

The study of Felix (2017) on the impact of service quality on customer satisfaction in Rwanda selected banksconcluding that there is no significant relationship between service quality and customer satisfaction.

2.6. Statement of Hypotheses

These study hypotheses designed by based on the following assumptions

H1: Tangibility has a significant effect on customer satisfaction.

H2: Reliability has a significant effect on customer satisfaction.

H3: Responsiveness has a significant effect on customer satisfaction.

H4: Assurance has a significant effect on customer satisfaction.

H5: Empathy has a significant effect on customer satisfaction.

H6: Service quality has a significant effect on customer satisfactions

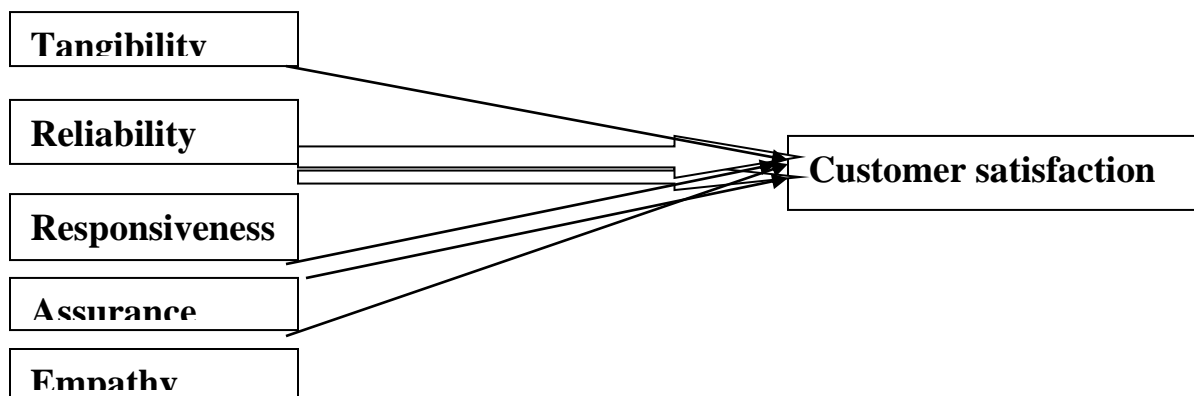
2.7. Conceptual frame work

Conceptual frame work of the research is developed to find out the interrelationships between service quality, and customer satisfaction in the CBE. The Conceptual frame work for this study is as follows:

Service Quality Dimensions **Dependent Variable**

(Independent variable)

Dependent variable



Source: adapted from Agus et al. (2007) and Caruana (2002)

Fig 2.1: Conceptual framework diagram of the relationship between the dimension of SERVICE QUALITY and customers' satisfaction

CHAPTER THREE

Research Methodology

3.1. Introduction

In this chapter shows the researcher will tell about the overall methodologies that will be used by this study. This section includes many sub sections those are the research design, the target population, sampling technique, sample size, type of data, source of data, data collection instrument and measurement, data analyzing methods and reliability test of questionnaire.

3.2. Research Design

A decision regarding what, where, when, how much, by what means concerning an inquiry or a research study constitute a research design and the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data (Kothari, 2004). Issues relating to decisions regarding the purpose of the study (exploratory, descriptive, hypothesis testing), its location (i.e., the study setting), the type it should conform to (type of investigation), the extent to which it is manipulated and controlled by the researcher (extent of researcher interference), its temporal aspects (time horizon), and the level at which the data will be analyzed (unit of analysis), are integral to research design (Sekaran and Bougie, 2010). According to Kothari (2004), more explicitly, the design decisions happen to be in respect of: What is the study about? Why is the study being made? Where will the study be carried out? What type of data is required? Where can the required data be found? What periods of time will the study include? What will be the sample design? What techniques of data collection will be used? How will the data be analyzed? In what style will the report be prepared? In addition, there are different research design categories. The three most common and useful purpose of research; these are exploratory, descriptive and explanatory (Babbie, 2013). According to Kothari (2004) we can be categorize them as: (1) research design in case of exploratory research studies; (2) research design in case of descriptive and diagnostic research studies, and (3) research design in case of hypothesis-testing research studies.

This study was both descriptive and explanatory research design. As a descriptive research; this study was concerned with describing the existing nature and characteristics of respondent and

variables by presenting a profile of the respondents through tables, frequency distributions and percentages and to identify the mean and standard deviation of service quality dimensions and customer satisfaction.

This study as an explanatory research design; it was having an explanatory variable which are service quality dimensions to explain the dependent variable which is customer satisfaction and the study would have a formulated hypothesis and go to test these formulated hypotheses and examine relationships and impact of service quality dimensions on customer satisfaction.

3.3. Target population

the researcher investigates some selected branches of commercial bank of Ethiopia at west district merkato area as the target population for this study that have current or saving account, teen youth and above in commercial bank of Ethiopia at some selected merkato branches. the branches that selected by me based on the proximity of the researcher and availability of accurate information to researcher. CBE five branches which are shematera, bombtera, Sidamotera, gomatera, and Merkato Branche. The total population from these five branches that were targeted for this study.

3.4. Sampling technique

Because of large number of respondents, the researcher prefers to use convenient sampling technique to select sample respondent. the main reason of applying convenient sampling technique is the population of the study is large and it is impossible to include every individual and their convenient accessibility and proximity of customer to the researcher while gathering data

3.5. Sample size

The total sample size was determined by using the following sample size determination formula developed by Taro Yamane (1967).

$$n = \frac{N}{1+Ne^2}$$

Where:

n; The sample size

N; The population size

e; The sampling error (0.05) which is 95% of level of confidence

According to the above formula, the total sample size from the total number of CBE's customers at all west district selected branches was calculated.

$$n = \frac{67881}{1 + 67881 \cdot (0.05)^2} = 397$$

After the total sample size is determined, I will be proceeding to allocate the total number of samples proportionately for each branch of CBE at selected west district merkato branches based on their respective total number of customers by using the above formula.

$$n1 = \frac{nN1}{N}$$

where, n= total number of samples 397

N= total number of customers from each branch

N1= total number of customers at each branch

n1= sample size at each branch

Based on the above formula the total samples proportionally allocated for each branch of CBE at selected west district merkato branches based on their respective total number of customers as follow as


 የኢትዮጵያ ንግድ ባንክ Commercial Bank of Ethiopia				
MANAGEMENT INFORMATION SERVICE				
NUMBER OF DEPOSIT ACCOUNTS DETAIL BY OWNERSHIP AND SUMMARY (STATSTICAL) AS OF 08/03/2021				
BRANCHNAME	DEMAND DEPOSIT	SAVING DEPOSIT	TIME DEPOSIT	TOTAL
Bomb tera	1185	21848		23033.00
Shema Tera	104.00	5,999.00		6,103.00
Goma Terra	301.00	10,304.00		10,605.00
Merkato	683.00	17,489.00		18,172.00
Sidamo Tera	325.00	9,643.00		9,968.00
				67,881.00

Table 3.1 Sample list at each branch

Branches Name	Total number of customers from each branches	Sample size at each branch $n1 = \frac{nN1}{N}$
Bombtera	23,033	134
Shema tera	6,103	36
Goma Terra	10,605	62
Merkato	18,172	106
Sidamotera	9,968	59
Total	67881	397

Source: - from performance of CBE as. 08.03.2021

3.6. Type of data

The reason of using Quantitative type of data was the study would be analysis the data by using statistical analysis. So, this study was used Quantitative type of data. The statistical analysis is uses mainly quantitative data using appropriate measurement of their variables and it can be measured numerically. In order to know the impact of independent variable on the dependent variable by using statistical approaches, it requires a quantitative type of data. Therefore, to achieve the objective of the study, it was used quantitative type of data. Quantitative research approach is used to test a hypothesis and theory. So, this study has its own hypothesizes to be tested. In order to test these hypothesizes the study would employ a quantitative research approach.

3.7. Data Source

For this research I was mainly used primary and secondary source of data and method of data collection.

3.7.1. Primary data source

Questionnaire was the main primary source of data for this study. The core reason of using questionnaire is respondent will be generating their true feeling or idea without any bias and free

from any afraid. Because obtaining data through questionnaire is doesn't tell the person who give those particular responses. The questionnaire that was used to obtained primary data were a standard questionnaire constructed by considering the five dimensions of service quality these are stated on service quality model by Parasuraman et al. (1985; 1988). These dimensions are tangibility, reliability, responsiveness, assurance and empathy of the service. Further, customer's perceptions would be used to assess Customer Satisfaction. The attitude of the respondent on these variables was measured by using five Likert-scales labeled as strongly agree, agree, neutral/ neither agree nor disagree, disagree and strongly disagree.

3.7.2. Secondary data source

The secondary data would be used to this study in order to understand different related literatures conducted in the area. So, these secondary data was collected from different published and unpublished documents like different journals, books, previous researches and others were used. In addition to these documents, this study also used publications and reports produced by CBE. Different web sites which have pervious researches were used as an additional source of secondary data for this study like Addis Ababa university repository.

3.8. Data collection instruments and measurement

In order to obtain realistic information, the study was used mainly the primary data collection method. The study used questionnaire as a primary data collection mechanism. Questionnaires was distributed to the respondents who are the customer of the commercial bank of Ethiopia at selected west district merkatobranches while they receiving service without any discrimination by genders, races, age groups, marital status, education backgrounds and professionalisms. The questionnaire was standardized and structured; as the result of this, respondents able to easily understand. In order to measure the effect of service quality on customer satisfaction on commercial bank of Ethiopia at selected west district merkatobranches; the researcher was developing a five Likert scale questionnaire. Where; 1 represent "Strongly Disagree", 2 represent "Disagree", 3 represent "Neutral", 4 represent "Agree" and 5 represent "Strongly Agree." The questionnaire would have three sections to cover the general characteristics of the respondents, Dependent and independent variables of the study. This questionnaire adopted from the study of Bethlehem (2015) conducted on the impact of service quality on customer satisfaction the case of commercial bank of Ethiopia. The first part was contained six (6) elements which are the details demographic information of the respondents like age, gender, educational level, for how long are

the respondents a customer of the bank, type of account and type of service. The second part was contained service quality variables i.e., Tangibility, Reliability and Responsiveness would have four elements each to measure them, Assurance was have three elements to measuring it and Empathy would have five elements to measuring it. The Third part would be containing variables for Customer satisfaction; it was have five elements to measure the level of customer satisfactions (see appendix I).

3.9. Method of data analysis and presentation

The collected data has to be changed and interpreted in to meaningful information, figure and statement. Soit was analyzed, processed and interpreted according to the nature of data. Statistical Package for Social Science (SPSS) software version 20 was employed to analyze and present the data through the statistical tools used for this study, namely descriptive analysis, correlation and multiple regression analysis.

A. Descriptive analysis the descriptive statistical results were presented by tables, frequency distributions and Percentages to give a condensed picture of the data. This was achieved through summary of statistics, which includes the means and standard deviations values which are computed for each variable in this study.

B. Pearson Correlation analysis in this study Pearson's correlation coefficient was used to determine the relationships between service quality dimension (Tangible, reliability, responsiveness, assurance, empathy) and customer satisfaction.

C. Multiple Regression Analysis Multiple regression analysis was used to investigate the effect of service quality dimensions (Tangible, reliability, responsiveness, assurance, empathy) and Customer satisfaction.

Regression functions the equation of multiple regressions on this study was generally built around two sets of variable, namely dependent and independent variables. The basic objective of using regression equation is to make the researcher more effective at describing, understanding, predicting, and controlling the stated variables.

Regress customer satisfaction on the service quality dimensions

$$Y = \beta_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6$$

Where Y is the dependent variable-customer satisfaction

Tangible =X2, reliability =X3, responsiveness =X4, assurance =X5 and empathy=X6 are the explanatory variables (or the regresses). β_1 is the intercept term-it gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables are set equal to zero. β_2 , β_3 , β_4 , β_5 and β_6 refer to the coefficient of their respective independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables

3.10. Reliability and validity test

3.10.1. Reliability test

The researcher was checked the reliability of items with in the questionnaire. The researcher was checked the reliability of the questionnaires by using Alpha reliability withCranach's alpha. Alpha reliability used as measuring internal consistency of the mean of the items at the time of administration of the questionnaire. Cronbach's alpha was indicated that the reliability coefficient of items ware set in the questionnaire is positively related to each other. It was computed in terms of the average intercorrelations among the items measuring the concept. The reliability was calculated in such a way that was represents the reliability of the mean of the items. This coefficient can hold a value of 0 to 1. The result of 0.7 and above was implies an acceptable level of internal reliability of items.

The following table 3.2 shows that, the Cronbach's Alpha of each factor was found between 0.704 and 0.857. It implies that all items which are found in each factor are an acceptable level of internal reliability.

Table 3.2, reliability test of items

Factors**No.ofitems****Cronbach's Alpha**

The study Variables	No of items	Cronbach's alpha
Tangibility	4	0.856
Reliability	4	0.794
Responsiveness	4	0.703
Assurance	3	0.857
Empathy	5	0.824
Customer satisfaction	5	0.740

Source: Survey data (2021)

3.10.2 Validity test

Validity was tested to measure the ability of items to address the concept of each service quality dimensions which are used for this study. Questionnaire used for this study initially developed by Parasuraman, et al. (1988) Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality and they check the validity of each item. And also, the study adopted questionnaire from former study that was checked the validity of the questionnaire. In addition to this, the researcher was checked the validity of the questionnaire with a person who is specialized in the area of service quality and customer satisfaction.

3.11. Ethical consideration

In order to preserve the ethical value of the organization, the researcher used information that was gathered from the organization was kept confidentially and used for this study only. To declare the secrecy of information obtained from customers/respondents, the researcher was clearly instructed that they don't write their name on the questionnaire while they give their response and clearly state the objective of the study and purpose of their response for only this study objective.

CHAPTER FOUR

Data Analysis, Interpretation and Discussion

4.1. Introduction

In this chapter the collected data was analyzed and interpreted; the analyzed and interpreted data was presented and discussed. It includes the response rate of the distributed questioner, background of the respondent through frequency distribution and percentage, descriptive statistical analysis of service quality dimensions and customer satisfaction to know the level of satisfaction, correlation analysis to show the relationship between the dependent variable and independent variable (customer satisfaction as a dependent variable and service quality dimensions as an independent variable) and multiple regression analysis to determine the impact of service quality on customer satisfaction by using SPSS statistic version 20.

4.2. Response rate

For this study three hundred ninety Seven (397) questionnaires were distributed for the customer of CBE at west district merkato area five branches by using convenient sampling mechanism. So, out of 397 questioners three hundred forty nine (349) (87.9%) are collected. But thirty (30) (7.6%) have been rejected because they are doesn't filled appropriately or incomplete questionnaires and the remaining eighteen (18) (4.5%) were uncollected questionnaires. Therefore, three hundred forty nine (349) (87.9 %) questionnaires were employed for this study.

Table 4.1 Response rate of questionnaires by respondents

Questionnaires	Frequency of respondent	Valid percent
Collected and used	349	87.90%
Collected but reject	30	7.60%
uncollected	18	4.50%

The study that shows gender of the respondent from the above table 4.2 shows that 65% (226) of the respondents were male and 35% (123) of the respondents were female. It implies that the male customers are higher than female customer

4.3. Back ground information of the respondent

The respondents were asked about their gender, age, educational level, the duration of they are how long are customer of CBE and type of account they do have. All things that are performed to find out the general profile information of the customer of CBE at west district merkato area branches.

4.3.1. Gender of the respondent

Table 4.2 Gender profile of the respondent

Gender of the respondent		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	226	64.70%	64.70%	64.70%
	female	123	35.30%	35.30%	100
	Total	349	100	100	

Source: Own survey, 2021

The study that shows gender of the respondent from the above table 4.2 shows that 65% (226) of the respondents were male and 35% (123) of the respondents were female. It implies that the male customers are higher than female customer

4.3.2. Age profile of the respondent

Table 4.3 Age profile of the respondent

Age of the respondent	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-35 years	259	74.30%	74.30%
	36-45 years	54	15.50%	89.80%
	46-55 years	17	4.80%	94.70%
	56-65 years	11	3.20%	97.90%
	above 65 years	8	2.20%	100
	Total	349	100	100

Source: Own survey, 2021

The illustrates of above table that is age of the respondents. Table 4.3 result shows that 74.3% (259) of the respondents were found from 18 to 35 years old, whereas 15.5% (54) and 24.8% (17) of the respondents were found between 36 and 45 years and from 46 up to 55 years old respectively. The remaining of 3.2% (11) and 2.2% (8) respondents were found their age from 56 years old up to 65 years old and above 65 years old respectively. So, majority of the customer of the bank were found their age up to 35 years old.

4.3.3. Educational level of the respondent

The following table shows that educational level of the respondent. The result of table 4.4 indicates that 4% (14) of the respondents were **primary school**. Whereas 15.2% (53) of the respondents were **high school** and 15.5% (54) of the respondents were **certificate**. And the remaining of the two was 28.9% (101) and 36.4% (127) of the respondents were **diploma** and **first degree and above**. Therefore, majority of the customer of the bank are degree and above.

Table 4.4 educational level of the respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	primary school	14	4%	4%	4%
	high school	53	15.20%	15.20%	19.30%
	certificate	54	15.50%	15.50%	34.80%
	diploma	101	28.90%	28.90%	63.60%
	first degree and above	127	36.40%	36.40%	100
	Total	349	100	100	

Source: Own survey, 2021

4.3.4. Length of time the respondents to be a customers of the bank

The above table 4.5 demonstrates about the length of time that respondents use or to be a customer of the bank. 9.6% or 36 of the respondents were to be a customer of the bank range **less than one years**, 39.6 % or 148 of the respondents were to be a customer of the bank range from one year up to three years and 35% or 131 of the respondents were to be a customer of the bank range from four years up to six years. Whereas the remaining 9.9% or 37 and 5.9% or 22 of the respondents were to be a customer of the bank seven year up to nine years and ten (10) years and above ten years respectively. Regarding to this data presented on the above table 4.5 majority of the customer of the bank at west district merkato area are three years to six years (3-6) to be acustomer of the bank.

Table 4.5, the length of time of respondents to be a customer of the bank

For how long are you customers of the bank		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than one years	33	9.60%	9.60%	9.60%
	1-3 years	138	39.60%	39.60%	49.20%
	4-6 years	122	35%	35%	84.20%
	7-9 years	35	9.90%	9.90%	94.10%
	above 10 years	21	5.90%	5.90%	100
	Total	349	100	100	

Source: Own survey, 2021

4.3.5. Type of account respondents do have

For the type of account that the respondents do have, majority of the respondents 180 or 51.9% were have interest free account. The second highest respondent are 139 or 39.7% saving account and the list number of respondent for this study are those who have current account 30 or 8.7%. Therefore, majority of the customer of commercial bank of Ethiopia (CBE) west district merkato area branches do have IFB.

Table 4.6, type of account that the respondents do have

types of account		Frequency	Percent	Valid Percent	Cumulative Percent
Valid					
	saving account	139	39.70%	39.70%	39.70%
	IFB	180	51.60%	51.60%	91.30%
					100%
	current account	30	8.70%	8.70%	
total					

Source: Own survey, 2021

4.4. Descriptive statistics analysis

4.4.1. Analyzing service quality dimensions

Service quality is a concept that has attracted considerable interest and debate in the marketing literature because of the difficulties in both defining it and measuring it with no consensus emerging on either. One that is commonly used defines service quality as the ability of the organization to meet or exceed customer expectations. It is the result of the comparison between customers' expectations about a service and their perception of the way the service has been performed. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs. For this study service quality model was used to measure customers' perception about service quality delivered by CBE. Service quality model is used to measure customers expectation about service quality that the bank provide directly compare their expectation with the actual or perceived service. This model contain 20 questions to describe the five service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy. In order to measure the quality of service provide by the bank five point Likert scale was used with: 1=strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. But, while making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear. 1-1.8= Strongly Disagree, 1.81–2.6 = Disagree, 2.61 –3.4= Neutral, 3.41 –4.20= Agree and 4.21 –5 = Strongly Agree (Best, 1977, as cited by Yonas, 2013). In order to measure the result of customers perception about the quality of service provides by commercial bank of Ethiopia; mean, standard deviation, mode frequency and percentage of each question about each service quality dimensions are computed as follow as-

4.4.1.1. Tangibility

Tangibility is the appearance of physical facilities, equipment, personnel and communication material. Tangibility provides physical representations or images of the service that customers, particularly new customers, will use to evaluate quality. Service organizations often use tangibles to enhance their image, provide continuity and signal quality to customers. In contrast, organizations that do not pay attention to tangibility dimensions of the service strategy can

Confuse and even destroy a good strategy. The tangibility dimension of SERVQUAL compares customer expectations to customer perceptions regarding the organization's ability to manage its tangibles. Comparing the perception scores to the expectation scores provides a numerical variable that indicates the tangibles. So In order to measure the perception of customer about tangibility four questions were asked to the respondents. From the questions which are asked to the branch has office at convenient location to its customer been having a high mean score 2.45 with 1.244 standard deviation. Staffs of the branch at the front-line position are well dressed and appear neat was have the second mean score 2.42 with 1.263 standard deviation. The others remaining questionthe branch facilities are visually attractive it is third mean score 2.40 with 1.227 standard deviation and the branch has up to date equipment's is the last mean score 2.27 with 1.22 standard deviation. Accordingly the overall mean score of tangibility shows that 2.39 with the standard deviation .857 which means that most of the respondent was dissatisfied regarding to the overall physical appearance of employee, facilities and equipment associated with services provided by the bank. Without regarding the other factors.

Table 4.7, Mean and Standard Deviation Score for tangibility

		The branch has up to date equipment's	The branch facilities are visually attractive	The branch has office at convenient location to its customer	Staffs of the branch at the front-line position are well dressed and appear neat.
N	Valid	349	349	349	349
	Missing	0	0	0	0
Mean		2.27	2.40	2.45	2.42
Std. Deviation		1.220	1.227	1.244	1.263

Source: output of SPSS from Own survey data,2021

4.4.1.2 Reliability

the reliability dimension of service quality refers to the ability of service organizations to perform the promised service dependably and accurately, and thus reflects the consistency and dependability of an organization's performance. State that reliability means that the organization delivers on its promises about service delivery, service provision and problem resolution. Even though unreliable service providers are extremely frustrating for customers, a disturbing number of organizations still fail to keep their promises regarding service delivery. Four questions were asked to the respondents in order to know the perception of customers about service reliability which is provided by commercial bank of Ethiopia. From those question asked to respondents; keep customer record correctly was have the highest mean score which is 2.25 with 1.144 standard deviation followed by the branch inform any failure ahead of time with 2.22 mean and 1.204 standard deviation scores and with 2.20 mean and 1.123 standard deviation of scored by provide service at the designed and promised time finally the last one is quality of network and speed service that enable proved service as promised with mean of 2.17 and 1.144 standard deviation scores There is a quality of network enabling the bank provide service as promised and speed service have the lowest mean score which is 2.17 with 1.144 standard deviation. The overall mean score of reliability shows that 2.21 with 0.801 standard deviation. So, most of the respondent was dissatisfied regarding to the service reliability.

Table 4.8, Mean and Standard Deviation Score for reliability

		quality of network and speed service that enable proved service as promised	keep customer record correctly	provide service at the designed and promised time	the branch inform any failure ahead of time
N	Valid	349	349	349	349
	Missing	0	0	0	0
Mean		2.17	2.25	2.20	2.22
Std. Deviation		1.144	1.144	1.123	1.204

Source: output of SPSS from Own survey data, 2021

4.4.1.3. Responsiveness

Responsiveness is the willingness to help customers and to provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints and problems. Responsiveness also captures the notion of flexibility and the ability to customize the service to customer needs. The banks must view the process of service delivery and the handling of requests from the customer's point of view rather than from the organization's point of view. Responsiveness reflects a service organization's commitment to provide services in a timely manner. As such, the responsiveness dimension concerns the willingness and readiness to provide service. Regarding to responsiveness four questions was asked the respondents to understand the filing of customer about service responsiveness which is delivered by CBE. Accordingly Employees give quick response when there is problem have the highest mean score which is 2.94 with 1.489 standard deviation followed by Employees are never busy to respond to customer request with the mean value of 2.87 and 1.391 Std. Deviation, Employee's willingness to help customer with mean value of 2.70 and 1.50 Std. Deviation finally Employee provides punctual services with 2.57 mean 1.426 Std. Deviation score. The overall mean score of responsiveness was 2.77 with standard deviation 0.975. It implies that most of the respondents were almost dissatisfied about the presence of service responsiveness.

Table 4.9, Mean and Standard Deviation Score for responsiveness

		Employee provides punctual services	Employee's willingness to help customer	Employees are never busy to respond to customer request	Employees give quick response when there is problem
N	Valid	349	349	349	349
	Missing	0	0	0	0
Mean		2.57	2.70	2.87	2.94
Std. Deviation		1.426	1.350	1.391	1.489

Source: output of SPSS from Own survey data, 2021

4.4.1.4. Assurance

The assurance dimension of service quality addresses the competence of the organization, the courtesy it extends to its customers and the security of its operations. Assurance as employees “knowledge and courtesy, and the ability of the organization and its employees to inspire trust and confidence. That competence pertains to the organization’s knowledge and skills in performing the promised service and refers to how the organization’s employees interact with the customer and the customer’s possessions. So, to understand the perception of customer three questions were asked to the respondents. From these questions the staffs of CBE have staffs are polite have the highest mean score from this dimension which is 2.34; it implies that majority of the respondents were disagree about the staffs are polite to serve customers. Next to this staffs have adequate knowledge to serve customer with the mean score is 2.25 have higher mean than personal behavior of the staffs is excellent that the customer Can trust with the mean score is 2.21 which is has the lowest mean score in this dimension. The overall mean score of assurances 2.27 which mean that majority of the respondent’s dissatisfied about the knowledge and polite behavior of employees and their ability to convey trust and secret

Table 4.10, Mean and Standard Deviation Score for assurance

		personal behavior of the staffs is excellent that the customer Can trust	staffs are polite	staffs have adequate knowledge to serve customer
N	Valid	349	349	349
	Missing	0	0	0
Mean		2.21	2.34	2.25
Std. Deviation		1.102	1.217	1.152

Source: output of SPSS from Own survey data, 2021

4.4.1.5. Empathy

Empathy is the ability to experience another’s feelings as one’s own or ability to understanding customers feeling, caring and individual attention the firm provides its customers. It contains five questions used to assess the ability of staffs to understanding customers feeling, caring and individual attention the firm provides its customers.

The illustration of the following tables 4.10 shows that overall mean score of empathy was 2.516; which implies that most of the respondents were dissatisfied with the ability of staffs to understanding customers feeling, caring and individual attention to customers (service empathy)

For the given dimension of service quality the bank and its employees give do considerations for customer’s property have the highest mean value which 3.08 and the bank has convenient working hours to all its customers 2.58. Staffs give orientation about the new service and the cost related with the service, staffs are giving customers individual attention and the staff knows what customers’ needs are 2.3, 2.36, 2.26 respectively. The staff knows what customers’ needs are have the least mean score is 2.26

Table 4.11, Mean and Standard Deviation Score for empathy

		the staff knows what customers’ needs are	staffs are giving customers individual attention	The bank and its employees give do consideration for customers property	staffs give orientation about the new service and the cost related with the service	The bank has convenient working hours to all its customers
N	Valid	349	349	349	349	349
	Missing	0	0	0	0	0
Mean		2.26	2.36	3.08	2.30	2.58
Std. Deviation		1.242	1.287	1.327	1.268	1.397

Source: output of SPSS from Own survey data, 2021

To summarize all the above points, responsiveness has the highest mean value of 2.77, it implies that customer satisfaction arises from the dimension of service quality is responsiveness followed by empathy with the mean value of 2.52, Tangibility with the mean of 2.39, assurance with the mean of 2.27 and reliability has the least mean value which is 2.21. Regarding this we conclude that the service provided by commercial banks of Ethiopia is somewhat unsatisfactory quality of service. According to the study of Quyet, Vinh and Chang (2015), responsiveness had neutral satisfaction and Reliability had the last satisfaction. The result of this study is consistent only with this study.

Table 4.12, Mean and standard deviation of service quality dimensions

		Tangibility	reliability	responsiveness	assurance	Empathy
N	Valid	349	349	349	349	349
	Missing	0	0	0	0	0
Mean		2.39	2.21	2.77	2.27	2.52
Std. Deviation		1.035	.907	1.364	1.022	1.000

Source: output of SPSS from Own survey data, 2021

4.4.2. Analyzing customer satisfaction

Customer satisfaction has been recognized as one of the most important elements of contemporary marketing thought, particularly in the case of service sectors. The following table 4.13 refers that the level of customer satisfaction about the security of the bank service, the respectful behavior of the bank staffs, the communicative ability of the employee of the bank, the performance of the employee of the bank and the various range of service of CBE. According to the data presented on table 4.13 indicate that customers are almost dissatisfied with and satisfied with the communicative ability of the employee of the bank relatively to the remaining factors with the mean value 1.78. The other factor mean values are between 1.53 to 1.78.

Therefore, majority of the customers are strongly dissatisfied with respectful behavior of the bank staffs, the communicative ability of the employee of the bank, the performance of the employee of the bank and various rang of service of CBE. The overall mean result of customer satisfaction is 1.69 which implies that majority of the customers are dissatisfied by the service provided by the bank.

The finding of Endalkachew (2013) conducted on Assessing the impact of Core Banking and service quality on Customer Satisfaction in Commercial Bank of Ethiopia (A case of Bishofftu Branch) shows that, 85% of the customer are satisfied with the various rang of service of CBE at bishofftu branch.

The finding of betelhem (2015) conducted on the impact of service quality on customer satisfaction the case of commercial bank of Ethiopia showed that, customers don't satisfy with the overall service provided by the bank.

Table 4.13, mean and standard deviation of customer satisfaction

		I have full satisfaction with the responsiveness speed to the complaints submitted	I am satisfied with the quick service of this bank.	I am satisfied with the communicative ability of the employee of the bank	I am fully satisfied with the amount of time I spend waiting for a service	I am fully satisfied with various rang of service of CBE and the way treatment that workers give	Customer satisfaction
N	Valid	349	349	349	349	349	349
	Missing	0	0	0	0	0	0
Mean		1.77	1.75	1.78	1.53	1.63	1.69
Std. Deviation		.682	.701	.755	.538	.745	.482

Source: output of SPSS from Own survey data, 2021

4.5. Correlation analysis between service quality dimensions and customer satisfaction

Correlation coefficients are indicators of the strength of the linear relationship between two different variables. The coefficient of correlation founds between -1 and 1. If the correlation coefficient of two variables is 1, these variables will have a positive relationship. And also the correlation coefficient approaches to positive one there is a strong relationship among the two variables. In other way the correlation coefficient is -1 show that the two variables have a negative relationship. And the correlation coefficient approaches to -1 there is a strong negative relationship among them. If there is no a relationship between the two variables, the correlation coefficient will be equal to zero (0) (Berndt et. al. 2005). The correlation coefficients lie between 0.1 and 0.29 the relationship between two variables are weak or non-existent. When the relationship between two variables moderate, the correlation coefficient found between 0.3 and 0.49 and the correlation coefficient of the two variables is more than 0.5 there is a strong relationship among them (Ibid). For this study Pearson correlation coefficient was used to study the relationship between service qualities dimensions namely tangibility, reliability, responsiveness, assurance and empathy and customer satisfaction. The following table show that the Pearson Correlation on the relationship between service qualities dimensions and customer satisfaction. Table 4.14, Pearson correlation on the relationship between service quality dimension and customer satisfaction

		Customer satisfaction
Tangibility	Pearson Correlation	.433**
	Sig. (2-tailed)	.000
	N	349
reliability	Pearson Correlation	.485**
	Sig. (2-tailed)	.000
	N	349
responsiveness	Pearson Correlation	.666**
	Sig. (2-tailed)	.000
	N	349
assurance	Pearson Correlation	.657**
	Sig. (2-tailed)	.000
	N	349
Empathy	Pearson Correlation	.549**
	Sig. (2-tailed)	.000
	N	349

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

Source: output of SPSS from Own survey data, 2021

Regarding to the above table 4.14 all of the five service quality dimensions has a strong statistical or significant positive relationship with customer satisfaction at the p-value 0.000 which is less than the significant level 0.01 (1%). Among them responsiveness have the strongest relationship with correlation coefficient of 0.666 followed by assurance with coefficient of .657**, Empathy 0.549 and reliability 0.485. Tangibility has the weakest relationship with customer satisfaction relatively to the other for dimensions at the Pearson correlation coefficient .433. If there is a positive relationship between two variables indicates; if one variable increases, the other variable will be increases. Therefore, based on the above discussion service quality. Dimensions and customer satisfaction have a strong positive correlation. So, offering a better quality of service enhancing customer satisfaction. The finding of meron (2015) conducted on Impact of Service Quality on Customer Satisfaction: The Case of Bank of Abyssinia S.C and the result show that, assurance is highly correlated to satisfaction (0.606) followed by responsiveness (0.585), reliability (0.512), and tangibility (0.501) and empathy (0.487). It was inconsistent with this study

4.6. Regression analysis

Regression analysis is a reliable method of identifying which variables have impact on a topic of interest. The process of performing a regression allows you to confidently determine which factors matter most, which factors can be ignored, and how these factors influence each other. In order to understand regression analysis fully, it's essential to comprehend the following terms:**Dependent Variable:** This is the main factor that you're trying to understand or predict. **Independent Variables:** These are the factors that you hypothesize have an impact on your dependent variable. In this study, regression analyses used to see what the dependent variable (customer satisfaction) will be as a result of change occur on the independent variable (service quality dimension namely, tangibility, reliability, responsiveness, assurance and empathy).

4.7 Assumption of regression analysis

4.7.1. Multicollinearity test

Multicollinearity occurs when independent variables in a regression model are correlated. This correlation is a problem because independent variables should be independent. If the degree of correlation between variables is high enough, it can cause problems when you fit the model and interpret the results. Multicollinearity of the variables is test by using the tolerance statistics and variance inflation factor (VIF). If the tolerance statistics is below 0.1(10%), there will be multicollinearity problem. And also the value of VIF of variables are more than 10, there will be multicollinearity problem. Regarding to the following table 4.15, all variables except Empathy IF was below 10 and the tolerance statistics was more than 0.1 (10%). So, there is no a multicollinearity problem or there is no closely correlation among the predictors.

Table 4.15, Collinearity Statistics of the predictors

Model		Co linearity Statistics	
		Tolerance	VIF
1	Tangibility	.156	6.401
	Reliability	.109	9.184
	Responsiveness	.246	4.065
	Assurance	.125	8.031
	Empathy	.10	9.301

Dependent Variable: Customer satisfaction

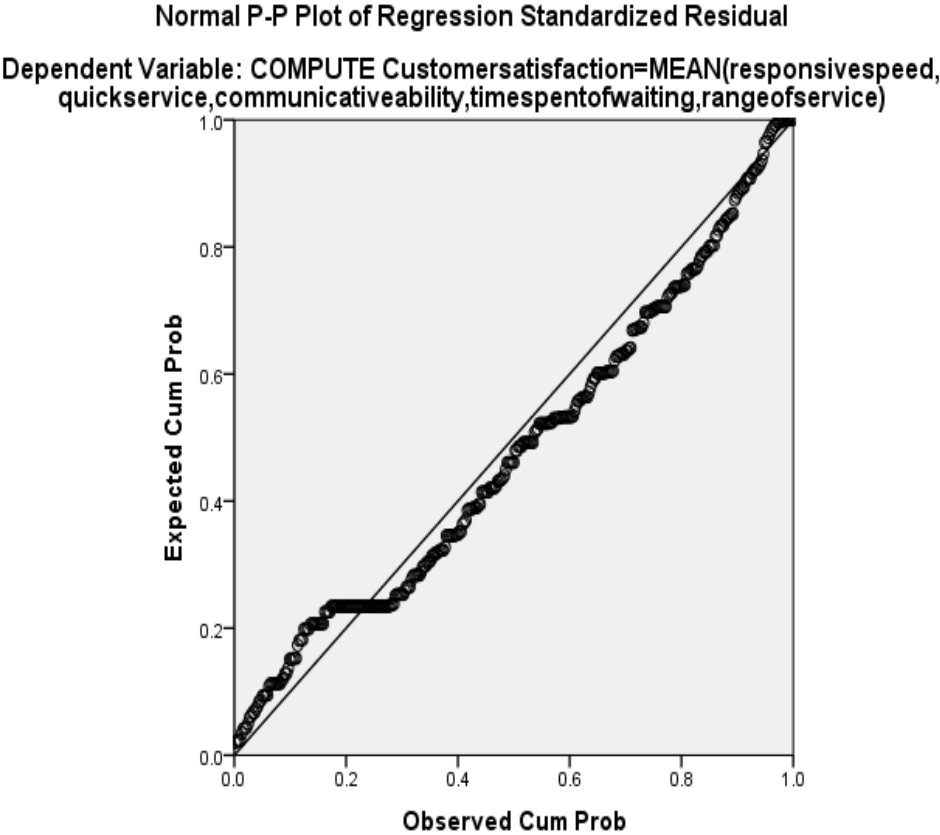
Source: Regression output of SPSS from Own survey data, 2021

4.7.2 Test of Normality

Normality test is used to determine whether the sample data drawn from the normal distributed population or not. Simply it shows the population distribution is normally distributed or not.

The study used both methods of assessing normality. This can be checked by histogram and Normal Probability Plot (P-P) graph. In the Normal Probability Plot it will be hoped that points will lie in a reasonably straight diagonal line from bottom left to top right. This would suggest that there is a normal population distribution. And also Histogram should be approximately normal or it must be bell shaped distribution (<http://www.statisticssolutions.com>). The following figure 4.1a shows that the population distribution was normally distributed. Because all plotted points lie near to the straight diagonal line from bottom left to top right. And also figure 4.1b shows similarly the distribution of population was normal. Because the curve is bell curve and the histogram shows that the population is normally distributed.

Fig 4.1a, Probability Plot (P-P) graph shows the normal distribution of population



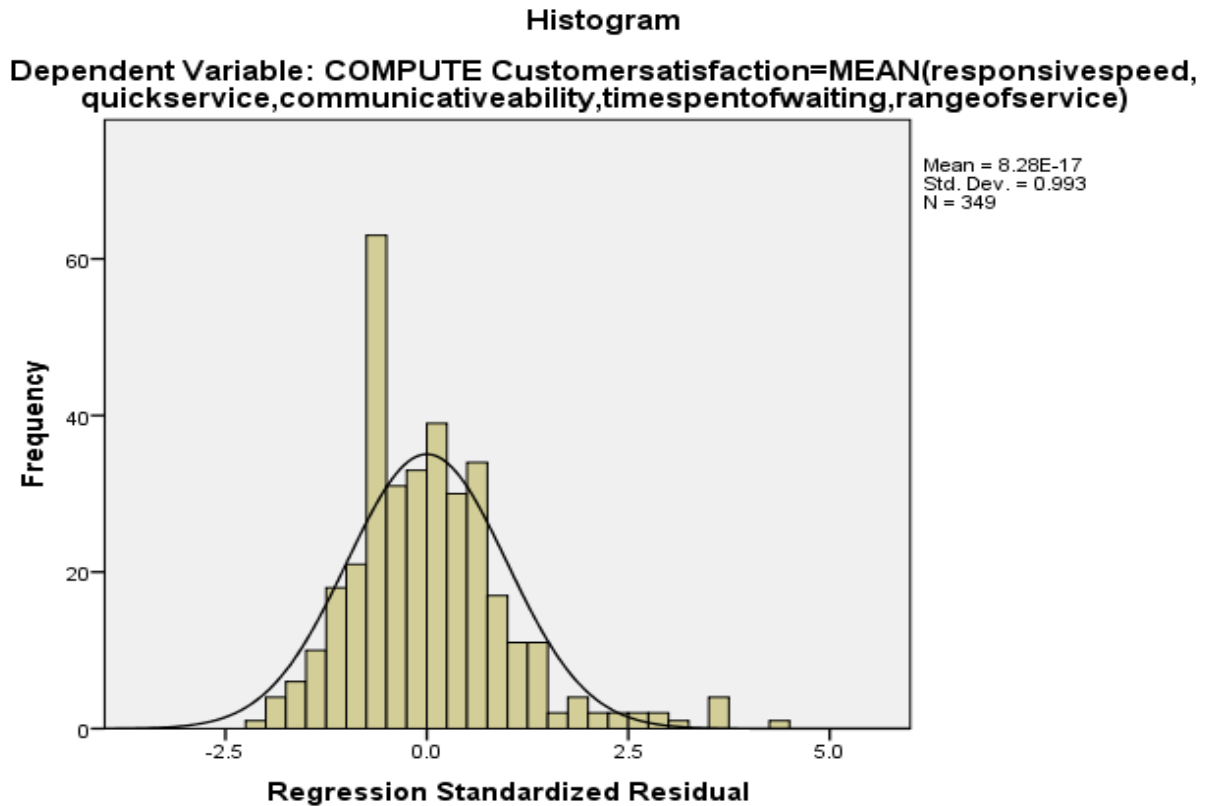


Fig 4.1b, histogram that shows the normal distribution of population

4.7.3. Linearity

Linearity is the relationship between the dependent and independent variable should be linear with respect to their parameter, this can be checked by the scatter plot of dependent variable versus standardize predicted. In other word, Linearity means that the predictor variables in the regression have a straight-line relationship with the outcome variable. If the residuals are normally distributed and homoscedastic, we will don't have to worry about linearity (<http://www.statisticssolutions.com>).

4.7.4. Homoscedastic

Homoscedasticity is an assumption of regression analysis used to test whether residuals are equally distributed, or whether they tend to bunch together at some values, and at other values, spread far apart. In the context of t-tests and ANOVAs, you may hear this same concept referred to as equality of variances or homogeneity of variances. Your data is homoscedastic if it looks somewhat like a shotgun blast of randomly distributed data.

The opposite of homoscedasticity is heteroscedasticity, where you might find a cone or fan shape in your data. You check this assumption by plotting the predicted values and residuals on a scatter plot (Ibid).

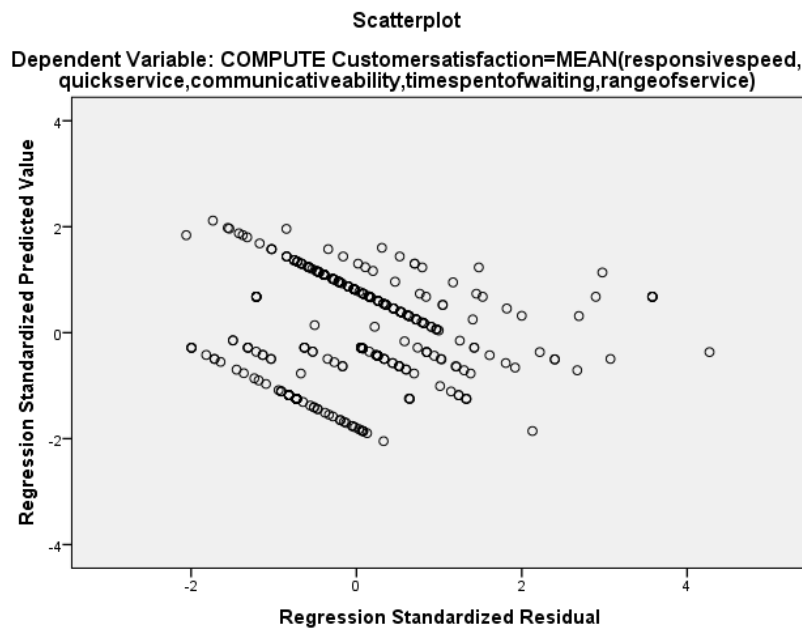


Fig. 4.2, Homoscedasticity assumption checked by regression

4.8 Simple regression analysis

Simple regression analysis is a statistical model that shows the relationship between two variables which are one is the dependent and the other on is independent or the predictor of dependent variable (sekaran and bougie, 2010). To achieve the objective, answer the research question and test the hypothesis of this study, simple regression was used for each service quality dimensions.

4.8.1 Regression analysis of tangibility and customer satisfaction

As the result of regression analysis of tangibility and customer satisfaction shows, tangibility can explain the variation of customer satisfaction. On the below table 4.16, the result of R² which is 0.610 show that 61% of the variation of customer satisfaction explained by tangibility.

Table 4.16, Model Summary of Tangibility

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.794 ^a	.610	.619	.58006

a. Predictors: (Constant), Tangibility

b. Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

The value of regression coefficient represent that the rate of change of the dependent variable as a result of one unit change of the predictor or independent variable. It is important to know the contribution or impact of the independent variable on the dependent variable.

The following regression coefficient table 4.17 pertain that; the contribution and effect of tangibility on the customer satisfaction. So, the beta (β) value of tangibility on the following coefficient table shows that how strongly tangibility have effect on customer satisfaction. Thus the beta value of tangibility is 0.202 which implies that tangibility increases by one unit leads to customer satisfaction will increased by 0.202 other things remain constant. So, the bank more works on the physical appearance of materials and workers able to enhance customer satisfaction. Hence all of the above discussion leads to answer the second research question that was; does tangibility has an effect on customer satisfaction in commercial bank of Ethiopia at west district merkato branches? Or accepting the first hypothesis that was; tangibility has a positive effect on customer satisfaction.

Table 4.17, coefficient table of tangibility

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.212	.059		20.660	.000
	Tangibility	.202	.023	.433	8.943	.000

a. Dependent Variable: Customer satisfaction

4.8.2. Regression analysis of reliability and customer satisfaction

As the result of the output of regression analysis of reliability and customer satisfaction pertain that reliability can explain the variation of customer satisfaction. The R square on the regression table represents the level of effect or contribution of predictor or independent variable on the variation of response or dependent variable. The table 4.18 below exhibits that the contribution of reliability on the variation of customer satisfaction. The result of R square is 0.235 implies that 23.5% of the variation of customer satisfaction explained by reliability

Table 4.18, Model Summary of reliability

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.485 ^a	.235	.233	.422

a. Predictors: (Constant),reliability

b. dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

The beta value of the predictor variable on the regression model represents that the rate of change of the response or dependent variable as the result of the change of independent variable per unit. The following coefficient table 4.19 show that the rate of customer satisfaction changes due to reliability changes by a unit. The beta value of reliability is 0.258 which implies that, if reliability changes by one unit, customer satisfaction will change by 0.258. So, the effect of reliability on customer satisfaction is positive and significant at $p=0.000$. Hence it leads to accept the second hypothesis that is reliability has positive effects on customer satisfaction. And also answering a third research question that was does reliability have an effect on customer satisfaction in commercial bank of Ethiopia at west district merkatobranches? The answer is; yes it has appositive and significant effect on customer satisfaction in commercial bank of Ethiopia at west district merkatobranches at p-value of 0.000

Table 4.19, coefficient table of reliability

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.122	.060		18.817	.000
	reliability	.258	.025	.485	10.333	.000

a. Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

4.8.3. Regression analysis of responsiveness and customer satisfaction

From the regression analysis of responsiveness and customer satisfaction, we can see that responsiveness able to explain the variation of customer satisfaction. The value of R square show that the how much the dependent variable explained by the independent variable while other variable remain constant. So, R square value of responsiveness is 0.444 or 44.4% as shown on the below table 4.20. It means that 44.4% of the variation of customer satisfaction explained by responsiveness other things being constant

Table 4.20, Model Summary of responsiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.666 ^a	.444	.442	.360

Predictors: (Constant), responsiveness

Source: Regression output of SPSS from Own survey data, 2021

The coefficient or the beta value of the predictor represent that the impact level of independent variable on the dependent variable. In other word the beta coefficient represent the rate of change of dependent variable while the predictor changed by a unit. The beta coefficient of responsiveness is 0.236 from the following coefficients table of responsiveness. It pertains that responsiveness has a positive and significant impact on customer satisfaction at $p=0.000$. Therefore, if responsiveness increases by one unit, customer satisfaction will be increased by 0.236 other things remain constant. It implies that the more bank work on increasing the readiness and voluntariness of its employee to support customers, serve quickly the more customer satisfaction. So, the researcher able to accept the third hypothesis and answer the fourth research question that was, responsiveness has a positive effect on customer satisfaction and does responsiveness have an effect on customer satisfaction in commercial bank of Ethiopia at west district market branches respectively.

Table 4.21, Coefficients table of responsiveness

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.041	.044		23.821	.000
responsiveness	.236	.014	.666	16.634	.000

Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

4.8.4. Regression analysis of assurance and customer satisfaction

The regression analysis of assurance and customer satisfaction shows, assurance also can explain the variation of customer satisfaction. On the below table 4.22, the result shows that; 43.2% ($R^2=0.432$) of the variation of customer satisfaction explained by assurance.

Table 4.22, Model Summary Assurance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.657^a	.432	.430	.364

Predictors: (Constant), assurance

Source: Regression output of SPSS from Own survey data, 2021

The beta value of the predictor variable on the regression model represents that the rate of change of the response or dependent variable as the result of the change of independent variable per unit. The following coefficient table 4.23 show that the rate of customer satisfaction changes as a result of assurance changed by a unit. The beta value of assurance is 0.310 which implies that, if assurance changes by one unit, customer satisfaction will changed by 0.310. So, assurance has a positive and significant effect on customer satisfaction at $p=0.000$. This leads to the researcher was able to accept the fourth hypothesis that is; assurance has a positive effect on customer satisfaction. And also answering a fifth research question that was; does assurance have an effect on customer satisfaction in commercial bank of Ethiopia at west district merkatobranches?

Table 4.23, Coefficients of assurance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.990	.047		20.842	.000
	assurance	.310	.019	.657	16.242	.000

a. Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

4.8.5. Regression analysis of empathy and customer satisfaction

As the result of the output of regression analysis of empathy and customer satisfaction pertains that, empathy can explain the variation of customer satisfaction. The R square on the regression table represents the level of effect or contribution of predictor or independent variable on the variation of response or dependent variable. As below the table 4.24, the result of R square is 0.302 implies that 30.2% of the variation of customer satisfaction explained by empathy other variables remain constant.

Table 4.24, Model Summary of Empathy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.549 ^a	.302	.300	.403

Predictors: (Constant), Empathy

Source: Regression output of SPSS from Own survey data, 2021

The beta coefficient of the predictor represent that the rate of change of dependent variable while the predictor changed by a unit. The beta coefficient of empathy is 0.265 from the following coefficients table of responsiveness. It pertain that responsiveness have a positive and significant effect on customer satisfaction at $p=0.000$. Therefore, customer satisfaction increased by 0.265 due to empathy increases by one unit while other things remain constant. It implies that the more bank work on increasing the ability of its employee to understanding customers feeling, caring and individual attention the more customer satisfaction. Therefore, the researcher was accept the fifth hypothesis and answer the sixth research question that was, empathy has a positive effect on customer satisfaction and does empathy have an effect on customer satisfaction in commercial bank of Ethiopia at west district merkato branches respectively

Table 4.25, Coefficients of Empathy

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.026	.059		17.515	.000
	Empathy	.265	.022	.549	12.248	.000

Dependent Variable: Customer satisfaction

Source: Regression output of SPSS from Own survey data, 2021

4.9. Multiple regression analysis

Multiple regression analysis is a form of statistical analysis that seeks the equation representing the effect of two or more independent variables on a single dependent variable. Multiple regression analysis is a statistical model used to analysis or figure out the extent of the effect of two or more independent variables on a single dependent variable. More precisely, multiple regressions able to show how the value of dependent variable changes as the value of two or more independent variables is changed (Babbie, 2013).

For this study, multiple regression analysis was used to determine the strength of the relationship between the overall service quality dimensions those are contracted on the conceptual framework and customer satisfaction.

4.9. 1. Multiple Regression Analysis of overall service quality dimensions and customer satisfaction

From the multiple regression analysis of the overall service quality dimensions (independent variables) and customer satisfaction (dependent variable), the model summary revealed that 63.8% (R²=0.638) of the variation of customer satisfaction explained by the overall service quality dimensions which are developed in the conceptual framework (Tangibility, Reliability, Responsiveness, Assurance, Empathy). Therefore, service quality dimensions have a positive effect on customer satisfaction

Table 4.26, Model Summary of service quality dimensions

Model	R Square	Adjusted R Square	Std. Error of the Estimate
1	.638	.633	.292

Predictors: (Constant), Empathy, responsiveness, Tangibility, assurance, reliability

Source: Regression output of SPSS from Own survey data, 2021

The following ANOVA table demonstrate that the good fitness of the model. More precisely, ANOVA table shows that the significance of the regression model. So, the following ANOVA table infers that the model is significant or good fit at F (5, 343) 129.882, p =0.000. So, the result leads to accept the sixth hypothesis „„Service quality has a positive effect on customer satisfaction““. And also, this answer the first research question that is; does service quality has an effect on customer satisfaction in banking service and what kind of effect in commercial bank of Ethiopia at west district merkatobranches?

Table 4.27, ANOVA of service quality dimensions and customer satisfaction

Model	Sum of Squares	df	Mean Square	F	Sig.	
5	Regression	51.619	5	10.324	120.882	.000 ^f
	Residual	29.293	343	.085		
	Total	80.912	348			

Dependent Variable: COMPUTE Customersatisfaction

Predictors: (Constant), responsiveness,assurance, Tangibility, reliability,Empathy

Source: Regression output of SPSS from Own survey data, 2021

Table 4.28, Coefficients of service quality dimensions on customer satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.071	.043		25.048	.000
	Tangibility	-.367	.038	-.789	-9.593	.000
	reliability	.328	.052	.617	6.265	.000
	responsiveness	.108	.023	.304	4.644	.000
	assurance	.557	.043	1.180	12.812	.000
	Empathy	.264	.050	.547	5.248	.000

Dependent Variable: Customer satisfaction

The table above provides the results of the model predicting customer satisfaction through the variables of service quality, tangibles, reliability, responsiveness, assurance and empathy. The dimension tangibles have strongly shown a negative but insignificant effect on customer satisfaction, and also responsiveness has positive effect on customer satisfaction but it is less significant. The multivariate regression analysis result leads us to accept hypotheses of H2, H4 and H5 postulating a positive effect of reliability, assurance, and empathy on customer satisfaction. The hypotheses H1 and H3 regarding effect of tangibles and responsiveness on Customer satisfaction are however fail to accept. The result of testing the hypothesis is discussed below.

H1: The more physical design and appearance of a service, the greater the effect on customer satisfaction is not supported by the data collected as beta is -0.367 that shows a negative so it is insignificant relationship but P Value is < 0.05 .

Findings: P= 0.00 less than 0.05, but beta is -.367 so Thus H1 is Rejected

H2: Reliability of a service has positive effect on customer satisfaction is also supported at P-Value = 0.000 and $\beta=0.328$

Findings: P= 0.00 less than 0.05, but beta is .328 so Thus H2 is Accepted

- According to the data, Keeping promises to do something by a certain time, since interest of employees to solve customers' problem, doing the service right the first time, providing the service at the time they promised to do and keeping customers' records accurately could result positive effect on customer satisfaction and hence this finding of the analysis shows consistency with other researchers finding.

H3: The greater the responsiveness of a service, the higher the effect on customer satisfaction is less supported by the data collected as P Value is < 0.05

Findings: P= 0.00 less than 0.05, but beta is .108 so Thus H3 is Accepted but it is less.

- Though various researchers ascertain that the physical attributes and responsiveness of a service have a positive effect on customer satisfaction, the findings of this data didn't support this idea. This might be due to customers concern of their money rather than up- to-date equipment's, visually appealing and neat nature of facilities and employees, easily accessibility of information, obtaining prompt service and willingness of employees to help customers that need further study.

H4:- Assurance has positive effect on customer satisfaction is supported as P-Value = 0.000 and $\beta=0.557$.

Findings: P= 0.00 less than 0.05, but beta is .557 so Thus H4 is Accepted

There is nothing wrong in getting a standardized beta weight greater than 1. But one should surely check for multicollinearity in such cases and ensure that it is dealt properly. So the research should not have **variance inflation factor (VIF)** and **Tolerance of assurance**. If still the value remains more than 1 without multicollinearity problem then one should not worry.

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The result indicates, the behavior of employees of the bank instilling confidence in customers, the practice for safe feeling of customers in their transactions with employees, politeness of employees in communications with customers and having the knowledge to answer customers' requests has a positive effect on customer satisfaction that also confirmed by various researchers.

H5: Empathic service has positive effect on customer satisfaction is also supported as P-Value =0.000 and $\beta=0.264$

Findings: P= 0.00 less than 0.05, but beta is .264 so Thus H5 is Accepted

Also like that of the findings of many early studies on the subject, the data of this research confirmed that giving individual attention for customers, convenience of operating hours to all customers, giving customers personal service, having customers' best interest at heart and understanding the specific needs of customers has a positive effect on customer satisfaction.

In general, according to this data, customer satisfaction is positively predicted by the variables of service quality, such as reliability, assurance and empathy, but tangibles and responsiveness on the contrary do not have significant effect on customer satisfaction.

Finally the regression line equation is:

$$Y= 1.071-.367x_1+.328x_2+ 0.108x_3+ 0.557x_4+ 0.264x_5$$

Where; SAT = Satisfaction

x_1 =Tangibility

x_2 = Responsiveness

x_3 = Reliability

x_4 = Assurance

x_5 = Empathy

e= error

CHAPTER FIVE

Summary of the Finding, Conclusion and Recommendation

5.1. Discussion of the result

In this section, the findings of other researchers in the area of service quality and customer satisfaction which have similar variables with this study are mentioned to compare the result with this study.

The descriptive analysis of this study pertains that, responsiveness has the highest mean value of 2.94, followed by Empathy with the mean value of 2.58, tangibility with the mean of 2.42, assurance with the mean of 2.25 and reliability has the least mean value which is 2.22. Regarding to this we conclude that the service provided by commercial bank of Ethiopia is somewhat unsatisfactory quality of service.

The result of the research conducted by Dejene (2017) on the title “The Effect of Service Quality on Customer Satisfaction” showed that, assurance has the highest mean value of 4.1839, is the dominant service quality dimension that has strong relation with customer satisfaction followed by responsiveness with mean value of 4.1574, empathy 4.0044, reliability 3.7678 and tangibility 3.7459. So, it was incompatible with the result of this study.

The finding of Meron (2015), conducted on the title Impact of Service Quality on Customer Satisfaction indicated that, Assurance has the highest mean score which is 4.1409 followed by Responsiveness 3.9940; Reliability 3.9223, Empathy 3.8892 and Tangibility 3.5425. It also doesn't consistent with the result of this study.

According to the study of Quyet and Chang (2015), the greatest satisfaction Tangibility had and Reliability had the last satisfaction. The result of this study is consistent with this study.

The simple regression analysis of this study result shows that, Tangibility has a positive and statistically significant impact on customer satisfaction. It can explain 31.4% of the variation of customer satisfaction. Reliability also explains 43.6% of the variation of customer satisfaction and has a positive and statistically significant impact on customer satisfaction. Responsiveness has a positive and statistically significant impact on customer satisfaction and it can explain 41.4% of the variation of customer satisfaction.

Assurance also has a positive and statistically significant impact on customer satisfaction and 36.4% of the variation of customer satisfaction explained by Assurance. Empathy has a positive and statistically significant impact on customer satisfaction and it can explain 52.9% of the variation of customer satisfaction.

Whereas, the multiple regression analysis result of this study demonstrate that, all service quality dimensions have a positive and statistically significant impact on customer satisfaction at 95% of level of confidence ($p < 0.05$). From the model summary of multiple regression the value of R squared show that 59.9% of the variation of customer satisfaction explained by service quality dimensions the remaining 40.1% explained by other factors which are doesn't included in this study. A research done by Betelehem (2015) on the impact of service quality on customer satisfaction; the case of commercial bank of Ethiopia the regression analysis result shows that, except empathy all service quality dimensions (tangibility, reliability, responsiveness and assurance) have a positive and statistically significant impact on customer satisfaction and 82.7% of the variation of customer satisfaction explained by service quality.

The other study investigated by Dejene (2017) on the title of the "Effect of Service Quality on Customer Satisfaction: The Case of Dashen Bank S.C". The regression analysis result of model summary shows that, 51.1% of the variation of customer satisfaction can be explained by service quality. And also, except responsiveness the other four service quality dimensions (tangibility, reliability, assurance and empathy) have a positive and significant effect on customer satisfaction. Whereas, responsiveness doesn't has a significant effect on customer satisfaction.

The result of the study conducted by Girma (2015) on the title "Assessment of Service Quality and Its Influence on Customer Satisfaction: The Case of Oromia International Bank SC". The regression analysis indicate that, „the four independent variables tangibility, reliability, assurance and empathy are influencing costumers“ satisfaction significantly at 95% ($\alpha = 0.05$) confidence level. However, Responsiveness has no significant influence on costumers“ satisfaction at 95% ($\alpha = 0.05$) confidence level“.

The study of Meron (2015) on the "Impact of Service Quality on Customer Satisfaction: The Case of Bank of Abyssinia S.C" regression analysis shows that, tangibility, responsiveness and assurance have appositve and statistical significant impact on customer satisfaction at 95% level

of confidence ($\alpha=0.05$). But reliability and empathy doesn't have statistically significant impact on customer satisfaction and service quality can explain 43.8% of the variation of customer satisfaction.

To conclude that, all the above mentioned studies revealed that; service quality dimensions have a positive and statistical significant relationship with customer satisfaction. The study on measuring service quality has focused primarily on how to meet or exceed the external customer's expectations, and has viewed service quality as a measure of how the delivered service levels equalize consumer's expectations. After all, the level of contribution of service quality dimensions on customer satisfaction and the dominance service quality dimensions are differs from case to cases/studies to studies.

5.2. CONCLUSIONS

The main purpose of this study was to investigate the effect of service quality on customer satisfaction, the case of commercial bank of Ethiopia at west district merkato branches.

The results of the descriptive statistical analysis also indicated that, customers were not satisfied with service qualities. About the ability of employee to provide service at the designed and promised time, customers were expressing their dissatisfaction over poor service. There is lot of complaints from customer about the poor network and frequent power interruption. Customers are not happy with the current commercial bank of Ethiopia at west district merkato branches performance expressing their disagreement towards poor quality service. Furthermore, the analysis of regression of the five factors of service quality with customer satisfaction was significant in all factors of service quality. Finally, the correlation result shows that there is positive and significant relationship between tangibility, reliability, responsiveness, assurance and empathy and customer satisfaction. The finding also indicates that all service quality dimensions have a strong positive and significant relationship with customer satisfaction. Relatively Responsiveness has the strongest and tangibility has the weakest correlation with customer satisfaction with 0.666 and 0.433 correlation coefficients respectively.

- Tangibility has a positive and statistically significant effect on customer satisfaction. It can explain 18,7% of the variation of customer satisfaction.
- Reliability can explain 23.5% of the variation of customer satisfaction and it has a positive and statistically significant effect on customer satisfaction.

- Responsiveness and also has a positive and statistically significant effect on customer satisfaction and it can explain 44.4% of the variation of customer satisfaction.
- Assurance has similarly a positive and statistically significant effect on customer satisfaction. And also 43.2% of the variation of customer satisfaction explained by Assurance.
- Empathy also has a positive and statistically significant effect on customer satisfaction. And it can explain 30.2% of the variation of customer satisfaction

Similarly, the multiple regression results showed that except tangibility, responsiveness, the three service quality dimensions (empathy, reliability, and assurance) have positive and significant effect on customer satisfaction. Therefore, high quality service is an increasingly important weapon to survive, the higher service quality, and the higher customer satisfaction.

Therefore, commercial bank of Ethiopia at west district market branches should influence this dimension as a way of ensuring that their customers get the satisfaction, they expect in the services offered.

5.3. Recommendations

In today's competitive era, service provider organizations work more on customer satisfaction through differentiating their product by provide a better quality of service in order to gain competitive advantage over its competitors. Banking industry is one of the dominant service provider industries in Ethiopia. In the last two decades shows the presence of a tight competition progress among banking organization. Therefore, commercial bank of Ethiopia has to work too hard to provide excellent service in order to stay in this strong competition progress era. In order to the bank achieve this, the researcher recommended the following possible recommendation.

1. The finding of this study shows that, majority of the customer of the bank aged up to 30 years. It implies that, majority customer of the bank are young and productive age group. Therefore, it is better to the bank work more on this age group through segmentation marketing strategy by providing a unique service to handle these customers for long period of time (to be a loyal customer) and pool more others.
2. The satisfaction of the customers is a very much important factor that not only forces the customers to remain loyal with the organization but also proves as a marketing mechanism

through which other people are attracted towards the organization. The word of mouth of a satisfied customer probability has more worth than any other advertising channel.

3. The descriptive statistics result of this study shows that, the mean value of all service quality dimensions are lie between 2.22 and 2.94. This indicates that, most of customers are almost unsatisfied customer. More specifically, the meanvalue of tangibility is 2.42; it is relatively unsatisfied customers with other dimensions. Andalso it implies that still there is unsatisfied customer regarding to tangibility dimension ofservice quality. So, the bank should have work more on to up to dating its equipment'swhich are important for delivering service. And the bank should make more visuallyattractive the branches equipment's and facilities in order to satisfy those unsatisfied dcustomers.

4. The mean value of reliability is 2.22. It means that, most of the customers are unsatisfied about reliable service. According to saghier and Nathan, (2013),reliability is considered as the vital core of service quality; and also other dimensions willmatter to customers only if a service is reliable, because those dimensions cannot compensate for unreliable service delivery. So, the bank should increases the capability ofdelivering the promised service dependably and accurately; specially solving the problem of disturbance of network because it leads to customers wait more time at queue line; due to this, customers becoming dissatisfied. Therefore, the bank should improve the quality of network and provide speed service. And also the bank should delivering service as promised.

5. The mean value of responsiveness is 2.94. It indicates that, customers almost unsatisfied about the service responsiveness. It means that, the responsiveness of servicedelivered by the bank not meet the expectation of customer about service responsiveness. So,the bank better to make more on employees provide punctual service, enabling employees are never busy to respond to customer request and empowering employees togive quick response when ether is a problem and enable employee to ready and voluntarytosupport customer through adding additional worker and opening additional servicecounter windows.

6. From those all five service quality dimensions responsiveness has a strongest positive correlation with customer satisfaction than the others and also the first mean score as the result shown on this study. It implies that, there is some change occurs unresponsiveness, there will be large change occurs on customer satisfaction; but the bank doesn't work hardly on this dimension. Therefore, the bank have invest more on employee about provides punctual services, willingness to help customer, are never busy to respond to customer request, give quick response when ether is problem via training and different motivational factor which are feasible to the bank.

7. The marketers must understand and determine the factors i.e. premium service quality that enhances the customer satisfaction in banking sector of commercial bank of Ethiopia at west district merkatobranches. Frequent surveys must be conducted to obtain the data from the customers regarding their perceptions, expectations and recommendations to improve the service quality.

8. The financial institutions must adopt a win-win service quality strategy through which they provide value to the customer and customer remains loyal to the organization. The value provided must be keeping in view the satisfaction of the customers.

9. Also emergence of new forms of banking channels such as Internet banking, Automated Teller Machines (ATM), phone banking and also maturing financial market and global competition have forced bankers to explore the importance of customer loyalty. Therefore, studies need to focus on the changing role of the banking system and its dynamic financial market

10. The demographical approach could be analyzed in this regard to find out the needs and demands of particular demographical sectors, so that the specialized service quality interventions can be devised and channelized to particularly meet the demands and needs of that group and eventually to enhance their levels of satisfaction and loyalty towards their respective financial service provider(s). The above method recommendations if applied could be proved fruitful for improving the service quality of commercial bank of Ethiopia at west district merkatobranches

5.4. Suggestion for future research

the main focuses of this section is going to give some suggestion for future researcher who is voluntary to conducting on the area of marketing specifically on customer satisfaction and service quality. Therefore, the followings are some suggestions for future researcher on the area.

- This study directly focuses on the effect of service quality in the case of commercial bank of Ethiopia. So, it was limited in geographical coverage. Due to this, it was doesn't able to assess the perception of overall customer of CBE about the performance service offered by the bank. So, it was suggested for the future researcher, they will try to cover a large geographical coverage to increases the probability of representing the total customer of CBE.
- It was wanted to recommend for the future researcher, they will go to see factors that were a bottle neck or challenges for service provider organization to improve service quality/performance of service.
- It was suggested that to examine the effect of service quality on customer loyalty and after mouth. The result of this study shows that, there is some gap between the expectation of customer and the actual or perceived quality of service offered by the bank. So future researcher will be conduct their study on whether the bank fill this gap of not.
- In addition to this, it was needs to recommend that, coming researcher tends to make a comparison of the perception of customer about the performance of service delivered by two or more firms which are found in similar industry and provide similar service.
- This study may be of significant importance both in contributing to the literature and as far as banking sector is concerned. An important strategy for 21st century financial institutions must be the provision of premium quality services in order to keep the customers satisfied and loyal to the organization and subsequently to survive and compete in today's dynamic and competitive corporate environment effectively
- Finally, the coming researcher can study on the effect of service quality on customer satisfaction without banking sector especially on government organizations (public sectors).

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APPENDIX I

QUESTIONNAIRE

St. Mary’s University

Postgraduate Program

Masters of Business Administration

Questionnaire for Customers

Dear Respondent, I am currently a student of St. Mary’s University, and I am doing my MBA thesis. On THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION: IN THECASE OF COMMERCIAL BANK OF ETHIOPIA. The purpose of this questionnaire is to gather data regarding the Service quality and Customer satisfaction in the case of CBE west district selected markato branches. The study is purely for academic purpose and thus does not affect you in any case. All of your response to the given question would be used for the research and will be kept confidential. Your frank and timely response is vital for the success of the study. Therefore, researcher kindly requests you to respond to each question carefully.

Thank you in advance for your cooperation and timely response!

Note:

1. No need of writing your name.
2. Where alternative answers are given, encircle your choice and put “√” mark where necessary.
3. Please return the completed questionnaire in time.

Questionnaire to be filled by customer of CBE-----Branch

Part I. BACKGROUND OF THE RESPONDENT

1.1. Gender

1.1.2. Male

1.1.3. Female

1.2. Age

1.2.1. 18-30

1.2.2. 31-40

1.2.3. 41-50

1.2.4. 51-60

1.2.5. Above 60 years old

1.3. Educational level

1.3.1. Primary school 1.3.2. High school

1.3.3. Certificate 1.3.4. Diploma

1.3.5. First degree and above other please specify _____

1.4. For how long are you a customer of the bank?

1.4.1. Less than one year

1.4.2. 1-3 years

1.4.3. 4-6 years

1.4.4. 7-9 years

1.4.5. Above 10 years

1.5. Which type of account do you have?

1.5.1. Saving account

1.5.2. Current account

1.5.3. Fixed account

1.5.4. Interest free account

75Part II: SERVICE QUALITY DIMENSIONS QUESTIONNAIRE

Instructions: Please tick the number that you feel most appropriate, using the scale from 1 to 5

(Where 1 = strongly disagree, 2 = disagree, 3 = Neutral (neither agree nor disagree), 4 = agree and 5 = strongly agree).

Quality dimensions	Strongly disagree	disagree	Neutral	agree	Strongly agree
	1	2	3	4	5
1.Tangebility					
1.1. The branch has up to date equipment's					
1.2. The branch facilities are visually attractive					
1.3. The branch has office at convenient location to its customer -75					

1.4. Staffs of the branch at the front-line position are well dressed and appear neat.						
2. Reliability						
2.1. quality of network and speed service that enable proved service as promised						
2.2. keep customer record correctly						
2.3. provide service at the designed and promised time						
2.4.the branch inform any failure ahead of time						
3. Responsiveness						
3.1. Employee provides punctual services						
3.2. Employee’s willingness to help customer						
3.3. Employees are never busy to respond to customer request.						
3.4. Employees give quick response when ether is problem?						
4.Assurance						
4.1. personal behavior of the staffs is excellent that the customer Can trust						
4.2. staffs are polite						
4.3. staffs have adequate knowledge to serve customer						
5.Empathy						
5.1.the staff know what customers’ needs are?						
5.2. staffs are giving customers individual attention						
5.3. The bank and its employees give do						

consideration for customers property						
5.4. staffs give orientation about the new service and the cost related with the service						
5.5. The bank has convenient working hours to all its customers						

Part III: Customer satisfaction questioner

Customer satisfaction	Strongly disagree	disagree	Neutral	agree	Strongly disagree
	1	2	3	4	5
1 .I have full satisfaction with the responsiveness speed to the complaints submitted					
2. I am satisfied with the quick service of this bank.					
2.I am satisfied with the communicative abilityof the employee of the bank					
4.I am fully satisfied with the amount of time I spend waiting for a service.					
5. I am fully satisfied with various rang of service of CBE and the way treatment that workers give					

Appendix II:

Correlation analysis table

		Tangeblilit	reliyab	responsive	assur	Empath	Customersatisfaction
Tangeblilit	Pearson Correlation	1	.867**	.751**	.887**	.879**	.433**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	349	349	349	349	349	349
reliyability	Pearson Correlation	.867**	1	.774**	.885**	.926**	.485**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	349	349	349	349	349	349
responsive	Pearson Correlation	.751**	.774**	1	.830**	.827**	.666**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	349	349	349	349	349	349
assurance	Pearson Correlation	.887**	.885**	.830**	1	.860**	.657**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	349	349	349	349	349	349
Empathy	Pearson Correlation	.879**	.926**	.827**	.860**	1	.549**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	349	349	349	349	349	349
Customersatisfaction	Pearson Correlation	.433**	.485**	.666**	.657**	.549**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	349	349	349	349	349	349

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