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EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN CASE OF (ETHIOTELECOM BULBULA BRANCH)

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**EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION:
THE CASE OF ETHIOTELECOM BULBULA BRANCH**

By

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Endorsement

This thesis entitled, "**Effect of service quality on customer satisfaction in the case of Ethiotelecom bulbula branch '',** has been submitted to St. Marry University, School of Graduate Studies for examination with my approval as a University advisor.

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DECLARATION

I , Selam Nigusu hereby declare that the thesis entitled " Effect of service quality on customer satisfaction in case of Ethiotelecom bulbula branch " is my original work and submitted by me for the award Masters of business administration from St. Mary's University School Of Graduate Studies and it hasn't been presented for the award of any other Degree, Diploma, Fellowship or other similar titles of any other university or institution and that all sources of material used for the study have been appropriately acknowledged.

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This is to certify that this thesis entitled as "Service Quality and Customer Satisfaction of Ethio Telecom's , submitted in partial fulfillment of the requirements for the degree of Master of business administration School post graduate studies of Saint mary University, done by Selam nigusu is an authentic work carried out by her under our guidance.

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TABLE OF CONTENT

Contents   **Pages**

LIST OF TABLES

LIST OF FIGURES

Figures   **Pages**

LIST OF ACRONYMS

SERVQUAL - ……………………………………………………Service Quality

Res……………………………………………………………...Responsiveness

Rel……………………………………………………………….Reliability

Tan……………………………………………………….……Tangibility

Emp…………………………………………………….………Empaty

Ass…………………………………………………….………...Assurance

Cs ……………………………………………………………Customer satisfaction

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ABSTRACT

Service quality and customer satisfaction are very important concepts companies must understand the advantage of service quality to remain competitive . The main objective of this study was to determine the effect of service quality on customer satisfaction of Ethio-telecom bulbula branch. To this effect, both descriptive and explanatory research design were applied for the study using quantitative and qualitative research approach.

A structured questionnaire with 5-point Likert scale has been use to collect the data by conducting survey. 398 customers were taken as sample size and chosen on a convenient basis from Ethio-telecom bulbula branch located in Addis Ababa City. Data has been processed by using SPSS software (version: 20) and analyzed using descriptive and inferential statistics.

The result of regression analysis was analyzed using descriptive and inferential statistics and reveals that reliability, tangibility, and responsiveness dimensions caused a statistically significant positive effect on customer satisfaction. However, assurance dimension didn't cause a significant effect on customer satisfaction.

Generally, The management can use the specific data obtained from the measurement of service quality in their strategies and plans specially by giving training to it's employees,by adopting new and innovative technologies,by giving continuous training to employees in order to increase their competence and to improve customer handling way.

KEY WORDS: SERVQUAL, CUSTOMER SATISFACTION

CHAPTER ONE

1. INTRODUCTION

Today intensive competition, technological developments, new social trends, dynamic economic environment are factors that have faced enterprises with wide fluctuations. Because of strong impact of customer demands on the organization, special attention is required. In a competitive environment, organizations are able to grow only if they provide customers satisfaction. In fact, if the environmental uncertainty and instability increase, the attention to customer needs and ideas for survival, growth and continuity of organization would be more essential. Attention to customer demands is a prominent feature of modern organizations. There is no doubt that the organizations will win and succeed that recognize customer needs and wants faster and better than the competitors and produce and provide their products consistent or exceed customer's expectations (Pirayesh Neghab,Daneshvar,2011).Any products and services are to satisfy and resolve customer needs and customers are a guarantee for survival of manufacturers and service providers. Todays, marketing consists of developing customer, meaning attention to customer satisfaction and quality, their loyalty and effective communication with them. Therefore, organizations attempt to have satisfied and loyal customers (Gremler and Gwinner, 2000).Organizations to increase the number of their customers, their loyalty, revenue, profit and market share and subsequently increased survival, attempt to assess customer satisfaction in their business.

Customer satisfaction for organizations that wish to create a competitive advantage in the today's extremely competitive world is a key issue. Therefore, many researches and fundings have been used to identify the proper evaluation of customer satisfaction (Mohammadnejad and others, 2011).

1.1. Back ground of the study

The telecom services industry is one of the most competitive and highly globalized sectors due to the largely extensive use of information technology systems by firms operating in the sector, businesses, individuals and the whole operations of a country. The development of telecommunication industry is one of the important indicators of social and economic

development of the country. The development of communication sector has a vital role in improving the countries all business activities regarding in all affairs. This sector is very dynamic in its nature and it plays a key role in development strategy being implemented by the country.

Organizations must able to increase the number of their customers, their loyalty, revenue, profit and market share and subsequently increased survival, attempt to assess customer satisfaction in their business. Customer satisfaction is a physical concept that is due personal comparison from understanding of product performance with the experience obtained of the performance. Service quality and customer satisfaction are conceptually close In management of service quality, satisfaction is defined as emotional behavior after purchase. Customer satisfaction moderates impact of service quality on behavioral intentions of customers. Quality of service is an important element in determining the success of an enterprise service. Factor "satisfaction" depends on the service provider's ability to meet the norms and expectations of customers.

In service industry, the concept of quality holds the main position. The relationship with the customer is based on the promise that customer satisfaction is achieved through providing standard quality of service. The high quality demands on customers end is becoming prominent due to the growing fact that high level of service quality leads to sustainable competitive advantage in the competitive business environment (Sureshchandar, 2002) It is not surprising to know that quality level of services is the leading phenomena to plan strategies in the services firms (Khamalah and Lingaraj 2007)

Service quality focuses on meeting the customers" needs and requirements and how well the service delivered matches the customers" expectations of it (Philip and Hazlett, 1997) while satisfaction as Lonial and Zaim, (2000) cited in Oladepo & Abimbola (2014) put it is customer's positive or negative feeling about the value that was received after the consumption of ideas, goods and services. Customer satisfaction is seen as a key differentiator which is evident that many market leaders are found to be highly superior-customer-service orientated.

Quality is generally regarded as being a key factor in the creation of worth and in influencing customer satisfaction. Hence, the telecommunication industry has to be strategically positioned to provide quality service to satisfy customer. To provide improved quality service, telecommunication companies need to investigate degree of customers" sensitivity and expectation towards service quality. Armed with such information, telecommunication outfits are then able to strategically focus service quality objectives and procedures to fit the market.

Despite there is a communication gap arise between different departments and inability of the incumbents to share timely and reliable information among themselves creates a room for poor quality service delivered by Ethiotelecom bulbula branch ,so this problem is the major factor for the initiation of the study.

1.2. Background of the organization

The introduction of telecommunications services in Ethiopia dates back to 1894, when Minilik II, the King of Ethiopia, introduced telephone technology to the country. However the first Ethiopian pioneer of telephony was his cousin Ras Mekonnen who came back with telephone apparatus in 1889 after his visit of Italy and established a company. The company was placed under government control at the beginning of the twentieth century, and was later brought to operate under the auspices of the Ministry of Post and Communications. In 1952, telecommunications services were separated from the postal administration, and structured under the Ministry of Transport and Communications. The Ethiopian Telecommunications Corporation is the oldest Public Telecommunications Operator (PTO) in Africa.

Under the Dergue Regime the Ethiopian Telecommunications was reorganized as: Ethiopian Telecommunications Service from October 1975 to February 1981; and

Ethiopian Telecommunications Authority (ETA) on January 1981. It retained this name until November 1996. The Ethiopian Telecommunications Service as well as the Ethiopian Telecommunications Authority (ETA) was in charge of both the operation and regulation of telecommunications service in Ethiopia.

The Ethiopian Telecommunications Authority was replaced by the Ethiopian Telecommunications Corporation (ETC) by regulation number 10/1996 of the Council of Ministers to which all the rights and obligations of the former Ethiopian Telecommunication authority were transferred to the Corporation.

There are 966 public service stations and exchanges across the country. The number of rural kebeles - the lowest administrative unit - with telephone access increased from only 60 in 2004/05 to 8 676 in 2007/08, and the target is to provide access to telecom services to all 15 000 rural kebeles by 2010. By the end of 2007/08, the number of cellular telephone (mobile) subscribers increased nearly five times from the 2004/05 level, reaching 1 954 527; the number of broadband customers reached 1 496, up from only 65 in 2002/03; and the dial-up Internet subscribers were 34 110, almost twice the number in 2004/05. Teledensity, excluding mobile phones, has tripled since 2000/01 to reach 1.23 per 100 households in 2007/08. Including mobile phones, teledensity reached 3.88 in 2007/08 from only 0.48 in 2000/01.

In 2005, ETC installed a national fibre optic backbone comprising 4 000 kilometres radiating out in six major directions from the capital (to Dire Dawa, Djibouti, Dessie-Mekele, Bahir Dar-Nekemte, Jimma and Awassa), laying a foundation for delivering current and future services including digital radio, TV, Internet, data and other multimedia services. In order to increase the service capacity, reliability, quality, speed and size of data transfer, ETC transferred from narrowband to broadband service in January 2005. The introduction and installation of broadband Internet, broadband VSAT and broadband multimedia infrastructure are among the major achievements of the past 12 years. Currently there are 1 318 submarine gateway circuits that connect Ethiopia with the rest of the world. Ethiotelecom have around 12,288 Number of Employees

1.3. Statement of the problem

Customer satisfaction is a critical issue in the success of any business system. According to Potluri and Magnale (2010) customer satisfaction is the key to survival and the source of competitive advantage for organizations (Anderson, Fornell & Lehmann, 1994).

The Telecommunications industry affects how people connect and do business on a global scale. For businesses, in particular, reliable and timely communication is the lifeblood of company's brand reputation, productivity, and overall success.

The well mentioned service quality helps to boost the customers commitment to using the product or service of those companies in the long-term this customer commitment may impact on the expansion of market share despite facing competition from Safaricom Ethiopia hence the ultimate success or failure of a company depends on its ability to deliver what it produces and continues offering quality services for relatively a longer period because Safaricom has crossed the one million mark in subscriber numbers in Ethiopia within a month after the launch of operations in the populous nation, indicating the telco's warm reception.

Customer satisfaction is influenced by various factors. According to Andaleeb and Conway (2006) service quality is the main driving factor for satisfaction of customer in service sectors

There are a number of complaints on the service delivery system of Ethio Telecom service. A Number of reasons are behind these customer discontents. Whatever the reasons may be, once the customer is dissatisfied, it would be very difficult to gain their trust. In this regard, mostly predetermined gap that arise In this study is Between Expected Service and Experienced Service most customers complain by presenting personally or by calling to 994

There is a communication gap arise between different departments and inability of the incumbents to share timely and reliable information among themselves creates a room for poor quality service delivered by in Ethiotelecom bulbula branch .In this regard a research should be carried out on the service quality of Ethiotelecom bulbula branch to fill the gap and give possible recommendation to make customers more satisfied and to make the service delivery quality better.

Hence, it is very important to detect and manage the challenges and grasp the opportunities to develop the telecommunications sector of Ethiopia because as we know Ethio telecom is service Provider Company so it is very critical to assess service quality.

There are limited studies conducted in this subject matter regarding Ethiotelecom. Therefore this research intends to avoid communication gaps and other service failures that occur due to the above gaps so that deviations can be avoided and improvements can be made.

1.4. Research questions

- ✓ What is the overall level of customer satisfaction in Ethiotelecom bulbula branch?
- ✓ How well Ethiotelecom bulbula branch delivers reliable service to customers in case of Ethiotelecom?
- ✓ What Is the effect of empathy on the level of customer satisfaction in case of Ethiotelecom?
- ✓ What Is the effect of assurance on the level of customer satisfaction in case of Ethiotelecom?
- ✓ What Is the effect of tangibility on the level of customer satisfaction in case of Ethiotelecom?
- ✓ What Is the effect of responsiveness on the level of customer satisfaction in case of Ethiotelecom?

1.5. Objective of the study

1.5.1 General Objective

The main objective of this study was to determine the effect of service quality on customer satisfaction of Ethiotelecom bulbula branch.

1.5.2 Specific Objective

1. To assess the overall satisfaction level of customers of Ethiotelecom bulbula branch.
2. To examine the effect of reliability dimension on customer satisfaction.
3. To determine the effect of empathy dimension on customer satisfaction.
4. To investigate the effect of assurance dimension on customer satisfaction.
5. To estimate the effect of responsiveness dimension on customer satisfaction.
6. To test the effect of tangibility dimension on customer satisfaction.

1.6 Significance of the study

Ethio Telecom is aiming to increase its subscriber base by more than 10% over the next year; despite facing competition from Safaricom Ethiopia hence the ultimate success or failure of a company depends on its ability to deliver what it produces and continues offering quality services relatively for a longer period.

Therefore this study intended to help the company management to direct their attention to this highly essential function of business.

The findings of this study was rebound to the benefit of the company Ethiotelecom considering that providing high service quality will result in expansion of market share also data produced from this study will be used to show the relationship between customer and service quality.

It provides literature for Ethiotelecom by providing solution for Ethiotelecom company service quality problems and it may give them an idea of where they are presently in terms of their service quality and what they should do in the future also it helps to other researchers who want to conduct further study on the subject in the future

Further it provides solution for Ethiotelecom company service quality problems and it may give them an idea of where they are presently in terms of their service quality and what they should do in the future.

1.7 Scope of the study

Conceptually the study was delimited to determine the effect of service quality on customer satisfaction in Ethio telecom bulbula branch only. Because of the broad nature of this area of study, accessing all the literature concerning customer satisfaction and service quality would have been very voluminous. Thus the literature was limited around the relationship between service quality and customer satisfaction Sample respondents were selected. In the vast majority of research endeavors, the participation of an entire population of interest is not possible, so a smaller group was relied upon for data collection.

Geographically, the study was delimited to Ethio telecom, bulbula branch Addis Ababa

Methodologically, the study applied explanatory and descriptive research design and data were gathered using questioner method .

1.8. Limitation of the study

This study was conducted in Ethiopian telecommunication only bulbula branch other branches was not be considered which limits the generalizability of the research findings. other limitation was encountered when data was collected because as this study is conducted in effect of service quality on customer satisfaction it derives data from the customers who uses the services delivered by the company so some customers may not be educated to give meaningful and helpful data to be interpreted .

Also there was a lack of time to complete the study ,other constraint was not considering all customers of Ethiotelecom which limits the generalizability of findings.

1.9 Operational definition of terms

Service quality –Means the difference between the customer's expectation of service and their perceived service, which consists of five dimensions: responsiveness, reliability, tangibility, empathy and assurance. Or it is the ability of an organization to meet or exceed customer expectations. Zeithml and Bitner, (2003)

SERVQUAL: An instrument for measuring service quality in terms of the discrepancy between customers expectation regarding service offered and the perception of service received. Glimore, (2003)

Reliability – The ability to perform the promised service dependably and accurately.Mudie and Pirrie, (2006)

Responsiveness – The willingness to help customers and to provide prompt service.Mudie and Pirrie, (2006)

Assurance – The employees' knowledge and courtesy, and the ability of the service to inspire trust and confidence. Mudie and Pirrie, (2006)

Empathy – the caring, individualized attention of the service provides to its customers. Tangibles – The appearance of physical facilities, equipment, personnel and communication materials. Mudie and Pirrie, (2006)

Customers' satisfaction – Kotler and Keller, (2012) defined, Satisfaction as a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance to expectations.

1.10. Organization of the study

This research is organized into five chapters. Chapter one contains background of the Study, statement of the problem, research objectives, hypothesis of the study, Significance of the study, justification of the study, limitations and scope of the study. Chapter two provides a literature review informing the reader of what is already known in this area of study. Chapter

three discusses the methodology employed in the study, including, research design, sample size and sampling technique, data source and collection method, procedure of data collection and method of data analysis. Chapter four is about data analysis and discussion of results. Finally, chapter five contains summary, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2. Introduction

The purpose of this chapter is to review the related literature in the area of service quality and customer satisfaction. This review of related literatures established as a framework which can guide the study, theoretical, empirical and conceptual framework. In the theoretical review service quality, customer satisfaction, and model for measuring service quality of SERVQUAL and SERVPERF are presented, the relationship between service quality and customer satisfaction in general and each independent variable with dependent variables explained in the empirical review part of this study. Finally, the conceptual framework of the study presented both theoretical and in the diagram.

2.1 General concept of service

Service is an action or performed task that takes place by direct contact between the customer or guest and agent or representatives of the service providing organization which can be provided by a person or via technology (Ford, Sturman & Heaton, 2012).

The concept of Service can be defined in many ways depend on the area the term is applied and used. Kotler & Keller (2009) define service as "any intangible act or performance that one party offers to another that does not result in the ownership of anything." In short, service can also be defined as an intangible offer by one service provider to his or her service receiver in exchange of money for comfort and pleasure.

According to Gronroos (2000), services are "activities or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems". An example of service offered by Ethiotelecom bulbula branch voice services and data services.

2.1.2. Customer Satisfaction

Customer satisfaction can be defined in various situations that are associated with goods and services. Customer satisfaction is feeling or attitude toward a product or service after its use. Customer satisfaction is the result of between marketing activities that acts as a communication bridge between different stages of consumer buying behavior. Customer satisfaction is the result of a comparison between customer purchase of the expected performance with actual performance and perceived and payment expenses (Taghizadeh, 2012). Customer satisfaction is a physical concept that is due personal comparison from understanding of product performance with the experience obtained of the performance (Chu, 2002). There is direct relationship between customer satisfaction and willingness to loyalty to the company.

Understanding customer satisfaction in the organization should be considered as a major issue. As part of this strategy, product definition and service and the needs of customer and prepare a list of data and customer complaints and the selection of process is important. Basic questions include: What do we provide product or service? Who are our customers? What do they want and need? Is it measurable? What is needed to improve the process? By answers to these questions we will have a better understanding of our customer continuously and products and services to adapt to market needs would be better (Rampersad, 2001).

Customer satisfaction is increasingly as basis of standard performance for any business organization and whatever the organization it will need to have more satisfied customers and increase the purchase rate and reduces the desire for change (Jamali, 2007).

Customer satisfaction is something beyond a positive impact on efforts done in the organization. This not only makes the activity staff, but is considered a source of profit for the company. Customer satisfaction provides many benefits for companies and higher levels of customer satisfaction leads to loyalty. By reviewing literature related to the topic, it faced two approaches to defining satisfaction: In the first approach, satisfaction is the condition that is obtained after use of the product or service for the customer. In the second approach, satisfaction is process understand and evaluate of customer from experiencing product consumption by using service. Literature review suggests that Satisfaction is achieved as a

result of two parallel processes that include: emotional process and normative process (Robinot and Giannelloni, 2010).Although satisfaction and service quality have a common features but satisfaction has the broader concept than quality generally, because focuses on services dimensions. The service quality is considered as part of satisfaction. Service quality represents a customer's perception from five dimensions of service, while satisfaction is more pervasive and including quality of service, product quality, price and also situational factors and personal factors (Seyed ,Javadin, 2009)

2.1.3 Customer satisfaction measurement

Customer service measure means an assessment of service delivery to a customer, client, citizen, or other recipient, which can include an assessment of quality, timeliness, and satisfaction, unbiased services among other factor.

2.1.4 Complaints management

Customers complain under one or both of the conditions: their expectations being underperformed to a degree that falls outside their zone of tolerance or unfair treatment. Complaints management process should be developed to take a positive view of customer complaints. Customers who complain provide an opportunity for the service firm to identify root causes of problems as well as win back unhappy or dissatisfied customers to retain their future value (Buttle, 2005). A complaints management process should allow company to capture complaints before customers spread a negative word of-mouth or take their business elsewhere (Buttle, 1998). Up to two-thirds of customers who are dissatisfied do not complain to the organization (Richins, 1983). However, they may complain to their social networks. Dissatisfied customers are likely to inform twice as many people about their experience than customers with a positive experience (TARP, 1995 in Buttle, 2005). Continuous improvement in service quality and build a customer- focused organization (Looy, Gemmel & Dierdonck, 2003)

In case of this research Ethiotelecom company takes inquiries or complaints from customers by recommending them to call to 994 or by presenting personally.

2.1.5. Service Quality

As known, service quality name is a mixture of two words including, Service and Quality. Service refers to essential features of the particular service while quality refers to the use of mainly a user-based approach. And Service quality together quality refers to the value of service to the customer (Spacey, 2016; Ali, 2021; Andavar et al., 2020; Faraj et al., 2021, Ali & Anwar, 2021).

More over Reliability, Responsiveness, Empathy & Tailoring, Competence & Diligence, Consistency, Safety & Security, Environments and User Interfaces considered as a common types of service quality (Spacey, 2016; Ali, 2021.

Now days, new movement and scope of business require wide range of customer in exploring customer satisfaction and trust. It means customers are very essential and critical in business area. As it's known, each business Area require to perform its job properly in order to create a trust between their products and customer trust, because it led to increase usefulness and much product profitability. Many researchers claim that, there is a good or strong relation between service quality and customer trust (Cronin et al, 2001; Ali & Anwar, 2021). Customer satisfaction is another important issue for increasing profitability of the company's products, in addition customer trust and customer satisfaction are close to each other. Researchers recognized that both satisfaction and service quality are two dissimilar but interconnected concepts. Also, customer satisfaction is able to increase and reduce the profit of the products which is called fluctuation, because good quality product makes the customer to choose it with high level of satisfaction. Due to that, customer satisfaction considered as a key indicator for business performance (Khan et al, 2018; Ali & Anwar, 2021). Empathy "sympathy" is utilized depict a wide scope of encounters. Feeling scientists and large characterize compassion as the capacity to detect others' feelings, combined with the capacity to envision what another person may be thinking or feeling. The importance of empathy is that, it's helpful to detect how other people care about and based on that, companies and other business area could respond based on their interest(The conversation, 2017; Ali & Anwar, 2021). There is a good relation between trust and empathy which lead to form the trust between companied and customers now days, most of the companies focused on the empathy

issue in order to serve their customers much better. In addition, Trust and empathy are urgent in helping the associations become better work environment situations. This is on the grounds that the present business world is portrayed by quick globalization, which has prompted an expansion in the development and unmistakable quality of worldwide associations.

Responsiveness belongs to the quality and speed of the companies for their products based on the customer interest. Also, it determines the quality to provide customer service and communication. Responsiveness is very important to increase the profitability of the products because being fast and right will lead to make the customers much happy and satisfaction. This issue affects the trust, loyalty and satisfaction. And this will help high profitability and sailing much product (Meehan et al, 2002; Ali & Anwar, 2021). Assurance belongs to the operation control in order to have interested outcome of the issue. In addition, there is an important term that called customer service operation, the designation of this term will be very significant to protect the company as well as keep the customer satisfied. In any business there is a goal to keeping the customer satisfied, increase profitability and etc. that is why customer service will be properly designed to be sure about serving customers (Pakurár et al , 2019; Ali & Anwar, 2021, Ali et al, 2021).

Based on its detention, reliability is the excellence of being reliable by the customer. Reliability issue is very important for customers because it's a measurement of effect level of components on the system reliability. One basic approach to show this idea is to take customer at an arrangement framework. The least firm part in an arrangement framework has the best impact on the dependability of the framework (Gopalakrishnan, 2017; Ali & Anwar, 2021) Tangible considered as one of the service characteristics. It refers to the products which physically could be touched. Also, many researchers defined tangibles as a physical facility such as materials, equipment's and etc. Because sometimes customer asset the products based on the external view or physical shape of the products. It means, the physical shapes or view of the products is very important to show that it is able to provide a good service. Also, researchers claim that, the tangibles have the same significance as empathy (Pakurár et al, 2019; Ali & Anwar, 2021). There is a relation between types and quality of the product with customer requirement or needs. Customer`strust appear when realize what make the customer

happy .build bridges of trust with customers will be a good factor to get success and high profitability (Anand, 2017).

Consumer Satisfaction is characterized as an estimation that decides how pleased buyers or customer are with an organization's items (products), administrations, and capacities. Consumer loyalty data, including reviews and appraisals, can enable an organization to decide how to best improve or changes its items and administrations. Satisfaction is very significant issue to company's product which it measure the level of expectation between company's product and customer expectation. Customer satisfaction will affect company and product as well, because happier customer with product quality and service means more products and more profit (Copley, 2017; Akoi & Yesiltas, 2020).Any companies grow reached by customer loyalty (Anwar & Louis, 2017). In addition, there is a strong relation between customer loyalty and customer satisfaction, because customer loyalty will not appear without having customer satisfaction .And it's mentioned before. Customer satisfaction is affected by the product quality and services which provide by the companies to their customers. For any companies there will be some competition with other companies (Anwar & Qadir, 2017), and loyalty by the customer means choosing one company`s items or products reliably over their competitors.

So, in service quality issue most of the things belong to the customer satisfaction which means if service quality or performance does not meet it's standard customers will think and decide about the quality which does not treat them well (Anwar & Balcioglu, 2016). on the other hand, if its serve them more than the level that they expect It will lead them to think and decide about the unique product. (Connolly, 2007). Above points show that, customer determination about the products is very significant and influence the product productivity. Based on the Asubonteng et al. (1996) investigation, increasing service quality means increasing utilization of the product as well as increasing satisfaction (Abdullah et al. 2017).

The Components of Customer Expectations

According to Lovelock and Wirtz (2004), Customer expectation embrace several elements, including desired service, adequate service, predicted service and a zone of tolerance that falls between the desired and adequate service levels

2.1.6 Characteristics of service

Service marketing is distinct from goods marketing (Dibb et. al, 2001). To understand the nature Of services marketing, it is necessary to appreciate the particular characteristics of services (Dibbet.al.,2001).Service have four intrinsic characteristics that leads to different consumer perceptions and behavior makes it more difficult to evaluate quality and in turn making it more challenging and complicated to achieve customer satisfaction and establishing competitive advantage. Thus, services managers must deeply understand them to survive in the complex service environment. The four basic characteristics of service are: Intangibility, Inseparability, Perish ability, and Heterogeneity.

2.1.6.1 Intangibility

Services differ from goods most strongly in their intangibility (Dibb, S., Simkin, L., Pride, W.andFerrel, O.C, 2001). Intangibility stems from the fact that services are performances. They cannot be seen, touched or smelled, nor can they be possessed. Intangibility also relates to the difficulty that consumers may have in understanding service offerings (Dibb et. al., 2001).

Services have a few tangible attributes, called search qualities that can be viewed prior to purchase, such as neatness of nurses and Doctors, cleanliness of the facilities such as waiting stations, toilets and the like.

When consumers cannot view a service product in advance and examine its properties, they may not understand exactly what is being offered (Dibb et. al., 2001). On the other hand, services are high in experience and credence qualities.

Experience qualities are those qualities that can be assessed only after purchase and consumption these include characteristics such as taste or duration of well-being. Credence qualities are those qualities that cannot be assessed even after purchase and consumption for examples results of medical procedures. Few customers possess medical skills sufficient to evaluate whether the service is or was necessary and performed in a proper manner (Dibb et. al., 2001).

2.1.6.2 Inseparability

Inseparability refers to the notion that, in many service operations, production and consumption cannot be separated; that is a service is to a greater extent consumed at the same time as it produced. Unlike most goods that are produced first then sold and consumed, most services are sold first and then produced and consumed simultaneously (Dibb et. al., 2001).

(valarie, 2003)characteristics of service makes it difficult to achieve standardization and economies of scale through centralized production.

2.1.6.3 Perish ability

Perish ability refers to the fact that unlike physical goods, services cannot be saved, stored, resold, or returned (Zeithaml and Bitner2003). Unused capacity on one occasion cannot be stock pilled or inventoried for future occasions, because production and consumption are simultaneous.

2.1.6.4 Heterogeneity

Heterogeneity refers to the variability in the quality of service, since most services are labor intensive, they are susceptible to heterogeneity. For the service to be provided and consumed the client physically meets and deals directly with the service providers personnel. Direct contact and interaction are distinguishing features of services. People typically perform services, and people do not always perform consistently. It is also true that the characteristics of services themselves make it possible for marketer to customize their offerings to consumers. In such cases, services marketers often face a dilemma; how to provide efficient, standardized service at some acceptable level of quality while simultaneously treating each customer as a unique person (Dibb et. al., 2001).

2.1.7 Factors that Affect Customer Satisfaction

Matzler et al., (2002), classify factors that affect customers' satisfaction into three factor structures; i. Basic factors: these are the minimum requirements that are required in a product to prevent the customer from being dissatisfied. They do not necessarily cause satisfaction but lead to dissatisfaction if absent. These are those factors that lead to the fulfillment of the basic

requirement for which the product is produced. These constitute the basic attributes of the product or service. They thus have a low impact on satisfaction even though they are a prerequisite for satisfaction. In a nutshell competence and accessibility

ii. Performance factors: these are the factors that lead to satisfaction if fulfilled These include reliability and friendlines iii. Excitement factors: these are factors that increase customers' satisfaction if fulfilled but does not cause dissatisfaction if not fulfilled

2.1.7.1 Relationship of service Quality and Customer Satisfaction

Oliver (1993) first suggested that service quality would be antecedent to customer satisfaction whether these constructs were cumulative or transaction-specific. Some researchers have found empirical justification for this view where customer satisfaction came as a result of service quality (Anderson & Sullivan, 1993; Fornell 1996; Spreng & Macky1996).

Despite the fact that factors such as price, product quality, delivery etc. can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml, 2006). Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service (Wilson, 2008). This theory conforms to the idea of Wilson (2008) and has been confirmed by the definition of customer satisfaction presented by other researchers. More evidence has been proved that the service quality acted as one of the factors that influence satisfaction. Parasuraman (1985) in their study confirmed that when perceived service quality is high, then it will lead to increase in customer satisfaction. Some other authors also acknowledged that customer satisfaction is based on the level of service quality being provided by the service entities (Saravana & Rao, 2007).Cronin & Taylor (1992) has view of customer satisfaction to be base itself on the customer"s experience on a particular service encounter implying that service quality is a determinant of customer satisfaction. Another author stated that definitions of consumer satisfaction relate to a specific transaction (the difference between predicted service and perceived service) in contr8ast with „attitudes", which are more enduring and less situational-oriented, (Lewis, 1983). This is in line with the idea of Zeithaml (2006).

2.1.8 Service Quality Measurement

According to Dhurup (2003:66), receiving a high level of service is important to customers but understanding how to measure and evaluate the service quality received is challenging. A reliable measure of service quality is critical for identifying the aspects of service needing performance improvement, measuring the degree of improvement needed on each aspect and evaluating the impact of improvement efforts Zeithaml et al., (2008:151). Seth and Deschmukh (2005:913) believe that for an organization to gain a competitive advantage, marketers must collect information on market demand to enhance service quality. Zeithaml et al. (2008:151) warn that unlike products quality, which can be measured objectively by indicators such as durability and number of defects, service quality is abstract and is best captured by surveys that measure customer evaluations of service. Tangible products tend to possess objectivity in ways measurement adherence to concrete specifications, which is typically performed by quality control function and assurance. However, services are intangible and thus the quality is based on subjective evaluation on personal viewpoints, making the measurement process challenging (Stejerean, 2016). To overcome this problem, a structured approach is essential; and the most widely-used metric is SERVQUAL (Pascal, 2016). Organizations can use several methods to monitor their quality of service including conducting customer surveys to know whether the customers might have any dissatisfaction about the process. These questionnaires will allow customers to elicit their opinions and rate honestly about the personnel. Henceforth, the management team can take actions t eradicate the deficiencies. Similarly, companies should also pay close attention to customer feedback in forms of compliments, complaints or suggestions. This method will eventually reveal the root causes and can prevent them from recurring. The service unit should have a solid plan for staff training operations and use available resources effectively to become more flexible and innovative over time.

2.1.9 service quality models

Given the complex nature of service quality, it is not surprising that there have been divergent views about the most suitable way to conceptualize and measure it Palmer (2011:293). Disconfirmation holds that satisfaction is related to the size and direction of the

disconfirmation experience, where disconfirmation is related to the person's initial expectations. A customer's expectations are positively confirmed when a service performs as expected and negatively disconfirmed when the product or a service performs better than expected Churchill & Suprenant (1982:493).

2.1.10 The Servqual Model

The SERVQUAL model, developed by Parasuraman [9], is a measurement model for service quality that has been extensively applied in many studies focusing on service quality assessment Zeithaml et al., (2008:154). Zeithaml et al. (2008:151) add that the SERVQUAL model is one of the first measures to be developed specifically to measure service quality. The SERVQUAL instrument is known to be the predominant method used to measure customers" perceptions of service quality Lewis & Booms, 1983:100). Boshoff and Du Plessis (2009:43) believe that this model is arguably, the best-known instrument to measure customers" perceptions of service quality.

SERVQUAL model:

Through identifying differences between customers" perceptions and expectations, service organizations may identify average gaps for each service attribute. The five SERVQUAL dimensions may be used to assess the service organization's service quality. Service organizations may monitor customers" perceptions and expectations using individual service attributes or the SERVQUAL dimensions. Service organizations may compare the service quality ratings against those provided by competing organizations. The service organization's service performance measurements may be used to identify and examine differences in customer segments.

The SERVQUAL model may be used to measure the internal service quality offered by the service organization's departments or divisions.

2.1.11 Servperf

The SERVPERF model was carved out of SERVQUAL by Cronin and Taylor in 1992. SERVPERF directly measures the customer's perception of service performance and assumes

that respondents automatically compare their perceptions of the service quality levels with their expectations of those services. Cronin and Taylor argued that only perception was sufficient for measuring service quality and therefore expectations should not be included as suggested by SERVQUAL (Baumann et al, 2007). Instead of measuring the quality of service via the difference between the perception and expectation of customers as in SERVQUAL, SERVPERF 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.

2.1.12 The gap model

The gap model of service quality is a framework professionals use to analyze customer satisfaction and identify areas for improvement. Most companies, regardless of whether they are sales- or service-focused, involve some component of customer service.

Also known as the five gaps model or the customer service gap model, this tool addresses the most common communication challenges that can cause a gap between customers' expectations of service and the service they actually receive. The model also helps managers better understand their customers to meet their needs.

2.1.13 Service Quality Management

Service quality management encompasses several different procedures, consisting of maintenance and monitoring system for the long-term goals in regards to services offered to customers to track developments and measure its efficiency (Veyrat, 2016). Differentiation may be based on factors like the urgency of the task, duration of service transaction, or payment of premium pricing. It is said that unoccupied time feels longer than occupied time. In other words, customers should have something to do at least while waiting for the services, or it can cause a detrimental experience, leading to anger and irritation. Besides, research had shown that customers that are provided in advanced the estimated length of anticipated wait or their relative position in the waiting queue will result in more positive outcomes as they have accepted to do so. When having a clear understanding of the rules and priorities in the service delivery process beforehand, the customers are more enforced and easygoing. In spite

of that, the waiting queue must be equitable on a first come first served basis, unless there is a separate section for prioritized clients. Similarly, customers will always expect a reasonable explanation when the service is taking too long to operate. Customer service department should be justifiable in communicating cases of unexpected delays (Bhargava, N.D.).

2.1.14 Service Quality Dimensions

Customer perception does not come from a single factor but from a host of contributing factors that service marketers should evaluate accordingly. In the literature article 'Competing on eight Dimensions of Quality', author David Garvin identified eight dimensions applicable to quality of service, which are aesthetics, durability, conformance, features, reliability, service ability, performance, and perceived prestige. Later on, in a refinement, Parasuram and two other declared that there are only five dimensions to be superior, namely: assurance, empathy, tangibles, reliability, and responsiveness.

It is very difficult to measure service quality because it is a subjective experience. Even if a service or product performed exactly as intended, a consumer may be dissatisfied for another reason. Many researchers have struggled with the issue of how to measure service quality. Perhaps the most widely used measure is based on a set of five dimensions which have been consistently ranked by customers to be most important for service quality, regardless of service industry. These dimensions defined by the SERVQUAL measurement instrument are as follows:

2.1.15 Reliability: Delivering on promise

Reliability is defined as the ability to perform the promised service dependably and accurately. In its broadest sense, reliability means that the company delivers on its promises-promises about delivery, service provision, problem resolution, and pricing. Customers want to do business with companies that keep their promises, particularly their promises about the service outcomes and core service attributes.

2.1.16 Responsiveness: being willing to help

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 is communicated to customers by the length of time they have to wait for assistance, answers to questions, or attention to problems. Responsiveness also captures the notion of flexibility and ability to customize the service to customer needs. To excel on the dimension of responsiveness, a company must be certain to view the process of service delivery and the handling of requests from the customer's point of view rather than from the company's point of view. To truly distinguish themselves on responsiveness, companies need well-staffed customer service departments as well as responsive font-line people in all contact positions.

2.1.17 Assurance: Inspiring trust and confidence

Assurance is defined as employees' knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence. This dimension is likely to be particularly important for services that the customer perceives as involving high risk and/or about which they feel uncertain about their ability to evaluate outcomes. Trust and confidence may be embodied in the person who links the customer to the company. In such service contexts the company seeks to build trust and loyalty between key contact people and individual customers.

2.1.18 Empathy: Treating customers as individual

Empathy is defined as the caring individualized attention the firm provides its customers. The essence of empathy is conveying, through personalized or customized service that customers are unique and special. Customers want to feel understood by and important to firms that provide service to them.

2.1.19 Tangibles: Representing the service physically

Tangibles are defined as the appearance of physical facilities, personnel, and communication materials. All of these provide physical representations or images of the service that customers, particularly new customers, will use to evaluate quality.

These five SERVQUAL dimensions are used to measure the gap between customers' expectation for excellence and their perception of actual service delivered. The SERVQUAL instrument, when applied over time, helps service providers understand both customer expectations, perceptions of specific services, and areas of needed quality improvements.

SERVQUAL has been used in many ways, such as identifying specific service elements requiring improvement, and targeting training opportunities for service staff. Proper development of items used in the SERVQUAL instrument provides rich item-level information that leads to practical implications for a service manager.

2.2 Theoretical foundation of the study

Service quality and customer satisfaction have long been recognized as playing a crucial role for success and survival in today's competitive market. The quality and satisfaction concepts have been linked to customer behavioral intentions like purchase and loyalty intention, willingness to spread positive word of mouth, referral, and complaint intention by many researchers, Olsen, (2002); Kang, Nobuyuki and Herbert, (2004); Söderlund and Öhman, (2005).

In today's fast-paced and increasingly competitive market, the bottom line of a firm's marketing strategies and tactics is to make profits and contribute to the growth of the company. Customer satisfaction and service quality are global issues that affect all

organizations, be it large or small, profit or non-profit, global or local. Providing excellent service quality is widely recognized as a critical business requirement, Voss et al, (2004); Vilares&Coehlo, (2003) Van der Weile et al, (2002). It is 'not just a corporate offering, but a competitive weapon', Rosen et al, (2003) which is 'essential to corporate profitability and survival', Newman & Cowling, (1996).However, service quality, particularly within the Services sector, remains a complex concept and there is little consensus as to the drivers for effective delivery, Voss et al, 2004; Johnston, (1995).As many industry sectors mature, competitive advantage through high quality service is an increasingly important weapon in business survival. The Telecom industry has certainly not been exempted from rising consumer expectations of quality. In Ethiopia, the Telecom industry is undergoing a dramatic transformation and experiencing heightened competition.

The SERVQUAL model is suitable for measuring service quality and customer satisfaction. The same dimensions used to measure both service quality and customer satisfaction because it assumed both are related (Parasuraman et al., 1988) and customer satisfaction is an antecedent of service quality (Negi, 2009). The SERVQUAL approach integrates the two constructs and suggests that perceived service quality is an antecedent to satisfaction (Negi, 2009, p.33). Therefore, in this research, the initial 20 items of SERVQUAL model (in the attached appendix) are modified to measure service quality and customer satisfaction in Ethiotelecom bulbula branch. The model is a summary for the 20-items and researcher want to find out the overall service quality perceived by customers and which dimensions customers are satisfied wit

2.3 Prior scholars literature

Prior scholars (González & Brea,2005 & Ekinci 2004 as cited in Harr, 2008) using recursive structural models provided empirical support that service quality results in customer satisfaction.

Munusamy et al., (2010) said that only 3 of service quality dimensions namely called (assurance, empathy, and responsiveness) have positive and insignificant effect on customer

satisfaction. Tangibility has a positive and significant impact on customer satisfaction. However, reliability has a negative and insignificant effect on customer satisfaction.

According to Mohammad and Alhamadani (2011) all service quality dimensions namely (assurance, empathy, responsiveness ,tangibility and reliability have positive and significant effect on customer satisfaction.

Natnael Salfore Sharecho(2022) investigated the relationship between service quality and customer satisfaction the findings showed that there exist significant and positive relationship between service quality dimensions and customer satisfaction. Empathy dimension of service quality and customer satisfaction have comparatively highest positive relationship and tangibles dimension of service quality and customer satisfaction have lowest positive relationship. As indicated by regression model summary, the service quality dimensions have overall positive and strong relation with customer satisfaction, i.e. 0.811. Therefore, improvements in all service quality dimensions not only bring the level of service quality to the extent of customers' expectations but also increase customers' satisfactions, which will result in customers' retention, repeated visit, positive word of mouth, and increased profitability.

Empathy has comparatively high standardized beta coefficient of 0.484, which means that a one-standard deviation increment in empathy will bring 0.488 standard deviations increments in customer satisfaction followed by responsiveness for which a one standard deviation increment will bring 0.23 standard deviations increment in customer satisfaction and reliability for which a one standard deviations increment will bring 0.126 standard deviations increment in customer satisfaction. Comparatively, lowest effect is found with assurance dimension for which a one-standard deviation increment will bring 0.106 standard deviations increment in customer satisfaction. On the other hand, the tangibles dimension have no statistically significant effect on the customer satisfaction as its significance value is greater than 0.05. This indicates that there is no statistically significant linear dependence of customer satisfaction on the tangibles dimension of service quality. From these all, one can conclude that service quality affects the level of customer satisfaction

According to a study gathered by Abdissa Gemechu Gobena(2019) 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 the highest relationship was found between responsiveness and customer Satisfaction, while the lowest relationship was found between empathy and customer satisfaction. Similarly, the multiple regression results showed that except empathy, the four service quality dimensions (tangibility, responsiveness, reliability, and assurance) have positive and significant impact on customer satisfaction.

Thesis conducted by Yeshitela Tefera , June ,(2018) examined the effect of service quality on customer satisfaction The major findings was empathy, reliability and tangibility service quality dimensions have a positive and significant relationship with over all service quality but, assurance and responsiveness have moderate and least correlation to overall service quality On the other hand, positive and strong relationship was also revealed between service quality dimensions and customer satisfaction. In this regard, empathy, reliability and tangibility have higher relationship with customer satisfaction Moreover, the finding also indicated that there is a positive and significant relationship among independent variables (service quality dimensions) wherein a relatively stronger correlation observed between tangibility and reliability and empathy and reliability.

Therefore, improvements in all service quality dimensions not only bring the level of service quality to the extent of customers' expectations but also increase customers' satisfactions, which will result in customers' retention, repeated visit, positive word of mouth, and increased profitability additionally high quality service is an increasingly important weapon to survive, the higher service quality, and the higher customer satisfaction.

2.4 Conceptual framework

Conceptual framework reveals the process, direction and interrelation among variable in the study The study intends to measure the level of customers' satisfaction using the five service quality dimensions (Tangibility, Assurance, Empathy ,Responsiveness ,Reliability).

Five dimensions of service quality and satisfaction were discusses in the previous section. This section presents a diagrammatic illustration of the theoretical framework. The conceptual framework (Figure 1) was developed following various empirical and theoretical studies such as Agus et al. (2007), Caruana (2002), and Khan and Fasih (2014).

The frame work shows the predictor variable, the five service quality dimensions, namely, tangibles, reliability, responsiveness, assurance, and empathy, whereas the customer satisfaction will serve as the mediating variable. The relationships among customer satisfaction, and service quality dimensions was examined by the correlation analysis, and the impact of service quality on customer satisfaction was analyzed by the regression analysis.

Independent variable	Dependent variable

| Tangibility |
| Reliability |
| Responsiveness |
| Assurance |
| Empathy |

Customer Satisfaction
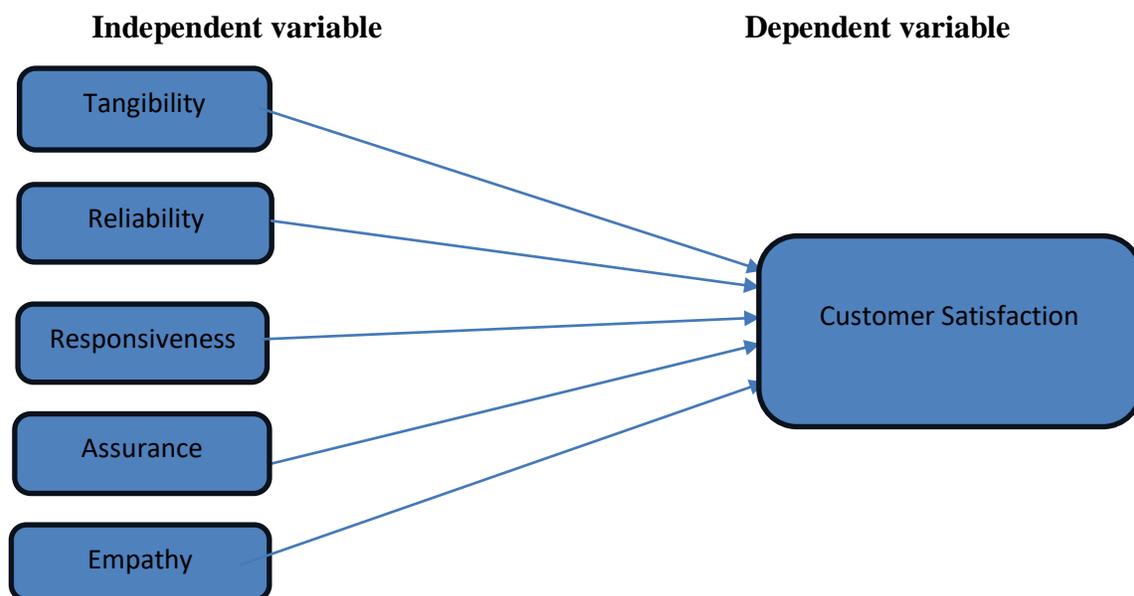
Figure 2. 1: conceptual framework of the effect customer service quality on customer satisfaction

2.5 Research Hypothesis

In order to answer the research objectives/ questions of the effect of service quality on customer satisfaction in Ethiotelecom bulbula branch , the following hypotheses was developed:

H1: Reliability has a positive and significant effect on customer satisfaction

Ennew, & Waite(2013) revealed that reliability could be considered the extent to which customers can rely on the service promised by the organization. Parasuraman et al. (1985) has defined reliability as the organization's capability to tool up the service, dependently and independently. As a standard of service quality, reliability has a significant impact on customer satisfaction. Ennew et al. (2013) defined reliability as the ability to do and perform the required service for customers dependably, accurately and as promised, and the capacity to treat problems faced by customers

The study by Zeithaml and Bitner (2003) further revealed that it is very important to do the service right the first time; in case a service problem does crop up, by resolving the problem to the customer's satisfaction, the company can significantly improve customer satisfaction. Regarding the association between reliability and customer satisfaction, Pearson correlation analysis reported that 0.993 at a significance level of 0.00 and had a positive moderate relationship with customer satisfaction. Hence, it is possible to conclude that reliability have positive relationship with customer satisfaction in Ethiotelecom bulbula branch. Therefore, the hypothesis is supported.

H2: Responsiveness have a positive and significant effect on customer satisfaction

The responsiveness dimension of service quality is related to the organization‟s willingness and ability to help customers, and to provide quick service with proper timeliness (Parasuraman, Zeithaml, & Berry, 1985). The willingness of employees to provide the

required service at any time without any inconvenience will have an impact on customer satisfaction (Parasuraman, Zeithaml, & Berry, 1988). Responsiveness is primarily concerned with how service firms respond to customers via their personnel. Individual attention will increase the customer''s satisfaction and so will the attention paid by employees to the problems that face customers; when this happens, a radical shift occurs in their satisfaction.

Regarding the association between responsiveness and customer satisfaction, Pearson correlation analysis reported that the correlation Coefficients is 0.976 at a significance level of 0.007 and had a positive relationship. Hence, it is possible to decide that responsiveness positively related with customer satisfaction in Ethiotelecom bulbula branch . Therefore, the hypothesis is supported.

H3: Assurance has a positive and significant effect on customer satisfaction

Regarding ability to convey trust and confidence assurance was found a valid variable had insignificant and negative relationship with customer satisfaction

The assurance dimension of service quality indicates employees'' competence, knowledge and courtesy, and the ability to build bridges of trust with customers (Parasuraman, Zeithaml, & Berry, 1985). Assurance is defined as the knowledge and good manners or courtesy of employees Kant, & Jaiswal, (2017). Further, it is defined as the ability of employees, with the help of the knowledge they possess, to inspire the trust and confidence that will strongly influence the level of customer satisfaction

H4: Tangibility has a positive and significant effect on customer satisfaction: Tangibility has a positive relationship with customer satisfaction .

Parasuraman et al., (1985) have defined tangibility as the appearance of physical facilities, equipment, personnel, and communication materials. It may also be defined as the clear

visibility of resources necessary for providing a service to customers, the appearance of the management team and professional employees, brochures and booklets, which will have an effect on customer satisfaction (Munusamy, Chelliah, & Mun, 2010). Ananth, Ramesh, & Prabaharan (2010) found that attractiveness, physical facility, and visual appeal could be considered positive indicators of tangibility on customer satisfaction

Regarding the association between tangibility and customer satisfaction, Pearson correlation analysis reported that it has 0.996 at a significance level of 0.00 and a positive relationship with customer satisfaction. Hence, it is possible to conclude that tangibles have a strong positive relationship with customer satisfaction . Therefore, the hypothesis is accepted.

H5: Empathy has a positive and significant effect on customer satisfaction .

Ennew et al. (2014) point out that the empathy dimension of service quality means being attentive in communicative situations, understanding customer needs, showing friendly behavior,and taking care of a customer' s needs individually. Navaratnaseel & Periyathampy (2014)defined empathy as the ability to take care of customers and pay attention to them individually, especially while providing services. Moreover, Parasuraman et al. (1985) argued that understanding customer expectations better than competitors and the provision of care and customized attention to customers strongly influences the level of customer satisfaction.

Regarding the association between empathy and customer satisfaction, Pearson correlation reported that the Coefficients is 0.982 at a significance level of 0.00 .Hence, it is possible to decide that empathy have a strong relationship with customer satisfaction , the hypothesis is supported.

CHAPTER THREE

3.1. Introduction

The research methodologies are general guideline for the researcher by providing an understanding of how the research will be conducted and organized in order to obtain answers to the research questions and also they are methods to collect data and the concept and theories which underlie the methods. Therefore, this section focused an overview of the study approach on research design, target population, sampling design and procedures, research instruments for data collection, validity and reliability of the research instruments as well as data processing and analysis techniques

3.2. Research Design

Research design is the outline for fulfilling research objectives and answering research questions .In other words, it is a master plan specifying the methods and procedures for collecting and analyzing the needed information. It ensures that the study would be relevant to the problem and that it uses economical procedures.

The researcher intention was to clearly show the quality and the customer satisfaction in Ethio telecom services that it delivers to various customers. To this effect, both descriptive and explanatory research was applied for the study using quantitative and qualitative research approach to analyze data collected as a sample. Descriptive study design was appropriate for it enables the researcher to describe the existing situation of outsourced service quality and customer satisfaction in line to the service quality dimensions. The study also used explanatory study design to explaining and understanding the relationship between variables.

3.3. Research approaches

Research approaches are plans and the procedures for research. That span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation.

These three research approaches namely Quantitative (Positivism and Post positivism): approach of measurements and numbers. Qualitative (Constructivism & Transformative): approach of words and images and the last is Mixed research approach.

This research used both qualitative and quantitative approach .

3.4. Sample and sampling techniques

3.4.1. Sample Size Determination

A sample is a subset of the larger population. Determining sample size is very important issue because samples that are too large may waste time, resource and money. While samples that are too small may lead to in accurate results. According to Saunders (2007) researchers normally work to a 95% level of certainty. To determine the required sample size, a simplified formula (Yamane, 1967) was applied.

The sample size of the study was 398 customers. The sample size has been determined quantitatively using Solvin"s formula which is presented below. This formula assumes the confidence level of 95%

n= N/1+N(0.05)2

n=38585/1+38585(0.05)2

n =398

Where:

N=Population size of Ethiotelecom bulbula branch(38,585)

n= sample size

e= margin of error (degree of accuracy) (0.05)

3.4.2 Target population of the study

The target population of this study was customers of Ethiotelecom bulbula branch is 38,585 ,And this amount was gained form top management of the branch from last year survey(2014).

3.4.3 Sampling techniques

Sampling techniques is a technique used to select suitable sample so as to represent the whole population. The researcher used non probability convenient sampling to select a sample of customers because it was hard to access all customers' easily. This was also because as it was indicted in the study of Farhana & Islam (2012) convenience sampling technique gives a better result within a small budget and time constraints.

Sampling is the selection of a subset of the population of interest in a research study. In the vast majority of research endeavors, the participation of an entire population of interest is not possible, so a smaller group was relied upon for data collection.

3.5 Source of data and procedures for data collection

3.5.1 Data Sources

In order to gather the data from relevant sources, both primary and secondary data collection instruments was used.

Primary data: Data that has been generated by the researcher himself/herself, surveys, interviews, experiments, specially designed for understanding and solving the research problem at hand. In this study the primary data was gathered from customers of the Ethiotelecom using self-administered 5 level likert scale, SERVQUAL model, questionnaire.

Secondary sources: refers to data that is collected by someone other than the primary user. Common sources of secondary data for social science include censuses, information collected by government departments, organizational records and data that was originally collected for other research purposes and also from the review of journals and articles.

3.6 Method of Data Analysis

While the relevant quantitative data was collected from the customer of Ethiotelecom bulbula branch, then analyzing the data was the next task of the researcher. Thus, the quantitative and qualitative data was analyzed by using descriptive statistics (mean, percentage, frequency) and inferential statistics (regression and correlation) and the quantitative data obtained through questionnaire was coded and categorized into different classes and groups and then, it was subjected to statistical analysis using Statistical Package for Social Science (SPSS) version 20 computer software. The study used descriptive statistics to describe the collected data using mean, percentage and frequency, and correlation analyses was also used to explore the strength as well as the direction of the relationship among the variables. In addition to this regression analysis was also used to investigate the effect of the independent variables on dependent variable. Finally, the summary of the analyses, conclusion and recommendations formulated based on the findings.

3.7 Reliability and validity

3.7.1 Reliability

According to Drost (2011), reliability is "the extent to which measurements are repeatable when different people perform the measurement on different occasion, under different condition, supposedly with alternative instruments which measure the construct or skill". It can also be defined as the degree to which the measure of a construct is consistent or dependable.

This quality criterion of the research refers to the consistency of a measure of a concept. This quality criteria deals with the question whether the results of a study are repeatable (Bryman and Bell, 2007). Cronbach"s alpha was used in this study to assess the internal consistency (reliability of the instrument (questionnaire). Cronbach"s alpha is a coefficient of reliability used to measure internal consistency of a test. The coefficient has to be between 0 and 1 to label as reliable.

Reliability Statistics

Table 1 Cronbach's alpha test for independent variable

Dimensions	Crombach's Alpha	No of items
Reliability related dimension	.998	5
Assurance related dimension	.978	3
Tangibility related dimension	.988	3
Empathy related dimension	.981	4
Responsiveness related dimension	.991	5

3.8.2 Validity

It is the extent to which an instrument measures what it purports to measure. Validity is the trying to explain the truth of research findings as explained by Zohrabi, (2013). To make the

research valid different theories and empirical studies have been assessed to check whether they are compatible with the literature mentioned previously.

To ensure the validity of the study: Data was collected from the reliable sources, from respondent who has experiences in using the service of Ethiotelecom bulbula branch and construct validity was used .

The validity assures that the constructs measure what they claim to measure. In other words, construct validity assurers whether service dimensions could measure the predefined dependent variables or not.

3.7.3 Ethical considerations

They are ethical guidelines for research is principles that protect morality and guide researchers when they conduct research; they keep researchers accountable, thus, ensuring proper use of funds and avoidance of research misconduct. Moreover, these ethical considerations in research guarantee that the public can trust the research .and thus research fulfilled all the essential elements that are the input of ethical considerations it is open to new ideas.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

In this chapter, the results obtained in the study was analyzed, presented and interpreted in detail. This chapter begins by presenting respondents' profile followed by a descriptive statistics, correlation analysis respectively.

4.2 Descriptive Analysis

4.2.1 Demographic Characteristics of the Respondents

Table 4. 1 Gender of respondents

Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
	Female	130	43.3	43.3	43.3
Valid	Male	170	56.7	56.7	100.0
	Total	300	100.0	100.0	

Source: own survey,2015

The demographic characteristics related to gender of the respondents are described in Table 4.1 above, out of the total client respondents 300 customers representing 43.3% (130) are female customers and the remaining 25 customers representing 56.7% (170)are male respondents. When compared with female respondents, male respondents are greater in number than female respondents.

Table 4. 2 Age of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	85	28.3	28.3	28.3
	31-45	149	49.7	49.7	78.0
	46-60	58	19.3	19.3	97.3
	>60	8	2.7	2.7	100.0
	Total	300	100.0	100.0	

Source: own survey,2015

The age distribution of respondents in Table 4.2 above shows that the majority of respondents fell within the age bracket of 31-45 representing 149(49.9%) respondents. This is followed by 18-30 age brackets which represents 85(28.3%) respondents. Respondents who fell within the age 46-60 years constitute 58(19.3%) respondents. The lowest age group in the sample was above 60 representing 8(2.7%).

Table 4. 3 Nationality of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Ethiopian	300	100.0	100.0	100.0

Source: own survey,2015

As we can see from the table above regarding nationality of respondents all 300 respondents are Ethiopians.

Table 4. 4 Educational level of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High school	42	14.0	14.0	14.0
	Diploma	90	30.0	30.0	44.0
	Certificate	39	13.0	13.0	57.0

		Frequency	Percent	Valid Percent	Cumulative Percent
	First degree	107	35.7	35.7	92.7
	Second degree and above	22	7.3	7.3	100.0
	Total	300	100.0	100.0	

Source: own survey,2015

Regarding educational level, out of 300 respondents 42(14%) are high school completed, 90(30%) are at diploma level followed by 39(13%) certificate holders about 107 (35.7) are degree holders and the rest 22(7.3%) are at second degree level. This indicates that the majorities of the respondents are first degree level and would have good knowledge.

Table 4. 5 Years of usage services of ethiotelecom bulbula branch

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4 years	39	13.0	13.0	13.0
	5-7	97	32.3	32.3	45.3
	2-4	32	10.7	10.7	56.0
	>7	132	44	44	99.3
					100.0
	Total	300	100.0	100.0	

Source: own survey,2015

Regarding service experience, Table 4.5 , Out of 300 respondents 39(13%) are customers of of Ethiotelecom bulbula branch less than 4 years, 97(32.3%) are customers between 5-7 years following 32(10.7%) are customers for 2- 4 years and 132(44%) are customers for more than 7 years. This indicates that the majority of the respondents are customers of Ethiotelecom for more than 7 years. Thus, the larger numbers of these respondents are expected to have a lot of experience about the service delivery practice of the sector and they can easily measure their satisfaction level.

4.2.2. Descriptive statistics for Service Quality and Customer Satisfaction

The descriptive statistics were used as a way to examine the mean, standard deviation and other information which are not apparent in the raw data. Standard deviation measures the dispersion of the data. The greater the value of the standard deviation, the further the data tends to be dispersed from the mean. To measure the satisfaction level of respondents in each of the five service quality dimensions (reliability, assurance, responsiveness, empathy and tangibility), descriptive data, mean and standard deviations were presented and discussed in detail below.

LEVEL OF CUSTOMERS' EXPECTATION AND PERCEPTION ON SERVICE QUALITY IN ETHIOTELECOM BULBULA BRANCH

As stated in the research methodology, Likert scale was used to measure the contribution of service quality dimensions for building customer satisfaction.The degree of satisfaction towards service quality is set from 1 to 5 .

The translation of level ranking was analyzed based on the following criteria of customers' satisfaction designed by Best (1977: 174)

The score between 1.00-1.80 mean lowest satisfaction (Lowest)

 The score between 1.81-2.61 mean low satisfaction (Low)

The score between 2.62-3.41 mean average satisfaction (Average or Medium)

 The score between 3.42-4.21 mean good satisfaction (High)

The score between 4.22-5.00 mean very good satisfaction (Highest)

4.2. Descriptive statistics for reliability dimension

Reliability refers to the ability of the organization to perform the service as promised dependably and accurately. It is the service core for most customers which include all functions of the organization. In order to capture the respondents' opinion on the service quality attributes related to reliability issues, five different types of questions related to reliability were raised to the respondents starting from REL1 to REL5 and customers of

Ethiotelecom bulbula branch have chosen their preference or satisfaction levels on reliability issues as indicated in Table below. Besides, the average mean value of this dimension is 3.044.

Table 4. 6 Service quality attributes related to reliability

Measurement items		Response rate										mean score	SD
Variables		SD		D		N		A		SA			
1	RE1	54	17.9	73	24.2	81	26.8	60	19.9	32	10.6	2.81	1.249
2	RE2	42	13.9	75	24.8	67	22.2	86	28.5	30	9.9	2.96	1.225
3	RE3	24	7.9	72	23.8	60	14.6	72	23.8	72	23.8	3.32	1.290
4	RE4	44	14.6	70	23.2	85	28.1	57	18.9	44	14.6	2.96	1.265
5	RE5	33	10.9	61	20.2	74	24.5	86	28.5	46	15.2	3.17	1.233
Average mean score of reliability												3.044	

Source own survey 2015

Reliability measurement issues discussed above has overall average mean score of 3.044 or above the average mean value of all the quality dimensions and the mean score ranges from 2.81 up to 3.17 .The average means score goes to (REL.1)", and also average means score goes to (REL.5)", respectively. As a result, Average mean score of reliability is 3.044.

 The overall mean value for reliability is 3.044 which indicates average or medium mean score that means most customers moderately satisfied toward reliability dimension of service provided by Ethiotelecom.

According analysis made the promise to do something by a certain time as shown on the below table indicates. Respondents mainly choose Neutral out of 300 respondents 81 (26.8%) keep neutral when they were asked to form opinion based on the given statements. followed by disagree about 73(24.2%) disagree when they were asked the question promises to do something by a certain time. Out of 300 respondents 60 (19.9)of them agree on the given statement then 54(17.9) respondents strongly disagree the remaining 32(10.6) respondents strongly agree when they were asked their opinion based on the statement .

According analysis made the promise to do something by a certain time as shown on the below table indicates. Respondents mainly choose Agree out of 300 respondents 86 (28.5%) Agreed on the statement providing services as of the first time when they were asked to form opinion based on the given statements. Followed by disagree about 75(24.8%) disagree when they were asked the question providing service as of the first time. Out of 300 respondents 67 (22.2%)of them keeps neutral on the given statement then 42(13.9%) respondents strongly disagree the remaining 30(9.9%) respondents strongly agree when they were asked their opinion based on the statement .

According analysis made the promise to do something by a certain time as shown on the below table indicates. Respondents mainly choose Agree out of 300 respondents 86 (28.5%) Agreed on the statement providing services as of the first time when they were asked to form opinion based on the given statements. Followed by disagree about 75(24.8%) disagree when they were asked the question providing service as of the first time. Out of 300 respondents 67 (22.2%)of them keeps neutral on the given statement then 42(13.9%) respondents strongly disagree the remaining 30(9.9%) respondents strongly agree when they were asked their opinion based on the statement .

As it can be seen in the above table above regarding service providers has sincere interest to solve the problem of the customer out of 300 respondents 85(28.1%) are neutral they don't have any opinion regarding the service providers has sincere interest to solve the problem of the customers , 70(23.2%) are respondents that choose disagree followed by Agree about 57

(18.9) respondents agree on the statement above mentioned and both the remaining 44 (14.6) are strongly agree and strongly disagree.

From the above table 4-15, 62(41.89%) are agreed that the employees give accurate information and 74(24.5%) respondents don't have any opinion on the service providers gives accurate information or not, followed by disagree about 61(20.2%), 46(15.2%) of respondents strongly agree that the service providers gives accurate information and the remaining 33(10.9%) strongly disagree that the service providers gives accurate information This indicates

4.2.3. Descriptive statistics for Assurance dimension

This section of the paper undertaking find out, the respondents opinion on the service attributes related to assurance. Assurance refers to the organization's ability to create credibility on customers about the service, knowledge and courtesy of the employee and their ability to inspire trust and confidence in the customers of the organization.

Accordingly, three issues are raised and there by the customers of Ethio-telecom given lists of their preference or satisfaction levels on service assurance issues as indicated in Table below. Then a detailed discussion on the findings of the study regarding assurance will follow.

Table 4. 7 Measurement items related to assurance

Measurement items		Response rate									Average mean score	SD
Variables		SD		D		N		A		SA			
1	ASS1	50	15.9	100	31.8	72	22.9	61	19.4	17	5.4	2.65	1.145
2	ASS2	43	13.7	73	23.2	80	25.5	60	19.1	44	14	2.96	1.268
3	ASS3	38	12.1	69	22	79	25.2	76	24.2	38	12.1	3.02	1.225
Average mean score for variable assurance												2.87	

Source own survey 2015

The overall average mean score of assurance measurements is 2.87; it ranges from 2.65 up to 3.02. The average mean score of service assurance item is employees who deal with customers in a caring heart "(ASS .1)", was given moderate score of 2.65. Hence, Assurance measurement of the Ethiotelecom in relation to employees who install confidence most customer moderately satisfied, whereas convenient business hours (ASS 3).,has moderate mean score of 3.02 this means most customers are moderately satisfied with employees who have the knowledge to answer customers questions . The Average mean score for Ass1 is 2.65 followed by Ass2 with mean score of 2.96 the remaining value goes to Ass 3 with mean score 3.02 this means the average mean score goes to Ass 3 .

The overall mean value for assurance is 2.87 which indicates average or medium mean score that means most customers moderately satisfied toward assurance dimension of service provided by Ethiotelecom.

Regarding Employees who installed confidence in customers , majority of the respondents 100 (31.8%) disagree that employees install confidence in customers thet they refuse to agree on this opinion followed by 72(22.9%) respondents keeps silent, 61(19.4%) respondents Agree on the above mentioned question about 50(15.9%) of respondents strongly disagree that employees of Ethiotelecom bulbula branch installs confidence in customers and the remaining respondents goes to strongly agree that means majority of respondents refused to agree on employees who install confidence

In A2, approximately 60(19.1%) of the respondents agreed on service deliveries of Ethio-telecom bulbula branch and 80(25.5%) keeps neutral to give their opinion 43(13.7%) strongly agreed that Ethio-telecom gives safe service transaction. However, 73(23.2%) respondents disagree on that the entity gives safe service deliveries and the remaining 44 (14.0%) strongly agree on safe service transaction of Ethio-telecom bulbula branch.

Regarding Employees who have the knowledge to answer customer questions approximately 76(24.2%) of the respondents agreed on employees have good knowledge to give response to customers question and 79(25.2%) keeps neutral to give their opinion 38(12.1%) strongly agreed that Ethio-telecom bulbula branch employees have enough knowledge to answer customers questions. However, 69(22.0%) respondents disagree on that employees have knowledge to give feedback to end users and the remaining 38(12.1%) strongly agree on the knowledge of employees. respondents agreed on the statement.

Table 4. 8 Service attributes related to Empathy

Measurement item	Respondents response						
Empathy	SD	D	N	A	SA	mean	SD

											score	
E1	49	15.9	86	27.9	79	25.6	54	17.5	32	10.4	2.78	1.226
E2	55	17.9	97	31.5	110	35.7	29	9.4	9	2.9	2.47	0.996
E3	38	12.3	66	21.4	90	29.2	77	25.0	29	9.4	2.98	1.172
E4	33	10.7	76	24.7	96	31.2	61	19.8	34	11.0	2.96	1.163
Average mean score for variable empathy											2.79	

Source own survey 2015

The Average mean score for Emp1 is 2.78 followed by Emp 2 with mean score of 2.47 the remaining value goes to Emp 3 and Emp 4 with mean score 2.98 and 2.96 this means all empathy questions score moderate mean score.

Finally, the overall average mean score of empathy measurements is 2.79; it ranges from 2.78 up to 2.96. The lowest of service empathy item is employees who deal with customers in a caring heart "(E. 2)", was given lowest score of 2.47. Hence, empathy measurement of the Ethiotelecom in relation to employees who deal with customers in a caring heart most customer dissatisfied, whereas convenient business hours (E.3).,has moderate mean score of 2.98 this means most customers are moderately satisfied with Ethiotelecom have convenient business hours.

Regarding staff give individual attention to customers,54 (17.5%), 86(27.9%) and 79(25.6%) of the respondents are agreed, disagree and neutral on the matter. The remaining 49(15.9%) and 32(10.4%) strongly disagree and strongly agree on the question raised above.

Regarding Employees who deal with customers in a caring heart questions approximately 29(9.4%) of the respondents agreed on employees deal with customers in a caring heart and

110(35.7%) keeps neutral to give their opinion 9(2.9%) strongly agreed that Ethiotelecom bulbula branch employees deals with a caring heart . However, 97(31.5%) respondents disagree on that employee's deals with a caring heart to end users and the remaining 55(17.9%) strongly disagree on the question raised above.

Approximately 77(25.0%), 66(21.4%)and 90(29.2%)of the respondents agreed, disagreed and neutral respectively whether Ethiotelecom bulbula branch has convenient operating hours for customers. and the remaining 38(12.3%) and 8(2.6%) strongly disagree and strongly agree on that Ethiotelecom have convenient business hours .

As the name of statement clarified that, 96(31.2%) of the respondents keeps neutral that the employees of the have able to recognize the specific needs of the customers 76(24.7%) disagreed that employees recognize the needs of their customers followed by agree 61(19.8%) of respondents believed that employees of Ethiotelecom fully understand the need of their customers However, 33(10.7%) strongly disagree and shows their agreement on the matter. lastly 34(11.0%) strongly agree on the statement.

Table 4. 9 Service Quality Attributes related to Responsiveness

Measurement item	Respondents response										
Responsiveness	SD		D		N		A		SA		mean score	SD
RES1	48	15.8	95	31.3	71	23.4	42	13.8	44	14.5	2.80	1.314
RES2	40	13.2	72	23.7	91	29.9	52	17.1	45	14.8	2.97	1.164
RES3	38	12.5	100	32.9	79	26.0	38	12.5	45	14.8	2.84	1.106
RES4	37	12.2	66	21.7	103	33.9	50	16.4	44	14.5	2.99	1.175
RES5	60	19.7	99	32.6	65	21.4	36	11.8	40	13.2	2.66	1.280
Average mean score for variable responsiveness											2.852	

Source own survey 2015

The mean score for Res1 is 2.80 followed by Res 2 with mean score of 2.97 and mean score for Res3 and Res4 is 2.84 and 2.99 remaining value goes to Res5 with mean score of 2.66 .

The overall average mean score of responsiveness measurements is 2.852; it ranges from 2.80 up to 2.66. The average of service responsiveness item is employees are happy and willing to serve customers "(RES 5)", was given moderate score of 2.66. Hence, responsiveness measurement of the Ethiotelecom in relation to employees are happy and willing to serve customers most customer moderately satisfied, whereas Employees make information easily obtainable of Ethiotelecom (RES)4.,has the average mean score of 2.99 this means most customers are moderately satisfied with employees make information easily obtainable .

 The overall mean value for responsiveness is 2.852 which indicates average or medium mean score that means most customers moderately satisfied toward responsiveness dimension of service provided by Ethiotelecom.

when respondents are required to indicate staffs are always willing to help customers 95(31.3%) respondents disagreed with the mentioned statement while 71(23.4%) keeps to be neutral concerning staffs collaboration to help customers, 48 (15.8%) strongly disagree in that staffs are willing to help customers 44(14.5%) & 42(13.5%) of the respondents strongly agreed and agreed on the question raised above.

out of 300 respondents 91(29.9%) of the respondents keeps neutral on the statement that employees have capable to alert when the service carried out followed by disagree 72(23.7%) of respondents disagreed on employees keep customers informed ,52(17.1%) & 45(14.8%)agree and strongly agree that employees keep customers informed the remaining 40(13.2%) strongly disagreed on the question.

 Regarding staff give prompt services to customers; about 100(32.9%) of respondents refuses to agree on the staff gives prompt service for customers about 79(26.0%) of respondents keeps silent on the statement above mentioned then 45(14.8%) of respondents strongly agreed that employees give prompt service to customers followed 38(12.5%)& 38(12.5%) strongly disagree and agree on staff gives prompt service to customers. out of 300 respondents 103(33.9%) of the respondents keeps neutral on the statement that employees make information easily available followed by disagree 66(21.7%) of respondents disagreed on employees keep information easily obtainable,50(16.4%) & 44(14.5%)agree and strongly agree that employees make information easily available the remaining 37(12.2%)strongly disagreed on the question,

4.2.4. Descriptive statistics for Tangibility dimension

The next point to be discussed here is that, the respondents' opinion on the tangibility measurement issues. Tangibility refers to the physical facilities, employees' appearance, branches accessibility and availability of modern technology. For that reason, respondents were provided with three different questions starting from TAN- 1 to TAN- 3 that shows their preference or satisfaction levels on tangibility measurement. And then the analysis part on each tangibility issues is discussed on the subsequent paragraphs.

Table 4. 10 Service Quality attributes related to Tangibility

Measurment item	Respondents response										Average mean score	SD
Tangibility	SD		D		N		A		SA		Average mean score	SD
Tan1	45	14.8	72	23.7	81	26.6	61	20.1	41	13.5	2.94	1.261
Tan2	40	13.2	69	22.7	79	26.0	73	24.0	39	12.8	3.01	1.238
Tan3	35	11.5	62	20.4	81	26.6	84	27.6	38	12.5	3.09	1.207
Average mean score for variable tangibility											3.01	

Source own survey 2015

The overall average means score of tangibility measurements is 3.01; it ranges from 2.94 up to 3.09. The lowest of service tangibility item is visually appealing facilities "(TAN.1)", was given moderate score of 2.94. Hence, tangibility measurement of the Ethiotelecom in relation to visually appealing facilities most customer are moderately satisfied, visually appealing facilities associated with the service of Ethiotelecom (TAN.3),has the average mean score of 3.09 this means most customers are moderately satisfied with visually appealing facilities associated with the service.

The overall mean value for tangibility is 3.01 which indicates average or medium mean score that means most customers moderately satisfied toward service provided by Ethiotelecom

Related to the physical facilities of Ethiotelecom 81 (26.6%) remain neutral 72(23.7%) disagree that Ethiotelecom have visually appealing facilities followed by agree 61 (20.1%) agreed on that Ethiotelecom have visually appealing facilities and the remaining 45(14.8%) of respondents strongly disagree on the appealing facilities finally 41(13.5%) of respondents strongly agree on that Ethiotelecom have appealing facilities.

Upon the responses of the respondents, 73(24.0%),69(22.7%) and 79(26.0%) responses agreed, disagree and neutral respectively the neat appearance of the staff the remaining 40(13.2%)& 39(12.8%) strongly disagree and strongly agree on the staff neat professional appearance.

Out of 300 respondents 84(27.6%) agree with the materials associated with services of the Ethio-telecom and 81(26.6%) of respondents remains neutral on the matter followed by disagree 62(20.4%) disagreed that Ethio-telecom have visually appealing facilities associated with the service then 38(12.5%) of respondents strongly agreed on the statement above the remaining 35(11.5%) strongly disagree and refuse to agree that Ethiotelecom have visually appealing facilities associated with the service

Table 4. 11 customer satisfaction

Measurment item		Respondents response										
Customer satisfaction		SD		D		N		A		SA		Average mean	SD
1	CS1	46	15.3	66	21.9	89	29.6	61	20.3	38	12.6	2.93	1.242
2	CS2	46	15.3	68	22.6	81	26.9	66	21.9	39	13.0	2.95	1.258
3	CS3	38	12.6	62	20.6	81	26.9	76	25.2	43	14.3	3.08	1.240
4	CS4	34	11.3	60	19.9	78	25.9	88	29.2	40	13.3	3.13	1.211
5	CS5	34	11.3	62	20.6	80	26.6	80	26.6	44	14.6	3.13	1.226
Average mean score for customer satisfaction												3.044	

Source own survey 2015

The mean score for Cs1 is 2.93 followed by Cs 2 with mean score of 2.95 and mean score for Cs 3 and Cs4 is 3.08 and 3.13 and the remaining value goes to cs 5 with mean score of 3.13.

The overall mean value for overall customer satisfaction is 3.044 which indicates that there is average or medium customer satisfaction toward service provided by Ethiotelecom

Regarding customer satisfaction 89(29.6%) keep neutral about Ethio-telecom bulbula branch complete range of service followed by disagree 66(21.9%) refuse to agree on Ethio-telecom bulbula branch complete range of service out of 300 respondents 61(20.3%) choose to agree on Ethio-telecom bulbula branch complete range of service 46(15.3%)&38(12.6%) strongly disagree and agree on Ethio-telecom bulbula branch complete range of service .

out of 300 respondents 81(26.9%) do not have any information regarding the performance of Ethio-telecom bulbula branch employees about 68(22.6%)&46(15.3%) of respondents disagreed and strongly disagreed on the performance of Ethio-telecom bulbula branch employees have good performance to serve customers the remaining 39(13%) strongly agreed on that they are satisfied with the performance of employees

Out of 300 respondents 38(12.6%) and 62(20.6%) strongly disagree and disagree by being a client of Ethio-telecom bulbula branch, 81(26.9%) remain neutral followed by 76(25.2%) and 43(14.3%) of respondents agreed and strongly agreed that they are satisfied by being a client of Ethio-telecom bulbula branch.

Out if 300 respondents 88(29.2%) and 40(13.3%) agreed and strongly agreed with the employees professional competence 78(25.9%) keep neutral they do not have any opinion on employees professional competence the remaining 60(19.9%) and 34(11.3%) disagreed and strongly disagreed on employees professional competence in other word they do not satisfied with employees professional competence. out of 300 respondents 80(26.6%) agreed with the quick service delivery of Ethio-telecom 80(26.6%) keeps neutral or they do not have any information regarding service delivery time and process about 62(20.6%) disagree on the matter in other word that Ethio-telecom do not have quick service delivery time ,44(14.6%) of respondents strongly agree that Ethio-telecom have the quickest service delivery time and the remaining 33(11.3%) strongly disagree on quick service delivery time,they are not satisfied by service delivery time. out of 300 respondents 82(27.2%) do not have any information on

the behavior of Ethio-telecom bulbula branch followed by disagree 60(19.9%) of respondents disagreed on the respectful behavior of Ethio-telecom .,or they are not satisfied by behavior of Ethio-telecom bulbula branch employees about 60 (19.9%) of respondents strongly agree on that they are satisfied with the respectful behavior of Ethio-telecom bulbula branch employees ,56(18.6%) respondents agree and they are satisfied with the respectful behavior of Ethio-telecom bulbula branch employees the remaining 42(14.0%) strongly disagree which means they are not satisfied with the respectful behavior of Ethio-telecom bulbula branch employees.

Table 4. 12: Statement to evaluate overall level of satisfaction

		Frequency	Percent
	Strongly dissatisfied	40	13.33%
	Dissatisfied	50	16.67%
	Neutral	87	29%
Valid	Satisfied	99	33%
	Strongly agree	24	8%
	Total	300	100%

Own survey 2015

Out of 300 respondents 40(13.33%) strongly dissatisfied by services of Ethiotelecom bulbula branch followed by 50 (16.67%) dissatisfied respondents this means out of 300 respondents about 87(29%) keep neutral or don't have any opinion followed by 99(33%) satisfied with the overall statement to evaluate their satisfaction level and lastly 24 or only (8%) respondents strongly agree.

Table 4. 13: Average mean value and standard deviation of the five dimensions

Service quality Dimensions	Mean score	Standard deviation
Tangibility	3.01	1.23
Reliability	3.044	1.25
Responsiveness	2.852	1.2078
Assurance	2.87	1.21
Empathy	2.79	1.139
Customer Satisfaction	3.044	1.2354
Average	2.91	1.2058

Own survey 2015

Table 4.13 above shows the average mean score for the five dimensions of service quality. The highest mean scored by Reliability followed by Tangibility, Assurance, responsiveness and Empathy respectively. As shown on the above Table 4.13, Reliability dimension of service quality is superior to other four dimensions with a mean score of 3.044. This indicated that Ethio-telecom bulbula branch is performing moderately to their expectation hence they are moderately satisfied in this dimension regard. The second dimension as per the rating of the customers is Tangibility, with a mean score of 3.01 hence, Ethio-telecom bulbula branch is performing moderately better in accessibility towards customers, employee neat appearance, materials related to service.

The average means score for the above mentioned table is 2.91 this means customers of Ethiotelecom moderately satisfied with all service quality dimensions.

4.3. Correlation Analysis between Service Quality Dimensions and Customer Satisfaction

To find out the relationship between service quality dimensions and customer satisfaction, Pearson's correlation coefficient (r) which measures the strength and direction of a linear relationship between two variables was used. Values of Pearson's correlation coefficient are always between -1 and +1. A correlation coefficient of +1 indicates that two variables are perfectly related in a positive sense; a correlation coefficient of -1 indicates that two variables are perfectly related in a negative sense, and a correlation coefficient of 0 indicates that there is no linear relationship between the two variables. A low correlation coefficient; 0.1-0.29 suggests that the relationship between two items is weak or non-existent. If r is between 0.3 and 0.49 the relationship is moderate. A high correlation coefficient i.e. >0.5 indicates a strong relationship between variables. The direction of the dependent variable's change depends on the sign of the coefficient. If the coefficient is a positive number, then the dependent variable will move in the same direction as the independent variable; if the coefficient is negative, then the dependent variable will move in the opposite direction of the independent variable. Hence in this study both the direction and the level of relationship between the dimensions of service quality and customer satisfaction are conducted using the Pearson's correlation coefficient. The table below presents the result of the correlation analysis made using Pearson's correlation.

Table 4. 14: Correlation Analysis

Pearson's correlation

<div align="center">Correlations</div>

		REL	ASS	TAN	EMP	RES	CS
REL	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	300					
ASS	Pearson Correlation	.992**	1				
	Sig. (2-tailed)	.000					
	N	300	300				
TAN	Pearson Correlation	.990**	.990**	1			
	Sig. (2-tailed)	.000	.000				
	N	300	300	300			
EMP	Pearson Correlation	.988**	.990**	.984**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	300	300	300	300		
RES	Pearson Correlation	.981**	.986**	.974**	.982**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	300	300	300	300	300	
CS	Pearson Correlation	.993**	.989**	.996**	.982**	.976**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	300	300	300	300	300	300

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

Table 4.14 shows the relationship between the variables (Service quality dimensions and customer satisfaction).Based on the correlation result in the above table revealed that tangibility/physical aspect, staff reliability, responsiveness, assurance and empathy had a strong relationship. As shown in above table tangibility had a strong relationship with reliability 0.990 (or 99%) , Responsiveness 0.974(or 97.4%), Assurance 0. 990(or 99%) and strong relationship with Empathy 0.984 (or 98.4%) .This indicates that tangibility has a positive linear relationship with all dimensions , This implies that the Ethiotelecom bulbula branch physical facility, the attractive appearance of the staffs and the materials associated with the service has strongly relates.

The table above also shows that correlation coefficient of Reliability had a significance relationship with responsiveness (0.981) and assurance (0.992)and had strong relationship with Empathy (0.988), which implies that the employees' ability to promise to do something in a certain time , their ability to do as promised and providing accurate information to the customer had a strongly relationship with employee's willingness to tell the time when they provide the service, ability of giving quick service for their customers, willingness of employees in helping customers and willingness of employees to respond for the customers question and the ability of employees' in instilling confidence in customers, safety of the Ethiotelecom bulbula branch transactional process, politeness of the employees and knowledge of employees to answer the customers' request are strongly correlated.

Regarding the association of responsiveness with assurance and empathy, Pearson correlation reported that the relation is 0.986 and 0.982 respectively . Hence, it is possible to decide that the staffs willing to help customers, giving prompt service and respond customer's request quickly had a strong relationship with the ability of employees' in instilling confidence in customers, safety of transactional process, politeness of the employees and knowledge of employees to answer the customers' request and a strong relationship with the management (operation time), the employees' ability in giving individualized attention to customers, understanding the customers' best interest at heart and specific needs of customers are strongly correlated.

Furthermore, the above table 4.14 shows that tangibility and customer satisfaction had a high correlation 0.996 followed by reliability 0.993 ,assurance 0.989,empathy 0.982 finally customer satisfaction had a strong correlation of 0.976 with responsiveness .

4.4.1 Assumption 1: Test of Normality

The linear regression analysis that requires all variables to be multivariate normal is referred to as the normality test. A histogram or a Q-Q-Plot is ideal for testing this assumption (Rani Das, 2016). It demonstrates that the data is distributed on a regular basis. The kurtosis and skewness values was showed using SPSS version 20 to determine whether the data was normal. Skewness is the degree to which cases are grouped towards one end of an asymmetric

distribution. In general, the farther the skewness value deviates from zero, the less likely the data will be normally distributed. Kurtosis is a measure of the level of peak in a histogram. Positive kurtosis can be seen in the high peak, whereas negative kurtosis can be seen in the flatter distribution (Rani Das, 2016). A histogram is essentially a graph that depicts a variable's frequency distribution of data. The values of the variable are depicted on the X-axis, while the frequency is represented on the Y-axis. Histograms are a valuable apparatus for deciding whether your information is routinely disseminated. In case the information is clustered around the cruel in a ordinary dispersion at that point the factors are ordinarily conveyed
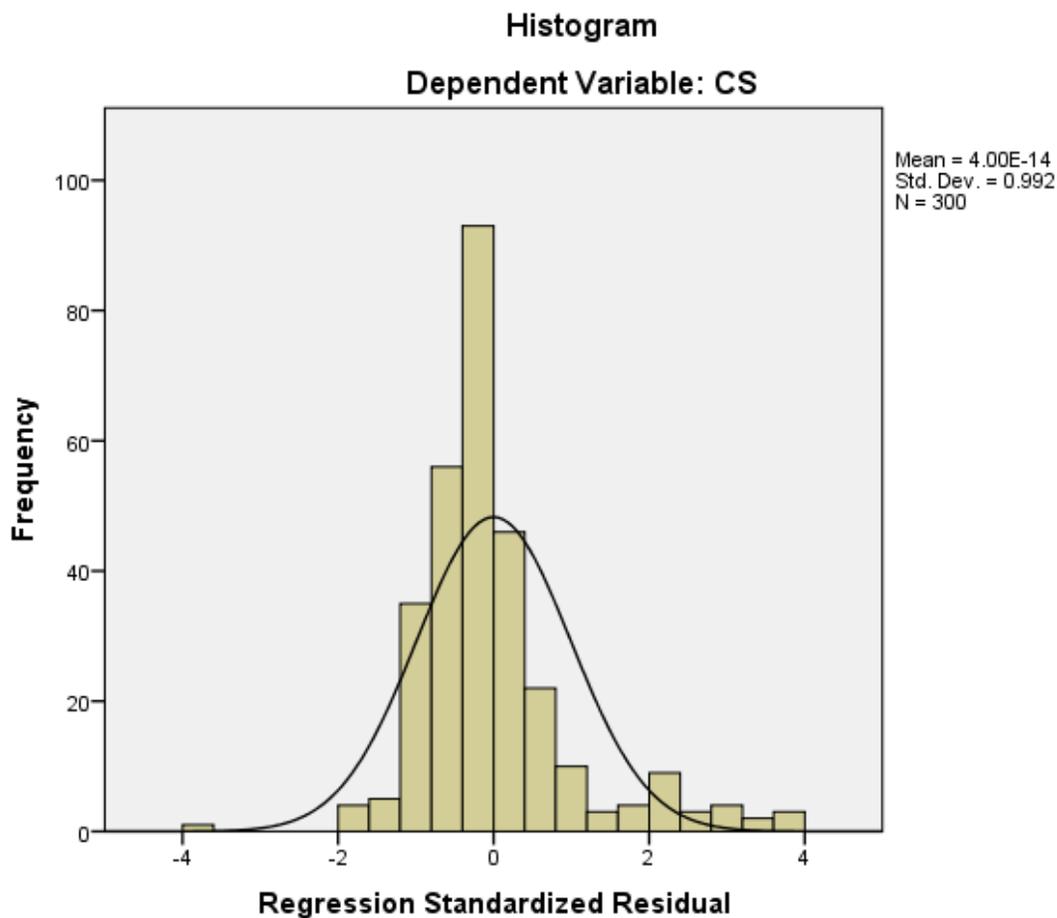
Figure 4.4. 1: Normality Tests of Residual

As per Garson (2012), the normal distribution of histogram graphs resembles a bell-shaped distribution. As a result, as shown in the graph above, the normal distribution of the variables in this study scores between -3 and 3, and the graph has peaked and is bell-shaped. As a result, the variables are normal.

4.4.2 Assumption 2: Test of Linearity

A P–P plot (probability–probability plot or percent–percent plot) in statistics is a probability plot that compares the two cumulative distribution functions to see how closely two data sets agree (Tabs, 2010). In regression analysis, the relationship between the variables is assumed to be linear. That means the points in the diagonal line plot need create a pattern that can be approximated by a straight line.
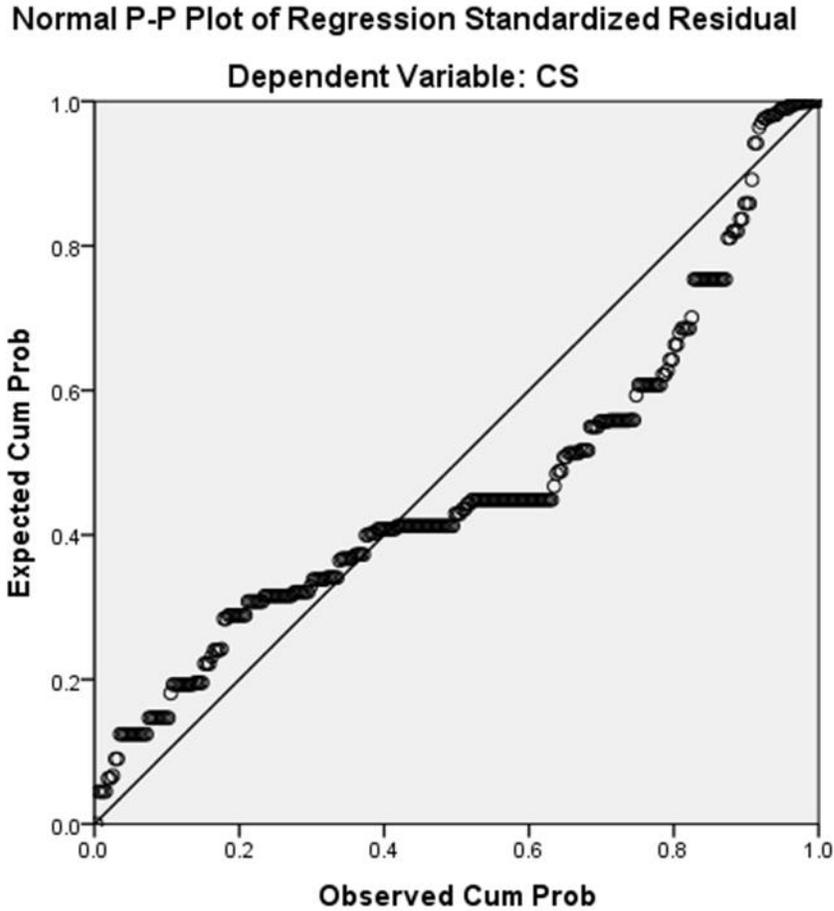
Figure 4.4. 2: Test of linearity

4.4.3 Assumption 3: Homoscedasticity

Homoscedasticity refers to the extent to which the variances of the data values for the dependent and independent variables are equal (Garson, 2012). At each level of the predictor variables, the variance of the residual terms should be constant. This simply means that the residuals at every level of the predictors should have the same variance, so verifying this assumption is advantageous to the fitness of t. In this particular instance, the researcher plots the standardized residuals, or errors (ZRESID), on the Y-axis, and the standardized predicted

values of the dependent variable based on the model (ZPRED), on the X-axis, to plot the homoscedasticity analysis, and the result is shown on the next graph.
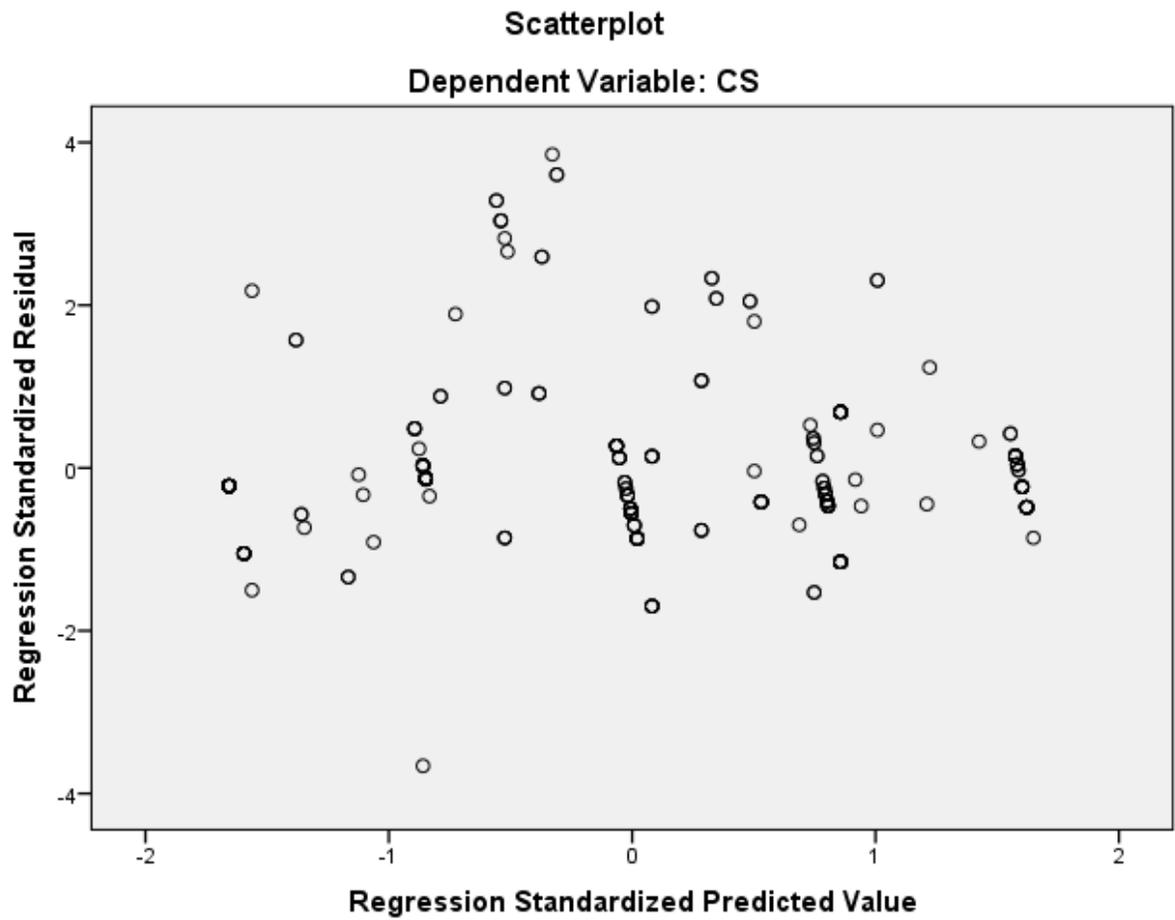
Figure 4.4. 3: Test of Homoscedas

Table 4. 15: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.997^a	.995	.995	.09059

a. Predictors: (Constant), RES, TAN, EMP, REL, ASS

The above regression model presents how much of the variance in the measure of Customer Satisfaction is explained by the underlying service quality dimensions. Furthermore, to explain R, R2, adjusted Rsquare. R values Indicates the value of the multiple regression coefficient between the predictors and the outcome, with a range from 0 to 1, a larger value indicating a larger effect and 1 representing an equation that perfectly predict the observed value (Pedhazur, 1982). From the model summery (R = 0.997) indicates that the linear combination of the five independent variable (Assurance, Empathy, Responsiveness ,Reliability ,Tangibility ,related quality dimensions) strongly predict the dependent variable (customer satisfaction)

R Square (R2) – indicates the proportion of variance that can be explained in the dependent variable by the linear combination of the independent variables. In another word R2 is a measure of how much of the variability in the outcome is accounted for by the predictors. The values of R2 also range from 0 to 1 (Pedhazur, 1982). In our case R2 is 0.995 which is between acceptable range 0 to 1.

Above table shows the R2 value of 0.995. It means that the service quality is contributing to the customer satisfaction by 99.5% and remaining 5% can be attributed by other factors which are not studied, because they are beyond the scope of study.

Table 4. 16: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	450.688	5	90.138	10983.440	.000

Residual	2.413	294	.008					
Total	453.101	299						

a. Dependent Variable: CS

b. Predictors: (Constant), RES, TAN, EMP, REL, ASS

THE ANOVA table shows the various sums of squares described in the table above and the degrees of freedom associated with each. Similarly, ANOVA table provides information with the model summary (table 4.16). Depending on the ANOVA table, overall significance/acceptability of the model from a statistical perspective can be determined. As the significance value of F statistics significance shows a value (.000), which is less than $p< 0.05$, the model is significant.

Table 4. 17: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.028	.015		1.885	.060	-.001	.058
	REL	.376	.039	.373	9.583	.000	.299	.453
	ASS	-.067	.048	-.065	-1.394	.164	-.162	.028
	TAN	.747	.036	.741	20.822	.000	.677	.818
	EMP	-.137	.037	-.124	-3.751	.000	-.209	-.065
	RES	.073	.027	.074	2.698	.007	.020	.127

a. Dependent Variable: CS

The relative importance of the significant predictors is determined by looking at the standardized coefficients tangibility has the highest standardized coefficient (.741) and the lowest significance (.000), which is the best predictor. Analyzing the whole table results, the order of significance for predictors of overall customer satisfaction is reliability,

responsiveness and, empathy. Assurance and empathy has a negative beta coefficient this implies that they are not important to predict.

In order to establish the impact that each dimension has on the dependent variable, the study checked the Standardized Coefficients.The impacts of "Assurance", "Reliability", "Responsiveness", "Empathy" and "Tangibility" on customers' satisfaction are -0.65 .373,0.74,-0.124 and .741 respectively ,in their descending order indicating that Tangibility has the highest impact on customer satisfaction. Therefore, Ethiotelecom bulbula branch has to work hard to improve the tangibility , reliability and responsiveness dimensions in order to enhance the customer satisfaction level.

4.4.4 Multicollinearity

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.028	.015		1.885	.060		
	REL	.376	.039	.373	9.583	.000	.128	8.382
	ASS	-.067	.048	-.065	-1.394	.164	.806	10.145
	TAN	.747	.036	.741	20.822	.000	.143	9.945
	EMP	-.137	.037	-.124	-3.751	.000	.174	6.282
	RES	.073	.027	.074	2.698	.007	.243	4.034

a. Dependent Variable: CS

Before running regression, one should check for the problem of multi-collinearity which is present if there is high correlation between some of the independent variables. The study checks this with the variance Inflation Factor (VIF) which calculates the influence of correlation among the independent variables on the precision of regression estimates. Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variable in the model. If this value is less than 0.1 it

indicates that there is possibility of multi-collinearity, but if it is greater than 0.1 it means that there is no multi-collinearity problem with in the model.

The relative importance of the significant predictors is determined by looking at the standardized coefficient has the highest standardized coefficient (.741) and the lowest significance (.000), which is the best predictor. Analyzing the whole table results, the order of significance for predictors of overall customer satisfaction is reliability, responsiveness empathy and assurance .Empathy and assurance has a negative beta coefficient this implies that empathy and assurance is not important to predict.

Multicollinearity test is used to determine the existence of high correlation between variables in a multiple regression model. Multicollinearity occurs when several independent variables correlate at high levels with one another (Keith, 2006). Multicollinearity testing can be done by looking at value of Variance Inflation Factors (VIF) and tolerance. According to Keith (2006)tolerance is a statistics to indicate the variability of the specified independent variable not explained by the other independent variables in the model. When the tolerances are close to 0,there is high multicollinearity and the standard error of the regression coefficients will be inflated. The rule of thumb for a large VIF value is10 (Keith, 2006; Shieh, 2010). Small values of tolerance and large VIF values show the presence of multicollinearity (Keith,2006).

According to Andy (2006), the tolerance value less than 0.1 almost certainly indicate a serious multicollinearity problem and if VIF<10 and tolerance >0.10, then no multicollinearity. Conversely, if the value of VIF>10 and the value of tolerance <0.10, then there is multicollinearity. The multicollinearity test was checked on this study and the result is presented in the above table.

4.4.5 Autocorrelation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.997[a]	.995	.995	.09059	.563

a. Predictors: (Constant), RES, TAN, EMP, REL, ASS

b. Dependent Variable: CS

The Durbin Watson (DW) statistic is a test for autocorrelation in the residuals from a statistical model or regression analysis. The Durbin-Watson statistic will always have a value ranging between 0 and 4. A value of 2.0 indicates there is no autocorrelation detected in the sample. Values from 0 to less than 2 point to positive autocorrelation and values from 2 to 4 means negative autocorrelation.

Hence this study score a value .563 of Durbin Watson this indicates there is positive autocorrelation.

4.4.6 Discussions

From the regression model summary, it can be seen that the R (correlation) value .997 (99.7%) indicates that there is a positive relationship between the dependent and independent variables and the adjusted R Square value for the model showed that 0.995(99.5%)of the dependent variable in the model can be predicted by the independent variables.

The Beta coefficients revealed the contributions or positive or negative relationship of each variable in the model. The t and p values showed the influence of the independent variable on the dependent variable. From this it is clear that the two service quality dimensions, tangibility and reliability had the highest significant effect on customer satisfaction comparing with , assurance, empathy and responsiveness.

According Pallant (2007) and Somekh and Lewinn (2005), the variable with a sig. value 0.05(< 5%) could make a significant unique contribution to the predicted value of the dependent variable; beyond this level of significance, the variable is not making a significant contribution to the prediction of the dependent variable.

Based on the coefficient results of this study, service quality dimensions (reliability, empathy ,responsiveness and tangibles) are positive and significantly related to the dependent variable of customer satisfaction for each and this indicated that as reliability ,tangibility ,empathy and responsiveness increase with increasing the customer satisfaction.

4.8 Research Hypothesis

In order to verify the relationship between dependent and independent variables and to accept or reject the significance of the study,the following hypothesis were developed to guide the empirical work of the present study .

H1: Reliability has a positive and significant effect on customer satisfaction

Regarding the association between reliability and customer satisfaction, Pearson correlation analysis reported that 0.993 at a significance level of 0.00 and had a positive moderate relationship with customer satisfaction. Hence, it is possible to conclude that reliability have positive relationship with customer satisfaction in Ethiotelecom bulbula branch. Therefore, the hypothesis is supported.

The study by Zeithaml and Bitner (2003) further revealed that it is very important to do the service right the first time; in case a service problem does crop up, by resolving the problem to the customer's satisfaction, the company can significantly improve customer satisfaction. However, companies fare best when they prevent service problems altogether and fare worst when service problems occur and the company either ignores them or does not resolve them to the customer's satisfaction.

H2: Responsiveness have a positive and significant effect on customer satisfaction

 Regarding the association between responsiveness and customer satisfaction, Pearson correlation analysis reported that the correlation Coefficients is 0.976 at a significance level of 0.007 and had a positive relationship. Hence, it is possible to decide that responsiveness positively related with customer satisfaction in Ethiotelecom bulbula branch .

Therefore, the hypothesis is supported. When referred to the definition of responsiveness i.e. 'willingness to help customers and provide prompt service', Parasuraman et al., (1988, p. 23).Whereas, responsiveness has important factor, founded by Mengi (2009).

H0: Assurance has a negative and insignificant effect on customer satisfaction

Regarding ability to convey trust and confidence assurance was found a valid variable had insignificant and negative relationship with customer satisfaction

Regarding the association between assurance and customer satisfaction, Pearson correlation analysis reported that the correlation Coefficients is 0.989 at a significance level of 0.164 ; it has negative and insignificant relationship. Therefore, the alternative hypothesis is rejected and the null hypothesis is accepted.

H4: Tangibility has a positive and significant effect on customer satisfaction: Tangibility has a positive relationship with customer satisfaction .

Regarding the association between tangibility and customer satisfaction, Pearson correlation analysis reported that it has 0.996 at a significance level of 0.00 and a positive relationship with customer satisfaction. Hence, it is possible to conclude that tangibles have a strong positive relationship with customer satisfaction . Therefore, the hypothesis is accepted. Going back to the definition of Tangible; 'physical facilities, equipment's and staff appearance' Parasuramanetal. (1988, p.23) had a positive relationship with customer satisfaction.

H5: Empathy has a positive and significant effect on customer satisfaction .

Regarding the association between empathy and customer satisfaction, Pearson correlation reported that the Coefficients is 0.982 at a significance level of 0.00 .Hence, it is possible to

decide that empathy have a strong relationship with customer satisfaction , the hypothesis is supported.

CHAPTER -FIVE

5. SUMMARY, CONCLUSION AND RECOMMANDATION

This chapter deals with the summary of findings, conclusion drawn from the findings and the recommendation forwarded for the improvement of service quality of Ethio-telecom bulbula Branch.

5.1. Summary

In services industries, globally, the subject of service quality remains a main issue of business strive to maintain a comparative advantage in the market position by improving customer satisfaction at the current competitive environment ever before. Through the service quality model (SERVQUAL of Parasuraman et al, 1988) the study was undertaken to assess the impact of service quality on customer satisfaction in Ethio-telecom bulbula branch. The study's results proved that there are problems that influence customer's satisfaction towards the service quality in the Ethio-telecom. Since the key objective of the research was to assess the impact of service quality and customer satisfaction in Ethio-telecom bulbula branch

In summary, this study indicates customers' satisfaction in Ethiotelecom bulbula Branch. Even if service of Ethio-telecom has positive impact on customer satisfaction relatively still it what needs high effort from Ethio-telecom bulbla branch.Ethiotelecom bulbula branch should intervene another mechanism to know the level of customer satisfaction.

5.2 Findings

✓ Almost all of the respondents believe that effective service delivery process and service quality are important for their satisfaction especially on responsiveness issues majority of respondents disagreed with opinions raised under this dimension much care should be given to this variable.

✓ Employees of the enterprise have problems in telling customers exactly how the service will be performed.

✓ The impacts of assurance, reliability, responsiveness, empathy and tangibility on customers' satisfaction are -.065 **.**373, .074, **.-.**124, and.741 respectively, in their descending order indicating that Tangibility has the highest impact on customer satisfaction.

✓ The relative importance of the significant predictors is determined by looking at the standardized coefficients. Tangibility has the highest standardized coefficient and the lowest significance, which means Tangibility, is the best predictor. Tangibility and customer satisfaction had a high correlation of .996.

✓ Majority of the customers are satisfied with the enterprise equipment's and office facilities the overall satisfaction of customers in service quality is below the expected average. These clearly show that there is a service quality gap problem this indicates from 300 respondents 123 respondents only satisfied with the service provided by Ethiotelecom bulbula branch the remaining vast amount is dissatisfied with amount 177 this means from the total 100% only 41% satisfied the remaining 59% needs much due care.

✓ From the analysis made previously assurance and empathy has a negative beta coefficient.

✓ Assurance dimension scores standardized beta coefficient of -.065 with significance level of .164 this implies that assurance dimension of service quality do not have positive and significant effect on customer satisfaction therefore we reject alternative hypothesis and accept the null (HO) hypothesis.

5.3 Conclusion

The main aim of this study is to assess the impact of service quality and customer satisfaction in Ethio-telecom bulbula branch in terms of its service offered. With the establishment of Safaricom, there are increasingly urgent needs for Ethio-telecom to meet customer expectations for faster and better service.

Out of 300 respondents 40(13.33%) strongly dissatisfied by services of Ethiotelecom bulbula branch followed by 50 (16.67%) dissatisfied respondents this means out of 300 respondents about 87(29%) keep neutral or don't have any opinion followed by 99(33%) satisfied with the overall statement to evaluate their satisfaction level and lastly 24 or only (8%) respondents strongly agree.

This result will lead us to conclude that average number of respondents satisfied but still average number of respondents need much due care by services provided by Ethio-telecom bulbula branch .

5.4 Recommendation

- ✓ Keep customers informed, one of the ways to satisfy customers is making them informed about any service provided for them. Whatever it is or even if it is a service failure, let them know as soon as possible
- ✓ Reliability and responsiveness dimensions are where Ethio-telecom bulbula branch showed the lowest performance respectively. Hence the management of the branch should give special attention for the improvement of the reliable service offering through undertaking in depth customer satisfaction survey and communicate the result well among staffs
- ✓ The management of the Ethio-telecom bulbula branch should consider the preference of their customers whenever business strategy is designed through developing

effective relationship or designed strategies should be reviewed up on time that delight customers of Ethio-telecom.

✓ Instant replay to criticism and solve problem, Ethio-telecom bulbula branch should establish a common approach to handle and respond complaints instantly which every staff should internalize the approach. This could be developed through training and putting in place customer satisfaction checks after complains have been responded.

✓ Reliability has an impact on customers' satisfaction in Ethio-telecom bulbula branch. So, Ethiotelecom bulbula branch should emphasize in order to make their service to be distinguishable from competitor safaricom.

✓ Responsiveness being emerged to be as another important factor that has an impact on customer satisfaction So, it is important to develop appropriate programs and provide ongoing training on the various attributes responsiveness to strength employees' ability to improve customer service.

✓ Ethiotelecom bulbula branch has to work hard to improve the tangibility , reliability and responsiveness dimensions in order to enhance the customer satisfaction level.

✓ Tangibility is also being emerged to be as another important factor that determines Ethiotelecom bulbula branch customer's satisfaction. Ethiotelecom should provide customer information material should be well composed, and attractive, frontline personnel providing services should be neat, clean, and well dressed and give pleasing look and professionally appearing, its facilities and other equipment at sales outlets should be modern and up-to- date.

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Appendix 1: questionnaire

Appendix 1:1:English version

Saint Mary University

School of graduate studies

MBA (masters of business administration)

A questionnaire to be filled by customers of ethio telecom bulbula branch

Dear Respondents,

I am selam nigusu, a graduate student of saint mary University. I am conducting a research effect of Service Quality on Customer Satisfaction of Ethio Telecom's bulbula branch in partial fulfillment of Master of business administration

The main objective of this study is to examine the quality of service provided by Ethio Telecom bulbula branch and its impact on customer satisfaction.

I kindly request you to spend some minutes of your time in answering the questionnaire. Your responses will be used only for academic research and any information which you provide will be kept confidential. Your genuine response will have significant effect on the result of the study.

General Instruction:-

- There is no need of writing your name

- In all cases where answer options are available please tick (√)

Thank You, for your kind cooperation in answering the questionnaire.

part 1. Personal Information about the customers

Please tick the items below that describe you:

➢ Gender   Male   Female ☐ ☐

➢ Nationality   Ethiopian   Foreigner ☐ ☐

➢ Age Group ☐ ?-30   3☐   46-☐   >60 ☐

➢ Education Level   High school   Certificate ☐

                    Diploma   First degr☐ ☐

                    Second degree and above ☐

➢ How long you have been serving the ethio telecom offers less than

    4 years ☐

   5- 7 years ☐

   2- 4 years ☐

   Above 7 years ☐

Part 2: Survey of your expectation towards service quality of Ethiotelecom bulbula branch this survey deals with your opinion about Ethiotelecom bulbula branch service Delivery System. Please show the extent to which you expect and perceive the organization's offering services should possess features described by each statement. There is no right or wrong answers all I am interested in is a number that best show your expectations and perceptions about the Service Delivery System of Ethiotelecom. Based on this please put a tick (√) in the boxes which mostly explain your attitudes.

a) Level of EXPECTATION towards service quality of Ethiotelecom bulbula branch

b) Level of PERCEPTION towards service quality of Ethiotelecom bulbula branch

1- Strongly Disagree

2- Disagree

3- Neutral 4- Agree

5- Strongly Agree

Part 3 :Customers perception

The following statements relate to your feelings about Dashen Bank S.C. Please show the extent to which you believe Dashen bank has the feature described in the statement on a scale of the point where 1= highly disagree 2= Disagree 3= Neutral 4= Agree and 5= Strongly agree.

SN	Variables reliability	1	2	3	4	5
1	When ethiotelecom promises to do something by a certain time they will do					
2	Providing services as the first time					
3	Maintain error free records					

4	The service providers have sincere interest to solve the problem					
5	The service provider gives accurate information					

SN	Variable responsivness	1	2	3	4	5
6	Willingness to help customers					
7	Keeping customers informed about when the service will be performed					
8	Prompt service to customers					
9	Employees make information easily obtainable					
10	Employees are happy and willing to serve customer					

SN	Variable emphaty	1	2	3	4	5
11	Giving customer individual attention					
12	Employees who deal with customers in a caring heart					
13	Convenient business hours					
14	Employees who understand the needs of their customers					

SN	Variable assurance	1	2	3	4	5
15	Employees who install confidence in customers					
16	Making customers feel safe in service deliveries					
17	Employees who have the knowledge to answer customers question					

SN	Variable tangible	1	2	3	4	5
18	Visually appealing facilities					
19	Employees who have a neat professional appearance					
20	Visually appealing materials associated with the service					

Part 4: Level of Customer Satisfaction

Direction: the following statement describes the overall feeling you have about ethio telecom bulbula branch services, please respond by choosing the number which best reflects your own perception.

Customer Satisfaction

SN	Customer satisfaction	1	2	3	4	5
1	I am satisfied with Ethiotelecom bulbula branch complete range of service					
2	I am satisfied with the performance of employees of Ethiotelecom bulbula branch					
3	I am satisfied by being a client of Ethiotelecom bulbula branch					
4	I am satisfied with the employees professional competence					
5	I am satisfied with the quick service of Ethiotelecom					
6	I am satisfied with the respectful behavior of Ethiotelecom					

source :- Alemu gelaye

Overall satisfaction levels

My feeling about Ethio-telecom bulbula branch service delivery can be best described as;

1. Highly dissatisfied ☐

2. Dissatisfied ☐

3. Neutral ☐

4. Satisfied ☐

5. Highly satisfied ☐

Thank you for taking your time to answer this questionnaire!!!