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# **The Effect of Service Quality on Customer Satisfaction: The Case of Dashen Bank S.C.**

**A Research Project Submitted to the College of Business and Economics  
of Addis Ababa University in Partial Fulfillment of the Requirements  
for the Degree of Executive Master of Business Administration (EMBA)**

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**Addis Ababa University  
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**The Effect of Service Quality on Customer  
Satisfaction: The Case of Dashen Bank S.C.**

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### Declaration

I declare that this research project is my original work. It has not been presented in any University for a Diploma or Degree award. To the best of my knowledge, all sources of materials used for the study have been acknowledged.

Dejene Girma

Signature \_\_\_\_\_

This research project has been submitted for examination with my confirmation as a supervisor to the candidate.

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## Acronyms

NBE:	National Bank of Ethiopia
CBE:	Commercial Bank of Ethiopia
DBE:	Development Bank of Ethiopia
CBB:	Construction and Business Bank
ATM:	Automatic Teller Machine
POS:	Point Of Sale
SERVPERF:	Service Performance
SERVQUAL:	Service Quality
BSQ:	Bank Service Quality
BANKQUAL:	Bank Quality
SPSS:	Statistical Package for Social Science
VIF:	Variance Inflation Factor

### ***Abstract***

*The objective of the study is to examine the service quality provided by Dashen Bank and its effect on customer satisfaction using SERVPERF model. The research used descriptive and explanatory research design to describe the service quality dimensions and to understand the relationship between the variables. The Bank classified its branches in grades. In line with this, the study applied proportionate stratified sampling technique to determine the number of branches included in the sample from different grades and simple random sampling techniques to select the sample branches from each grade. Primary data is collected from the customers of the Bank using self-administered questionnaire. The questionnaire contained SERVPERF model with a 22 performance statements and the degree of the customers' agreement has been measured using five Likert Scale method. Quantitative research method is applied to analyze the data using Statistical Package for Social Science (SPSS) software version 20 and the data is presented in descriptive and inferential statistics. The correlation result of the study showed that there is a positive and significant relationship between service quality dimensions and customer satisfaction. The regression analysis exhibited, the service quality dimensions have significant influence on customer satisfaction except responsiveness. It also indicated that assurance is the dominant service quality dimension that has a strong relation with customer satisfaction in Dashen Bank.*

***Key Words:*** *Service quality, Customer satisfaction, SERVPERF, Dashen Bank*

## Chapter One

### Introduction

#### 1.1 Background of the Study

Business organizations are established to provide goods and/or services to their customers and in turn generate profit and maximize wealth to the owners of the organizations. It is materialized when the organizations have existing and potential customers.

A customer is an individual or business that purchases goods or services produced by a business. The customer is the end goal of businesses, since it is the customer who pays for supply and creates demand.

Despite producing a definition of services is not an easy task, several scholars tried to define it. Kotler (1997) defined service as any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything.

According to the definition of Gronroos (2000), a service is a process that consists of a set of activities which take place in interactions between a customer and people, goods and other physical resources, systems and/or infrastructures representing the service provider and possibly involving other customers, which aim at solving customers' problems.

Customer service is an important part of maintaining ongoing client relationships that are keys to continuing revenue. Bringing in new customers is great, but won't keep a business profitable for long if those customers don't come back for more and they will only do this if they are happy.

According to Elain (1996), customer service is anything we do for the customer that enhances the customer experience. Customers have various ideas as to what they expect from customer interaction. The customer service provider must go to know his/her/its customers and strive to provide them with excellent customer service as customer satisfaction is the goal to attain.

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Customer satisfaction is the customers' overall feeling of contentment with a customer interaction. It recognizes the difference between customer expectations and customer perceptions. To be successful in business today, it requires a commitment to excellence in customer service. Elain (1996) states 'one of the most effective and least expensive ways to market a business is through the provision of excellent customer service' .

So, in order to make real the existence of a business and continue with success, service giving organizations should have quality service which will satisfy their customers and make them loyal to the organization.

Banking industry is one of the service sectors characterized by strong and frequent interactions between the service provider/employees of the bank and the customers. Banking service has been started in Ethiopia during the regime of Minilik II. The first Bank established in the country was Bank of Abyssinia (not the current Bank of Abyssinia) in 1906. The State Bank of Ethiopia started operations in April 1943 as a commercial bank following Proclamation number 21 issued on August 26, 1942, but one year later, in addition to its commercial banking functions, the Bank was entrusted with three basic duties of a central bank: controlling the issue of currency, holding the foreign reserves of the country and acting as the fiscal agent of the government (Deguefe 1973). Up on the revolution of 1974, the whole banking system being based on the central bank and three state-owned financial institutions (CBE, DBE and CBB), each of them enjoying monopoly in its respective market.

The down fall of socialist regime has followed by a financial sector reform and liberalization according to Monetary and Banking Proclamation of 1994. In line with this, different private commercial banks have been established. Currently, the number of banks in the country reached eighteteen including the two government owned banks (CBE and DBE).

Dashen Bank is the second private commercial bank, next to Awash International Bank, established in the year 1995 with eleven shareholders and authorized and paid up capital of Birr 50 million and 14.9 million respectively having a share value of Birr 1,000.00, according to the first financial report of the bank reported for eighteen months ended June 30, 1997. It is the

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pioneer bank in providing computerized banking services. It is also the first bank in the country to provide card payment system through Automatic Teller Machines (ATMs) and Point of Sale (POS) terminals. As per the financial report of 2014/2015 fiscal year, the Bank's authorized and paid up capital has been raised to Birr 2.5 billion and 1.24 billion respectively. The total asset of the Bank is 24.8 billion and its total deposit is Birr 19.8 billion. As per the report, the Bank has 156 branches, 5 forex bureaus, 1.37 million depositors, 4,597 employees, 220 ATM machines and 873 POS machines. Its net profit for the stated fiscal year is 729 million (<https://www.dashenbanksc.com>)

Encouraged by regulatory initiatives such as the Proclamation to Provide for National Payment System (Proclamation No 718/2011) and industry wide initiatives for establishment of national switching system as well as the scramble for market share, banks have been investing on core banking systems, electronic banking products/services and channels. Card banking service has now become point-of parity than difference in the industry, which recently has warmly embraced the directive for the provision of mobile and agent banking services. So far, most of the biggest banks have already launched mobile banking services. With the current technology adoption trend, there is no doubt that the generic electronic banking services will be availed by all banks in a short period of time.

Several factors are intensifying competition in the banking industry. Some of them are increased number of banks and bank branches, aggressive expansion of the state giant bank, stringent regulations, and commoditization of products and services. In just less than five years, CBE's branch network has expanded by more than four folds. Following this, other private commercial banks are also expanding their branch networks aggressively. This has altered the trend that had been developing since the entry of private banks to the market.

Because of the growing competition, Dashen Bank, like some other private banks, is finding it challenging to maintain the growth momentum gained over the years. Slowdowns have been observed in resource mobilization despite the unprecedented branch network expansion.

To overcome the mounting challenges and ensure sustainable growth and profitability, there is a need to guard the market share by adopting customer-centric strategies that guarantees delivery of quality customer service and maintain continuous customer satisfaction.

Therefore, the purpose of this study is to see the perception of the customers towards the quality of the service provided by Dashen Bank and the level of customers' satisfaction related to the service. For this, SERVPERF model has been applied. SERVPERF is a performance-based scale that directly measures the customers' perception of service quality (Cronin and Taylor, 1992).

## **1.2 Statement of the Problem**

Private commercial banks are established for generating profit and maximizing values to their shareholders by discharging their responsibilities in the economic sector. In the case of our country, the local commercial banks generate their income mainly from interest on loans and advances and international trade (import transactions) as observed from their financial statements. The milestone for loans and advances is availability of loanable fund (deposit) and for import transactions is availability of foreign currency (mainly generated from export transactions).

In order to generate adequate deposit and foreign currency amount, banks are working aggressively with their maximum capacity and sometimes abnormal competition is observed among themselves. Some of them are providing high interest rate for time deposit, providing mid and selling exchange rate for export transactions instead of buying rate contrary to the NBE rules and regulations, delaying payments of foreign trade transactions and availing loans and advances without collateral (on clean basis) or with minimum collateral that do not cover the value of the loan amount upon default.

Currently, banking service becomes a tough operation in our country; characterized by stiff competition especially for private banks. Almost all senior banks are providing same products and services (such as Internet banking, Mobile banking, Agent banking, ATM and POS transaction facilities, Interest free banking, etc...) with similar technological advancements and

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relatively the new ones are also on the way to do so. A new product invented and provided by a single bank is followed by others and becomes popular.

In addition, CBE and DBE have been facilitating better credit facilities than private banks to individuals and companies engaged in export, manufacturing, construction, and hotel and tourism sectors with better interest rate and relatively less collateral value. Moreover, as per the regulation of the Monitoring Bank, private banks are obliged to purchase bond amounting 27% of credit facilities granted to their customers and out of the total loan amount, 40% should be short term loan (loan granted only for one year). It tides up the loanable fund which refrain banks from providing credit facilities to their customers adequately, that in turn creates customer dissatisfaction.

Despite the availability of the above challenges, the technological advancement collaborated with strong financial position enabled Dashen Bank to have the leading position from all private commercial banks for the last twenty years. Never the less, the performance gap between Dashen Bank and other competitor banks becomes narrower and narrower from time to time. As a result, the first private bank, Awash International Bank, excels Dashen Bank in profit for the first time during 2015/2016 fiscal year. Moreover, some of the competitors also excel the Bank with one or more of the following variables (number of branches, amount of loans and advances and amount of paid up capital). The stiff competition among banks coupled with the above mentioned challenges needs Dashen Bank to assess the level of its customers' satisfaction as in today's banking business customer satisfaction is the competitive advantage for staying in the market with better performance.

Therefore, the researcher becomes interested to undertake a study on the effect of quality service in customer satisfaction considering the following points. Firstly, complaints have been forwarded from customers through telephone, suggestion boxes and at the counter. Secondly, these days, the progress of the Bank's performance is relatively declining. Finally, at the best knowledge of the researcher, so far, no study has been done on customer satisfaction in the case of Dashen Bank.

### **1.3 Research Questions**

This study is designed to answer the following research questions:

- What is the relationship between service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) and customer satisfaction?
- What is the effect of service quality dimensions on customer satisfaction?
- What is the dominant service quality dimension that has a strong relation with customer satisfaction in Dashen Bank?

### **1.4 Objectives of the Study**

#### **1.4.1 General Objective**

The general objective of this study is to examine the service quality provided by Dashen Bank and its effect on customer satisfaction using SERVPERF model.

#### **1.4.2 Specific Objective**

The specific objectives of the study are:

- to examine the relationship between service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) and customer satisfaction.
- to examine the effect of service quality dimensions on customer satisfaction.
- to identify the dominant dimension of service quality that drives customers' perceived service quality in Dashen Bank.

## 1.5 Research Hypothesis

The research hypothesis for this study is:

H1a: Service quality dimensions are positively and significantly correlated with customer satisfaction in Dashen Bank S.C.

H2a: Service quality dimensions have significant impact on Customer satisfaction in Dashen Bank S.C.

## 1.6 Significance of the Study

Dashen Bank was a leading bank in the banking industry from private commercial banks for the last twenty years. However, the Bank's performance has been increasing at a decreasing rate whereas that of its major competitors has been increasing at an increasing rate for the last five years. Therefore, the gap between the performance of the Bank and its major competitors become narrow and narrow from time to time.

The milestone for the success of a bank is the availability of prominent/loyal customers. Customers become loyal for the organization when and only when they become satisfied with the products and services delivered to them.

Therefore, the significance of this study is to know the level of satisfaction of the Bank's customers on the services provided by Dashen Bank. It will help the management and employees of the bank to have information on the perception of the customers regarding the service provided by the Bank and take appropriate action in order to improve its service quality.

It also helps the Bank's customers to get quality service if the Bank identifies its weaknesses and strengths and make the necessary corrective action to improve its weaknesses. Moreover, to some extent, it may help to other banks who want to study their performance related to customer satisfaction.

### **1.7 Scope/Delimitation of the Study**

The number of branches of Dashen Bank found across the country as at June 30, 2015 was 156. Out of this, 85 branches were sited at Addis Ababa city and the remaining 71 branches were found at different cities and towns in the country. Considering the geographical view, the study is limited to branches operating in Addis Ababa city. From theoretical view, only tangibility, reliability, responsiveness, assurance and empathy are considered as service quality dimension. Moreover, the methodology used in the study is only survey method.

### **1.8 Limitation of the Study**

As stated here above, this study was undertaken on the effect of service quality on customer satisfaction at Dashen Bank with sample branches found in Addis Ababa city. There were time pressure and resource constraints to include all branches of the Bank in the study. In addition, the resistance of customers to fill the questionnaire was one of the limitations of the study.

### **1.9 Organization of the Study**

The paper has five chapters. The first chapter is introductory part consisting of background of the study, statement of the problem, research questions, objectives of the study, research hypothesis, significance of the study, scope of the study and limitation of the study.

The second chapter incorporates literature review on various theoretical concepts related to service, service quality, service quality dimensions, service quality measurement models and customer satisfaction. It also includes empirical review and conceptual frame work.

The third chapter presents the research design, sample size determination, sampling technique, data source and data collection method, research instrument and the method of data analysis. Results and discussion are presented in the fourth chapter. The fifth chapter contains summary of findings, conclusions and recommendations.

## Chapter Two

### Literature Review

#### 2.1 Introduction

The literature reviewed under this chapter includes theoretical frameworks, empirical evidences and conceptual frameworks related to the variables of the study which are service quality and customer satisfaction.

Service, quality, customer and customer satisfaction are reviewed for their definitions by various scholars. The concept of quality service and its relationship with customer satisfaction is also highlighted in this chapter.

#### 2.2 Theoretical Review

##### 2.2.1 Service

Several scholars tried to define service in different ways. Kotler and Amstrong (1991) defined service as an activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

According to the definition of Gronroos (2000), a service is a process that consists of a set of activities which take place in interactions between a customer and people, goods and other physical resources, systems and/or infrastructures representing the service provider and possibly involving other customers, which aim at solving customers' problems.

Services are economic activities offered by one party to another. In exchange for money, time and effort, service customers expect value from access to goods, labor, professional skills, facilities, networks, and systems; but they do not normally take ownership of the physical elements involved (Lovelock and Wirtz, 2011).

A service occurs when an interaction is established between customers and service providers and/or the physical component of the service and/or the systems through which the service is delivered (Shahin and Janatyan, 2011).

Bart et al (2003) defined services as all those economic activities that are intangible and imply an interaction to be realized between service provider and consumer.

Service is intangible in nature, it cannot be mass produced. It cannot be inventoried and stored after production. Due to the fact that services and consumers of services are inseparable, they cannot be produced until the consumer is ready to consume them. Providing consistent quality is difficult for service because of the characteristic of variability (Clow and Kurtz, 2003).

According to Zeithaml and Bitner (2004), services include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser. Lovelock and Wirtz (2007) indicated that, service is “time based” and the outcome of a service may result in desire change in consumer or any property of the consumer.

As observed from the above definitions, service is an interaction between the service provider and the customer. Unlike goods it is intangible, cannot be inventoried or stored, and cannot be produced until the customer is ready to consume it.

#### **2.2.1.1 Distinguishing Features of a Service**

In practice, it can be very difficult to distinguish services from goods, for when a good is purchased, an element of service is usually included. Similarly, a service is frequently augmented by a tangible product attached to the service. According to Adrian (1995), Pure services have several distinctive characteristics that differentiate them from goods and have implications for the manner in which they are marketed. These characteristics can be described as follows.

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- i. Intangibility:** - a pure service cannot be assessed using any of the physical senses; it is an abstraction which cannot be directly examined before it is purchased. It has no tangible properties that can be used by consumers to verify advertising claims before the purchase is made. The intangible process characteristics that define services, such as reliability, personal care and attentiveness and friendliness of staff, can be verified only when a service has been purchased and consumed.
- ii. Inseparability:** - the production and consumption of a tangible good are two quite distinct activities. On the other hand, consumption of a service is said to be inseparable from its means of production. Producer and consumer must interact in order for the benefits of the service to be realized: both must normally meet at a mutually convenient time and place in order that the producer can directly pass on service benefits. In the extreme case of personal care services, like health care service and ATM service, the customer must be present during the entire production process.
- iii. Variability:** - refers to the fact that the quality of services depends on who provides them as well as when, where, and how they are provided (Armstrong and Kotler, 2011). For services, variability impacts on customers not just in terms of outcomes but also in terms of processes of production. The latter point causes variability to pose a much greater problem for service than for goods. Because, customers are usually involved in the production process for a service at the same time they consume it, it can be difficult to carry out monitoring and control to ensure consistent standards. Many service organizations have sought to reduce variability by adopting equipment base production methods such as automation of baking services.
- iv. Perishable:** - services cannot be stored for later sale or use (Armstrong and Kotler, 2011). A producer of cars that is unable to sell all its output in the current period can carry forward stocks to sell in a subsequent period. However, the producer of a service that cannot sell all its output produced in the current period gets no chance to carry it forward for sale in a subsequent period. So, matching time of supply and demand for service is a requirement.

- v. **Ownership:** - The inability to own services is related to their intangibility and perishability. In purchasing goods, buyers generally acquire title to the goods in question and can subsequently do as they want with them. On the other hand, when a service is performed, no ownership is transferred from the seller to the buyer.

### 2.2.2 Quality

There are many definitions of quality derived by different scholars. According to Crosby (1984), quality is defined as conforming to requirements. This implies that service providers should establish requirements and specifications and once these specifications are established, the quality goal of the various functions of the service providers is to comply strictly with them. Deming (1983) as cited by Juran (1988) defined quality as those features of products which meet customer needs and thereby provide customer satisfaction. Adrian (1995) united these two definitions and stated the concept of customer perceived quality: quality can be defined only by customers and occurs when an organization supplies goods or services to a specification that satisfies their needs.

The purpose of higher quality is to provide greater customer satisfaction. However, providing better quality features usually requires an investment and hence usually involves increases in costs. Good quality means a predictable degree of uniformity and dependability with a quality standard suited to the customer. The level of quality to which a service is designed is a crucial element in the total service offer. Quality is an important factor used by customers to evaluate the service of one organization in comparison with the offers of others.

In service marketing, quality is the perceived level of performance of a service, but it can be difficult to measure quality parameters and also to identify which quality factors customers attached importance to. The intangible nature of service quality standards is reflected in the difficulty that services companies have in designing quality standards that will be readily accepted by potential customers. Customer expectations form an important element of quality, a service that fails to meet the expectations of one customer may be considered to be poor quality, while another customer receiving an identical service but not holding such high expectations may consider the service to be a high quality standard, Andrian. Palmer (1995).

### 2.2.3 Service Quality

Gronroos (1978) as cited by Adrian (1995) suggested that, service quality is made of two components – technical quality and functional quality. Technical quality refers to the relatively quantifiable aspects of service delivery. Because it can be measured by both customer and supplier, it forms an important basis for judging service quality (example, waiting time in a super market). Functional quality is customers’ subjective judgments of the quality service delivery. It cannot be measured as objectively as technical quality. Because services involve direct consumer-producer interaction, consumers are also influenced by how the technical quality is delivered to them-functional quality (example, consumers’ perceptions of the manner in which waiting lines are handled by the supermarket).

Consumers judge service quality as the extent to which perceived service delivery matches up to their expectation. In this way, a service that is perceived as being average may be considered of high quality when compared against low expectation, but of low quality when assessed against high expectation (Adrian, 1995).

Zeithaml et al (1993) cited on Adrian (1995) have suggested that three levels of expectations can be defined against which quality is assessed.

- i. **Desired Level of Service:** - reflecting what the customer wants.
- ii. **Adequate Service Level:** - defined as the standard customers are willing to accept.
- iii. **Predicted Service Level:** - which customers believe is most likely to actually occur.

Lehtinen and Lehtinen (1982) defined service quality in terms of physical quality, interactive quality and corporate (image) quality.

- i. **Physical Quality:** - is associated with tangible aspects of the service.

- ii. Interactive Quality:** - involves the interactive nature of services and refers to the two-way flow, which occurs between the customer and the service provider, or his/her representative, including both automated and animated interactions.
  
- iii. Corporate Quality:** - refers to the image attributed to a service provider by its current and potential customers, as well as other publics. They also suggested that, when compared with the other two quality dimensions, corporate quality tends to be more stable over time.

## 2.2.4 Service Quality Measurement

### 2.2.4.1 The SERVQUAL Scale

The SERVQUAL scale is a survey instrument which claims to measure the service quality in any type of service organization on five dimensions which are tangibility, reliability, assurance, responsiveness and empathy (Parasuraman et al, 1988).

The SERVQUAL scale was developed by Parasuraman et al in 1985 and refined in 1988, 1991 and 1994. Realizing the significance of service quality for survival and success of service companies and the need for a generic instrument which would be used to measure service quality across a broad range of service categories, Parasuraman et al began a research program to develop such a tool. The research program began with a series of in-depth interviews conducted with executives from nationally recognized service firms in four selected service categories. The four service categories selected included appliance repair and maintenance, long distance telephone, retail banking, and credit cards. In conjunction with the executive interviews, the researchers conducted interviews with three customer focus groups for each of the selected service categories.

The exploratory study comprised of interviews and focus groups led Parasuraman et al to make a definition of service quality as the discrepancy between customers' expectations and perceptions and to identify 10 general dimensions that represent the evaluative criteria customers use to

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assess service quality. The researchers named these dimensions as „tangibility“, „reliability“, „responsiveness“, „competence“, „courtesy“, „credibility“, „security“, „convenience“, „communication“ and „understanding the customer“ (Zeithaml et al, 1990).

Using the conceptual definition of service quality and the 10 evaluative dimensions from the exploratory research as a base, Parasuraman et al embarked on a quantitative research phase to develop an instrument for measuring customers’ perceptions of service quality.

The quantitative research phase involved customer surveys in five different service sectors: product repair and maintenance, retail banking, long-distance telephone, securities brokerage, and credit cards. In their 1988 work, the researchers described the development of SERVQUAL instrument and the resultant structure of the instrument.

After two stages of refinement, the initial instrument consisted of 97 items capturing the 10 dimensions refined and condensed to a purified instrument that consisted of 22 sets of expectation and perception measuring items and five dimensions. The resultant five dimensions and their definitions were:

- Tangibility: - physical facilities, equipment, and appearance of personnel.
- Reliability:- ability to perform the promised service dependably and accurately.
- Responsiveness:- willingness to help customers and provide prompt service.
- Assurance:- knowledge and courtesy of employees and their ability to inspire trust and confidence.
- Empathy:- caring and individualized attention the firm provides its customers.

This instrument consisted of two sections; an expectations section containing 22 statements to ascertain the general expectations of customers concerning a service and a perceptions section containing a matching set of 22 statements to measure customers’ assessments of a specific firm within the service category (Zeithaml et al, 1990). Statements in both sections used a seven-point Likert scale ranging from „Strongly Agree“ (7) to “Strongly Disagree” (1).

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Customers' responses to service expectations and perceptions statements that are acquired by the seven point Likert scale are calculated to arrive at the gap scores [perceived service minus expected service (P-E)]. When perceived service is less than expected service, the implication is that service quality is less than satisfactory. But, when perceived or experienced service is higher than expected service, it implies that customers have got more satisfactory service quality.

SERVQUAL instrument has emerged as the most popular standardized questionnaire to measure service quality. The review of the relevant literature reveals that the SERVQUAL instrument continues to draw attention from both academics and practitioners (Mei et al, 1999). However, since its creation, the scale has been the object of various criticisms raised by a number of studies (e.g., Babakus and Boller, 1992; Carman, 1990; Cronin and Taylor, 1992, 1994; Teas, 1993, 1994). These theoretical and operational criticisms are listed below (Buttle, 1996):

### **i. Theoretical:**

- Paradigmatic objections:- SERVQUAL is based on a disconfirmation paradigm rather than an attitudinal paradigm and it fails to draw on established economic, statistical and psychological theory.
- Gaps model:- there is little evidence that customers assess service quality in terms of P-E gaps.
- Process orientation:- SERVQUAL focuses on the process of service delivery, not the outcomes of the service encounter.
- Dimensionality:- SERVQUAL's five dimensions are not universal; the number of dimensions comprising service quality is contextualized; items do not always load onto the factors which one would expect a priori; and there is a high degree of intercorrelation between the five RATER (reliability, assurance, tangibility, empathy and responsiveness) dimensions.

**ii. Operational:**

- Expectations:- the term expectations is polysemic; consumers use standards other than expectations to evaluate service quality; and SERVQUAL fails to measure absolute service quality expectations.
- Item composition:- four or five items cannot capture the variability within each service quality dimension.
- Moments of truth (MOT):- customer's assessments of service quality may vary from MOT to MOT.
- Polarity: the reversed polarity of items in the scale causes respondent error.
- Scale points: the seven-point Likert scale is flawed.
- Two administrations:- two administrations of the instrument cause boredom and confusion.
- Variance extracted:- the level of variance extracted is a measure of construct validity. The higher the variance extracted, the more valid is the measure.

Generally, the modified scales tended to produce higher levels of variance extracted than original SERVQUAL did.

**2.2.4.2 The SERVPERF Scale**

Cronin and Taylor (1992) in their empirical work controverted the framework of Parasuraman, Zeithaml and Berry (1985, 1988) with respect to conceptualization and measurement of service quality and propounded a performance-based measure of service quality called „SERVPERF“ illustrating that service quality is a form of consumer attitude. They argued that SERVPERF was an enhanced means of measuring the service quality construct.

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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 operates on the perceived performance and did not assess the gap scores as expectation does not exist in the model.

The model adopts the five dimensions of SERVQUAL and the 22 items scale is used in measuring service quality. In the SERVPERF model, the results demonstrated that it had more predictive power on the overall service quality judgment than SERVQUAL (Cronin and Taylor, 1994).

Many studies have been conducted by adopting the SERVPERF model. The SERVPERF scale is found to be superior not only as the efficient scale but also more efficient in reducing the number of items to be measured by 50% (Hartline and Ferrell, 1996; Babakus and Boller, 1992; Bolton and Drew, 1991) cited by (Mesay Shita, 2012). Wall and Payne (1973) also noted that when people are asked to indicate the "desired level" (expectations) of a service and the "existing level" (perceptions) of the service, there is a psychological constraint that people always tend to rate the former higher than the latter ( $E > P$ ). Babakus and Boller (1992) have found that service quality, as measured in the SERVQUAL scale, relies more significantly on the perception score than on the expectation score.

The researcher, therefore, preferred the SERVPERF model as it is found convenient to undertake this study with regard to the above mentioned points and its simplicity from the respondents' point of view in addressing the questionnaires.

### 2.2.4.3 The Service Quality Gaps Model

Parasuraman et al (1985) analyzed the dimensions of service quality and constituted a Gap model that provides an important framework for defining and measuring service quality (Saat, 1999). There are seven major gaps in service quality concept. The three important gaps, which are more associated with the external customers, are Gap1, Gap5 and Gap6; since they have a direct relationship with customers, (ASI Quality Systems, 1992; Curry, 1999; Lukand Layton, 2002) cited on the work of Meron Melaku (2016).

Gap1. Customers' expectations versus management perceptions:- as a result of the lack of a marketing research orientation, inadequate upward communication and too many layers of management.

Gap2. Management perceptions versus service specifications:- as a result of inadequate commitment to service quality, a perception of unfeasible, inadequate task standardization and an absence of goal setting.

Gap3. Service specifications versus service delivery:- as a result of role ambiguity and conflict, poor employee-job fit and poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork.

Gap4. Service delivery versus external communication:- as a result of inadequate horizontal communications and propensity to over-promise.

Gap5. The discrepancy between customer expectations and their perceptions of the service delivered:- as a result of the influences exerted from the customer side and the short falls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.

Gap6. The discrepancy between customer expectations and employees' perceptions:- as a result of the differences in the understanding of customer expectations by front-line service providers.

Gap7. The discrepancy between employee's perceptions and management perceptions:- as a result of the differences in the understanding of customer expectations between managers and service providers.

The presence of any one of the above seven gaps may lead to a disappointing outcome which affects the relationship with customers. Thus, it is important to avoid this gap in every service counter for it helps to build a good reputation in the eyes of customers. Moreover, identifying the specific causes of each gap and then developing strategies to close them will reduce the likelihood that one of the gaps will occur (Lovelock and Writz, 2004).

#### **2.2.4.4 BSQ**

BSQ scale was proposed by Bahia and Nantel in 2000 when they have conducted a study on banks' service quality in Canada. The BSQ is the acronym for Bank Service Quality. The BSQ scale is the extension of SERVQUAL scale. In SERVQUAL scale there are five dimensions, while BSQ scale is composed of six dimensions with 31 attributes. The service dimensioned proposed in the BSQ include effectiveness and assurance, access, price, tangibility, service portfolio and reliability (Girma Bersisa, 2016).

#### **2.2.4.5 BANKQUAL**

BANKQUAL scale was proposed by Tsoukatos and Mastrojianni (2010) in the study conducted in Greece retail banking industry. The BANKQUAL scale proposed the key dimensions of effectiveness, reliability, assurance/empathy and confidence, which is a combination of SERVQUAL and BSQ dimensions. The 27 attributes in BANKQUAL scale consists of twelve SERVQUAL, seven BSQ, two common in BSQ and SERVQUAL and six specific setting items. In this respect, the scale is a mixture of the SERVQUAL and BSQ scales. The dimensions structure of BANKQUAL consists of SERVQUAL's empathy and assurance (Parasuramanetal, 1988), BSQ's effectiveness (Bahia and Nantel, 2000), reliability which is common in SERVQUAL and BSQ and finally confidence.

### **2.2.5 Customer Satisfaction**

A customer is a stakeholder of an organization who provides payment in exchange for the offer provided to him/her by the organization with the aim of fulfilling a need and to maximize satisfaction. Sometimes, the term customer and consumer are confusing. A customer can be a consumer, but a consumer may not necessarily be a customer. A customer is the person who does the buying of the products and the consumer is the person who ultimately consumes the product (Solomon, 2009).

Satisfaction is a person's feelings of pleasure or disappointment that results from comparing a product's perceived performance or outcome with their expectations (Kotler and Keller, 2009). Satisfaction could be the pleasure derived by someone from the consumption of goods or services offered by another person, group of people, or an organization; or it can be the state of being happy with a situation. Satisfaction varies from one person to another because it is utility. "One man's meal is another man's poison," is an old adage stated describing utility; thus, highlighting the fact that it is sometimes very difficult to satisfy everybody or to determine satisfaction among group of individuals.

Customer satisfaction is one of the most important concepts for most marketers and consumers (Jamal, 2004). Client happiness, which is a sign of customer satisfaction, is and has always been the most essential thing for any organization as it is the milestone for its existence. The conceptualization of customer satisfaction is very complex and has been defined in many different situations. However, no single definition of customer satisfaction has been universally accepted. Customer satisfaction traditionally defined, according to the expectation-disconfirmation theory, as the result of the comparing between customers' expectation before purchase and evaluation about the actual performance of a product or service after purchase (Oliver, 1977).

According to Tse and Wilton (1988), customer satisfaction is defined as the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption. Giese and Cote (2002)

stated that customer satisfaction is identified by a response (cognitive or affective) that pertains to a particular focus (i.e. a purchase experience and/or the associated product) and occurs at a certain time (i.e. post-purchase, post-consumption). This definition is supported by some other authors who think that consumer's level of satisfaction is determined by his or her cumulative experience at the point of contact with the supplier (Sureshchander et al, 2002).

Kotler and Keller (2009) conceptualized satisfaction as the pleasure felt by the customers occur when the actual performance of products or services meet their prior expectations. Therefore, high level of service quality is considered as one of the most important determinant in explaining customer satisfaction, which in turn, influences on customer loyalty towards the firm (Oliva et al, 1992).

It requires a commitment for excellence in customer service which is one of the most effective and least expensive ways to market a business and being successful in the competitive market especially in service giving organizations.

#### **2.2.6. Customer Satisfaction and Service Quality**

Researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service (Wilson et al, 2008). Although it is stated that other factors such as price and product quality can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml et al, 2006).

Regarding the relationship between customer satisfaction and service quality, some researchers have found empirical supports for the view that service quality would be antecedent to customer satisfaction (Fornell et al, 1996; Spreng and Macky, 1996); i.e., customer satisfaction came as a result of service quality.

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

### **2.3 Empirical Review**

The impact of service quality dimensions on customer satisfaction has been done by different individuals. Some of them are stated hereunder.

I. Tizazu (2012) has conducted a research on the effect of customer service quality in customer satisfaction in four selected private banks: Awash International Bank, United Bank, Nib International Bank and Lion International Bank. The researcher selected 365 sample customers from the four banks using simple random sampling technique and distributed questionnaires of which 342 questionnaires were filled and returned back. The study used quantitative research method and descriptive and explanatory research design.

The results of the descriptive statistical analysis indicated that, out of the service quality dimensions, customers were most satisfied with assurance followed by tangibility and responsiveness and they were less satisfied with reliability and empathy. The correlation result showed a positive and significant relationship between the four service quality dimensions (tangibility, reliability, assurance and empathy) and customer satisfaction. But, it showed negative and insignificant relationship between responsiveness and customer satisfaction. The highest relationship was found between tangibility and customer satisfaction and the lowest relationship was between responsiveness and customer satisfaction.

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The multiple regression analysis indicated that the service quality dimensions have positive and significant effect on customer satisfaction except responsiveness. tangibility was the most dominant factor that has positive effect on customer satisfaction followed by empathy, assurance and reliability. The study also indicated that 80.4% of variation in customer satisfaction was accounted by service quality dimension.

II. Girma (2015) has undertaken a research on assessment of service quality and its influence on customer satisfaction in the case of Oromia International Bank S.C. SERVQUAL method was used to determine customers' expectation and perception of service quality.

The researcher selected 40 branches using simple random sampling and 365 customers from these branches using systematic simple random sampling technique. 365 questionnaires were distributed to the selected customers and 211 duly filled questionnaires were collected and used to undertake the research. The study applied quantitative research method and descriptive and explanatory research design.

The result of the study revealed that the average perception and expectation gap for all service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) was a negative disconfirmation score of 1.53. The highest mean score was for tangibility followed by reliability and assurance and the lowest mean score was for empathy and responsiveness. There was a significant and positive relationship between the five service quality dimensions and customer satisfaction. The highest correlation was between assurance and customer satisfaction followed by responsiveness and customer satisfaction and empathy and customer satisfaction. The least correlation was between tangibility and customer satisfaction and reliability and customer satisfaction.

The analysis also indicated that the service quality dimensions have positive and statistically significant influence on customer satisfaction except reliability. 77.3 % of the variation in customer satisfaction was explained by the service quality dimensions.

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The researcher recommended development of skill and knowledge of employees and prioritizing investment outlay for physical elements of the service like equipment, physical facilities and communication materials.

III. Meron (2015) conducted a research on impact of service quality on customer satisfaction: the case of Bank of Abyssinia S.C. The researcher used SERVPERF model to identify the relationship between service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) and customer satisfaction. She also used quantitative research method and descriptive and explanatory research designs. 12 branches were selected using disproportionate stratified sampling technique and 399 customers were selected from sample branches using proportionate stratified sampling technique. Out of the 399 questionnaires distributed to the sample customers, 341 questionnaires were collected and used in the analysis.

The mean result showed that customers were most satisfied with Assurance followed by Responsiveness. The correlation result indicated that the service quality dimensions have positive and significant relationship with customer satisfaction and the service quality dimension which has the highest correlation with customer satisfaction is Assurance. The regression analysis also revealed that all service quality dimensions have a positive impact on customer satisfaction and assurance is the dominant service quality dimension that affects customer satisfaction.

According to the result of the study, 44% of variation in customer satisfaction was explained by the service quality dimension in Bank of Abyssinia S.C. Therefore, the researcher recommended the Bank to work hard on all service quality dimensions in order to improve and maintain its customers' satisfaction.

IV. Saghier and Nathan (2013) have conducted a research on service quality dimensions and customers' satisfaction of banks in Egypt using SERVQUAL model. The purpose of the study was to measure the quality of service from customers' perspective in the Egyptian banking.

The study used primary data collected through scientifically developed questionnaires that has been personally administered on a sample size of 150 customers chosen from Egyptian banks.

The research result indicated that customer satisfaction in Egyptian banking services was significantly affected by reliability, empathy, assurance and responsiveness where as the effect of tangibility did not have any significant impact on customer satisfaction. It also revealed that customer perception is highest in reliability and lowest in assurance.

V. Al-Azzam (2015) has undertaken a research on the impact of service quality dimensions on customer satisfaction on Arab banks in Irbid city, Jordan. The study used simple random sampling technique to select 400 respondents from four banks sited in Irbid city. Primary data was collected using questionnaire. The questionnaire measured the quality of services by implementing the five dimensions SERVQUAL instruments (tangibility, reliability, responsiveness, empathy and security) and the 5-point Likert scale was used for all responses. The research has applied quantitative research approach and analyzed using SPSS version 19.

The researcher came up with the result that the customer satisfaction in the Jordanian banking services is significantly affected by tangibility, reliability, responsiveness, empathy and security. It also demonstrated that customers' perception is the highest in reliability area.

## 2.4 Conceptual Framework

The conceptual framework for this research indicates the relationship between the independent variable which is service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy and the dependent variable, customer satisfaction. SERVPERF model is used to undertake the research and identify whether the above stated relationship exists in Dashen Bank S.C with regard to service quality and customer satisfaction.

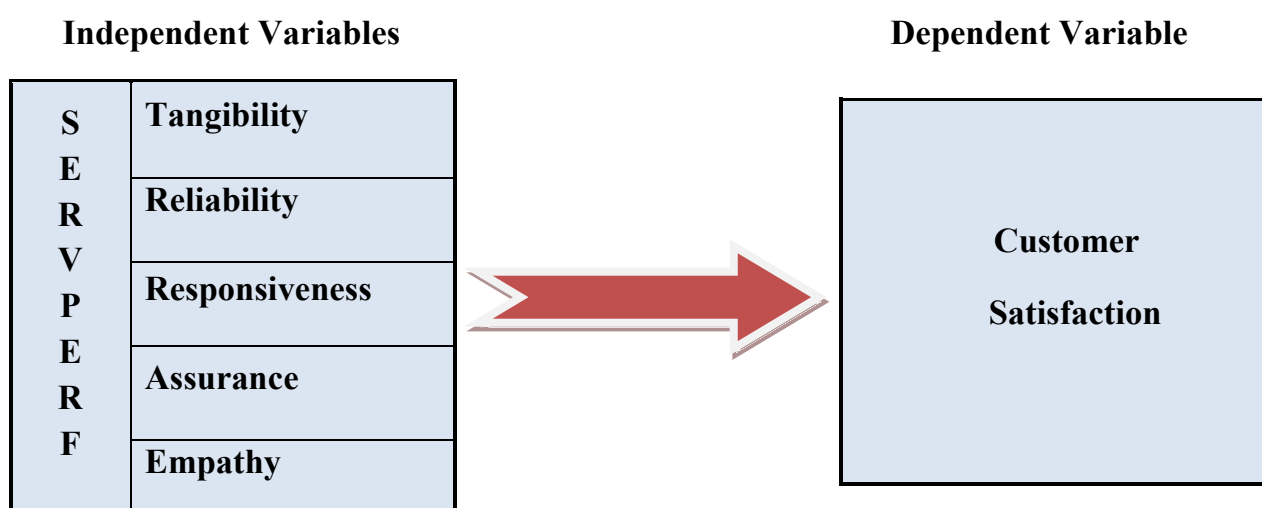


Figure 2.1: The theoretical framework of relationship between the dimensions of SERVPERF and customer satisfaction.

Source: Parasuraman et al., 1988

The research tried to identify whether service quality dimensions have relationship with customer satisfaction and whether they have significant effect on customer satisfaction. In line with this, the hypothesis is:-

H1a: Service quality dimensions are positively and significantly correlated with customer satisfaction in Dashen Bank S.C.

H2a: Service quality dimensions have significant impact on customer satisfaction in Dashen Bank S.C.

## Chapter Three

### Research Design and Methodology

#### 3.1 Research Design

This research used descriptive and explanatory research design. Descriptive research attempts to describe systematically a situation, problem, phenomenon, service or programme, or provides information about an issue and explanatory research attempts to clarify why and how there is a relationship between two or more aspects of a situation or phenomenon.

Application of descriptive study design is chosen as the researcher is interested in describing the existing service quality dimensions that lead to customer satisfaction and explanatory study design is chosen as it helps for explaining, understanding and controlling the relationship between variables.

The researcher used quantitative research method to analyze the data collected from the customers of the Bank using SERVPERF model. The study is also cross-sectional that data have been collected from customers at one point in time.

#### 3.2 Data Type and Source

The study used primary data collected from the customers of Dashen Bank using questionnaires. The questionnaires were distributed based on the sampling method to customers of selected branches found in Addis Ababa city. Moreover, publications and reports produced by the Bank have been used to conduct this research.

### 3.3 Sampling Design

#### 3.3.1 Population of the Study

The target population for this study is customers of all branches of Dashen Bank found in Addis Ababa city. The Bank had 85 branches in Addis Ababa city and the number of customers in these branches was 631,363 as of June 30, 2015.

#### 3.3.2 Sampling Size

The sample size for the study is determined using the formula developed by Taro Yamane (1967).

$$n = \frac{N}{1+N(e)^2}$$

Where, n - is the sample size

N - is the population size,

e - is the level of precision or sampling error = (0.05)

$$n = \frac{631,363}{1+631,363(0.05)^2} = 399.75$$

Therefore, the sample size selected from the population of 631,363 customers is 400 customers.

#### 3.3.3 Sampling Techniques

Dashen Bank had 85 branches in Addis Ababa city as of June 30, 2015. The Bank classified its branches into six groups based on their performance. These are sub branches, Grade 1 to Grade 4 branches and Department branches. Sub branches are branches that do not provide credit and international trade (import export transaction) facilities. The other groups of branches provide full fledged banking transaction services; but they are classified based on their number of

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depositors, amount of deposit, amount and number of loans and number and volume of transactions.

Considering the time, resources and redundancy of information, 33% (or 1/3) of the total 85 branches found in Addis Ababa city is considered as optimal sample size of branches. Thus, the sample size of 400 customers have been selected from 29 branches (i.e.,  $85 * 33\% = 29$ ).

The grade of branches, number of branches found in Addis Ababa city and the number of their respective customers as well as the number of sample branches from each grade is described in the following table.

**Table 3.1 Number of Sample branches selected from each grade**

S. No.	Grade of Branches	No. of Branches in Addis Ababa City (A)	No. of Customers in each Grade (B)	Number of Sample Branches (C=33%*A)
1	Sub Branches	35	33,885	12
2	Grade 1 Branches	27	101,764	9
3	Grade 2 Branches	8	116,126	3
4	Grade 3 Branches	7	164,231	2
5	Grade 4 Branches	6	167,772	2
6	Department Branches	2	47,585	1
<b>Total</b>		<b>85</b>	<b>631,363</b>	<b>29</b>

Source: Internal report of Dashen Bank

The study applied proportionate stratified sampling technique to select the number of sample branches from each grade. It also applied simple random sampling technique to select the sample branches from each grade and the sample customers from each sample branch. The following table exhibits number of sample branches from each grade, number of customers in each sample grade, and number of sample customers selected from each grade.

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**Table 3.2 Number of sample customers taken from branches**

S. No.	Grade of Branches	No. of Sample Branches	No. of Customers in sample Branches	Percentage of No. of Customers	No. of Sample Customers Distributed to each Grade
1	Sub Branches	12	18,570	6%	24
2	Grade 1 Branches	9	57,339	19%	74
3	Grade 2 Branches	3	63,001	20%	82
4	Grade 3 Branches	2	57,720	19%	75
5	Grade 4 Branches	2	65,241	21%	85
6	Department Branches	1	46,719	15%	60
<b>Total</b>		<b>29</b>	<b>308,590</b>	<b>100%</b>	<b>400</b>

Source: Internal report of Dashen Bank

### 3.4 Method of Data Collection

The data collection method was self-administered questionnaire filled by the customers of the selected branches of the Bank. The questionnaire contained SERVPERF model with a 22 performance statements and the degree of the customers' agreement has been measured using five Likert Scale method labeled as strongly disagree, disagree, neutral, agree and strongly agree.

Customer satisfaction has also been measured with one scale adopted from Lovelock and Wright (1999) with response of very dissatisfied, dissatisfied, neither satisfied nor dissatisfied, satisfied and very satisfied. The Likert scale method has been selected to make the questionnaire convenient to the respondents and maximize the response rate.

The questionnaires were distributed to the customers by a staff assigned from the respective branches after confirming that the result of the research has no impact on the performance of their individual branch performance in order not to make the assigned staff biased while selecting the customers. Then, the randomly selected customers filled the questionnaires during service hour at the counter of the Bank to properly collect the questionnaires and increase the response rate.

### **3.5 Method of Data Analysis**

Statistical Package for Social Science (SPSS) software version 20 has been employed to analyze and present the data through descriptive and inferential statistics. Descriptive statistics has been used to interpret demographic variables of the respondents and mean scores of the service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy.

Inferential statistics has been employed to find out the relationship between service quality dimensions and customer satisfaction. The effect of service quality on customer satisfaction was analyzed using correlation and regression analysis.

The overall regression analysis has also been employed to derive the regression function which is:  $Y = a + bX_1 + bX_2 + bX_3 + \dots$

Where Y is the dependent variable and X1, X2, X3... are the independent variables.

### **3.6 Research Instrument**

The content of the data collection instrument is divided into three parts. The first part contains demographic information. The second and third parts contain service quality dimensions and customer satisfaction respectively.

Service quality perception measured the customers' actual experience at Dashen Bank. Respondents scored the twenty two attributes using five Points Likert response scale which include strongly disagree, disagree, neither agree nor disagree, agree and strongly agree.

The customer satisfaction questionnaire also used five point Likert response scales that includes highly dissatisfied, dissatisfied, neither satisfied nor dissatisfied, satisfied and highly satisfied.

### 3.7 Validity and Reliability Test

#### 3.7.1 Validity Test

It is evidence that the instrument, technique of process used to measure a concept does indeed measure the intended concept, Sekaran (2013). The research instrument of this study is developed by Parasuraman et. al, 1988. Therefore, verifying the validity of the instrument is not needed.

#### 3.7.2 Reliability Test

The reliability of a measure is an indication of the stability and consistency with which the instrument measures the concept and helps to assess the “goodness” of a matter. The Cronbach alpha coefficient is an indicator of internal consistency of the scale, Sekaran (2013). A high value of the Cronbach alpha coefficient suggests that the items that make up the scale „hang together“ and measure the same underlying construct. A value of Cronbach alpha above 0.70 can be used as a reasonable test of Reliability.

**Table 3.3 Reliability statistics**

<b>Factors</b>	<b>Cronbach's Alpha</b>	<b>No. of Items</b>
Tangibility	0.873	4
Reliability	0.712	5
Responsiveness	0.791	4
Assurance	0.897	4
Empathy	0.763	5

Source: Own survey, 2016

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To meet the consistency reliability of instrument, the questionnaire was first distributed to 35 respondents. The duly filled questionnaires were tested for reliability and the Cronbach alpha for the independent variables (Tangibility, Reliability, Responsiveness, Empathy and Assurance) was above 0.7. Therefore, the five dimensions of service quality were found to be high in their internal consistency and thereby in measuring the dimensions of interest.

## Chapter Four

### Results and Discussion

#### 4.1 Introduction

This chapter describes the analysis and interpretation of the collected data. 400 questionnaires were distributed to selected customers of Dashen Bank of which 375 (93.75%) have been collected. However, from the collected questionnaires, 8 or (2%) questionnaires have been rejected as they were not filled properly and 367 (91.75%) questionnaires have been utilized for the study. The data has been analyzed using Statistical Package for the Social Science (SPSS) version 20.

**Table 4.1 Rate of responses by respondents**

Questionnaire	Respondents	Valid Percentage
Returned	367	91.75
Returned but rejected	8	2.00
Not returned	25	6.25
<b>Total</b>	<b>400</b>	<b>100.00</b>

Source: Own survey, 2016

#### 4.2 Respondents' Profile

**Table 4.2 Gender profile of respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	147	40.1	40.1	40.1
	Male	220	59.9	59.9	100.0
	<b>Total</b>	<b>367</b>	<b>100.0</b>	<b>100.0</b>	

Source: Own survey, 2016

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As depicted on the above table, 147 or 40% of the respondents are female and 220 or 60% of the respondents are male. This implies that majority of the Bank's customers are male.

**Table 4.3 Age profile of respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	From 18 to 30 years	202	55.0	55.0	55.0
	From 30 to 40 years	125	34.1	34.1	89.1
	From 40 to 50 years	26	7.1	7.1	96.2
	Above 50 years	14	3.8	3.8	100.0
	<b>Total</b>	<b>367</b>	<b>100.0</b>	<b>100.0</b>	

Source: Own survey, 2016

Regarding age distribution, 202 or 55.0% of the respondents are from 18 to 30 years, 125 or 34.1% of the respondents are from 30 to 40 years, 26 or 7.1% of the respondents are from 40 to 50 years and the remaining 14 or 3.8% of the respondents are above 50 years. This implies that 89% of the customers of the Bank are aged up to 40 years.

**Table 4.4 Educational status of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
High School Complete or Below	30	8.2	8.2	8.2
Diploma	77	21.0	21.0	29.2
Degree	223	60.8	60.8	89.9
Masters	34	9.3	9.3	99.2
Above Masters	3	.8	.8	100.0
<b>Total</b>	<b>367</b>	<b>100.0</b>	<b>100.0</b>	

Source: Own survey, 2016

According to table 4.4, 30 or 8.2% of the respondents are high school complete or below it; 77 or 21.0% of the respondents are diploma holders; 223 or 60.8% of the respondents are first degree holders; 34 or 9.3% of the respondents are masters degree (second degree) holders and the remaining 3 or 0.8% of the respondents are holders of above second degree.

**Table 4.5 Length of respondents' relationship with Dashen Bank**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 year	42	11.4	11.4	11.4
	From 1 to 5 years	168	45.8	45.8	57.2
	From 5 to 10 years	102	27.8	27.8	85.0
	From 10 to 15 years	39	10.6	10.6	95.6
	Above 15 years	16	4.4	4.4	100.0
	<b>Total</b>	367	100.0	100.0	

Source: Own survey, 2016

With regard to length of relationship of respondents with the Bank, 42 or 11.4% of the respondents have less than 1 year relationship; 168 or 45.8% of the respondents have 1 to 5 years relationship; 102 or 27.8% of the respondents have 5 to 10 years relationship; 39 or 10.6% of the respondents have 10 to 15 years relationship and 16 or 4.4% of the respondents have above 15 years relationship.

Majority of the respondents have below 5 years relationship with the Bank. This is due to the reason that the Bank is working hard in expanding its branches for the last four years. It used to open four to eight branches per annum for the first sixteen years. However, related to the stiff competition in the industry for getting adequate resources (deposit and foreign currency), the Bank has increased its branch expansion activity and reached to open 23 to 64 new branches for the last four years.

### **4.3 Descriptive Analysis of Service Quality Measurement**

This study used SERVPERF model to measure the customers' perception on the service provided by Dashen Bank. The model contains 22 questions related to the five service quality dimensions namely, tangibility, reliability, responsiveness, assurance and empathy. It used the five point Likert scale to measure the performances of the service provided by the Bank. The results obtained from the study are described in the following tables.

### 4.3.1. Tangibility

Tangibility is the appearance of physical facilities, equipment, personnel and written materials. It contained four questions which refer to the availability of modern equipment that the bank is utilizing in providing its services; whether the physical facilities and materials associated with the services are visually appealing and the neatness of the employees of the Bank.

As depicted in table 4.6, “employees of Dashen Bank are neat in their appearance” has the highest mean value of 4.2643 followed by “Dashen Bank has modern looking equipment”, “the physical facilities at Dashen Bank are visually appealing” and “materials associated with the service are visually appealing” with mean value of 3.7057, 3.5150 and 3.4986 respectively. The mean value of tangibility is 3.7459.

Quality and presentability of materials associated with the service, like pamphlets, statements and different formats show the concern of the Bank for quality and brand which is one way of attracting and satisfying customers despite it needs further study. As observed from the table, “materials associated with the service are visually appealing” has the lowest mean value.

**Table 4.6 Mean score for tangibility**

		Q1-Dashen Bank has modern looking equipment.	Q2-The physical facilities at Dashen Bank are visually appealing.	Q3-Employees of Dashen Bank are neat in their appearance.	Q4-Materials associated with the service (pamphlets or statements) are visually appealing at Dashen Bank.	Tangibility
N	Valid	365	367	366	365	362
	Missing	2	0	1	2	5
Mean		3.7057	3.5150	4.2643	3.4986	3.7459

Source: Own survey, 2016

#### 4.3.2. Reliability

Reliability is the ability to perform services dependably and accurately in a consistent manner. It is considered as the vital core of service quality. Other dimensions will matter to customers only if a service is reliable, because those dimensions cannot compensate for unreliable service delivery (Berry et al., 1994). It contains five questions used to assess the accuracy and credibility of the services. It evaluates whether the Bank keeps its promises or not while giving the services, the Bank's sincere interest in solving the problem of its customers and the accuracy of records.

Accordingly, as observed on table 4.7, the mean value of reliability is 3.7678. The highest value under this service quality dimension goes to "when a customer has a problem, Dashen Bank shows a sincere interest in solving it" which is 3.9728 followed by "Dashen Bank insists on error free records" and "when Dashen Bank promises to do something by a certain time, it does so" with mean value of 3.8501 and 3.7956 respectively. The lowest mean value belongs to "Dashen Bank performs the service right the first time", 3.4332 followed by "Dashen Bank provides the service at the time it promises to do so" with mean value of 3.7875.

First impression plays vital role in customer satisfaction. As stated here above, the mean value of "Dashen Bank performs the service right the first time" is lowest when compared to other statements. Therefore, it is a good indicator to the Employees and Management of the Bank to locate the where about of the gap in satisfying its customers and take the relevant action in order to fill the observed gap.

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**Table 4.7 Mean score for reliability**

		Q5-When Dashen Bank promises to do something by a certain time, it does so.	Q6-When a customer has a problem, Dashen Bank shows a sincere interest in solving it.	Q7-Dashen Bank performs the service right the first time.	Q8-Dashen Bank provides the service at the time it promises to do so.	Q9-Dashen Bank insists on error free records.	Reliability
N	Valid	367	365	365	365	365	359
	Missing	0	2	2	2	2	8
Mean		3.7956	3.9728	3.4332	3.7875	3.8501	3.7678

Source: Own survey, 2016

### 4.3.3 Responsiveness

Responsiveness refers to the willingness and readiness of employees to provide service and to help customers. It involves timeliness of service and understanding the needs and wants of customers. Responsiveness comprises four questions that enable to know the willingness and readiness of employees to provide prompt service and to help customers in their needs of service and information.

The mean value for responsiveness dimension is 4.1574. “Employees of Dashen Bank are always willing to help customers” has the highest mean value from this dimension which is 4.2997 and “employees of Dashen Bank tells customers exactly when services will be performed” is with the least mean value of 4.0654.

When responsiveness is compared with other service quality dimensions, it shows a better mean value result next to assurance. It implies that the employees of the Bank are willing and ready to serve customers of the Bank.

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**Table 4.8 Mean score for responsiveness**

		Q10- Employees of Dashen Bank tell customers exactly when services will be performed.	Q11- Employees of Dashen Bank give prompt service to customers.	Q12- Employees of Dashen Bank are always willing to help customers.	Q13-Employees of Dashen Bank are never busy to respond to customers' requests.	Responsiveness
N	Valid	367	367	367	366	366
	Missing	0	0	0	1	1
Mean		4.0654	4.1635	4.2997	4.1008	4.1574

Source: Own survey, 2016

#### **4.3.4 Assurance**

Assurance is the knowledge and courtesy of employees and their ability to convey trust and confidence so that the customer feels that he/she is in courteous, knowledgeable and competent hands. It is the ability of a service firm to inspire trust and confidence in the firm through knowledge, politeness and trustworthiness of the employees.

Assurance contains four statements that indicate whether the employees of the Bank have behavior that instill confidence in customers, employees are consistently courteous with customers and knowledgeable to answer customers' questions, and customers feel safe in transactions with the Bank or not.

Accordingly, assurance has a mean value of 4.1839 which is the highest value from other service quality dimensions. The highest mean value from this dimension goes to "the behaviour of employees in Dashen Bank instill confidence in customers" with value of 4.3134 followed by "customers of Dashen Bank feel safe in transactions" with value of 4.2589 and "employees of Dashen Bank are consistently courteous with customers" with value of 4.1553. The lowest value from this dimension is "employees of Dashen Bank have the knowledge to answer customers' questions" which is 4.0082.

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The level of confidence of customers plays a vital role in a competitive banking industry. The behavior of employees of a bank is one of the major factors that instill confidence in customers. “The behaviour of employees in Dashen Bank instills confidence in customers” is a statement with the highest mean value from the 22 statements which witnessed that the Bank has employees whose behavior is convenient to the customers of the Bank. So, the Bank should work hard for the sustainability of such behavior.

On the other hand, even though the mean value for “employees of Dashen Bank have the knowledge to answer customers' questions” is better when it is compared with other statements of service quality dimensions other than assurance, the Bank should arrange training and experience sharing session among employees to acquaint them with adequate knowledge to address the concern of customers as it shows the lowest mean value from this service quality dimension.

**Table 4.9 Mean score for assurance**

		Q14-The behaviour of employees in Dashen Bank instill confidence in customers.	Q15-Customers of Dashen Bank feel safe in transactions.	Q16-Employees of Dashen Bank are consistently courteous with customers.	Q17-Employees of Dashen Bank have the knowledge to answer customers' questions.	Assurance
N	Valid	367	367	364	367	364
	Missing	0	0	3	0	3
Mean		4.3134	4.2589	4.1553	4.0082	4.1839

Source: Own survey, 2016

### 4.3.5 Empathy

Empathy involves caring and individual attention while the company provides its services for the customers. It consists of five statements that request whether the Bank gives individual attention to its customers, has convenient operating hours to all of its customers, assists customers best interest at heart and has employees who give personal attentions and understand the specific needs of their customers or not.

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As depicted under table 4.10 below, the mean value of empathy is 4.0044. The highest mean value is given to “Dashen Bank assists customers' best interest at heart” followed by “Dashen Bank has operating hours convenient to all of its customers” and “Dashen Bank has employees who give customers personal attention” with mean value of 4.1417, 4.0354 and 4.0300 respectively. The lowest mean value is given to “Dashen Bank gives customers individual attention” followed by “the employees of Dashen Bank understand the specific needs of their customers”, 3.8147 and 4.0000 respectively.

Customers need individual attention during their interaction with service giving organizations. The more individual attention is given to the customers, the more possibility to make them loyal to that organization.

As observed from the above result, the respondents give relatively low value to the statement that dictates individual attention on this service quality dimension. As such, the Management and Employees of the Bank should give due consideration to address the concerns of customers for individual attention.

**Table 4.10 Mean score for empathy**

		Q18- Dashen Bank gives customers individual attention.	Q19-Dashen Bank has operating hours convenient to all of its customers.	20-Dashen Bank has employees who give customers personal attention.	Q21-Dashen Bank assists customers' best interest at heart.	Q22-The employees of Dashen Bank understand the specific needs of their customers.	Empathy
N	Valid	367	366	367	367	367	366
	Missing	0	1	0	0	0	1
Mean		3.8147	4.0354	4.0300	4.1417	4.0000	4.0044

Source: Own survey, 2016

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While the above mentioned points are summarized, assurance, which has the highest mean value of 4.1839, is the dominant service quality dimension that has strong relation with customer satisfaction followed by responsiveness with mean value of 4.1574, empathy 4.0044, reliability 3.7678 and tangibility 3.7459. It implies that the Bank should give due consideration for improving the tangibility and reliability of the Bank as the mean value for these two dimensions are relatively low. The summary answers the third research question that requests “what is the dominant service quality dimension that has a strong relation with customer satisfaction in Dashen Bank?”

**Table 4.11 Mean score and standard deviation for service quality dimensions**

		<b>Tangibility</b>	<b>Reliability</b>	<b>Responsiveness</b>	<b>Assurance</b>	<b>Empathy</b>
N	Valid	367	367	367	367	367
	Missing	5	8	1	3	1
Mean		3.7459	3.7678	4.1574	4.1839	4.0044
Std. Deviation		.75521	.73041	.65098	.63313	.64476

Source: Own survey, 2016

### 4.4 Customer Satisfaction

Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customers’ expectation. Parasuraman et al (1985) proposed that when perceived service quality is high, then it will lead to increase in customer satisfaction.

In order to measure the level of customer satisfaction in Dashen Bank, this study comprised a question that asked the perception level of the respondents with a statement “my feeling about Dashen Bank service delivery can be best described as...” and alternative answers of “highly dissatisfied, dissatisfied, neutral, satisfied and highly satisfied”. The customers’ response for the above mentioned statement is summarized and presented in the following table.

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**Table 4.12 Customer satisfaction level**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	Highly Dissatisfied	3	.8	.8	.8
	Dissatisfied	13	3.5	3.5	4.4
	Neutral	70	19.1	19.1	23.4
	Satisfied	203	55.3	55.3	78.7
	Highly Satisfied	78	21.3	21.3	100.0
	<b>Total</b>	<b>367</b>	<b>100.0</b>	<b>100.0</b>	

Source: Own survey, 2016

The above table exhibited that 203 or 55.3% of the respondents are satisfied and 78 or 21.3% of the respondents are highly satisfied with the services of the Bank. However, 3 or 0.8% of the respondents are highly dissatisfied, 13 or 3.5% of the respondents are dissatisfied and the remaining 70 or 19.1% of the respondents are neither dissatisfied nor satisfied.

**Table 4.13 Customer satisfaction description**

	<b>N</b>	<b>Range</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Customer Satisfaction	367	4.00	1.00	5.00	3.9264	.78409
Valid N (list wise)	367					

Source: Own survey, 2016

As observed from table 4.13, the mean value of customer satisfaction is 3.9264 and its standard deviation is .78409.

To summarize, out of the 367 respondents, 281 or 76.6% of the respondents are satisfied and 86 or 23.4% of the respondents are not satisfied with the service of the Bank. This indicates that the Management and Employees of the Bank should work hard in order to improve the service quality level of the Bank and satisfy the unsatisfied customers as the major competitive advantage in the today's banking industry in our country is excellent service quality.

#### **4.5 Correlation Analysis between Service Quality Dimensions and Customer Satisfaction**

Correlation coefficient is a measure of relationship (association) and strength between two variables. The correlation coefficient ranges between -1 and 1. If the two variables are in perfect positive linear relationship, the correlation coefficient will be 1 and if they are in perfect negative (inverse) relationship, the correlation coefficient will be -1. The correlation coefficient is 0 (zero) if there is no linear relationship between the variables.

A low correlation coefficient ( $r$ ), between 0.1 and 0.29, suggests that the relationship between the two variables is weak or non-existent. If  $r$  is between 0.3 and 0.49, the relationship is moderate and a high correlation coefficient, i.e.  $r > 0.5$ , indicates a strong relationship between the variables. The direction of the dependent variables 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 and if the coefficient is negative, then the dependent variable will move in the opposite direction of the independent variable.

In this study, Pearson's correlation coefficient is used to find out the relationship between service quality dimensions and customer satisfaction. Table 4.14 exhibits the result of the correlation analysis made using bivariate correlation.

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**Table 4.14 Correlations**

		Tangibility	Reliability	Respon- siveness	Assurance	Empathy	Customer Satisfaction
Tangibility	Pearson Correlation	1					
	Sig. (2- tailed)						
	N	367					
Reliability	Pearson Correlation	.612	1				
	Sig. (2- tailed)	.000					
	N	367	367				
Respon- siveness	Pearson Correlation	.457	.643	1			
	Sig. (2- tailed)	.000	.000				
	N	367	367	367			
Assurance	Pearson Correlation	.504	.648	.696	1		
	Sig. (2- tailed)	.000	.000	.000			
	N	367	367	367	367		
Empathy	Pearson Correlation	.542	.629	.599	.708	1	
	Sig. (2- tailed)	.000	.000	.000	.000		
	N	367	367	367	367	367	
Customer Satisfaction	Pearson Correlation	.508	.609	.543	.641	.620	1
	Sig. (2- tailed)	.000	.000	.000	.000	.000	
	N	367	367	367	367	367	367

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

Source: Own survey, 2016

### **Hypothesis Testing**

H10: Service quality dimensions are not positively and significantly correlated with customer satisfaction in Dashen Bank S.C.

H1a: Service quality dimensions are positively and significantly correlated with customer satisfaction in Dashen Bank S.C.

From table 4.14, we can observe that assurance is highly correlated with customer satisfaction ( $r = .641$  and  $p < .01$ ) followed by empathy ( $r = .620$  and  $p < .01$ ), reliability ( $r = .609$  and  $p < .01$ ), responsiveness ( $r = .543$  and  $p < .01$ ) and tangibility ( $r = .508$  and  $p < .01$ ).

Accordingly, we can conclude that there is a positive and significant correlation or relationship between service quality dimensions and customer satisfaction so that any improvement in one of the dimensions will positively contribute to enhancing customer satisfaction. In addition, the result confirmed that the alternative hypothesis “service quality dimensions are positively and significantly correlated with customer satisfaction in Dashen Bank S.C.” is accepted which leads to rejection of the null hypothesis. It answers the first research question of the study which is “what is the relationship between service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) and customer satisfaction?”

### **4.6 Regression Analysis**

Regression analysis is a statistical measure that attempts to determine the strength of the relationship between one dependent variable and a series of other changing variables (known as independent variables). More specifically, regression analysis helps one understand how the typical value of the dependent variable (criterion variable) changes when any one of the independent variables is varied, while the other independent variables remain constant.

**Multicollinearity Test:-** in multiple regression analysis, multicollinearity refers to a situation where a number of independent variables are closely correlated to one another. Multicollinearity test is done using variance inflation factor (VIF). The VIF indicates whether a predictor has a

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strong linear relationship with other predictor(s). As a rule of thumb, if the VIF of a variable exceeds 10, there will be a serious multicollinearity problem. The tolerance statistics, which is the reciprocal of VIF ( $1/VIF$ ), also used to test multicollinearity. Tolerance values below 0.1 indicates serious multicollinearity problem.

As depicted on table 4.15, the value of VIF does not exceed 10 and the value of tolerance is not below 0.1. Therefore, it indicates that there is no multicollinearity among the predictor variables.

**Table 4.15 Multicollinearity test statistics**

Model	Collinearity Statistics	
	Tolerance	VIF
Tangibility	.583	1.716
Reliability	.412	2.427
Responsiveness	.446	2.240
Assurance	.366	2.731
Empathy	.427	2.339

a. Dependent Variable: Customer satisfaction

Source: Own survey, 2016

In this study, regression analysis is used to identify the impact of service quality dimension on customer satisfaction in order to answer the second research question.

### 4.6.1 Tangibility

From the regression analysis, we can see that there is a positive statistical relationship between tangibility (the independent variable) and customer satisfaction (the dependent variable). The R-square answers the question, “of all of the reasons why the outcome variable can vary, what percent of those reasons can be accounted for by the predictor(s) variables”. In this case, the coefficient of determination (R-square) indicates the proportionate amount of variation in the response variable (customer satisfaction) explained by the independent variable (tangibility) in the linear regression model. Thus, 25.8% ( $R^2 = .258$ ) of the variation on customer satisfaction is explained by tangibility.

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**Table 4.16 Model summary for tangibility**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.508 <sup>a</sup>	.258	.256	.67621

a. Predictors: (Constant), Tangibility

Source: Own survey, 2016

The regression coefficient is the value that represents the rate of change of one variable (dependent variable) as a function of changes in the other variable (independent variable). It represents the mean change in the response variable for one unit of change in the predictor variable while holding other predictors in the model constant. This statistical control that regression provides is important because it isolates the role of one variable from all of the others in the model.

From the following coefficient table, we find the B value which measures how strongly each independent variable influences the dependent variable. Thus, a unit increase in tangibility leads to a .528 increase in customer satisfaction, other things remain constant. Therefore, the more the Bank invests on its physical facilities, equipment, technology and appearance of its employees, the more it satisfies its customers.

**Table 4.17 Coefficients for tangibility**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.950	.179		10.904	.000
	Tangibility	.528	.047	.508	11.273	.000

a. Dependent Variable: Customer Satisfaction

Source: Own survey, 2016

#### 4.6.2 Reliability

From the regression analysis, we can see that there is a positive statistical relationship between reliability (the independent variable) and customer satisfaction (the dependent variable). As observed from the following table, the coefficient of determination (R-square) indicates 37.1% ( $R^2 = .371$ ) of the variation on customer satisfaction is explained by reliability.

**Table 4.18 Model summary for reliability**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.609 <sup>a</sup>	.371	.370	.62254

a. Predictors: (Constant), Reliability

Source: Own survey, 2016

From the following coefficient table, we find the B value which measures how strongly reliability, the independent variable, influences the customer satisfaction, the dependent variable. Thus, a unit increase in reliability leads to a .654 increase in customer satisfaction, other things remain constant. Therefore, the Bank should work hard in keeping its promises and accurately record its transactions which enable to build its reliability that in turn leads to better customer satisfaction.

**Table 4.19 Coefficients for reliability**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.462	.171		8.549	.000
	Reliability	.654	.045	.609	14.683	.000

a. Dependent Variable: Customer Satisfaction

Source: Own survey, 2016

### 4.6.3 Responsiveness

From table 4.20, we can see that there is a positive statistical relationship between the independent variable-responsiveness and the dependent variable-customer satisfaction. The coefficient of determination (R-square) indicates 29.5% ( $R^2 = .295$ ) of the variation on customer satisfaction is explained by responsiveness.

**Table 4.20 Model Summary for responsiveness**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.543 <sup>a</sup>	.295	.293	.65917

a. Predictors: (Constant), Responsiveness

Source: Own Survey, 2016

On table 4.21, we find the B value which measures how strongly responsiveness, the independent variable, influences the customer satisfaction, the dependent variable. Accordingly, a unit increase in responsiveness leads to a .654 increase in customer satisfaction, other things remain constant.

**Table 4.21 Coefficients for responsiveness**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.206	.223		5.414	.000
	Responsiveness	.654	.053	.543	12.364	.000

a. Dependent Variable: Customer Satisfaction

Source: Own survey, 2016

#### 4.6.4 Assurance

From table 4.22, we can infer that there is a positive statistical relationship between the independent variable-assurance and the dependent variable-customer satisfaction. The coefficient of determination (R-square) indicates 41.1% ( $R^2=.411$ ) of the variation on customer satisfaction is explained by assurance.

**Table 4.22 Model Summary for assurance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.641 <sup>a</sup>	.411	.409	.60264

a. Predictors: (Constant), Assurance

Source: Own survey, 2016

On table 4.23, we find the B value which measures how strongly assurance, the independent variable, influences the customer satisfaction, the dependent variable. Accordingly, a unit increase in assurance leads to a .794 increase in customer satisfaction, other things remain constant. Therefore, if the Bank invests more in building the behavior of its employees to be courteous and customer centric as well as in acquainting adequate knowledge to handle customers' request properly, then it leads to better customer satisfaction than other service quality dimensions.

**Table 4.23 Coefficients for assurance**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.605	.211		2.874	.004
	Assurance	.794	.050	.641	15.956	.000

a. Dependent Variable: Customer Satisfaction

Source: Own survey, 2016

#### 4.6.5 Empathy

From table 4.24, we can infer that there is a positive statistical relationship between the independent variable-empathy and the dependent variable-customer satisfaction. The coefficient of determination (R-square) indicates 38.4% ( $R^2=.384$ ) of the variation on customer satisfaction is explained by empathy.

**Table 4.24 Model Summary for empathy**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.620 <sup>a</sup>	.384	.383	.61604

a. Predictors: (Constant), Empathy

Source: Own survey, 2016

From table 4.25, we can infer how strongly the independent variable - empathy influences the dependent variable - customer satisfaction. Accordingly, a unit increase in empathy leads to a .754 increase in customer satisfaction, other things remain constant. Therefore, if the Bank arranges a convenient working hours to all customers and convince its employees to give individual and personal attention to the customers in order to meet their specific requests, the customer satisfaction level will increase.

**Table 4.25 Coefficients for empathy**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.907	.203		4.479	.000
	Empathy	.754	.050	.620	15.097	.000

a. Dependent Variable: Customer Satisfaction

Source: Own survey, 2016

As stated here above, assurance is the most influential service quality dimension in customer satisfaction. The second service quality dimension which has the highest effect in customer satisfaction is empathy, reliability and responsiveness have equal impact in customer satisfaction and tangibility is the last service quality dimension that has relatively least effect on customer satisfaction.

#### 4.7 Overall Regression Analysis

Table 4.26 shows that 51.1% ( $R^2=.511$ ) of the variation on customer satisfaction is explained by the independent variable. Therefore, there is a positive and statistically significant relationship between the service quality dimensions, the independent variables, and customer satisfaction, the dependent variable.

**Table 4.26 Model summary for service quality dimensions**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715 <sup>a</sup>	.511	.504	.55232

a. Predictors: (Constant), Empathy, Tangibility, Responsiveness, Reliability, Assurance

Source: Own survey, 2016

#### Hypothesis Testing

H20: Service quality dimensions do not have significant effect on Customer satisfaction in Dashen Bank S.C.

H2a: Service quality dimensions have significant effect on Customer satisfaction in Dashen Bank S.C.

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**Table 4.27 ANOVA for service quality dimensions and customer satisfaction**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	114.890	5	22.978	75.324	.000 <sup>b</sup>
	Residual	110.124	361	.305		
	Total	225.014	366			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Empathy, Tangibility, Responsiveness, Reliability, Assurance

Source: Own survey, 2016

From the above ANOVA table, it has been determined that service quality dimensions have significant impact on customer satisfaction as  $F = 75.324$  and Sig. is .000. Hence, the result depicted that the alternative hypothesis “service quality dimensions have significant impact on customer satisfaction in Dashen Bank S.C” is accepted which leads to rejection of the null hypothesis. This answers the second research question that states “what is the effect of service quality dimensions on customer satisfaction?”

**Table 4.28 Coefficients for service quality dimensions on customer satisfaction**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.003	.214		.013	.990
	Tangibility	.116	.050	.111	2.308	.002
	Reliability	.216	.062	.202	3.513	.000
	Responsiveness	.056	.066	.046	.842	.400
	Assurance	.335	.075	.271	4.451	.000
	Empathy	.260	.068	.214	3.792	.000

a. Dependent Variable: Customer Satisfaction

Source: Own survey, 2016

The above coefficient table indicates the beta (B) values of the independent variables. From the result, one can conclude that tangibility, reliability, assurance and empathy have significant effect on customer satisfaction whereas responsiveness has no significant effect.

The regression function for service quality dimensions and customer satisfaction can be derived from the above table as follows:

$$Y = a + bX_1 + bX_2 + bX_3 + bX_4 \dots$$

$$Y = 0.003 + 0.116X_1 + 0.216X_2 + 0.056X_3 + 0.335X_4 + 0.260X_5$$

Where: Y is Customer Satisfaction and X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, X<sub>4</sub> and X<sub>5</sub> are tangability, reliability, responsiveness, assurance and empathy respectively.

#### **4.8 Discussion**

Under this section, the findings of other researchers in the area are stated to see the level of consistency with the findings of this study.

The result of this study exhibited that all service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) have positive and significant correlation with customer satisfaction in Dashen Bank. The highest correlation is between assurance and customer satisfaction followed by empathy and customer satisfaction and the least correlation is between tangibility and customer satisfaction followed by responsiveness and customer satisfaction. Moreover, the service quality dimensions have statistically significant effect on customer satisfaction except responsiveness which has no significant effect despite it has positive relationship with customer satisfaction. The study also indicated that assurance is the most dominant service quality dimension on customer satisfaction.

The finding of the research made by Tizazu (2013) titled the effect of customer service quality on customer satisfaction on private banks indicated that customers were most satisfied with assurance (similar to the result of this study) followed by tangibility. There were a positive and significant correlation between the four service quality dimensions (tangibility, reliability, assurance and empathy) and customer satisfaction. But, responsiveness showed negative and insignificant correlation with customer service. It also indicated that all service quality dimensions have positive and significant effect on customer satisfaction except responsiveness alike the result obtained from this study.

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The study of Girma (2015) on assessment of service quality and its influence on customer satisfaction: the case of Oromia International Bank showed that all service quality dimensions have positive and significant relationship with customer satisfaction. The highest correlation was between assurance and customer satisfaction, which is similar to the result of this study, followed by responsiveness and customer satisfaction. The result of the analysis of the dependent and independent variables showed that tangibility, reliability, assurance and empathy have positive and statistically significant influence on customer satisfaction whereas responsiveness is found to have no significant influence on customer satisfaction; which is also the same as the result of this study.

The result of the study made by Meron (2015) revealed that customers were most satisfied by assurance followed by responsiveness. All service quality dimensions have positive and significant relationship with customer satisfaction and the highest correlation is between assurance and customer satisfaction which is also the same as the result of this study.

The research made by Saghier and Nathan (2013) on service quality dimensions and customers' satisfaction of banks in Egypt depicted that customer service was significantly affected by the four service quality dimensions; reliability, responsiveness, assurance and empathy. But, tangibility did not have significant impact on service quality. Customers' perception was highest in reliability.

The study made by Al-Azzam (2015) titled the impact of service quality dimensions on customer satisfaction on Arab bank in Irbid city, Jordan indicated that Jordanian banking services was significantly affected by tangibility, reliability, responsiveness, empathy and security and customers' perception was highest for reliability.

To conclude, as observed from the above studies, most of the service quality dimensions have positive and significant correlation with customer satisfaction. However, the dominant service quality dimension differs from study to study.

## Chapter Five

### Summary of Findings, Conclusion and Recommendation

#### 5.1 Summary of Findings

This project paper is conducted on the effect of service quality on customer satisfaction in the case of Dashen Bank S.C. It is undertaken to know the relationship between service quality dimensions and customer satisfaction, the effect of service quality on customer satisfaction and to identify the dominant service quality dimension that has a strong relation with customer satisfaction in Dashen Bank S.C. The study used SERVPERF model with self-administered questionnaire that contained 22 performance statements related to the five service quality dimensions. The data is analyzed using Statistical Package for Social Science (SPSS) software version 20 through descriptive and inferential statistics.

In order to undertake the study, 400 questionnaires were distributed and 367 has been duly filled and returned. The demographic data showed that 40% of the respondents are female. Regarding the age of the respondents, 55% are from 18 to 30 years old which showed that majority of the customers of the Bank are youngsters. Regarding the education level, 60.8% of the respondents are first degree holders and with regard to relationship, 45.8% of the respondents have up to 5 years relationship with the Bank.

The mean result indicated that the customers of the Bank are satisfied with assurance followed by responsiveness and empathy. The mean result for tangibility and reliability is relatively lower.

The Pearson's correlation coefficient is used to know the relationship between service quality dimensions and customer satisfaction and the result showed that there is a positive and significant relationship between them. It also showed that assurance has the highest relationship with customer satisfaction.

The regression analysis indicated that the service quality dimensions have statistically significant effect on customer satisfaction except responsiveness which has a positive relationship with insignificant effect. Among the service quality dimensions, assurance is found as the most influential dimension of customer satisfaction as observed from the result of the analysis.

## **5.2 Conclusion**

- i. The study indicated that 55% of the sample respondents are with age of below thirty years and 89% of them are with age of below forty years. This implies that, if the Bank handles this group of customers with excellent service, it will have young and energetic loyal customers for relatively long period of time.
- ii. With regard to length of relationship of customers with the Bank, majority of them (57.2%) have up to five years relationship as the Bank is aggressively expanding its branches during the last four years which enable it to have large number of customers.
- iii. Tangibility scored the lowest result from service quality dimensions. It is the appearance of physical facilities, equipment, personnel and written materials. The quality and appearance of the physical facilities and written materials of the Bank are not up to the standard of the customers' expectation. On the other hand, neatness and appearance of employees has got the highest score. This implies that the employees are well dressed and presentable that has to be continued.
- iv. Reliability is the ability to perform services dependably and accurately in a consistent manner. Customers prefer reliable bank that keeps its promise in order to undertake their transactions and save their money. However, the result showed that reliability of Dashen Bank is not up to the expectation of the customers of the Bank. The main reason is that the result obtained from bank performs the service right the first time and the bank keeps its promise in providing the service is low.

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- v. Responsiveness scored a better mean value result next to assurance. It implies that the employees of the Bank are willing and ready to serve the Bank's customers. So, it should be continued in order to provide better quality service and maintain the customers' satisfaction.
- vi. Assurance has a mean value of 4.1839 which is the highest value from other service quality dimensions. It indicated that the Bank has courteous and knowledgeable employees that instill confidence in customers.
- vii. Empathy involves caring and individual attention while the company provides its services for the customers. Customers become loyal to their bank when they get respect and individual attention which is one of the main parts of quality service. In this regard, the result of the study indicated that the Bank is not giving individual attention to its customers as expected.
- viii. The study revealed that 51% of the variation on customer satisfaction is explained by the independent variables which are tangibility, reliability, responsiveness, assurance and empathy. Therefore, the Bank should give due attention on the components of these service quality dimensions especially on those which showed less result and exert maximum effort to improve them.
- ix. The result of the study also showed that, from the respondents, 4.3% are dissatisfied and 19.1% are neither satisfied nor dissatisfied. This implies that 23.4% of the respondents are not satisfied with the service of the Bank. In a highly competitive market, not satisfying such percentage of customers leads to losing the premium position and market share of the Bank in the sector.

### 5.3 Recommendation

Banking sector shows remarkable progress accompanied with stiff competition in the last two decades in the country. These days, most of the banks are adopting technological advancements that enable them to provide similar service to their customers. As such, there is no major difference among banks in the country with regard to their products and services. The major factor that differentiates one bank from the other is the quality of the service that the bank provides to its customers. Therefore, Dashen Bank has to work hard to provide efficient and effective service to satisfy its customers and get remarkable market share in the industry. For this, the researcher recommended the following points.

- a. 55% of the sample respondents are with age of below thirty years. The Management of the Bank has to design a strategy to provide convenient and attractive products and services to this group of customers as it enables the Bank to have loyal customers for relatively long period of time.
- b. 57.2% of the respondents have up to five years relationship with the Bank. It is registered as a result of aggressively expanding branches for the last four years. Therefore, the Bank has to continue expanding customer base by opening new branches or using agent banking targeting the unbanked society. Besides, the Management and eEmployees should work hard to retain the existing customers and make them loyal to the Bank.
- c. The more the physical facilities and personnel of the Bank are presentable, the more the ability of the Bank to build its images and attract more customers. Therefore, the Bank has to investigate its weaknesses with regard to quality and physical appearance of equipment, furniture, formats and advertisement materials in order to make them appealing to the customers. Moreover, as first impression has vital role in attracting and retaining customers, the Bank should identify the gap in providing right service in the first time and correct its weakness. In addition, the Bank should also keep and discharge promises given to its customers.

- d. Most of the service quality dimensions' elements are related to employees behavior. The behavior of Dashen Banks' employees is relatively up to the expectation of the respondents. Therefore, the Bank should reward and satisfy its employees for sustaining the existing behavior and also acquaint them with adequate knowledge and skill through continuous training and development. It will help the Bank to retain the existing employees and to attract new professionals which have better skill and knowledge from the market.
- e. The value of customers to the Bank is different depending on the type of customers. Hence, the Bank should segment its customers according to their type, nature and capacity. Moreover, the Bank should provide convenient service and service channels to the customers according to their needs and preferences. Those customers who have less value and frequent number of transactions can be entertained using ATM, Internet and Mobile Banking. On the other hand, those customers who have huge value and other nature of transactions like import export and credit facility can be entertained at branches. This helps the Bank to provide individual attention and satisfy its customers.
- f. The study revealed that 51% of the variation on customer satisfaction is explained by the independent variables which are tangibility, reliability, responsiveness, assurance and empathy. Therefore, the Bank should give due attention on the components of these service quality dimensions especially on those which showed less result and exert maximum effort to improve them. Moreover, assessing the service quality of the Bank on continuous basis will help to persistently improve the quality of the service and maintain the level of customer satisfaction one step ahead.
- g. The result of the study also showed that, from the respondents, 4.3% are dissatisfied and 19.1% are neither satisfied nor dissatisfied. This implies that 23.4% of the respondents are not satisfied with the service of the Bank. In a highly competitive market, not satisfying such percentage of customers leads to declining market share of the Bank in the sector. Therefore, the Management of the Bank should review their strategy and work hard in presenting customer focused services and service delivery channels that meet the customers' expectation.

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Website

<http://www.dashenbanksc>

**Annexure**

**Questionnaire**

**Dear Respondents,**

My name is Dejene Girma. I am a graduate student at Addis Ababa University School of Business and Economics in the field of Executive MBA. I am conducting a research on **“The Effect of Service Quality on Customer Satisfaction: The case of Dashen Bank S.C.”** in partial fulfilment of my study.

I kindly request you to spend some minutes of your time in filling the questionnaire. I would like to assure you that any information which you provide will be kept confidential. Your genuine response is highly appreciated for the outcome of the project.

Please do not hesitate to contact me through my cell phone number 0911-704207 for any clarification, if required.

Thank you for your kind cooperation in filling the questionnaire.

**[Part-1: General information**

**Direction:** Please put a check mark (√) on the appropriate box.

1. **Gender:** Female  Male

2. **Age (years):** 18-30  31-40  41-50  above 50

3. **Educational Level:** High school  Diploma  Degree   
Masters  Above Masters

4. **Length of Relationship with the Bank:** Less than 1 year  1 – 5 years   
5 – 10 years  10 - 15 years  above 15 years

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**Part II: Survey on Service Quality Items**

**Direction:** This part of the questionnaire intends to find your perception towards the service quality of Dashen Bank S.C. Please circle the number which reflects your perception.

1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree.

S. No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<b>I</b>	<b>Tangibility</b>					
1	Dashen Bank has modern looking equipment.	1	2	3	4	5
2	The physical facilities at Dashen Bank are visually appealing.	1	2	3	4	5
3	Employees of Dashen Bank are neat in their appearance.	1	2	3	4	5
4	Materials associated with the service (pamphlets or statements) are visually appealing at Dashen Bank.	1	2	3	4	5
<b>II</b>	<b>Reliability</b>					
5	When Dashen Bank promises to do something by a certain time, it does so.	1	2	3	4	5
6	When a customer has a problem, Dashen Bank shows a sincere interest in solving it.	1	2	3	4	5
7	Dashen Bank performs the service right the first time.	1	2	3	4	5
8	Dashen Bank provides the service at the time it promises to do so.	1	2	3	4	5
9	Dashen Bank insists on error free records.	1	2	3	4	5
<b>III</b>	<b>Responsiveness</b>					
10	Employees of Dashen Bank tell customers exactly when services will be performed.	1	2	3	4	5
11	Employees of Dashen Bank give prompt service to customers.	1	2	3	4	5
12	Employees of Dashen Bank are always willing to help customers.	1	2	3	4	5
13	Employees of Dashen Bank are never busy to respond to customers' requests.	1	2	3	4	5

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S. No.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<b>IV</b>	<b>Assurance</b>					
14	The behaviour of employees in Dashen Bank instil confidence in customers.	1	2	3	4	5
15	Customers of Dashen Bank feel safe in transactions.	1	2	3	4	5
16	Employees of Dashen Bank are consistently courteous with customers.	1	2	3	4	5
17	Employees of Dashen Bank have the knowledge to answer customers' questions.	1	2	3	4	5
<b>V</b>	<b>Empathy</b>					
18	Dashen Bank gives customers individual attention.	1	2	3	4	5
19	Dashen Bank has operating hours convenient to all of its customers.	1	2	3	4	5
20	Dashen Bank has employees who give customers personal attention.	1	2	3	4	5
21	Dashen Bank assists customers' best interest at heart.	1	2	3	4	5
22	The employees of Dashen Bank understand the specific needs of their customers.	1	2	3	4	5

**Part III: Level of Customer Satisfaction**

**Direction:** The following statement describes your feeling about Dashen Bank S.C. Please respond by circling only the number that reflects your own perception best.

**23. My feeling about Dashen Bank service delivery can be best described as:**

1 = Highly Dissatisfied      4 = Satisfied

2 = Dissatisfied                      5 = Highly Satisfied

3 = Neutral

**Thank you so much for taking your time to fill this Questionnaire!!!.**

**መጠይቅ**

ስሜ ደጀኔ ግርማ ይባላል። በአዲስ አበባ ዩኒቨርሲቲ የሁለተኛ ድግሪ (EMBA) ፕሮግራም ተማሪ ስሆን የመመረቂያ ጥናቱን የማድረገው “የዳሽን ባንክ የደንበኞች አገልግሎት ጥራት እና የአገልግሎት ጥራቱ በደንበኞች እርካታ ላይ ያለው ተጽእኖ” በሚል ርዕስ ላይ የሚያተኩር ነው።

እርስዎም ይህን መጠይቅ በመሙላት አስፈላጊውን ትብብር እንዲያደርጉልኝ እየጠየቅሁ በዚህ ጥናት በመሳተፍዎ ማንኛውም የግል መረጃዎ ከተፈለገው የትምህርት አላማ ዉጪ ለሌላ ሦስተኛ ወገን ተላልፎ እንደማይሠጥ እያረጋገጥኩ በዚህ ጥናት በመሳተፍ የሚሠጡት መረጃ እጅግ በጣም አስፈላጊ በመሆኑ ትክክለኛውን መረጃ በመስጠት እንዲተባበሩኝ በድጋሚ ከልብ በመነጨ አክብሮት እጠይቃለሁ።

በመጨረሻም ጥያቄዎቹን ለመመለስ ተጨማሪ ማብራሪያ ቢያስፈልግዎ ወይም ጥያቄ ቢኖርዎ በስልክ ቁጥር 0911-704207 ሊያገኙኝ የሚችሉ መሆኑን በአክብሮት እጠይቃለሁ።

ከምስጋና ጋር!

**1ኛ) የግል መረጃ**

ከታች ለቀረቡት መጠይቆች ከእርሥዎ ጋር ተዛማጅነት ባላቸው መረጃዎች ትይዩ ባሉት ሳጥኖች ዉስጥ “✓” ምልክት በማድረግ ምላሽዎን ይስጡ።

ሀ) ጾታ: ሴት  ወንድ

ለ) ዕድሜ: ከ18 እስከ 30 ዓመት  ከ31 እስከ 40 ዓመት

ከ41 እስከ 50 ዓመት  ከ50 ዓመት በላይ

ሐ) የትምህርት ደረጃ: ሁለተኛ ደረጃ ወይም ከዛ በታች  ዲፕሎማ

የመጀመሪያ ድግሪ  ሁለተኛ ድግሪ  ከሁለተኛ ድግሪ በላይ

መ) ከባንኩ ጋር በደንበኝነት የቆዩበት ጊዜ: ከ1 ዓመት በታች  ከ1 ዓመት እስከ 5 ዓመት

ከ 5 ዓመት እስከ 10 ዓመት  ከ10 ዓመት እስከ 15 ዓመት  ከ 15 ዓመት በላይ

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### 2ኛ) የዳሽን ባንክ አገልግሎትን የተረዱበት ሁኔታ

ይህ መጠይቅ የዚህ ጥናት ሁለተኛ ክፍል ሲሆን ከዳሽን ባንክ ባገኛቸዉ አገልግሎቶች ላይ ያተኩራል። ስለዚህ እባክዎን ከዚህ በታች በቀረቡት መጠይቆች መሠረት በዳሽን ባንክ የተሠጠዎት አገልግሎት ጥራት ምን ያህል እንደሆነ በፍሬ ሃሳብ ትይዩ ካሉት ቁጥሮች ዉስጥ አንዱን ብቻ በመክበብ ይመልሱ።

1 = በፍፁም አልሰማማም፣ 2 = አልሰማማም፣ 3 = አልሰማማም ወይም እስማማለሁ ማለት እችላለሁ፣  
4 = እስማማለሁ፣ 5 = በጣም እስማማለሁ።

ተራ ቁጥር	ፍሬ ሀሳብ	በፍጹም አልሰማማም	አልሰማማም	እስማማለሁ ወይም አልሰማማም ለማለት እችላለሁ	እስማማለሁ	በጣም እስማማለሁ
<b>I</b>	<b>የሚታዩ ነገሮች (Tangibility)</b>					
1	ዳሽን ባንክ ዘመናዊ የሆኑ የቢሮ መገልገያዎች አሉት ።	1	2	3	4	5
2	ዳሽን ባንክ ለዓይን ማራኪ የሆኑ የቢሮ ህንጻዎች እና አገልግሎት መስጫ መሣሪያዎች አሉት።	1	2	3	4	5
3	ዳሽን ባንክ ዉስጥ የሚሠሩ ሠራተኞች ሲታዩ ንጽህናቸዉ የተጠበቀ ነዉ ዳሽን።	1	2	3	4	5
4	ዳሽን ባንክ አገልግሎቱን ለማስተዋወቅ የሚጠቀምባቸዉ በራሪ ወረቀቶች እና መግለጫዎች የሚወደዱ፣ ሳቢ እና አስደሣች ናቸዉ።	1	2	3	4	5
<b>II</b>	<b>ተዓማኒነት (Reliability)</b>					
5	ዳሽን ባንክ ለደንበኛዉ የገባዉን ቃል ባለዉ ሠዓት ይፈጽማል።	1	2	3	4	5
6	ዳሽን ባንክ ደንበኛዉ ችግር ሲገጥመዉ በእዉነተኛ እና ከልብ በመነጨ ፍላጎት የደንበኛዉን ችግር ለመፍታት ይጥራል።	1	2	3	4	5
7	ዳሽን ባንክ የሚሠጣቸዉ አገልግሎቶች ከመጀመሪያዉ ትክክለኛና ምንም ስህተት የሌለባቸዉ ናቸዉ።	1	2	3	4	5
8	ዳሽን ባንክ አገልግሎቶቹን በገባዉ ቃል እና ሠዓት መሠረት ለተገልጋዮቹ ይሠጣል።	1	2	3	4	5
9	ዳሽን ባንክ ሁሌም ከስህተት የጻዳ የባንክ አገልግሎት ለመስጠት ይተጋል።	1	2	3	4	5

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ተራ ቁጥር	ፍሬ ሀሳብ	በፍጹም አልሰማምም	አልሰማምም	እሰማለሁ ወይም አልሰማምም ለማለት እቸገራለሁ	እሰማለሁ	በጣም እሰማለሁ
<b>III</b>	<b>ምላሽ መስጠት (Responsiveness)</b>					
10	የዳሽን ባንክ ሠራተኞች ሁል ጊዜ ለደንበኞቻቸው የባንኩን አገልግሎት በምን ጊዜ እና ሠዓት እንደሚሰጡ በትትክል ይገልጻሉ።	1	2	3	4	5
11	የዳሽን ባንክ ሠራተኞች ሁል ጊዜ ለደንበኞቻቸው ፈጣን አገልግሎት ይሰጣሉ።	1	2	3	4	5
12	የዳሽን ባንክ ሠራተኞች ሁል ጊዜም ደንበኞቻቸውን ለመርዳት ፈቃደኞች ናቸው።	1	2	3	4	5
13	የዳሽን ባንክ ሠራተኞች ለደንበኞቻቸው ጥያቄ ምላሽ ለመስጠት በሌላ ሥራ መጠመድን ምክንያት አይደርጉም።	1	2	3	4	5
<b>IV</b>	<b>አስተማማኝነት (Assurance)</b>					
14	የዳሽን ባንክ ሠራተኞች ባህሪ ደንበኞች በባንኩ ላይ እምነት እንዲኖራቸው ያደርጋል።	1	2	3	4	5
15	የዳሽን ባንክ ሠራተኞች ሁል ጊዜም ለደንበኞቻቸው ትሁት ናቸው።	1	2	3	4	5
16	የዳሽን ባንክ ደንበኞች ከባንኩ ጋር በሚፈጽሙት ግብይት ሁሉ ደህንነት ይሰጣቸዋል ።	1	2	3	4	5
17	የዳሽን ባንክ ሠራተኞች ሁል ጊዜም የደንበኞቻቸውን ጥያቄ የሚመልስ በቂ እወቀት አላቸው።	1	2	3	4	5
<b>V</b>	<b>የሰውን ችግር እንደራስ ማየት (Empathy)</b>					
18	ዳሽን ባንክ ለአያንዳንዱ ደንበኛ በግል ተገቢውን ትኩረት ይሰጣል።	1	2	3	4	5
19	የዳሽን ባንክ የአገልግሎት ሠዓት ለደንበኞቹ ተስማሚ እና አመቺ ነው።	1	2	3	4	5
20	ዳሽን ባንክ ሁሌም ለአያንዳንዱ ደንበኛ እንደሚመች አድርገው አገልግሎት የሚሰጡ ሠራተኞች አሉት።	1	2	3	4	5
21	ዳሽን ባንክ የደንበኞቹን ግንኙነት ፍላጎት ለማሟላት ከልብ ይሠራል።	1	2	3	4	5
22	የዳሽን ባንክ ሠራተኞች ሁሌም የደንበኞቻቸውን ልዩ ፍላጎት ይረዳሉ ።	1	2	3	4	5

**3ኛ) አጠቃላይ የደንበኞችን እርካታ በተመለከተ**

23. በአጠቃላይ ከዳሽን ባንክ ያገኙትን አገልግሎት ከግምት ውስጥ በማስገባት ከዚህ በታች ከቀረቡት ምርጫዎች ውስጥ አንዱን ብቻ በመክበብ በአገልግሎቱ ምን ያህል እንደረኩ ያሳውቁ ::

- 1 = በባንኩ አገልግሎት በጣም አልረካሁም ፣
- 2 = በባንኩ አገልግሎት አልረካሁም ፣
- 3 = በባንኩ አገልግሎት አልረካሁም ወይም እረክቻለሁ ለማለት እቸገራለሁ፣
- 4 = በባንኩ አገልግሎት እረክቻለሁ ፣
- 5 = በባንኩ አገልግሎት በጣም እረክቻለሁ

**ጊዜዎትን መስዋዕት አድርገው መጠይቁን ስለሞሉልኝ ከልብ አመሰግናለሁ!!!!**