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COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

EFFECT OF SERVICE QUALITY ON CUSTOMER SATSFACTION; THE CASE OF DASHEN BANK S.C

A RESEARCH SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIRMENT MASTERS OF BUSINESS ADMINSTRATOIN

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CERTIFICATION

This is to certify that the thesis prepared by Dagnachew Assefa, entitled: Effect of Service Quality on Customer Satisfaction; The case of Dashen Bank S.C and submitted in partial fulfillment of the requirements for the Degree of Masters of Business Administration in Management fulfills the regulations of the university and meets the accepted standard with respect to originality.

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DECLARATION

I, Dagnachew Assefa, have conducted a research work entitled "The Effect of Service Quality on Customer Satisfaction in the case of Dashen Bank S.C" project in partial fulfillment of Requirements for the Executive Masters of Business Administration with the guidance and support of the research advisor. I declare that this is my original work and has not submitted to any other college or university for academic recognition.

Signed ______________________ Date __________________

Dagnachew Assefa

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ABSTRACT

Service quality and customer satisfaction are critical ideas for businesses to comprehend if they are to expand and remain competitive in today's market. Any modern organization considers service quality to be very important because it contributes to increased customer satisfaction, profitability, lower costs, and improved customer retention. The main purpose of this research study is to examine the effect of service quality on customer satisfaction in some Adds Ababa branches of Dashen bank. To measure the service quality, an extensive survey of the bank customers has been performed with a structured questionnaire distributed to three hundred one respondents of five branches and convenience sampling was used to select the sample. Statistical Package for Social Sciences (SPSS) version 24 has been used to analyze the data and descriptive as well as inferential statistical tools including the use of frequency, tables and Pearson Correlation Coefficient and linear regressions presented. The research result indicated that all the five service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) have positive and significant with customer satisfaction. Empathy has the significant effect on customers' satisfaction level which shows that the bank should give due attention for customers feeling, interest and needs in delivering the service. The customers were somehow satisfied with assurance service quality provided by the bank. However, they leveled the service quality provided by the bank as less than they are expected. The study recommends that the bank should enhance its service delivery in all aspects of service quality dimensions to meet the expectation of customers in order to be competent in the market and maximize its profit share.

Key words: service quality**,** customer satisfaction

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CHAPTER ONE

1. INTRODUCTION

1.1. Backgrounds of the Study

Organizations compete fiercely for market share in order to increase profits. Companies that do not provide quality services, although providing good items at a reasonable price, face a difficulty with their key clients in today's competitive business market. Mainly in service-oriented businesses, higher-quality service delivery is critical to their long-term survival (Harris, 1996).

Organizations are being driven to update their goods and use sophisticated technology to improve the quality of services they provide to their consumers in order to stay competitive in today's demanding and changing business environment. (Rodie & Martin, 2001; Yasin et al., 2004).

Banks are service-oriented enterprises that play a critical part in a country's economic development. They are financial institutions that accept deposits in the form of savings, checking, and fixed-term deposits, each with a different interest rate, as well as providing various credit facilities, local and international money transfers, and payment through automatic teller machines (ATM), mobile and internet banking services, etc.

Customers have a number of complaints on the services that banks are providing as it lacks the assurance to meet their expectation. Lovelock & Wirtz (2004) defined service is as “an act or performance made by one party to another although the process may be tied to a physical product, the performance is transitory, often intangible in nature and does not normally result in ownership of any of the factors of production”. Because service is such an important tool for maintaining a competitive advantage in the marketplace, it must be of the highest quality. The quality of service is a crucial component in increasing client satisfaction, which will help banks achieve their objectives. It has a huge impact on the bank's success and performance (Sureshchander et al. 2002)

The SERVQUAL model (Parasuraman, 1988) is the most commonly used to assess observed service quality. The methodology compares service quality to consumers' expectations before a service contact and their views of the actual service supplied using the five dimensions. (Parasuraman, 1988).

Business institutions must provide great service to their clients, according to Parasuraman et al. (1985) & Zeithmal et al. (1990), and make this a main strategy plan of their organization in order to be successful and persist.

Customer satisfaction is a critical component of running a business and achieving the goals set out. Customer satisfaction is undeniably important for an organization's future success, and it is viewed as a foundation for securing market position and fulfilling other goals. Delivering excellent levels of service, then, is one method to make consumers both satisfied and dependable (Perng, 2007). According to Kotler & Armstrong (2010), satisfaction is defined as a person's sentiments of joy or disappointment as a result of comparing a product's perceived performance to expectations. Customer satisfaction has grown more crucial as a result of increased competition, as it is a key aspect in determining a bank's competitiveness (Berry et al., 2002).

In today's competitive market, quality and customer satisfaction have long been acknowledged as critical to success and survival. With growing awareness among bank customers, the relationship between service quality and customer satisfaction is becoming increasingly important. (Sureshchander et al., 2002). As the number of banks has grown, so has the competition between them. All banks are competing for consumers, and providing exceptional service is not an afterthought; it is a key strategy for satisfying and retaining customers in order to be profitable and stay competitive in the market.

Many empirical studies on the relationship between service quality and customer satisfaction have been undertaken. “Using the SERVQUAL instrument, Parasuraman et al. (1985) discovered that service quality is a major predictor of customer satisfaction. “Key aspects of the service-profit chain have been identified as service quality and customer satisfaction.”

Yasin et al (2015) Conducted research on the Bank of Abyssinia's Alula Abanega branch's service quality. The findings suggest that the majority of clients are dissatisfied with the bank's service quality.

The study completely aids the researcher in identifying a real-world problem, and it also acts as a baseline document for future researchers to use as a reference and to do more extensive research in the same field. The research identifies bank-specific service quality attributes, customer satisfaction levels, and the relationship between the two.

1.2. Statement of the Problem

The openness of the financial sector to private investment has resulted in an increase in the number of financial institutions in Ethiopia. As a result, banks aim to provide a wide range of financial services to their valued customers in order to please them. Because of the competitive nature of the financial sector, banks have adopted a new strategy to increase market share, which includes implementing advanced information communication technology and making themselves more accessible to their customers, opening branches in various convenient locations, and implementing a core banking network system.

In the banking services industry, service quality is critical because it ensures a high level of customer satisfaction and thus contributes to competitive advantage (Almossawi, 2001). Financial institutions should plan to give quality service in order to be more advantageous in today's dynamic business environment. Excellent service quality allows a service provider to stand out from the competition, establish a long-term competitive advantage, and increase efficiency. (Bindal & Rastogi, 2014).

Increasing revenue by maintaining the majority of existing customers, attracting more new customers through positive word of mouth, and lowering staff turnover; lowering operational expenses, expanding market share, and improving financial performance are all benefits of providing exceptional service. (Bindal, & Rastogi, 2014).

In the service industry, especially in the financial sector, customer satisfaction is critical. Poor service causes customer dissatisfaction, which leads to the client switching to a competitor. Insufficient customer service reduces customer satisfaction and readiness to recommend the service to other competitors. This would in turn lead to an increase the number of customers shifts to other competitors. (Levesque McDougall, 1996)

Banks may be forced to lose customers if they fail to provide adequate service. As clients become unsatisfied with the service given, the bank's profits and image will suffer. According to Kang (2004), many faults and failures in service delivery can have a significant impact on and destroy a company's reputation.

The banking business in Ethiopia contributes significantly to the country's economic prosperity. Banks, on the other hand, continue to improve their services by offering new products and services and attempting to deliver them in a more efficient manner to all segments of society.

Mesay (2012) used the SERVQUAL instrument to investigate the relationship between service quality, customer satisfaction, and loyalty. The findings of the study suggest that greater service quality is critical to customer satisfaction, and that this leads to customer loyalty and commitment, which has a positive impact on the bank's performance.

Various research on the relationship between service quality and customer satisfaction in the banking industry have been undertaken. A number studies also conducted at Dashen Bank S.C. As a result, Zerihun (2017) conducted research on evaluating service quality in terms of customer satisfaction. The researcher conducted the study implementing qualitative research method and attempt to measure service quality using SERVEQUAL. The findings indicate that the service provided by the bank creates dissatisfaction on the customers; and recommends delivering quality service by addressing the expectation of the customers to be profitable and sustain continuous growth. The researcher also suggested for further studies to be conducted including other branches of the bank. Therefore, the purpose of the research is to examine the effect of service quality on customer satisfaction, the case of Dashen Bank S.Co. considering the relative decline observed in the bank's performance as it is displayed in the yearly financial report and customer compliant forwarded through suggestion boxes and at the counter.

1.3. Research Questions

The research attempted to answer the following questions:

1. What are the relationships between service quality and customer satisfaction?
2. What are the service quality level existing in Dashen Bank?

1.4. Objectives of the study

1.4.1. General objective

The general objective of this study is to evaluate the effect of service quality on customer satisfaction, The case of Dashen Bank S.C. in Addis Ababa.

1.4.2. Specific Objectives

The following specific objectives developed to achieve the general objective.

- ❖ To examine the relationship between service quality and customer satisfaction.
- ❖ To evaluate the level of service quality at Dashen Bank.

1.5 Significance of the Study

The findings of the study are expected to bring the following importance;

- ❖ It delivered valuable evidence to the bank's management about the level of the service quality rendered.
- ❖ It indicated the problems in connection with service quality for a possible improvement by the management of the bank.
- ❖ It was used as a source document for other researchers on the subject matter.

1.6 Scope of the Study

The scope of the study was focused in the banking industry specially in the selected branches of Dashen Bank, Addis Ababa. Dashen Bank is one of the leading private banks in Ethiopia which has more than 415 plus branches in the country. Due to various constraints; i.e., finance and time, it is difficult to include most of the branches. Accordingly, the study research was done in its five branches: North Addis Ababa District.

1.7 Limitations of the Study

The limitation of the study is expected to be any one of the following as illustrated below;

- ➢ The study was limited to selected branches due to financial constraints.

- The study was not covered all the branch offices of Dashen Bank due to time constraints, and

1.8 Definition of Terms and Concepts

Service quality: - is consumers' overall impression of the relative inferiority or superiority of the organization and its services.

SERVQUAL model consisting of the five dimensions of service quality - tangibles, reliability, responsiveness, assurance and empathy. (Parasuraman et. al. 1988)

Tangibles: - is presence of physical facilities, equipment, personnel, and communication materials.

Reliability: is the ability to perform the promised service dependably and precisely.

Responsiveness: - is willingness to support customers and provide prompt service.

Assurance: - is knowledge and courtesy of employees and their ability to convey trust and confidence.

Empathy: is caring, individualized attention the firm provides to its customers.

Customer satisfaction: - is a result when customers' expectations and perceptions are equal or superior.

1.9 Organization of the Study

This research paper consists of five chapters. The first chapter includes background of the study, statement of the problem, research questions, objective of the study, significant of the study, scope of the study, definition of terms and concepts and organization of the study. The second chapter covers the review of the related literatures. The third chapter deals with the research design and methodology of the study. Results, analysis and findings are discussed in chapter four. The last chapter deals with summary of major findings, conclusions and recommendations.

CHAPTER TWO

2. RELATED LITERATURE REVIEW

2.1 Introduction

This chapter examines the research problem's literature and relevant models. The core ideas of customer service, service quality, customer satisfaction, and the relationship between service quality and customer satisfaction are introduced in this chapter. Dimensions of service quality, customer satisfaction idea formulations, and empirical examination of previous studies. It also shows the research gap, conceptual framework and theoretical framework.

2.2. Service Concept

According to Johns (1998, p.954), the word "service" has various definitions, resulting in some ambiguity in how the concept is defined in management literature. Service can refer to an industry, a performance, an output or offering, or a process. The author goes on to say that services are typically regarded as "intangible" and that their result is viewed as an activity rather than a tangible item, which is confusing because certain service outputs do contain tangible components such as physical facilities, equipment, and staff. “Services are deeds, procedures, and performances,” to put it simply (Zeithaml & Bitner,2003).

However, in a more extensive definition, Fitzsimmons & Fitzsimmons (2001) referring to Quinn, Baruch & Paquette (1987) and Zeithaml & Bitner (2003) bring up that "service incorporate all financial exercises whose yield is certainly not an actual item or development, and is for the most part devoured at the hour of creation, and gives added esteem in structures like accommodation, delight, idealness, solace, or wellbeing which are basically elusive in nature". Kotler (1994:464), then again, characterizes benefits as "any demonstration or execution that one gathering can offer to another that is basically theoretical and doesn't bring about the responsibility for".

He reiterates that "services are intangible, indivisible, variable, and perishable," and that "services typically necessitate greater quality control, supplier credibility, and adaptability." Services, according to Gronroos (2000), are "activities or series of activities of more or less intangible nature that normally, but not always, take place in interactions between customers and service employees, and/or physical resources, goods, and/or systems of the service provider, which are provided as solutions to customer problems."

2.3 Service Offers

The service offer is what the company promises it will provide to its consumers and hence what they have grown to expect. The government sector is in the service business, with its courts, hospitals, military services, police and fire departments, postal service, regulatory agencies, and schools. Museums, charities, churches, colleges, and hospitals are all in the business of providing services. Airlines, banks, hotels, insurance companies, legal firms, medical offices, and real estate firms make up a significant portion of the business sector. Many manufacturing personnel, such as accountants and lawyers, are actually service providers who supply services to the "goods factory." Cashiers, salespeople, and customer service agents all work in the retail industry and provide a service. Deposit facilities, credit facilities, remittances and payments, export, import, and foreign exchange facilities are all standard services provided by banks. 2016 (Kotler)

2.3.1 Categories of Service Mix

According to Kotler (2016, p.184), the service component might be a minor or large portion of the whole offering, which is divided into five categories.

Pure Service

A pure service is one that has no physical characteristics. A pure service business is one in which the service is the main selling point. Babysitting, counseling, and massage are examples of these services.

Major Services Accompanied by Minor Goods and Services

Major services, as well as supplementary services or items. The main component of the offering is service, which is supplemented by other services and items.

Services such as air travel are accompanied with supporting commodities such as snacks and beverages.

Pure Goods

Pure goods are things that are primarily used as fundamental necessities. Core products, such as books and magazines, are more focused on goods or physical objects that give a service as they are utilized.

Hybrid Offers

A hybrid offering is defined as a combination of "one or more items and one or more services, producing more customer benefits than if the good and service were supplied separately," according to Shankar, Berry, & Dotzel (2007, p. 2). a hybrid offering that includes equal parts goods and services, similar to a restaurant meal.

Major Goods Accompanied by Minor Services

The product is a combination of tangible items and one or more services. These are products with a warranty or customer service contract, such as a car, computer, or cell phone.

2.3.2 Characteristics of Services

Intangibility, inseparability, heterogeneity, and perishability are four characteristics of service, according to Bitner et al. (1993).

Intangibility of Services

(Regan,1963) "introduced the concept of services as activities, benefits, or satisfactions given for sale or delivered in conjunction with the sale of goods." It has been proposed that the degree of intangibility be used to distinguish tangible things from services. The fact that the degree of tangibility has importance for the ease with which consumers may evaluate services and products is highlighted by the fact that most services are explained as intangible since their conclusion is believed to be an action rather than a physical thing (Zeithmal et al. 1985).

Inseparability of Services

Inseparability is used to investigate the actual delivery time and nature of services, and it is widely regarded to allow customers to influence or shape the overall performance and quality of the service (Zeithmal et al. 1985).

Heterogeneity of Services

Heterogeneity refers to a significant degree of variation in service delivery. This is a significant challenge for high-labor-involved services, because service performance is supplied by multiple people, and people's performance varies from day to day and from person to person. Furthermore, it has the ability to deliver a great degree of service flexibility and customization, which can be leveraged as an advantage and point of differentiation (Zeithmal et al. 1985).

Perishability of Services

Perishability refers to the fact that services cannot be kept and carried forward to a later time period, implying that services are time-dependent and time-critical, making them very perishable. Perishability is primarily a concern of service providers, and consumers are only made aware of the problem when there is insufficient supply and they must wait for the service (Bitner et al.,1993).

2.4 Expectation of Services

Customer expectations are any set of behaviors or activities that people expect from a company when they interact with it. Because customer expectations are fluid, they may fluctuate significantly among persons from different countries and cultural backgrounds, where service treatment standards may vary greatly. Personal demands, perceived service alternatives, customer self-perceived service role, service promises, word of mouth communication, past experience, and situational elements beyond the control of the service provider are all causes of service expectation (Parasuraman, Zeithaml, & Berry 1985). Given the necessity of understanding consumer expectations in order to provide high-quality service, it's equally crucial to comprehend how such expectations are developed. Various elements will shape or influence the expectations of customers.

2.4.1 Factors that affect service expectations

Customers' needs and preferences

Customers will have a list of important personal requirements that they expect the service to meet. Obviously, these will differ from one service to the next, and, more crucially, from one consumer to the next. It will be impossible to build an acceptable service if the service does not comprehend these personal needs (Zeithaml & Bitner, 1993).

i) Previous experience

A customer's previous experience will influence their expectations for future service in part. Because of recent poor service, one consumer, for example, may have low expectations. Another person may have high expectations based on previous service quality. Customers can, however, draw on their previous experience with other companies in this situation (Zeithaml & Bitner, 1993).

ii) Word of mouth communications

Customers' expectations about the service and the service provider will be molded in part by word-of-mouth communications about the service and the service provider. This effectively refers to communication coming from sources other than the service provider. In this case, obvious sources include friends, family, coworkers, and others. The media, on the other hand, could be a source of such communication (Zeithaml & Bitner, 1993).

iii) Explicit service communications

Explicit service communications concern statements made by the service itself concerning the service. Such remarks may be made by service personnel or by the service itself in the form of flyers, publicity, or marketing materials. (Zeithaml & Bitner, 1993).

iv) Implicit service communication

Customer perceptions of service quality may be influenced by implicit service communication. Understanding the primary influencers on your customers' expectations is critical from the standpoint of service management. It's also crucial to figure out how the service could affect client expectations in formal and informal conversations (Zeithaml & Bitner, 1993).

2.5 Customer Perception of Services

Customer service is a set of activities that includes customer assistance systems, complaint processing, complaint processing speed, complaint reporting convenience, and complaint reporting friendliness (Parasuraman et al., 1985). Improved customer service is a top priority for bank service providers for both social and economic reasons. Customers should have access to services on appropriate terms from a social standpoint. To increase client satisfaction, bank service providers must pay special attention to the services they give. Customer satisfaction is assessed by the customer's assessment of the organization's service. (1992, Cronin & Taylor).

"Customer service is described as the ability of competent, capable, and enthusiastic personnel to deliver products and services to internal and external customers in a manner that meets stated and unidentified demands, resulting in favorable word-of-mouth publicity and return business." (2005) (Robert). Customer service is the act of anticipating and responding to a customer's wants by giving and delivering professional, supporting, and high-quality service and help before, during, and after the customer's demand is met. The following are some criteria of good service quality:

Promptness: - Promises for service delivery must be kept as much as possible; there must be no opportunity for service delay or cancellation.

Politeness: - Using good manners in any service-oriented business is appropriate whether the customer uses the service or not.

Professionalism: - Customers should be treated professionally, which means that service providers should demonstrate that they care by using the expected knowledge and skill that the industry requires.

Personalization: - Customers are made to feel as if they are vital or valuable to the organization. Customers appreciate the fact that the people with whom they conduct business are familiar with them on a personal level.

Customers begin exploring for different service delivery options when their complaints are not appropriately addressed, according to Ladhari, R. (2009). This occurs when either customer service centers do not handle complaints correctly or clients are unable to adequately address them.

Furthermore, the consumer is left with a positive image of the service provider's friendly approach and courteous demeanor, which leads to customer satisfaction. To boost customer satisfaction, service providers should deliver customer-oriented services.

Customers' perceptions of service quality are based on a comparison of expectations (what they believe a service provider should offer) and service delivery, according to S Gronross (1982) and Parasuraman et al (1985). According to the literature on customer satisfaction and service quality, perception is perceived differently (Parasuraman et al, 1988). Perceptions are described in the satisfaction literature as customers' "predictions" of what will happen during a specific transaction. Perceptions and expectations are described in service quality literature as consumers' needs or wants (what they believe a service provider "should" offer rather than "would" offer).

In the establishment of real service quality, perception and expectations are linked (Zeithaml & Bitner, 2003). Customers' overall impressions of the quality of the services supplied shape service perception. Customers' perceptions of these services are determined by their level of satisfaction with them, which can be good (satisfied) or negative (dissatisfied) (Zeithaml & Bitner, 2003). Customers' impressions are time-dependent, according to the study, thus firms must analyze and measure consumer perceptions at frequent intervals (Zeithaml & Bitner, 2003).

The current study believes that clients see service quality as wishes and requirements, as this will help service providers to figure out exactly what they should supply based on previous interactions and experiences (Douglas & Connor, 2003). According to Negi (2009), firms must comprehend, measure, and assess customers' perceptions and expectations in order to identify substantial gaps in service delivery and assure customer satisfaction.

2.6 Gap Theory

2.6.1 Customer expectation - management perception gap

Service providers may not always understand what features a service must have to meet consumer expectations, or what levels of performance on those features are required to deliver high-quality service. As a result, clients' perceptions of service quality are influenced Parasuraman et al (1985).

2.6.2 Management perception - service quality specification gap

This gap occurs when a company recognizes what its customers want but lacks the resources to meet their needs. Resource limits, market conditions, and management indifference may all play a role in this disparity. These factors may influence the customer's opinion of service quality. Zeithmal et al (1985).

2.6.3 Service quality specifications – service delivery gap

Companies may establish guidelines for providing excellent service and treating clients properly, but this does not guarantee great service quality. Employees have a critical role in ensuring a positive perception of service quality, and their performance cannot be standardized. This has an impact on service delivery, which in turn has an impact on how customers perceive service quality. Parasuraman et al (1985).

2.6.4 Service delivery – external communications gap

Customer expectations of service, as well as customer views of the service provided, can be influenced by external communications. Customers' views of service quality may be influenced if companies fail to inform them of extra measures to ensure quality that are not obvious to them. Zeithmal et al (1985).

2.6.5 Expected Service – perceived service gap

According to Zeithmal (1985), the key to guaranteeing good service quality is meeting or exceeding what consumers expect from the service, and that customer perceptions of high and low service quality are based on how customers perceive actual performance in comparison to what they expected.

2.7 Service Quality

Many studies have defined service quality in a variety of ways. For example, (Cronin & Taylor, 1992) define service quality as "the consumer's overall view of the company and its services' relative inadequacy / superiority." While some researchers (Cronin & Taylor, 1992) see service quality as a type of attitude that represents a long-term overall assessment, Parasuraman, Zeithaml, and Berry (1985, p. 48) defined service quality as "a function of the differences between expectation and performance along the quality dimensions."

Service quality can be measured or evaluated using customer’s expectation as a basis because, quality is high when performance exceeds expectation and quality is low when performance does not no longer meet their expectation (Asubonteng et al., (1996, p.64).

In the literature on service quality, expectation is defined as a client's desires or wants, i.e., what the consumer believes a service provider should offer rather than would offer (Parasuraman et al., 1988, p.17). The conclusion of the customer's perception of the service aspects, which are both technical and functional in nature, is perceived service (Gronroos, 1984, p.39). For example, Gronroos stated that there are two sorts of service quality: technical quality, which refers to what the consumer receives from the service, and functional quality, which refers to how the service is delivered. (1982, Gronroos).

The measurement of service quality is an important tool in a company's fight to differentiate itself from its competitors (Ladhari, 2009). The importance of service quality to businesses is highlighted, particularly in light of the fact that it provides a competitive edge to businesses that strive to improve it and so increase customer satisfaction. It's difficult to define service quality because it's a subjective idea. Based on their particular experiences, everyone has a different definition.

Service quality is described as a customer's total opinion of a service, and it has gotten a lot of attention from academics, practitioners, and services marketing literature. According to the researcher, by defining service quality, businesses will be able to give higher-quality services, resulting in enhanced consumer satisfaction. Understanding service quality necessitates comprehending the intangibility, heterogeneity, and inseparability of service qualities. As a result, service quality may be simply assessed (Negi et al., 2009).

In each business-related activity, service quality is a critical component. This is especially true for marketers that believe that a customer's assessment of service quality and the subsequent level of satisfaction has an impact on bottom-line business success measures (Parasuram et al., 1988). Customer expectations are views about a service that serve as benchmarks against which service performance is measured (Zeithaml et al., 1993); they are based on what a customer believes a service provider should supply, rather than what is currently available (Parasuram et al., 1988). Some describe service quality as the gap between a customer's expectations for a service encounter and their perceptions of the service they received. According to the service quality hypothesis (Oliver, 1993), customers will rate quality as "poor" if performance falls short of expectations, and "high" if performance exceeds them.

2.7.1 Service Quality Dimensions

Parasuraman et al. (1988) went on to develop the SERVQUAL model, a multi-item scale for assessing customer perceptions of service quality in service and retail organizations. The scale breaks down the concept of service excellence into five components: Tangibles, Reliability, Responsiveness, Assurance and empathy. The scale divides service quality into five categories:

The five dimensions of the SERVQUAL model are described as follows:

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

Reliability: - means ability to perform the promised service dependency and accurately. In addition to strong personal service, staff attitude, expertise, and abilities, reliability is an important aspect in product quality (Walker, 1990). “Service reliability is proven to be the “core” service for most consumers, and managers should seize every opportunity to foster a “do-it-right-first” attitude” (Berry et al., 1990).

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

Companies must be definite to view the process of service delivery and the handling of requests from the customer’s point of view rather than from the company’s point of view to excel on the dimension of responsiveness. Standards for speed and promptness that reflect the company’s view of internal process requirements may be very different from the customers’ requirements for speed and promptness. To distinguish company’s themselves on responsiveness; companies need well-staffed customer’s service departments as well as responsive front- line people in all contact positions (Jenet 2011).

Assurance: - indicates knowledge and courtesy of employees and their ability to inspire trust and confidence. (Parasuraman et al., 1988) discovered that assurance, along with reliability and responsiveness, is an essential component in service quality in terms of customer satisfaction. “The largest impact on customer satisfaction that leads to favorable word of mouth outcome” is assurance (Arasli et al., 2005).

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

SERVQUAL assesses service quality as the difference between what is expected and what is delivered. Meanwhile, Cronin & Taylor (1992) point out that there is little theoretical or empirical evidence to support the use of the expectations-performance gap as a metric for determining service quality. Instead, they suggest that basic performance-based measurements of service quality are superior (Park & Yi, 2016). As a result, they create the SERVPERF performance-only measure as an alternative to the SERVQUAL measure. They come to the conclusion that the SERVPERF scale is more efficient than the SERVQUAL scale.

Further, they show that the analysis of the structural models supports the theoretical superiority of the SERVPERF scale. Expanding beyond the question of “Is SERVPERF superior to SERVQUAL?” Park and Yi (2016) ask the question: “When is SERVPERF superior to SERVQUAL?" By comparing the two approaches from an analytic perspective, Park and Yi (2016) show that SERVPERF is superior to SERVQUAL when the effect of performance on customer satisfaction is greater than the effects of expectation on performance and customer satisfaction or when customers are heterogeneous in the evaluation of expectation.

2.8 Customer Satisfaction

Customer satisfaction is gradually becoming a vital component of company strategy in a competitive market where businesses compete for customers. A substantial body of empirical work has documented the benefits of customer pleasure for firms. It's commonly known that satisfied customers are critical to a company's long-term success. (Zeithaml et al., 1990).

Companies with a more satisfied consumer base see larger economic returns as well (Aker and Jacobson, 1994). As a result, increased customer satisfaction leads to increased customer loyalty, which leads to increased future income (Anderson and Sullivan, 1993). (Fornell, 1992). In reality, many studies define customer satisfaction as an individual's sense of pleasure (or disappointment) as a result of comparing the perceived performance or outcome to the expected outcome (Oliver, 1981).

In today's competitive market, quality and customer satisfaction have long been acknowledged as critical for success and survival. There is a lot of data in the literature that supports the link between a company's success and customer satisfaction (Anderson et al., 1993). As a result, it is stated that customer satisfaction should be the ultimate goal for any business.

Customer satisfaction reduces the likelihood of defection and/or is positively associated to retention (Anderson & Sullivan, 1993) and repurchase intention (Mittal, et al., 1996), according to empirical research. However, satisfaction is not inherent in product service. However, pleasure is mostly expressed in the consumer's opinion of the service or product features that are relevant to them. As a result, for the same service contact or experience, different consumers will indicate varying levels of satisfaction (Ueltschy et al., 2007).

Only by making conscious attempts to change the way we approach our service delivery process will be able to satisfy our customers. Service organizations must adapt not only their attitudes toward the market, but also the manner they provide services based on market expectations such as quality, reliability, concrete evidence, responsiveness, assurance, empathy, pricing, availability, and accessibility.

Customer satisfaction is the cornerstone for establishing customer loyalty, trust, and long-term connections. One of the most significant objectives of service company management is to ensure customer satisfaction and long-term retention. Customer satisfaction is a critical goal and tool for managing a modern business that is confronted with new challenges in today's world (Ueltschy et al., 2007).

2.8.1 Factors that Affect Customer Satisfaction

Customers' satisfaction is classified into three factor structures by Matzler et al., (2002).

1. **Basic factors**: these are the bare minimums that must be met in a product to avoid consumer dissatisfaction. They do not always lead to satisfaction, but if they are lost, they might lead to dissatisfaction. These are the variables that lead to the product meeting the basic necessity for which it was created. These are the fundamental characteristics of the product or service. Matzler et al., (2002)

2. **Performance factors:** these are the criteria that, if met, lead to satisfaction and, if not met, can lead to discontent. Reliability and kindness are two of them.

3. **Excitement factors:** these are variables that, when fulfilled, boost customer satisfaction but do not produce discontent if they are not fulfilled, such as project management.

2.9 Relationship between Service Quality and Customer Satisfaction

Customer satisfaction and service quality are vast and broad issues of research, and numerous studies in the domain of service settings are undertaken on customer satisfaction (Oliver and Swan, 1989). Increased customer satisfaction reduces the likelihood of customers bringing out flaws in the product's quality (Anderson et al., 1997).

By constructing more comprehensive models of the drivers of customer satisfaction in service contexts, it would be possible to gain a better understanding of the relative relevance of service quality determinants [Anderson et al., 1997]. Although there is a strong correlation between customer satisfaction and service quality, academics caution that the two are distinct concepts (Spreng & Singh, 1993).

As several studies have indicated, the discrepancy between perceived service quality and satisfaction is primarily due to the use of different comparison criteria (Zeithaml et al., 1993; Parasuraman et al., 1988) According to various authors, the standard of comparison for form satisfaction is based on the customer's feelings about what will come out (predictive expectations), where perceived service quality defines what customers believe a firm should deliver, and it is also a result of comparing performance (Spreng & Mackoy, 1996).

Perng, Y. H. (2007) highlighted how to fulfill and sustain customer relationships in order to preserve customer retention, which is critical for-profit firms' existence. As a result, businesses must comprehend the link between customer satisfaction and the longevity of their engagement with the service provider (Spreng & Mackoy, 1996). Furthermore, according to Nelson, N.O. and Chan, K.W. (2005), in order to establish a long-term relationship with customers, organizations must have rules for "customer thankfulness."

Customer satisfaction, according to Sureshchandar et al., (2002), should be viewed as a multi-dimensional construct similar to service quality, meaning it can exist at multiple levels within an organization and can be operationalized using the same variables as service quality. According to Parasuraman et al. (1985), when customers consider service quality to be excellent, they will be more satisfied. He agrees that service quality leads to customer satisfaction, as do Sarika Bindal & Dr. R. K. Rastogi (2014), who state that customer satisfaction is determined by the level of service quality offered by the service provider.

2.10 Review of Empirical Literature

Several studies on service quality and customer satisfaction have been undertaken in various service firms. As a result, here is a list of some of the studies that have been completed:

J. Joshua Selvakumar (2015) conducts research on the impact of service quality on customer satisfaction in Indian public and private banks. Using the SERVQUAL model, this study investigated the perception of service quality of banking services offered to customers in India, as well as the relative differences associated with the main variables of service quality. Although the study reveals that all service quality parameters and customer satisfaction have a favorable link. It was discovered that Assurance has the greatest impact on customer satisfaction with the banking services supplied, while Responsiveness had the least significant impact on customer satisfaction.

The Effect of Service Quality on Customer Satisfaction, Loyalty, and Happiness in Five Asian Countries was studied by Taeshik Gong & Youjae Yi (2017). The study looks into and assesses a service quality model's cross-national applicability in five Asian countries: China, Hong Kong, Japan, South Korea, and Singapore. The objectives of this study are to see if a service quality model can be developed in the same way across Asian nations and if scores on the items can be meaningfully compared. The findings reveal that overall service quality has a favorable impact on customer satisfaction, which leads to customer loyalty and happiness, and that the basic structural path pattern holds true across the five countries.

The Assessment of Service Quality and Customer Satisfaction Using SERVQUAL Model: A Case Study of Tanzania Telecommunications Company Limited (TTCL) was undertaken by Mary Lotus Temba (2013). The major goal of this study was to assess service quality and customer satisfaction in TTCL's present business setups using the SERVQUAL model. It also reveals how TTCL customers perceive service quality, as well as how applicable the SERVQUAL model is in the context of TTCL, including how to measure service quality using its dimensions, factors preventing customer satisfaction in TTCL, and what can be done to improve customer satisfaction in TTCL. Knowing how customers perceive service quality and being able to assess it can assist service organization management, particularly TTCL. Measuring service quality aids management in providing trustworthy data for monitoring, maintaining, and improving service quality. Customers demand more from TTCL, according to the findings, so the company must work hard to improve all service quality parameters in order to boost customer satisfaction.

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 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. There was a significant and positive relationship between the five service quality dimensions and customer satisfaction. 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.

Mesay Sata Shanka (2012) investigated Bank Service Quality, Customer Satisfaction, and Loyalty in the Ethiopian Banking Sector. The research paper's main goal was to assess the quality of service provided by private banks in Ethiopia, as well as to look into the relationship between service quality, client happiness, and loyalty. The five characteristics of the SERVPERF model were used to assess the quality of service provided by private banks: reliability, assurance, tangibility, empathy, and responsiveness. Both primary and secondary data sources were employed to meet the objectives. The core data was acquired using a questionnaire from 260 banking customers in Hawassa, using the 22-item SERVPERF scale to assess their perceptions of their individual banks' services. The link between dependent and independent variables was investigated using correlation and multiple regressions.

The study's findings reveal that customer satisfaction is positively correlated with all service quality aspects, implying that great banking service is a precondition for developing and maintaining a pleased customer. According to the research paper's correlation results, empathy and responsiveness are the most important determinants of customer satisfaction. Based on the findings, the researcher recommends that banks should improve service quality across all five aspects, particularly responsiveness and empathy. The researcher's findings also reveal a positive association between all service quality characteristics and customer satisfaction, confirming the literature's theory about the relationship between service quality aspects and customer satisfaction.

Meron Melaku (2015) conducted a study titled Impact of Service Quality on Customer Satisfaction: (the case of bank of Abyssinia S.C). The purpose of this study is to see how service quality affects customer satisfaction at Bank of Abyssinia S.C. The study discovered that customer satisfaction is positively correlated with all service quality factors (tangibility, reliability, responsiveness, empathy, and assurance).

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 study indicated that customers were satisfied with assurance, 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. 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.

2.11 Conceptual frameworks

Most studies confirm that there is a relationship between service quality and customer satisfaction. The conceptual framework was created based on the above-mentioned literature review adapted from Parasuraman et al. (1985). The study uses the five service quality dimensions to determine the level of customer satisfaction in a bank's customers (reliability, responsiveness, assurance, empathy and tangible).

Service Quality Dimensions

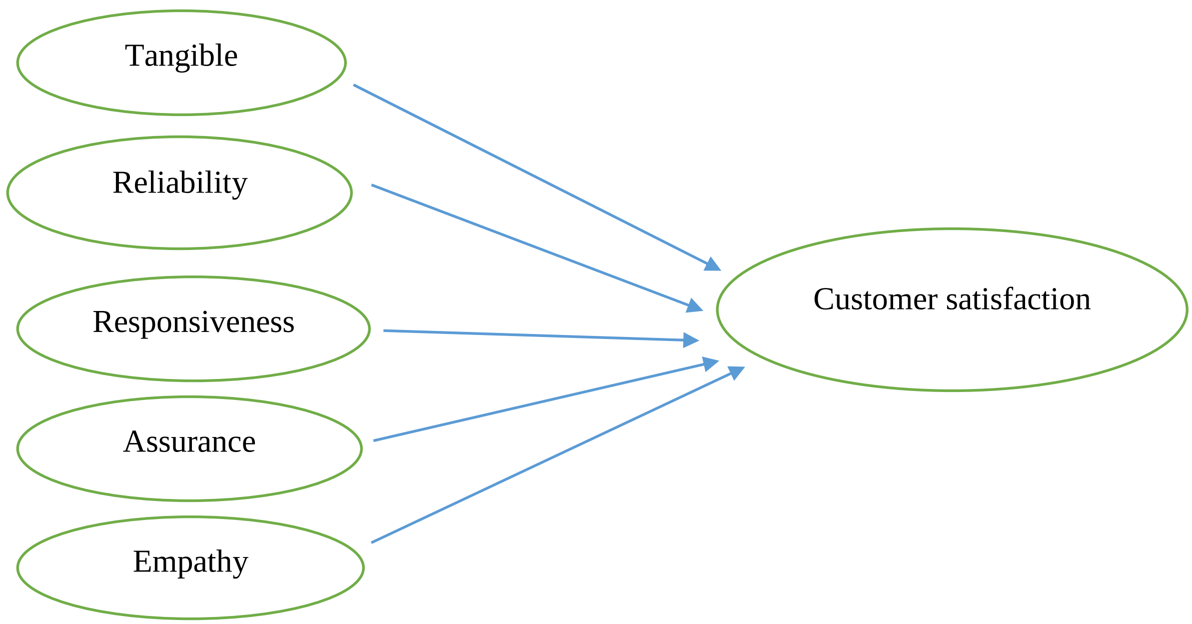

Figure 2.1: Service quality and customer satisfaction model

Adopted from: (Parasurman, Zeithaml, & Berry 1985)

CHAPTER THREE

3. RESEARCH METHODOLOGY

This chapter provides a brief overview of how the research was carried out. It includes the research design, sample unit, sampling procedures, sources, and instruments used in data collection; the data collection procedure; and finally, the data analysis method was thoroughly detailed.

3.1 Research Design

The structure of the study is referred to as the research design. To achieve the specified aims, the explanatory and descriptive types of research designs were used as the principal research designs among the numerous sorts of research designs. To explore, explain, comprehend, predict, and control the link between variables, the study used an explanatory research design. Furthermore, the study will employ a descriptive research approach in order to characterize the current scenario under investigation. According to Creswell (1994), the descriptive method of research is a strategy for acquiring knowledge on the current state of affairs. Relevant data were collected by taking a cross-section of the population.

3.2. Sample Size and Sampling Techniques

Customers of Dashen Bank who receive various services in Addis Ababa, North Addis District (NAD) were the study's target demographic. These branches were chosen for the variety of services they provide to the bank's customers.

3.2.1 Sampling Techniques

Sampling is a technique for generating conclusions about a group of people without examining the entire group. (2009, Creswell) It is also beneficial in terms of taking less time and conserving money. Stratified sampling is used by the researcher to select North Addis District (NAD). The researcher employed stratified random sample methods from a number of probabilistic sampling methodologies. According to Robson (2002), sampling theory favors stratified random sampling as an effective approach since the stratified samples' means are expected to be closer to the population's overall mean.

Dashen Bank branches were classified into five strata based on stratified sample techniques: Grade one, two, three, four, and special grade. Only one from each level was chosen by the researcher from this category. As a result, 5 (five) branches were chosen as a sample based on the number of active account holders, out of the 47 branches accessible in the district.

Finally, after deciding on a sample group, the researchers used a convenience sampling strategy to send questionnaires to respondents. The convenience sampling method was used because not all customers were available at the same time at the bank.

3.2.2 Sample Size Determination

The sample size refers to the total number of units that were chosen for analysis in the research project. As of December 2020, Dashen Bank has 12 district offices and 437 branches scattered across the country. Due to cost and time restrictions, Addis Ababa was chosen as the location for data collection. The Addis Ababa branches of Dashen Bank are organized into four districts. Five branches were chosen as sample branches from the 47 branches discovered in the North Addis district. Amoudi, Golla, Piazza, Gullele, and Arada are the branches included in the sample, and they range from special grade to grade one.

The branches were chosen using a stratified sampling method. As of December 31, 2020, these branches have 78,677 customers. The sample size of this study will be 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)

$$n = \frac{78{,}677}{1 + 78{,}677\,(0.05)^2} = 400$$

Table 3.1 Respondents Sample size

Selected Branches	Number of Customers	Percentage share from the total	Sample Size from the branches
Arada	13,177	16.75%	67
Gullele	23,963	30.46%	122
Piazza	25,200	32.03%	128
Golla	14,544	18.48%	74
Amoudi	1,793	2.28%	9
Total	**78,677**	**100.00%**	**400**

Source: Branch Report Generated from Core Banking System of Dashen Bank (2020)

As a result, 400 customers were chosen as a sample from a total population of 78,677. A non-probability sampling approach, specifically the convenience sampling technique, were utilized to consider respondents from the five branches.

Non-probability sampling selects sample elements based on the researcher's personal judgment rather than chance. The researcher could choose which elements to include in the sample at random or purposefully. Non-probability samples can provide accurate population attributes estimations (Malhotra, 2009).

3.3 Data Type and Source of Data

To address the study questions, both primary and secondary data sources were used. The administered questionnaires were used to collect primary data. Questionnaire is a broad phrase that refers to any data gathering procedure in which each respondent is asked to answer the same set of questions in a specified order (deVaus 2002).

The structured questionnaires were prepared in English and Amharic. Furthermore, secondary data sources were utilized. Books, documents, current research papers, journals and publications, websites, Dashen Bank reports, and other relevant journals are among the sources that will be used.

3.4 Method of Data Collection

Data was collected through a self-administered questionnaire filled out by bank customers. For closed ended questions, the questionnaires were developed using Likert's five scale measurement. The SERVQUAL model's five dimensions of service quality characteristics were used to create a research instrument to analyze service quality (Tangibles, Reliability, Responsiveness, Assurance, and Empathy). The variables were assessed using a five-point Likert scale with (strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree as the options (5).

3.5 Method of Data Analysis

Data analysis is the process of reviewing the information gathered in a survey and drawing conclusions and inferences. Furthermore, data analysis entails the computation of particular measures as well as the search for patterns of relationship between data sets.

To evaluate and interpret the findings, descriptive and inferential statistics was used. Descriptive statistics was used to interpret demographic variables of the respondents and mean scores of the service quality dimensions. Inferential statistics (correlation and regression analysis) was used to realize the relationship between service quality dimensions and customer satisfaction using SPSS version 24.

3.6 Ethical considerations

The data gathered was based on the consent of the target customers or the respondents. The respondents were told not to write their names on the questionnaire and assured that the responses would be used only for academic purposes. The information provided by the respondents was held strictly confidential and they were not being held responsible for anything arise thereof. Brief description of the central objectives or purpose of the study and the potential benefit of the research outcome was revealed to respondents to encourage them to participate in the study.

CHAPTER FOUR

4. DATA ANALYSIS AND INTERPRETATION

In this chapter, a discussion of the final results and the processes through which the results were obtained has to be presented based on the questionnaires gathered from different branches of the bank. Background information of respondents is also presented and the statistical methods of analysis were discussed, which comprised a descriptive analysis, a correlation analysis, and a multiple regression analysis with the help of SPSS version 24. The interpretation of the data is also presented next to each summarized data.

4.1 Profile of Respondents

Table 1 shows that 158 (52.5%) of the 301 respondents are males, while the remaining 143 (47.5%) are females. Despite the fact that there are foreigners receiving services at the bank, they are unable to complete the questionnaire, and all of the responders are Ethiopians. Nearly half of the respondents, 128 (42.4 percent), are between the ages of 18 and 30, followed by respondents between the ages of 31 and 45 (32.6 percent), 98, 46-60 (20.31 percent), and over 60 (4.7 percent).

In terms of educational attainment, first-degree holders accounted for 143 (47.5%) of respondents, followed by diploma and certificate holders at 121 (40.2%), and second-degree holders at 37 (12.3%). This suggests that the majority of the clients had a first-degree, diploma, or certificate, while the second-degree holders were the fewest. More than half of the respondents 163(54.2%) work in a non-managerial role at a different status in their duty station. While 93 (30.9 percent) of the respondents are business owners, the remaining 45 (15 percent) are managers at various levels.

In terms of having a commercial relationship with the bank, 116 (38.5%) of respondents have worked with the bank for 2-5 years, followed by 99 (32.9%) for 6-10 years, 53 (17.6%) for less than a year, and 33 (11%) for more than 10 years. The majority of the respondents 190(63.1%) have a savings account, while 98 (32.6%) have a current account, which is most commonly used by business owners according to the bank's domestic procedure manual, and the remaining 13 (4.3%) are fixed account users who deal with the bank to get a better interest rate on their deposit for a specific period of time.

Table 4.1. Respondents' profile

Demographic Items		Frequency	Percent
Gender	Male	158	52.5
	Female	143	47.5
Nationality	Ethiopian	301	100
	Foreigner	0	0
Age	18-30 years	128	42.5
	31-45 years	98	32.5
	46-60 years	61	20.3
	Above 60 years	14	4.7
Education level	certificate/diploma	121	40.2
	First Degree	143	47.5
	Second Degree	37	12.3
Current Position	Manager	45	15.0
	Non- manager	163	54.2
	Owner	93	30.9
Years of Business relationship	Less than a year	53	17.6
	2-5 years	116	38.5
	6-10 years	99	32.9
	above 10 years	33	11.0
Nature of Account	Saving Account	190	63.1
	Current Account	98	32.6
	Fixed Account	13	4.3

Source: Own survey (2021)

4.2 Reliability Analysis Test

The reliability of the items in the questionnaire is determined using Cronbach's alpha. Cronbach's alpha for all measures of service quality is greater than 0.70, indicating a high level of internal consistency for all items. The alpha values for twenty-eight items and customer satisfaction are 0.945 and 0.884, respectively, according to Cronbach's alpha.

Table 4.2 Reliability analysis test for the attributes

Dimension of service quality	Number of attributes	Cronbach's alpha
Tangibility	5	0.763
Reliability	4	0.720
Responsiveness	4	0.832
Assurance	4	0.747
Empathy	5	0.759
Customer Satisfaction	6	0.884
Overall Reliability analysis		0.945

4.3 Descriptive Statistics Analysis

4.3.1 Analysis of Service Quality Items

The table below summarizes the descriptive analysis of respondents' satisfaction levels on service quality parameters included in the questionnaire. 45 percent of respondents disagree that bank branches have modern equipment and technology, 56.8% disagree with the visually attractiveness of facilities, 76.4 percent disagree with the item that offices are located in a convenient location, and 36.5 percent disagree with the attractiveness of materials and documents to use in the tangibility dimension. As a result, the majority of respondents disagree on the tangibility dimension of service excellence.

Employee dependability in handling difficulties 46.8 percent, 53 percent in providing service on schedule, and 67.8% in informing any failure ahead of time were all rated as disagreeable in the reliability items, with the exception of a 75 percent agreement with banks free from error recording. This suggests that the majority of the elements under reliability were unsatisfactory to customers.

Except, respondents agreed with 63.5 percent on employees' willingness to help customers, 66.2 percent of customers are dissatisfied with getting a quick response to a system failure, and 67.5 percent are dissatisfied with employees' eagerness to respond to customers' requests when it comes to the responsiveness dimension of service delivery. Similarly, 33.9 percent of them said they were "disappointed" with the promptness with which customers were served.

Assurance is the other dimension of service quality in which the majority of respondents were satisfied with the features. As a result, 78.1 percent of respondents are satisfied with employee behavior, 54.9 percent are satisfied with employee respect, and 55.5 percent feel safe transacting with the bank. 55.5 percent of respondents, on the other hand, were unsatisfied with their staff' expertise and skill in providing services.

In terms of empathy, the majority of respondents are pleased with staff' attention to customers (63.8%), consideration of customers' property (50.8%), and convenient working hours (60.2 percent) Respondents, on the other hand, are unsatisfied with employees' understanding of their interests (61.5 percent) and orientation to new services and associated costs.

Table 4.3 Analysis of service quality items

Dimensions of service quality		SD	DA	N	A	SA
Tangibility						
The bank branches have modern equipment and technology	Frq.	55	138	75	13	20
	%	18.3	45.8	24.9	4.3	6.6
The bank branches facilities are visually attractive	Frq.	81	171	23	22	4
	%	26.9	56.8	7.6	7.3	1.3
The bank has branches at convenient location to its customer	Frq.	0	230	25	38	8
	%	0.0	76.4	8.3	12.6	2.7
Employees of the branch are well dressed and appear neat	Frq.	0	63	96	87	55
	%	0.0	20.9	31.9	28.9	18.3
The materials in the bank like the withdrawal, deposit slip, cheque book and other documents are attractive to use	Frq.	1	110	55	95	40
	%	0.3	36.5	18.3	31.6	13.3
Reliability						
Employees show dependability in handling service problem.	Frq.	20	141	58	72	10
	%	6.6	46.8	19.3	23.9	3.3
The bank keeps customer records correctly and free from errors.	Frq.	0	35	39	182	45
	%	0.0	11.6	13.0	60.5	15.0
The bank provides service as per the scheduled set and promised time	Frq.	86	74	86	51	4
	%	28.6	24.6	28.6	16.9	1.3
The bank's branch informs any failure ahead of time to its customers	Frq.	3	204	42	42	10
	%	1.0	67.8	14.0	14.0	3.3
Responsiveness						
Employees of the bank provide prompt service to the customers	Frq.	0	102	125	66	8
	%	0.0	33.9	41.5	21.9	2.7

The bank employees are willing to help the customers.	Frq.	0	35	75	146	45
	%	0.0	11.6	24.9	48.5	15.0
Employees of the bank are never busy to respond to customer request	Frq.	35	128	21	93	24
	%	11.6	42.5	7.0	30.9	8.0
Employees of the bank give quick response when there is a problem	Frq.	45	154	55	38	9
	%	15.0	51.2	18.3	12.6	3.0
Assurance						
The behavior of employees in the bank will encourage confidence in customers	Frq.	8	60	68	151	14
	%	2.7	19.9	22.6	50.2	4.7
Employees of the bank are polite with customers	Frq.	9	52	5	180	55
	%	3.0	17.3	1.7	59.8	18.3
Employees of the bank have the required skill and knowledge in providing services.	Frq.	27	140	50	63	21
	%	9.0	46.5	16.6	20.9	7.0
Customers of the bank will feel safe in transactions with the bank	Frq.	20	40	88	95	58
	%	6.6	13.3	29.2	31.6	19.3
Empathy						
Employees try to understand the feelings, needs and request of customers.	Frq.	55	104	40	93	9
	%	18.3	34.6	13.3	30.9	3.0
Employees give individual attention to customers	Frq.	0	78	31	183	9
	%	0.0	25.9	10.3	60.8	3.0
The bank and its employees give do consideration for customers property	Frq.	0	95	53	106	47
	%	0.0	31.6	17.6	35.2	15.6
Employees give orientation about the new service and the cost related with the service cost related with the service	Frq.	56	185	7	44	9
	%	18.6	61.5	2.3	14.6	3.0
The bank has convenient working hours to all its customers	Frq.	35	72	43	121	30
	%	11.6	23.9	14.3	40.2	10.0

Source: Own survey (2021**)**

4.3.2 Analysis of Customer Satisfaction

As shown in the table below, overall customer satisfaction level of respondents summarized. Accordingly, respondents dissatisfied with most of the attributes; communicative ability of employees (42.9%), performance of employees (53.8%), services delivered by the bank (42.5%) completely meets their expectation (76.4%). However, the respondents delighted with security of the bank service (47.2%) and respectful behavior of the employees.

4.4 Analysis of customer satisfaction items

Customer Satisfaction Items		SD	DA	N	A	SA
I am pleased with the security of the bank services.	Frq.	0	88	71	115	27
	%	0	29.2	23.6	38.2	9.0
I am delighted with respectful behavior of the bank's employees	Frq.	0	35	61	182	23
	%	0	11.6	20.3	60.5	7.6
I am satisfied with the communicative ability of the employee of the bank	Frq.	0	129	114	48	10
	%	0	42.9	37.9	15.9	3.3
I am satisfied with the performance of the employee of the bank.	Frq.	25	162	38	43	33
	%	0	53.8	12.6	14.3	11.0
I feel delighted with various Dashen banks' services.	Frq.	0	128	107	35	31.0
	%	0	42.5	35.5	11.6	10.3
Dashen bank completely meets your expectations.	Frq.	78	152	1	45	25
	%	25.9	50.5	0.3	15.0	8.3

Source: Own survey (2021**)**

4.3.3 Analysis of Service quality dimensions and customer satisfaction

In the table below the particulars about mean, median, and standard deviation scores of the variables of the study were presented.

Tangibility has a mean score of 2.68 with a median, and standard deviation of 2.60, and .696 respectively. The mean score of tangibility clearly shows that customers of the bank disagree with the location of offices and facilities and materials used. The standard deviation of tangibility is low which shows less inter response variability. The mean score of reliability is 2.84 with a median, and standard deviation of 2.50, and .709 respectively. The reliability mean score also slightly indicates that there is a disagreement in employees' dependability and delivering service per set time or standard. The standard deviation of reliability is low which shows less inter response variability. Responsiveness has a mean score of 2.94, and standard deviation of 2.75, and .799 respectively. This implies that customers of the bank dissatisfied with swift service and immediate information on difficulties. The standard deviation of responsiveness is low which shows less inter response variability. Assurance has a mean score of 3.53 with a median, and standard deviation of 3.25, and 0.533 respectively which shows that there is less variability of the responses and customers a little bit agreed that the bank possesses trustworthy behavior and reveal sincere commitments in providing services. The mean score of empathy is 2.95 with a median and standard deviation of 2.80 and .775 respectively. As the mean of empathy indicates customers dissatisfied with employees' intention in listening their problems carefully and provide individualized attention to their concerns and demands. Moreover, variability in the responses is much lower as indicated by the standard deviation of empathy. The mean score of customer satisfaction is 2.93 with a median, and standard deviation of 2.67, and .800 respectively. The mean score of customer satisfaction indicates that there is a customer disagreement with the idea that the bank completely meets their expectation.

Table 4.4 Descriptive statistics

	Tangibility	Reliability	Responsiveness	Assurance	Empathy	Satisfaction
N	301	301	301	301	301	301
Mean	2.6831	2.8447	2.9427	3.5324	2.9548	2.9258
Median	2.6000	2.5000	2.7500	3.2500	2.8000	2.6667
Mode	2.20	2.25	3.50	3.25	2.40	2.50
Std. Deviation	0.69619	0.70929	0.79963	0.53306	0.77500	0.80014
Minimum	2.00	2.25	1.75	2.50	1.80	2.00
Maximum	5.00	5.00	5.00	5.00	5.00	5.00

Source: Own survey (2021**)**

4.4 Correlation Analysis

The Pearson product-moment correlation coefficient (PPMCC), Pearson correlation coefficient (PCC), or bivariate correlation is a measure of linear relationship between two sets of variables represented by the letter r. The Pearson correlation coefficient's result, r, is always between +1 and -1. A value of 0 indicates that the two variables have no relationship. A positive relationship is defined as one in which the value of one variable grows as the value of the other variable increases. A number less than 0 indicates a negative relationship, meaning that when one variable's value rises, the value of the other falls. The Pearson's coefficient was used to determine whether or not there was a linear relationship between two sets of variables. The following are the findings of the study's correlation analysis:

Table 4.5 Correlations between service quality dimensions with customer satisfaction

Service quality dimensions		Customer satisfaction
Tangibility	Pearson Correlation	.726**
	Sig. (2-tailed)	0.000
	N	301
Reliability	Pearson Correlation	.855**
	Sig. (2-tailed)	0.000
	N	301
Responsiveness	Pearson Correlation	.898**
	Sig. (2-tailed)	0.000
	N	301
Assurance	Pearson Correlation	.794**
	Sig. (2-tailed)	0.000
	N	301
Empathy	Pearson Correlation	.940**
	Sig. (2-tailed)	0.000
	N	301
Satisfaction	Pearson Correlation	1
	Sig. (2-tailed)	
	N	301

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

Table 4.5 shows the relationship between the service quality factor and customer satisfaction. As a result, all five measures of service quality have a strong positive association with customer satisfaction. Empathy and customer satisfaction have the highest connection (r =.940), followed by responsiveness (r=.898) and reliability (r=.855). The other two dimensions of service quality, assurance and tangibility, had values of (r=.794) and (r=.726), respectively. All five categories of service quality have a substantial and positive relationship with customer satisfaction, according to the findings. However, the most important elements of customer satisfaction are empathy, responsiveness, and dependability. This implies that the bank should pay special attention to the needs, interests, and sentiments of its customers. It must also provide prompt service and create knowledge of the banks' products and services, as well as any associated prices or service charges. Employees' knowledge, skill and behavior, availability of branch offices and using up to date technologies are essential attributes in customer satisfaction.

4.5 Regression Analysis

Regression analysis is a statistical technique for determining the relationship between one or more independent variables and the dependent variable. Using linear regression, the study seeks to determine the extent to which the independent variable (service quality dimension) predicts the dependent variable (customer satisfaction). As a result, the regression analysis' result is depicted in the table below.

Table 4.6 Model Summery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781[a]	0.762	0.761	0.35747

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

In multiple regression analysis, the sample squared multiple correlation coefficient, R^2, measures the proportion of total variance on the dependent variables. The R square of the model is.762, which means that service quality dimensions predict 76.2 percent of the variation in the dependent variable, i.e., customer satisfaction, indicating that the model is fairly good.

Table 4.7 ANOVAa

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	84.750	5	6.950	49.183	.000[b]
Residual	7.315	295	0.025		
Total	92.065	300			

a. Dependent Variable: Customer Satisfaction

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

The significance of independent factors such as tangibility, reliability, responsiveness, assurance, and empathy on the dependent variable, customer satisfaction, was determined using the Analysis of Variance (ANOVA). The ANOVA result for the model F- statistics is 49.18, as shown in the table above, indicating that there is a significant association between the dependent and independent variables.

Table 4.8 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.472	0.065		7.227	0.000
	Tangibility	0.209	0.017	0.182	12.030	0.000
	Reliability	0.213	0.025	0.189	8.514	0.000
	Responsiveness	0.232	0.023	0.232	9.949	0.000
	Assurance	0.235	0.031	0.240	9.977	0.000
	Empathy	0.487	0.026	0.472	18.788	0.000

c. Dependent Variable: Customer Satisfaction

Table 4.8 shows the results of the model that predicts customer satisfaction using the variables of tangibility, reliability, responsiveness, assurance, and empathy. All service quality variables, including tangibility, reliability, responsiveness, assurance, and empathy, have a positive and significant relationship with customer satisfaction, according to the findings, which are confirmed by the correlation analysis stated above. The coefficient of the variable empathy, assurance, responsiveness, reliability and tangibility are .472, .240, .232, .189, and .182 respectively. All factors are shown to be significant in regression analysis, leading us to support the conclusion that empathy, assurance, responsiveness, reliability, and tangibility (p=.000) have a significant and positive association with customer satisfaction.

Table 4.9 Collinearity Statistics

	Tolerance	VIF
Tangibility	0.564	1.774
Reliability	0.262	3.818
Responsiveness	0.237	4.224
Assurance	0.304	3.292
Empathy	0.205	4.880
Dependent variable: Customer Satisfaction		

Multicollinearity in multiple regressions is the degree to which independent variables are correlated. It reduces the ability to assess the individual variables. A problem in multicollinearity results in high correlations among independent. Tolerance denotes how much of the variability of the specified predictor variable is not explained by the other predictor variables in the model and the variance inflation factor (VIF is the influence of correlations among independent variables on the precision of regression estimates. Dormann et al. (2013), suggested that a tolerance value less than 0.1 almost certainly indicates a serious Collinearity problem and Liu (2010), also suggests that a VIF value greater than 10 means more severe Multicollinearity and it was found to be in the acceptable range, as shown in the table above.

4.6 Discussion of Findings

The relationship between service quality and customer satisfaction has been the subject of much past research in the service industry (Caruana, 2002; Oh, 1999; Cronin et al., 2000; Parasuraman et al., 1988). This research aims to learn more about the relationship between service quality and customer satisfaction.

This study also found that all five aspects of service quality (tangibility, reliability, responsiveness, assurance, and empathy) had a positive and significant impact on customer satisfaction, indicating that service quality is a crucial antecedent of consumer satisfaction. The notion that services quality is a predictor of customer satisfaction is supported by this study. (Taylor and Cronin, 1992). Prior study findings support the conclusion. According to Ushantha et al. (2014) and Mohammad & Alhamadani, five qualities of service quality: tangibles, reliability, responsiveness, assurance, and empathy have a positive and significant influence (2011).

The notion of tangibles' function in the banking industry is presented in a clear and comprehensive manner by Ladhari et al., (2011). The quality of service is an important weapon for attracting customers' attention. To meet the expectations of customers with a wide range of behaviors and attitudes, strong service quality is required.

Businesses can utilize the environment and culture of various areas as a guide for modifying regulations in a global framework for a specific area. They'll have to change the location of their outlets and branches. The banking industry uses identical office layouts and installs similar service equipment all around the world to maintain a standard. On the other hand, adapting to the cultural needs of unique areas will make the customers feel more at ease and loyal (Ganguli & Roy, 2011).

The Tangibility service quality component includes the bank's ambiance, service equipment, human resources (staff), and communication strategies. In other words, tangibles are all about generating a good first impression. Every company strives to make a positive first impression on its customers. They will gain the greatest benefit if they concentrate on this one component. (2012) (Swar & Sahoo).

The study also found a positive association between tangibility and customer satisfaction in regression analysis, with a beta value of 0.182 at a 95% confidence level According to the correlation research, it has a significant and positive association with customer satisfaction. However, as the mean value in descriptive analysis suggests, the majority of customers were dissatisfied with the variable's qualities.

Ibáez et al. looked at the relationship between service quality factors and customer satisfaction (2006). They discovered a substantial link between service reliability and consumer satisfaction.

With a beta value of 0.189 and a p value of 0.000, the study showed that there was a positive association between reliability and customer satisfaction. The findings support Safwan et al. (2010)'s argument that reliability demonstrates a service provider's ability to provide dependable and accurate services. It also supports the conclusion that being dependable is a crucial attribute to possess, particularly in the banking profession (Ghost & Gnanadhas, 2011). Customers may form a poor impression of the company and will quickly switch to a competitor (Sakhaei et al., 2014).

The mean value in the descriptive analysis revealed that customers believe their bank performs poorly in addressing service problems, informing any failure ahead of time, and providing service on time. With a beta of 0.232 and a p value of 0.00, the study found a positive significant association between bank responsiveness to consumers and customer satisfaction. Customers’ value timely service, according to these data. This is something that good service providers are aware of (Iqbal et al., 2010). Additionally, companies that prioritize efficiency pay attention to the services they provide and exploit this advantage to keep competition at bay (Karim & Chowdhury, 2014).

Bank customers look for banks that willingly help them in their banking operations. Customer satisfaction may be achieved in the banking sector when the service provider is willing to assist its customers when required Akbaba (2009) also stated that “responsiveness is positively related to customer satisfaction and customers can refers others if satisfied”. The mean value in the descriptive analysis indicated that the customers were dissatisfied with the bank’s initiation in providing swift service and solving problems at earliest time possible.

Parasuraman et al. identified Assurance as an important feature of quality (1988). They claim that improving all dimensions significantly improves customer satisfaction. Customers' pleasure is regarded to be considerably boosted when financial institution workers perform with integrity. It may also have a favorable impact on customers repurchase intentions (Ndubisi, 2006; and Ndubisi & Wah, 2005). The results of the correlation and regression analysis matched with the above-mentioned literatures in indicating a positive significant relationship, with a beta value of 0.240 and a p value of 0.00 in regression analysis.

In addition, the results in the descriptive analysis indicated that most of the respondent customers were feel safe in transaction with the bank and confident in the honorable behavior of employees.

According to Iglesias and Guillén (2004), empathy and consumer pleasure have a favorable and significant relationship. According to another study, if there is a gap in empathy, customers may remain unhappy with service quality. According to Al-Marri et al., empathy has a significant impact on customer satisfaction (2007). It makes customers happy and, in the long run, serves as a crucial predictor of the organization's financial performance.

Wieseke et al. (2012) looked into the impact of empathy on customer satisfaction as well as its function in service excellence. According to study, customers who are handled enthusiastically are more inclined to return and forgive any flaws that may happen. Empathy creates an emotional relationship with customers and makes them feel important to the company. This results in customer retention and the acquisition of new customers.

Juneja (2011) looked at the relationship between service quality variables and customer satisfaction in Bangladesh's banking business. According to research, customer loyalty can be gained through empathy. Empathy has the potential to boost service quality, customer loyalty, and satisfaction.

Karatepe (2011) looked into the impact of empathy and dependability on customer loyalty in the service industry. Empathy has the potential to affect a customer's behavior.

The regression analysis of the study also revealed that a positive and significant relationship between empathy and customer satisfaction with a beta value of 0.472 and 95% confidence level. Similarly, the correlation result showed a positive and significant relationship between empathy and customer satisfaction.

The findings in the descriptive analysis clarified that most of the respondent customers were satisfied with the attentiveness of employees to each individual customer and the banks convenient working hour.

CHAPTER FIVE

5. SUMMARY, CONCULUSION AND RECOMMENDATIONS

This chapter covered the most important data results, as well as the conclusions drawn from them and applicable recommendations. The study's results and suggestions were centered on the study's objectives, which were to investigate the effects of service quality on customer satisfaction at Dashen Bank S.C.

5.1 Summary of Findings and Interpretation

The main objective of the study was to examine the effect of service quality on customers' satisfaction in some selected branches found in Dashen Bank. Three hundred one customers participated in providing the data used for the study.

The results of background information of respondents indicated that from the total respondents around fifty-three percent are males and the rest are females. The largest group of respondents which contains 75 percent was aged between 18 and 45 while quarter of the respondents are aged above 46 comprises 25 percent. This indicates that most of the customers of the bank were the young working age. With regard to educational level; most of the respondents were first degree holders with 47.5 percent and followed by diploma and certificate holders comprises 40.2 percent of the respondents. More than half of the respondents are working in various job status in non-managerial position. In terms of type of accounts which the respondents use, majority of the respondent are saving account users which represent 63.1 percent of the clients and the users of current and fixed deposit account comprises 32.6 percent and 4.3 percent respectively.

According to descriptive statistics analysis, the mean score values for service quality categories ranged from 3.5324 to 2.6831. This indicates that respondents thought DB's service quality was medium to poor. It was discovered that assurance has a higher average value than empathy and responsiveness. In comparison to other aspects, respondents believe that DB is functioning relatively well in the assurance factor. However, as the mean value illustrates, all of the other variables are underperforming. As a result, DB must enhance customer perception practically across the board in terms of service quality, as they have the lowest mean value.

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The correlation finding suggests that all service quality factors (tangibility, reliability, responsiveness, assurance, and empathy) have a positive and substantial association with customer satisfaction. The study goes on to say that the strongest link is between empathy and customer satisfaction.

Multiple regression analysis was used to investigate the effect of service quality factors on customer satisfaction. Multiple regression study revealed that the majority of service quality aspects (tangibles, dependability, responsiveness, and empathy) have a positive and significant impact on customer satisfaction. According to the findings, empathy has the greatest impact on customer satisfaction, followed by responsiveness and reliability. Furthermore, the R square 0.762 value suggested that the five service quality parameters explained 76.2 percent of overall customer satisfaction.

5.2 Conclusion

In today's competitive market, evidence suggests that improving service quality is a good strategy for increasing customer satisfaction. Using the SERVQUAL model, this study investigated the perception of service quality of banking services offered to the customers at Dashen Bank, as well as the relative contrasts associated with the various variables of service quality.

The majority of respondents were unsatisfied with the bank's service. Customers slightly disagree that their bank has offered good quality services to satisfy their diverse demands in order to improve their satisfaction level, based on the mean score of the overall service quality parameters. In Dashen Bank, however, the assurance service quality dimension was determined to be higher than the other dimensions. Customers felt confidence in the staff' nice conduct, which made them feel comfortable when transacting with the bank; yet, there is a competence and knowledge gap in the employees' ability to provide service.

Customers have shown that in today's market-driven system, they are not loyal to a single financial institution. All they require today is high-quality products and services that successfully meet their needs. The study also found that all five categories of service quality (tangibility, reliability, responsiveness, assurance, and empathy) have a positive and substantial association with customer satisfaction using correlation and regression analysis.

From the study findings, empathy is the most significant dimension enhancing to customer satisfaction. This is also supported by prior researches that customers who has been treated empathetically will be so gratified and be patient to different gaps on service delivery.

5.3 Recommendations

For improving quality service, based on the findings and conclusions of the study, the researcher forwards the following recommendations;

- The findings imply that a high rate of empathy for customers' feelings, wants, and interests has a beneficial impact on bank performance, hence the study argues for more effective and efficient ways to handle their requirements in order to improve customer satisfaction. Treating consumers with respect, providing them special attention, serving them based on their personal needs, and treating them with friendliness could be one way to handle this. To put it another way, bank management should place an emphasis on this component in order to increase customer satisfaction.

- Because the majority of respondents are dissatisfied with the bank's existing service, the researcher recommends that the bank pay attention to and understand the individual needs of customers by designing an efficient service delivery system for the highest customer satisfaction.

- The majority of respondents are dissatisfied with the bank's service delivery performance. Traditional predictors of customer satisfaction, such as service quality (i.e. tangibles, reliability, responsiveness, and empathy), still have a significant impact on customer satisfaction, so these factors must be at the heart of any strategy aimed at improving customer satisfaction. The bank must evaluate the appropriateness of branch and outlet locations and relocate branches and outlets to more appropriate locations for customers, as well as redesign office layouts to be more appealing and appropriate for customers, as first impressions have a significant impact on customers' minds.

- It is critical to innovate services in response to customers’ requirements and demands. Every approach must be centered on the customer. Despite the fact that Dashen Bank was a pioneer in introducing innovative technology into the banking business in the country, a gap is observed in addressing the customers as expected recently. As a result, the bank must establish a standard to monitor the end result of innovative products in terms of providing the anticipated service quality for customer satisfaction.

- The response demonstrates that the employees lack adequate expertise of the bank service. One solution to this challenge is to give a continuous training program to help them improve their skills. It should also keep a mechanism in place to raise awareness about the new products and services, as well as the costs associated with them, that the bank intends to offer to its valued customers.

Implication for Future Research

This study was conducted to examine the effect of customer service quality on customer satisfaction in some selected branches of Dashen bank in Addis Ababa. The sample was drawn from only five branches; thus, this study may be limited in its generalizability of the findings to branches of the bank. So, future research should have to draw sample of respondents on a greater number of branches as well as to include up country branches to see the geographical effect for the sake generalizing the results of the study.

This study only focused at five variables; there may be other relevant factors that customers consider significant, but they were not included in this study. Future studies may include more elements that influence customer satisfaction, such as company image, location, price, employee attitude, customer relationship management, and other variables.

Furthermore, integrating moderator factors and anticipating a direct or indirect association with customer loyalty can be incorporated into future study models by other scholars.

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APPENDIX

Appendix I: Questionnaire for customers (English version)

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTEMENT OF MANAGEMENT

MBA PROGRAM

QUESTIONNAIRE TO BE FILLED BY CUSTOMER

The questionnaire is designed by the final year Master of Business Administration (MBA) student of Addis Ababa University under the title: **"The Effect of service quality on customer satisfaction; The case of Dashen Bank S.Co,** Addis Ababa, Ethiopia", for the partial fulfillment of MBA Thesis. The information supplied by you will be held strictly confidential and is used for academic purpose only. You will not be held responsible for anything arising thereof. You are kindly requested to dully fill and return the questionnaire at the earliest. I am grateful in advance for your utmost cooperation.

Instruction

No need to write your name

Kindly requested to dully fill and return the questionnaire on time.

Please respond to each question presented by encircling your choice and a room is provided to express your opinion.

Part I. PERSONAL INFORMATION

1. Gender Male ☐ Female
2. Nationality ☐ Ethiopian ☐ Foreigner
3. Age ☐ 18-30 ☐ 31-45 ☐ 45-60 ☐ >60
4. Educational level ☐ Diploma/ Certificate ☐ BA ☐ MA

   ☐ Other, please specify___________________

5. Your current Position

☐ Manager ☐ Owner ☐ Non- manager__________________

6. Year(s) business relationship with the bank?

☐ Less than 1 year ☐ 2-5 years ☐ 6- 10 years ☐ above 10 years

7. The nature of your account

☐ Saving account ☐ Current account ☐ Fixed account ☐ Other, Please

Specify__________________________

Part II: SERVICE QUALITY QUESTIONNAIRE (SQQ)

Instructions: Please tick the number that you feel most appropriate, using the scale from 1 to 5 (Where 1 = strongly disagree, 2 = disagree, 3 = neutral 4 = agree and 5 = strongly agree).

Quality dimensions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Disagree
	1	2	3	4	5
Tangibility					
1. The bank branches have modern equipment and technology					
2. The bank branches facilities are visually attractive					
3. The bank has branches at convenient location to its customer					
4. Employees of the branch are well dressed and appear neat.					
5. The materials in the bank like the withdrawal, deposit slip, cheque book, and other documents are attractive to use.					
Reliability					
6. Employees show dependability in handling service problem.					
7. The bank keeps customer records correctly and free from errors.					

8. The bank provides service as per the scheduled set and promised time					
9. The bank’s branch informs any failure ahead of time to its customers					
Responsiveness					
10. Employees of the bank provide prompt service to the customers					
11. The bank employees are willing to help the customers.					
12. Employees of the bank are never busy to Respond to customer request					
13. Employees of the bank give quick response when there is a problem					
Assurance					
14. The behavior of employees in the bank will encourage confidence in customers.					
15. Employees of the bank are polite with Customers					
16. Employees of the bank have the required skill and knowledge in providing services.					
17. Customers of the bank will feel safe in transactions with the bank					
Empathy					
18. Employees try to understand the feelings, needs and request of customers.					
19. Employees give individual attention to customers					
20. The bank and its employees give do consideration for customers property					
21. Employees give orientation about the new service and the cost related with the service					
22. The bank has convenient working hours to all its customers					

III. Customer satisfaction questionnaire

CUSTOMER SATISFACTION	Strongly Disagree	Disagree	Neutral	Agree	Strongly Disagree
	1	**2**	**3**	**4**	**5**
23. I am pleased with the security of the bank services.					
24. I am delighted with respectful behavior of the bank's employees					
25.I am satisfied with the communicative ability of the employee of the bank					
26. I am satisfied with the performance of the employee of the bank.					
27. I feel delighted with various Dashen banks' services.					
28. Dashen bank completely meets your expectations.					

Thank you

Appendix I: Questionnaire for customers (Amharic version)

በአዲስ አበባ ዩኒቨርስቲ
ቢዝነስ እና ኢኮኖሚክስ ኮሌጅ
የማኔጅመንት ዲፓርትመንት

ደንበኞች የየተዘጋጀ ቃለ መጠይቅ

የተከበራችሁ የዳሽን ባንክ ደንበኞች

ይህ መጠይቅ የተዘጋጀው በአዲስ አበባ ዩኒቨርሲቲ በቢዝነሰ እና ኢኮኖሚ ክስ ትምህርት ክፍል የድህረ ምረቃ ተማሪ ሲሆን የጥናቱም አላማ ደንበኞች ዳሽን ባንክ ስለሚ ሰጣቸው አገልግሎቶች ያላቸውን አመለካከት ወይም ምዘና ለመዳሰስና አገልግሎቱ ጥራት በደንበኞች እርካታ ላይ ያለው አስተዋጽኦ ወይም ተፅዕኖ ለማወቅ ነው፡፡

ይህ ደንበኞች የሚሰጡት መረጃ ለትምህርት አገልግሎት ብቻ የሚውል ሲሆን የእርሶ መልስ ለሌላ ሶስተኛ ወገን የማይተላለፍ ሲሆን ከዚህ መጠይቅ የሚገኘው መረጃ ሚስጥራዊነቱ የተጠበቀነው ፡፡ስም መጥቀስ የማያስፈልግ ሲሆን ጊዜዎን ሰጥተዉ መጠይቁን በጥንቃቄ በመሙላት ለሚያደርጉልኝ ትብብር የከበረ ምስጋናዬን አቀርባለሁ፡፡

ሀ/ የግል መረጃ
መመሪያ፡ እባክዎን ከተሰጡት አማራጮች የተስማሙበት ላይ ምልክት ያድርጉ

1. ፆታ ☐ ወንድ ☐ ሴት
2. ዜግነት ☐ ኢትዮጵያዊ ☐ የውጭ ሀገር ዜጋ
3. እድሜ ☐ ከ18-30 ☐ ከ31-45 ☐ ከ46-60 ከ60 በላይ
4. የትምህርት ደረጃ ☐ ሰርተፍኬት/ዲፕሎማ ☐ የመጀመሪያ ዲግሪ ሁለተኛ ዲግሪ ☐ ሌላ ካለ ይጥቀሱ _______________
5. ያሎት የሥራ ድርሻ ☐ ሥራ አስኪያጅ ☐ የድርጅት ባለቤት ☐ ከሥራ አስኪያጅ ውጭ
6. ከባንኩ ጋር ለምን ያህል ጊዜ ደንበኛ ሆነው ቆዩ ☐ ከ1 ዓመት በታች ☐ ከ2-5 ዓመት ☐ ከ6-10 ዓመት ከ10 ዓመት በላይ
7. የምን ዓይነት ሂሳብ ተጠቃሚ ነዎት ☐ የቁጠባ ሂሳብ ☐ የተንቀሳቃሽ ሂሳብ ☐ በጊዜ ተገደበ ሂሳብ ሌላ ካለ ይጥቀሱ_______

ለ/ የአገልግሎት ጥራት መጠይቆች

የሚከተሉት ዓረፍተ ነገሮች ስለዳሽን ባንክ የአገልግሎት ጥራት ያለዎትን አስተያየት የሚያመለክቱ ናቸው፡፡

እባክዎ ለእያንዳንዱ ዓ/ነገር የእርስዎ ሀሳብ በትክክል በሚገልፀው ምርጫ ላይ ይህንን ምልክት"√" ያስቀምጡ፡:

የአገልግሎት ጥራት መመዘኛዎች	በጣም አልስማማም	አልስማማም	መካከለኛ	እስማማለሁ	በጣም እስማማለሁ
ተጨባጭነት	1	2	3	5	5
1. ባንኩ ዘመናዊ በሆኑ ለሥራ የሚያስፈልጉ ግብአቶች የተደራጀ ነው፡፡					
2. የባንኩ የስራ መሳሪያዎች ለእይታ የሚማርኩ ናቸው፡፡					
3. የባንኩ ቅርንጫፎች ለደንበኞች አመቺ በሆነ ቦታ ላይ ይገኛሉ፡፡					
4. የቅርንጫፍ ባንኩ ሰራተኞች ፅዱና የአለባበስ ስርአታቸዉን የጠበቁ ናቸው፡፡					
5. የባንኩ የህትመት የስራ ቁሳቁሶች (የገቢና የወጪ ማዘዣ ሰነዶች ፤ የቼክ ደብተሮች ወ.ዘ.ተ.) ለእይታ የሚስቡና አመቺ ናቸው፡፡					
አስተማማኝነት					
6. በአገልግሎት አሰጣጥ ላይ የሚከሰቱ ችግሮችን ለመፍታት ሰራተኞች እምነት የሚጣልባቸው ናቸው፡፡					
7. ባንኩ የደንበኞችን የሂሳብ ማህደር ከስህተት በፀዳ መልኩ ይይዛል፡፡					
8. ባንኩ ቀድሞ ባስቀመጠው ስርአትና ቃል በገባው መሰረት አገልግሎት ይሰጣል፡፡					
9. የባንኩ ቅርንጫፎች በስራ ሂደት የሚያጋጥሙ ችግሮችን ለደንበኛው ቀድመው ያሳውቃሉ፡፡					
ተጠያቂነት					
10. የባንኩ ሰራተኞች ለደንበኞች ፈጣን አገልግሎት ይሰጣሉ፡፡					
11. የባንኩ ሰራተኞች ደንበኞችን ለማገዝ ፈቃደኞች ናቸው፡፡					
12. የባንኩ ሰራተኞች ለደንበኞች ጥያቄ ምላሽ ለመስጠት አየታክቱም፡፡					

13. ችግሮች በሚያጋጥሙበት ወቅት ሰራተኞች ፈጣን የሆነ ምላሽ ይሰጣሉ፡፡					
እርግጠኛነት					
14. . የባንኩ ሰራተኞች ባህሪ በደንበኞች ላይ የራስ መተማመን ይፈጥራል፡፡					
15. ሰራተኞች ደንበኞችን በትህትና ያስተናግዳሉ፡፡					
16. የባንኩ ሰራተኞች በችሎታና እውቀት ላይ የተመሰረተ አገልግሎት ይሰጣሉ፡፡					
17. ደንበኞች ከባንኩ ጋር ባላቸው ግንኙነት ከስጋት ነፃ ናቸው፡፡					
የመርዳት ተነሳሽነት					
18. ሰራተኞች የደንበኞችን ፍላጎት ፣ ስሜትና ችግሮች ለመርዳት ይጥራሉ፡፡					
19. ሰራተኞች ለእያንዳንዱ ደንበኛ ትኩረት ይሰጣሉ፡፡					
20. ባንኩም ሆነ ሰራተኞቹ የደንበኞች ንብረት በአግባቡ እንዲጠበቅ ያደርጋሉ፡፡					
21. ሰራተኞች የባንኩን አዳዲስ አገልግሎቶች ከነዋጋቸው ለደንበኞች በቅድሚያ ያሳውቃሉ፡፡					
22. የባንኩ የስራ ሰአት ለሁሉም ደንበኞች አመቺ ነው፡፡					

የደንበኛ እርካታ መጠይቅ

	በጣም አልስማማም	አልስማማም	መካከለኛ	እስማማለሁ	በጣምእስማማለሁ
	1	2	3	4	5
የደንበኛ እርካታ					
23. በባንኩ ዋስትና ያለው አገልግሎት ደስተኛ ነኝ፡፡					
24. የባንኩ ሰራተኞች በሚያሳዩት ትሁት ባህሪ ደስተኛ ነኝ፡፡					
25. የባንኩሰራተኞችየመረጃመስጠትችሎታእርካታ ተሰምቶኛል፡፡					
26. በባንኩሰራተኞችየአሰራርችሎታና ብቃትረክቻለሁ፡፡					
27. ባንኩበሚሰጣቸውየተለያዩ አገልግሎቶችደስተኛ ነኝ፡፡					
28. ዳሽን ባንክ በሚሰጣቸው አገልግሎቶች የምጠብቀውን ያህል ሆኖ አግቼዋለሁ፡፡					

አመሠግናለሁ!