

EFFECTS OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN BANK OF ABYSSINIA IN THE CASE OF SELECTED BRANCHES UNDER THE EAST ADDIS DISTRICT



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CANDIDATE'S DECLARATION

I hereby declare to the senate of Addis Ababa University, College of Business and Economics, and Department of Management that the work presented in this thesis entitled "Effects of Service Quality on Customer Satisfaction in Bank of Abyssinia: In The Case Of Selected Branches Under East Addis District" is original work of mine, that it has not been submitted for a degree at any other university, and that all sources of material used for the thesis have been duly acknowledged.

Yalemwork W/Selassie
(Candidate)

This is to certify that the candidate's above declaration is true to the best of my knowledge.

Tewodros Wuhib (A/Professor)
(Thesis Advisor)

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ACRONYMS/ABBREVIATIONS

ICT - Information Communication Technology

SERVQUAL - Service Quality

SPSS - Statistical Package for Social Sciences

BoA - Bank of Abyssinia

ATM - Automatic Teller Machine

ABSTRACT

Customers' expectations are constantly rising and changing, thus service providers must devise new and improved service offerings and delivery techniques. In today's highly competitive financial services business, knowing the importance of service quality is essential, as is identifying appropriate operational strategies that should be implemented to achieve desired service quality targets. As a result, the goal of this study was to see how service quality affected customer satisfaction in Ethiopian private commercial banking. This study used a cross-sectional survey with a sample size of 204 consumers from five Bank of Abyssinia branches in the East Addis Ababa District. Random sampling was employed systematically. In order to choose the study sample, systematic random sampling was used. Semi-structured questionnaires were used to obtain primary data for the study. The quantitative data were evaluated using descriptive statistics, and correlation analysis was used to determine the strength and direction of the linear correlations between variables. The association between service quality parameters and customer satisfaction was also established using multiple regression models with a 5% threshold of significance. As a result, the study discovered that customer satisfaction in Bank of Abyssinia in Addis Ababa is positively influenced by reliability, tangibility, responsiveness, assurance, and empathy. According to the survey, banks should make sure that their facilities are visually appealing to their consumers, which includes keeping their workers clean. The improved tangibility of services would increase customer satisfaction, and it is the bank's job to ensure that its workers are well-versed in the bank and services offered so that they can assist visitors and reply to their financial requests/questions.

Keywords: Service Quality, Customer Satisfactions, Tangibility, Reliability, Assurance, Responsiveness, Empathy.

CHAPTER ONE– INTRODUCTION

1.1 Background of the Study

Banks play an important part in every country's economic development. They've been involved in a significant portion of the money supply. Every country's major stimulus for economic success is banks. The financial sector's contribution to growth is based on its fundamental role in mobilizing savings and efficiently allocating these resources to the most profitable uses and investments (Hennayake, 2017). The current banking business environment is growing increasingly competitive and difficult. Organizations are pushed to re-engineer their goods and processes to improve service quality and remain competitive as they face multifaceted difficulties and the demands of globalization (Selvakumar, 2015).

Customer service is represented in every aspect of the industry and shapes an organization's future. Rapid advancements in internet-based technologies are leading to significant changes in how various corporations communicate. This is similar to an organization's relationship with its customers. Because service nature is intangible, the relationship between customer happiness and service attributes has proven difficult to determine in various service businesses (Ananth, Ramesh & Prabakaran, 2011).

This could be due to the intangible nature of banking services, making it difficult for businesses to assess how customers perceive and evaluate the intended service quality outcome. Client satisfaction with services is linked to the confirmation or denial of expectations since the customer assesses their degree of satisfaction based on the service quality. Understanding the influence of service quality on profit and other financial outcomes of the corporation is currently the top focus of banking business concerns (Sara, 2013). ICT (Information and Communication Technology) is the driving force behind worldwide change.

As a result of current advancements in information and communication technology, the banking business around the world currently competes in an unprecedented manner, backed by modern information and communication systems. In today's corporate world, the use of information and communication is playing a vital role in gaining market share in the banking industry, and the

internet serves as an intermediary for all monetary, banking, and business transactions (Hennayake, 2017).

According to Wendmu's study (2020), Ethiopia's banking industry's performance in providing excellent service is failing to satisfy the expectations of service users for a variety of reasons. Every commercial bank in the country receives numerous consumer complaints. Furthermore, a comprehensive study should look into the definitions of the two primary ideas of this research, customer satisfaction, and service quality, to better comprehend the concept of quality and satisfaction. The majority of the studies, on the other hand, were limited to branch or headquarters level, and the majority of them were conducted a few years ago, with loyalty and other dependent variables. For example, Betelhem (2015) looked into the impact of service quality on customer satisfaction in Ethiopian Commercial Banks, and Messay (2012) looked into bank service quality, customer satisfaction, and loyalty in Ethiopian banking. As a result, the primary goal of this research is to determine the impact of service quality on customer satisfaction in five branches of the Bank of Abyssinia under the East Addis District.

1.2 Statement of the Problem

The quality of services is the single most significant aspect of today's modern and successful banking industry. All commercial banks are obligated to offer nearly identical services due to the central bank's uniform policies. However, how the bank offers service to customers is the most critical factor in protecting the bank's interests and maintaining a competitive advantage over other private and government commercial banks. Service quality, perceived value and customer satisfaction are variables of high interest to marketers.(Jackie L. M. Tarn, 2008) SERVQUAL is a paradigm that reveals service quality by identifying its many characteristics, which include Reliability, Assurance, Responsiveness, Empathy, and Tangibility.

The most important aspect of today's modern and successful banking industry is the quality of services provided. All commercial banks are obligated to offer nearly identical services due to the central bank's uniform policies. However, how the bank offers service to customers is the most critical factor in protecting the bank's interests and maintaining a competitive advantage over other private and government commercial banks. The effect of service quality on behavioural intentions was mediated through customer satisfaction that deliver a model

displaying multiple characteristics of service quality, according to Rubogora (2017).The SERVQUAL model describes service quality in terms of its numerous dimensions, including reliability, assurance, responsiveness, empathy, and tangibility.

This study will give a quick overview of some of the important ways to measure customer satisfaction that has been employed in the past. As a result, the paper examines several perspectives on the transferability of satisfaction measurements across industries and client bases, as well as improved economic benefits (Sanjay and Garima, 2014). As a result, higher customer happiness and superior service contribute to increased customer loyalty, which leads to increased income (Hennayake, 2017).The banking market leaders are observed to prioritize customer service. They have been honored for their client acquisition and retention performance.For that matter, organizations in the same market sector are compelled to assess the quality of the services that they provide to attract and able to retain their customers.

The majority of research by Wendmu (2020), Betelhem (2015), and Messay (2012) indicated that the banking industry in Ethiopia's organizational performance in providing quality service is not up to par and that frequent customer complaints are being seen for various causes. Similarly, according to the annual report of the assessed bank, client growth has declined by 18%, and export performance has ranged yearly from a low of 10% to a high of 25%.This disparity has been reflected in the Bank of Abyssinia's five-year strategy, which emphasizes and emphasizes service quality.The primary goal of this research is to determine the impact of service quality on customer satisfaction at five branches of Bank of Abyssinia under the East Addis District in order to close this gap by investigating the elements that influence service quality on customer's happiness.

1.3 Research Questions

1. What are the factors that affect customer satisfaction?
2. What is the relationship between customer satisfaction and service quality?
3. Which one of the service quality dimensions issuggested for continuous improvement of customer service in Bank of Abyssinia?

1.4 Objective of the Study

1.4.1 General Objective

The objective of the study is to assess the effects of service quality on customer satisfaction in the Bank of Abyssinia in the case of selected branches under the East Addis District and to fill the already identified gaps according to the findings.

1.4.2 Specific Objectives

1. To identify the factors affecting customer satisfaction?
2. To examine the relationship between customer service quality and customer satisfaction?
3. To evaluate the level of service quality at Bank of Abyssinia?
4. To examine the service quality dimension in customer satisfaction?

1.5 Significance of the Study

Because the Bank of Abyssinia provides domestic, international, and special banking services, as well as digital banking operations, this type of study output, will serve the Bank's many goals by containing the most useful information for service quality improvement decisions. Also

- It helps the bank to take corrective actions based on suggested recommendations,
- Identifies issues related to how to deliver the operational activities of the bank and service quality and thus provides feedback to managers,
- It shall also provide valuable information to the board members and management as they make strategies of how to effectively execute service excellence,
- It uses for input reference to other related research.

1.6 Scope/Delimitation/ of the Study

This study was theoretically centered on the Bank of Abyssinia's quality of service and customer satisfaction in chosen branches in the East Addis District. Savings accounts, credit facilities (loan accounts), current accounts, overseas remittance, trade services, internet banking, and card banking services were all popular. As a result, the quality of these services and service users' pleasure was synced. The dimensions of Reliability, Assurance, Responsiveness, Empathy and Tangibility are used to evaluate service quality. Customer satisfaction is calculated using the following variables: customer expectation, service standard, and survival provision within the maintained quality.

1.7 Limitation of the Study

The researcher may meet hurdles while conducting the research that prevents her from doing much more than she has already done.

These restrictions might come from two sources: limitations imposed by the researcher and limitations imposed by organizations. To begin at the organizational level, the corporation may not have a problem obtaining data because the researcher is an employee of the bank in question. Rarely, the researcher may have difficulty accumulating data in a few departments because staff in those departments are too busy to conduct interviews and formal conversations about the instances that are needed.

Other considerations include:

- respondents' lack of time was a severe restriction of this study,
- fear of Covid 19 by the respondents,
- respondents' lack of interest and willingness to fill out and submit the questionnaire on time.

1.8 Organization of the Study

The paper is divided into five chapters. The backdrop of the study, problem statement, research questions, aims of the investigation, the significance of the study, the scope of the study, and constraints of the study are all covered in the first chapter. A survey of the associated literature is presented in the second chapter. In chapter three, the research design and technique are

discussed. The study's findings and debate are addressed in Chapter four. The fifth and final chapter summarizes the findings, draws conclusions, and makes recommendations.

CHAPTER TWO

RELATED LITERATURE REVIEW

This chapter provides an overview of pertinent literature as well as a critical examination. Customer happiness concepts, theories, and models, service quality concepts and models, and customer behavioral intentions referral concepts and models are all covered.

2 Review of Theoretical Literature

2.1 Definitions of Service

Different scholars define service and its characteristics in various ways. Services are actions and performances done by one entity or person for the benefit of another entity or person (Zeithaml, Bitner & Gremler, 2009).

The derived service perspective suggests that all products and physical items are valued for the natural service they give rather than the goods themselves and that service includes significant services, products, and product-service bundles. Intangibility, heterogeneity, real-time production, consumption, and perishability distinguish services from products. It should be able to differentiate them exactly depending on their characteristics. A good is a tangible physical object or product that can be made and transferred; it has existed for a long time and can thus be made and used again (Vargo and Lusch, 2004).

Service is both intangible and ephemeral. It's an event or process that's made and used at the same time that the client can't remember. However, the majority of them agree that service is a set of activities of a more or less intangible nature that take place in the interaction between customers and service employees and, or physical resource or goods and, or service provider's system that is provided as a solution to customer problems."Most authorities consider the services sector to comprise all economic activities whose output is not a physical product or building that is generally consumed at the time of production and adds value in the form of

consistency. The intangible interests of its purchasers include enjoyment, timeliness, and comfort (Zeithaml, et al., 2009).

2.2 Overview of Service Quality

Another key part of this study is service quality. The service delivery process determines service quality. Each customer interaction is referred to as a "moment of truth," a chance to please or disappoint the customer. Customer satisfaction with a service can be measured by comparing the perceived service to the desired service expectations. When client expectations are exceeded, service quality may not be in the customer's best interests; nonetheless, quality leads to a passion for fulfilment (Timothy, 2012).

Only in the context of consumers' expectations and experiences can quality be assessed. In service businesses and among makers of products that require dependable service, customer service quality is a symbol of success. However, the capacity to deliver on your promises is what defines exceptional service. Its customer value, which should be the driving force behind the quality, must be a dynamic aspect in responding to change. Service is the only opportunity we have to outperform competition and ensure that our clients return," which would primarily be due to excellent service (Felix, 2015). The conclusion of a process evaluation in which the consumer compares their expectations to the service they received is service quality. Customers' perceptions of service quality are said to be a function of expected service, perceived service, and image quality. Physical quality, interaction quality, and corporate (image) quality are all indicators of service quality. The physical quality of service is linked to its tangible elements. The term "interactive quality" refers to the two-way flow that happens between the client and the service provider, or his or her representative, and includes both automated and animated exchanges. Corporate quality refers to how to present and potential consumers, as well as the general public, perceive a service provider. They also claimed that, in comparison to the other two quality characteristics, corporate quality is more consistent across time (Deepin and Rawin, 2016).

According to the researchers, the unique character of services necessitates a unique strategy for defining and measuring service quality. Because many services are intangible and complicated, evaluating their quality may be more difficult than evaluating the quality of a thing. Because customers are frequently involved in service production, particularly in people processing services, a distinction must be made between the service delivery process and the service's actual output. The result of an evaluation procedure in which customers compare their perception of service delivery and outcome to what they expect is perceived service quality. Lovelock and Wirtz, (2004), outlined factors consumers employ in evaluating service quality in the most complete research on service quality. They discovered a high degree of association among several of these characteristics in future studies and hence grouped them into five major dimensions.

2.3 Expectations of Services

Any collection of behaviors or actions that customers expect from a firm when they interact with it, is known as customer expectations. Because customer expectations are changeable, they can range drastically amongst people from different countries and cultural backgrounds, therefore service treatment norms in different institutions might vary dramatically. Service expectations are caused by personal demands, perceived service alternatives, customer self-perceived service role, service promises, word of mouth communication, experience, and situational circumstances beyond the control of the service provider (A. Vilares Morgado, 2021) Given the importance of understanding customer expectations to provide high-quality service, it's also important to understand how those expectations are formed. Customers' expectations will be shaped or influenced by a variety of factors. Knowing our customer's expectations is important to all businesses - whether it be a little one or a major corporation. Customer expectations changed over time will be shaped or influenced by a variety of factors or reasons, such as when demand for exceptional customer service is growing, when consumer power is greater, when the digital experience is made possible with less expensive technology, when more technology is readily available, and when changing events and circumstances have an impact on how customers behave.

2.4 Customer Perception of Services

Customers' judgments of service quality are based on a comparison of expectations (what they believe a service provider should supply) and service delivery (Zeithaml and Bitner, 2003). Perception is seen differently, according to the literature on customer satisfaction and service

quality. Customers' "predictions" about what would happen during a certain transaction are described as perceptions in the satisfaction literature.

Consumer requirements and wants are described as perceptions and expectations in service quality literature (what they believe a service provider "should" offer rather than "would" offer). Perception and expectations are linked in determining true service quality (Zeithaml and Bitner, 2003). Service perception is shaped by customers' overall impressions of the quality of the services provided. Customers' opinions of these services are shaped by their level of satisfaction, which can be positive (satisfied) or negative (dissatisfied) (Zeithaml and Bitner, 2003). According to the study, customer perceptions are time-dependent, so businesses must monitor and measure customer views at regular intervals (Zeithaml and Bitner, 2010).

2.5 Definition of Customer Satisfaction

Over the last three decades, several definitions for customer satisfaction have been proposed. Following the two basic groups of customer experiences defined by the literature – transaction-specific experiences and cumulative experiences – two definitions of customer satisfaction are proposed (Sabir, Ghafoor, Akhtar, Hafeez & Rehman, 2014). Customer satisfaction is defined as a post-choice evaluative judgment of a given purchase occasion with a transaction-specific experience. Customer satisfaction is determined as a result of a customer's opinion of his or her overall purchase and consuming experience throughout time, as stated by Oliver (1997) as quoted in Zeithaml (2009). It's a determination that a feature of a product or service, or the product or service itself, delivers a satisfying level of consumption-related fulfilment. Client satisfaction is described as a function of customer expectations, perceived quality, and perceived value in the CSI (Continuous Service Improvement) model.

Customer satisfaction can be characterized in a variety of ways. For example, "customer satisfaction is often described as the complete fulfilment of one's expectations." Customer satisfaction is defined as the level of a person's emotional condition as a result of comparing a product's perceived performance or outcome to his or her expectations (Kotler, 2003). As a result, customer satisfaction can be viewed as a relative behavior between inputs before and after attainment. Customer satisfaction is defined as a customer's overall assessment of an offering's performance to date. Customer loyalty programs across a wide range of product and service groups benefit from this overall satisfaction (Gustafson, 2005).

The satisfaction decision is based on all of the interactions a customer has had with a company's specific services, transaction procedures, and after-sale service. The outcome of the offer in terms of the customer's anticipation also influences whether the consumer is satisfied after purchase.

Customers create their expectations based on previous shopping experiences, suggestions from friends and associates, and information and promises from vendors and competitors (Kotler, 2003). There is widespread agreement that satisfaction is defined as a person's sentiments of joy or disappointment as a result of comparing a product's perceived performance (or outcome) to his or her expectations. Customer happiness is a result of perceived performance and expectation, according to this analysis. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches or exceeds expectations, the customer is satisfied. Different researchers defined customer satisfaction in different ways, but for this study, the above definition by Kotler will be taken as an operational definition and go in line with the intended study.

Overall, customer satisfaction refers to a consumer's sense of fulfilment as a result of his or her decisions regarding the purchase and use of specific items and services. The concept of satisfaction that has emerged from previous research has three recurring elements: it is a (cognitive or emotional) response to an evaluation process; it is dependent on a specific focus (formed by individual expectations, standards of comparison, and consumption experience); and it is dependent on the specific timing in which such a response occurs (Gustafson, 2005).

2.6 Importance of Customer Satisfaction

In any service industry, the customer is king. Their happiness is also crucial to their success. In today's increasingly competitive climate, customer happiness is a critical component of banking strategy. To satisfy clients, bank management must define quality dimensions and increase service quality. For many years, client happiness has been the most important factor in determining whether customers switch or stay with a bank. Commercial banks must understand how to keep their consumers even when they are satisfied. Customers who are dissatisfied with their current bank may opt not to switch since they do not anticipate receiving good service from other banks. Similarly, satisfied consumers may seek out other banks because they believe they

will receive better treatment there. However, customer retention is contingent on many other factors (Hansemark and Albinsson, 2004).

Ioanna (2002) went on to say that in a competitive market like banking, product diversification is possible. Similar products are available from banks all around the world. For example, the interest rates charged or the selection of goods available to consumers are frequently the only minor differences. Bank pricing is not set in stone and is subject to market pressures. As a result, bank executives prefer to set themselves apart from their competitors by providing higher-quality services to their clients. In the banking business, service quality is a critical aspect impacting client happiness. Quality in banking is a multi-variable notion that includes many types of accessibility, reliability, service range, and, most importantly, the personnel that delivers the service (Gustafson, 2005).

Customer pleasure, according to Hansemark and Albinsson (2004), can result in a variety of advantages. Customers who are satisfied, for example, are less price-sensitive, more ready to acquire more things, and less affected by competitors. Customer happiness is the primary outcome of marketing efforts, and it serves as a link between the many stages of consumer purchasing behavior. A pleased client, according to Kotler (2003), buys again, speaks favourably about the company to relatives, pays less attention to competing brands and advertising, and purchases additional products that the company adds to its line. Customers are expected to make repeat purchases and try line extensions if they are satisfied with a particular service offering after using it.

Customer satisfaction is widely acknowledged as having a significant influence on the establishment of future purchase plans. Happy customers are more likely to tell others about their excellent experiences, resulting in positive word-of-mouth advertising. Customer satisfaction has an impact on loyalty, and how much depends on the level of satisfaction. Customers' loyalty rises when they are completely satisfied. Those who are "extremely satisfied" are six times more likely to buy a product again than customers who are "satisfied." Despite their best efforts, many product development projects fail, resulting in the release of products that fall short of client expectations. It is impossible to achieve a high level of client satisfaction. On the other hand, in many product development projects, the product development process is carried out in an ad hoc

manner, wasting resources due to a lack of communication between the many roles engaged in product development (Sabir, et al., 2014).

2.7 Relationship between Service Quality and Customer Satisfaction

In recent years, academic research has focused on the relationship between service quality and consumer happiness. Many academics have used a single phrase scale to measure customer happiness, while others have utilized multiple-item scales. The relationship between service quality and customer happiness has been studied, and the findings suggest that the two variables are not only independent but also strongly related, implying that improving one will likely result in improving the other (Sureshchandar et al., 2003).

Satisfaction and service quality, according to Zenithal and Bitner (2003), are fundamentally distinct in terms of their underlying causes and effects. Although they share some characteristics, satisfaction is seen as a broader term, whereas service quality assessment concentrates on specific service qualities. Customer happiness is influenced by service quality. Sureshchandar et al. (2003) found strong links between service quality and customer satisfaction while highlighting that these two variables are conceptually separate from the customers' perspective. Customer pleasure has specific meanings in the marketing context:

Customer satisfaction was defined by Gustafson et al. (2005) as a customer's overall judgment of the date. This satisfaction has a favorable impact on client retention across a wide range of services and goods. Customer happiness is directly affected by service quality in service-based businesses. The quality of service in businesses where the underlying items have become commodity-like is primarily reliant on the quality of its staff. Leeds went on to say that nearly three-quarters of banking consumers cited teller civility as a top factor in selecting a bank.

Increased use of service quality/sales and professional behaviours (such as formal greetings) boosted customer satisfaction and decreased customer attrition, according to the study. From the information shown above, it is clear that service quality and customer pleasure are linked. This indicates that if the bank's service quality improves, so do their clients' levels of satisfaction, and vice versa. As a result, customer satisfaction research is frequently linked to the measuring of quality, and both service quality and client satisfaction are closely linked too.

2.8 Dimensions of Service Quality

The literature on service quality typically attempts to categorize the characteristics that influence attitudes toward the service at various levels. This would be capable in some service quality dimensions at the maximum level. These can't be condensed into a more useful set of service quality elements or characteristics, which are then turned into questions for evaluation in a structured questionnaire. Ten components of service quality were explained in the original SERVQUAL paradigm. Access, communication, expertise, civility, credibility, reliability, responsiveness, security, tangibles, and customer knowledge are all important factors to consider. However, after lengthy research, these ten were reduced to five as it was discovered that some of them were inextricably linked. Reliability, responsiveness, assurance, empathy, and tangibles are the five key criteria that customers use to evaluate service quality (Zenithal and Bitner, 2003).

Reliability- the capacity to perform services consistently and appropriately in a consistent manner is referred to as reliability. It consists of five components that are used to evaluate the correctness and credibility of bank services. From the perspective of clients, this component of service excellence assesses banks' promises and their fulfilment. Aside from strong personal service, staff attitude, expertise, and abilities, reliability is an essential determinant of product quality. Most customers consider service reliability to be "fundamental," and managers should seize every chance to cultivate a "do-it-right-first" attitude (Felix, 2015). Deepin and Rawin (2016) discovered a substantial link between service reliability and customer satisfaction. Where face-to-face dealing between customers and employee is the main focus, the research reveals an enhanced degree of the positive association between service quality, customer satisfaction, and performance (both financial and non-financial). The evolution of banking technology has had a significant impact on service delivery standards and marketing strategies. This has resulted in some potential competitive advantages, such as increased productivity and increased income generation through new services (Timothy, 2012).

This has to do with the ability to provide the promised services in a timely and precise manner. Dependable service meets the customer's expectations and is frequently given on time, consistently, and without flaws. Omar (2015) looked at the impact of service quality reliability on customer satisfaction. The primary goal of this research was to investigate the impact of

reliability on customer satisfaction. The results reveal that there is a substantial link between service quality (reliability) and customer satisfaction. According to the result reached, the reliability e-commerce company represented the website's capacity to effectively fulfil orders, deliver on time, and keep personal information private.

Assurance: - is defined as an employee's capacity to exhibit trust and confidence based on their expertise and manners. The ability to deliver the service, courtesy, and value for the customer, good communication with the customer, and the general approach that the service provider has the customer's best interests at heart are all features of this dimension. This entails providing the promised service consistently and accurately (Wendmu, 2020). It includes executing things correctly the first time, which is one of the most critical aspects of customer service.

Reliability: -this also includes delivering services on-time and keeping accurate records. It is the capacity to consistently and accurately deliver the promised service. It is considered the most critical factor of service quality perceptions. Banks, buses, building societies, insurance firms, delivery services, and trade services, such as carpet fitters, plumbers, and vehicle repair, all rely heavily on this dimension. This includes on-time service delivery and the capacity to stick to client commitments. It is about the ability to consistently and accurately keep service promises (Wang and Wang, 2006).

Responsiveness: -is defined as a sincere desire to help clients and provide prompt and dependable service. Customers are quite sensitive and will grow irritated if you make a promise and then fail to keep it, or if the problem you encountered is not publicly disclosed. If there is a problem delivering the expected service, it is best to tell them upfront that you and the other party are working on a solution to improve service quality. When clients have requests, questions, complaints, or difficulties, this component is especially important. It also includes employees' willingness and preparedness to give service. It includes rapid responses, services, and problem resolution. In the service sector, because it involves human life, medical personnel should devote sufficient time to investigating the problem, as well as time to researching treatment options and creating investigative reports. Response time, service time, and problem resolution time cannot be programmed like an Automatic Teller Machine (ATM). It includes the availability of a

flexible payment schedule, flexible product solutions, provisions for product convertibility, and extra services (Timothy, 2012).

Empathy: - is linked to the offering of kindness and compassion and is tailored to the attention of the consumer. Friendliness, generosity, and an endeavor to diagnose the customer's wishes are all qualities of empathy. It refers to the firm's caring, personalized service to its customers. Empathic involvement happens when a person reacts to another person's emotional condition without feeling the emotion themselves. Because of feelings of congruency with a person in need, it is related to altruistic behaviors. Because of feelings of congruency with a person in need, the empathetic matter is linked to human behaviors. Customers at the bank said empathy was a critical component of good service. Employees' commitment to providing quality services, skilfully addressing disagreements, and efficient service delivery, according to the study, resulted in satisfied consumers for long-term advantages (Betelhem, 2015).

Tangibility - is associated with the development of physical facilities, equipment, staff, and communication equipment. The physical environment is a concrete sign of the service dealer's concern and attention to a feature that is shown. This level of evaluation can also include the behavior of other customers in the service. It is critical to note that technology plays a key role here, such as simple online transactions, rapid complaint management, and online, proactive information by e-mail or SMS. Furthermore, company image is an important factor. It includes things like product innovation, friendly agents, good value for money, a straightforward and quick policy purchase process, and a financially sound organization (Rubogora, 2017).

2.9 Summary of Theoretical Literature Review

A bank can better serve its customers by offering suitable materials related to the service, such as pamphlets, statements, vouchers, pencils, and other necessary papers, and placing them in a visible area. This method of thinking may appear insignificant, but it plays a critical role in service quality and client happiness. As a result, banks must supply appropriate materials to accompany services and arrange them in visually appealing locations for their consumers. This allows the bank to reduce service time and allow skilled consumers to serve themselves without wasting time (Timothy, 2012).

Banks essentially sell a promise of future performance when they market services. A person establishes a bank account in the hopes of receiving efficient and dependable services in the future. He can only evaluate the quality of services given after becoming a bank customer. The extent to which that promise is kept will have an impact on future sales to that client as well as the capacity to attract new consumers through word-of-mouth advertising. Customers come to the bank with the expectation that their transactions will be handled efficiently and correctly. Customers may visit one bank to evaluate and compare service quality with one or more banks they have used (Rubogora, 2017).

Customers will need to know the exact moment when bank transactions will be executed to complete their business according to the planned schedule. These clients are willing to wait for a realistic and precise time, but not for an extended period. As a result, personnel should be aware of the issue and estimate the time it will take to complete the services, as well as inform clients when the services will be completed. Employees must always follow their promises or speak openly with their consumers if there is an issue. In this aspect, staff behavior or conduct toward customers is critical. Their interactions with customers are meant to be friendly and caring. A consumer should expect to be fully heard and extended normal courtesies at the very least. As a result, how bank personnel treats customers is a significant driver of consumer happiness. The Bank's management must inspire its personnel by offering suitable incentives to make consumers feel at ease and maintain the company's image. Only highly motivated staff are capable of providing efficient services and exceeding consumer expectations.

2.10 Empirical Studies

Service quality is commonly cited as a necessary prerequisite and determinant of competitiveness for building and maintaining satisfying client relationships. Service quality, according to Wang and Wang (2006), is a type of attitude that is linked but not identical to the pleasure that arises from a comparison of expectation with performance. A person's sentiments of joy or disappointment as a result of comparing a product's perceived performance or outcome to his or her expectations are defined as satisfaction. In Bahawalpur, Pakistan, Mukhtar et al. (2014) studied customer satisfaction with bank financial services. The study used correlation analysis to determine the strength of the relationship between customer satisfaction and service quality characteristics. Reliability, assurance, responsiveness, empathy, and tangibility were

among these dimensions. The study discovered a link between service quality and client happiness. Tangibility is the most essential factor that influences consumer happiness, followed by assurance. Only certainty and tangibility have a substantial correlation with customer satisfaction, according to the regression equation developed from regression analysis, while dependability, empathy, and responsiveness have a lower value in the link with customer pleasure.

2.10.1 Studies across the Globe

Customer happiness is considered critical to success in the competitive banking industry. Customer satisfaction is one of every company's major goals. Businesses understand that maintaining current customers is more profitable than acquiring new ones to replace those who have left because it costs them money. As a result, some researchers, such as Vinita (2013), were only interested in examining a few characteristics of service quality, such as employee behavior, information technology, and tangibility, of which only the first two were found to have a positive impact on customer satisfaction in India.

Culiberg & Rojek (2010) found that certainty and empathy were the most important criteria in predicting bank customer satisfaction in Slovenia. They go on to say that assurance and empathy are "softer" dimensions that deal with people's interactions, whereas reliability and responsiveness are "harder" dimensions that deal with banking operations. Siddiqui (2011), on the other hand, was interested in employing five quality service factors in his study, which was done in Bangladesh. Customer satisfaction and the five aspects of service quality – tangibility, responsiveness, reliability, assurance, and empathy – were found to have a medium to the high association, with empathy having the strongest correlation.

2.10.2 Evidence from African Studies

George (2014) was eager in learning more about customer satisfaction and service quality. Tangibility, Reliability, Responsiveness, Empathy, and Assurance were the five quality dimensions investigated. The study's goals were to examine the relationship between service quality and customer satisfaction in Nairobi, Kenya, as well as to establish levels of service quality and customer happiness. Out of 5,000 respondents, a stratified sampling procedure was utilized to choose the 500 respondents who made up the sample. A total of 500 questionnaires

were distributed, with an overall response rate of 80%.The data was examined. The association between service quality and customer happiness was extracted using a regression model. The findings revealed a link between service quality and client happiness. Except for Empathy, all five service quality categories were found to have statistically significant effects on customer satisfaction.

The findings also revealed that the customer's expectations were higher than their perception, resulting in a negative gap analysis (perception-expectations) score, indicating that the studied organization was providing lower-quality services than the customers expected, resulting in dissatisfaction.

2.10.3 Empirical Studies in Ethiopia

Wedemu (2020) investigated the value of qualified services in satisfying consumers at selected Commercial Bank of Ethiopia branches in the Jimma District. Data for the study was gathered from both primary and secondary sources; the former was gathered through questionnaires and interviews with customers and customer service managers at chosen outlets. The study was carried out using a descriptive research strategy. This study discovered that all aspects of service quality positively contribute to customer satisfaction. The bank's actual service is satisfactory, but the specific variable clear informant sign does not contribute to customer happiness.The reliability dimension, like the tangibility dimension, contributes positively to customer satisfaction on average, even while the specific criterion of providing service on time has a negative indication. Although the responsiveness of the selected branches does not contribute well to customer satisfaction in terms of the overall mean value, specific parameters within this dimension, such as employees' prompt service to customers and employees' willingness to help customers, are found to be positive, implying a positive contribution to customer satisfaction.Because the particular mean values of all variables are positive, this study found that both the assurance and empathy aspects of the bank service contribute positively to the happiness of the districts selected sample respondents.In Ethiopian Private Commercial Banks, Jonathan and Ubah (2018) investigated the relationship between service quality and customer happiness.

The data was collected from 375 private commercial bank clients using a self-administered questionnaire on a 5-point Likert scale. SPSS-v23 software was used to analyze the data. Between 0.587 to 0.751, the Spearman correlation coefficient between service quality measures and customer satisfaction was found. Customer satisfaction was shown to be linked to tangibility, reliability, responsiveness, assurance, and empathy, according to the findings.

Messay (2012) did a study to assess the service quality provided by private banks in Ethiopia and to look at the relationship between service quality, client happiness, and loyalty. The study found that all service quality categories are positively connected with customer satisfaction, implying that the service quality provided by private banks may predict 90.7 percent of the variance in customer happiness. Furthermore, the findings of this study reveal a positive significant association between customer satisfaction and loyalty, which accounts for 62% of the variance.

Tigist (2019) aimed to assess customer satisfaction levels as well as the impact of service quality on customer satisfaction. The purpose of this study was to evaluate the Commercial Bank of Ethiopia's service quality and its impact on customer satisfaction. The SERVQUAL model was used to investigate the link between service quality aspects and customer satisfaction. Mixed methods research was used to conduct the study, which comprised both qualitative and quantitative research approaches. The number of branches, customers, capital and reserve, and profit before tax of BoA all demonstrated rapid expansion, according to trend research.

BoA's service delivery and technologies demonstrate rapid growth and increased client satisfaction. However, trends in foreign currency show that there is a serious scarcity of foreign currency, which dissatisfies BoA customers, particularly businessmen, and exacerbates Ethiopian inflation. Customers were satisfied with all service quality criteria (reliability, responsiveness, tangibility, and assurance) except empathy, according to the level of customer satisfaction. This finding suggested that there is a disconnect between service quality and customer happiness, which has an impact on the customer-bank relationship. Statistical analysis was used to assess the effects of service quality on customer satisfaction. Consequently, the Pearson's correlation result revealed a positive and substantial association between service quality dimensions and customer satisfaction, and this study concluded that service quality has a major impact on customer satisfaction.

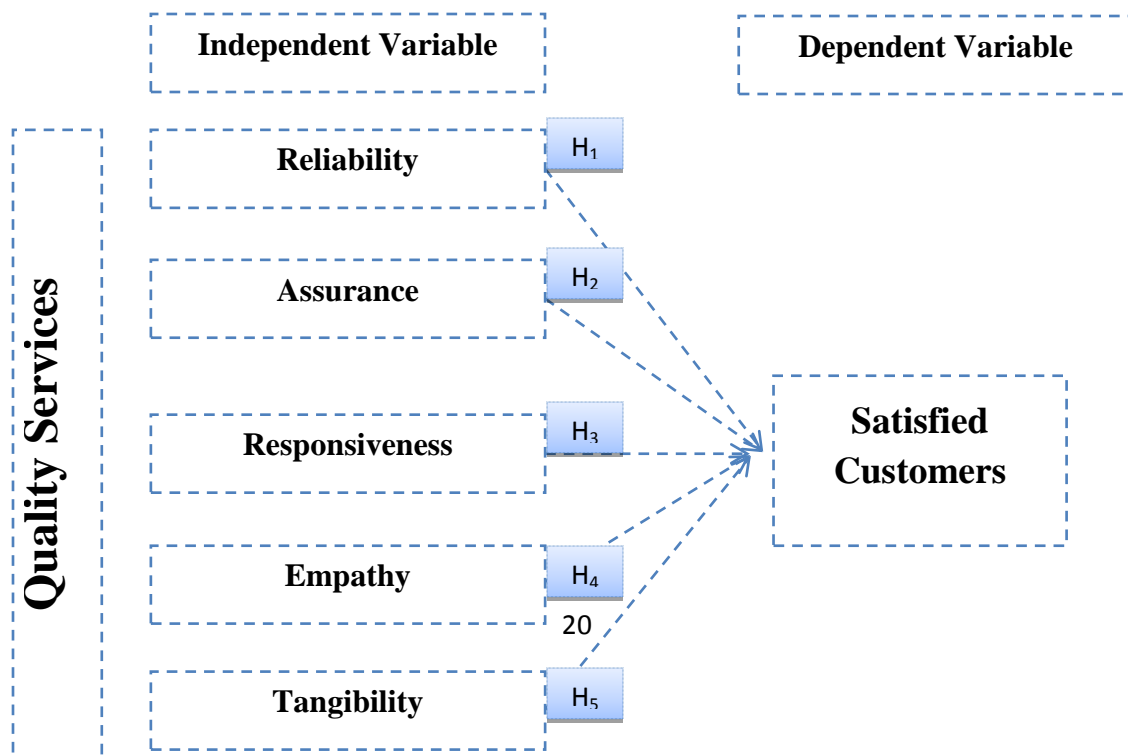
2.11 Research Gap

In order to define, measure, and improve the quality of financial services, certain consumer behaviors and customer satisfaction viewpoints, wants, and goals must be considered. While various empirical studies have been undertaken to assess the quality of any organization, only a few types of research have been conducted to identify characteristics that affect the quality of banking services (Rubogora, 2017, Wang and Wang, 2006). To survive and thrive in today's competitive environment, companies must match customer demand. Only firms that can address service quality will be able to survive in today's business. As a result, the organization cannot dismiss or minimize its importance.

Only a few researchers, such as George (2014) and Betelhem (2015), have looked into this issue in banking institutions (2015). In terms of banking, most studies were limited to one or two levels of consumer behavior and satisfaction. This study attempts to fill this research gap by experimentally investigating the service quality and customer satisfaction of financial providers in any financial institution. According to Rubogora (2017), service provision in the public sector is more complicated since it involves identifying unexpressed needs, establishing priorities, allocating resources, and publicly defending and accounting for what has been done.

Conceptual Framework

Figure 1 Conceptual Framework



Source: Rubogora (2017) and Tigist (2019).

Customer satisfaction is a dependent variable in the above conceptual framework, which includes the well-known five service quality dimensions. The dimensions of Reliability, Assurance, Responsiveness, Empathy and Tangibility are used to evaluate service quality. Customer satisfaction is calculated using the following variables: Customer expectation, Service standard, and Survive provided within the maintained quality. It depicts the connection between the independent and dependent variables.

CHAPTER THREE

3 RESEARCH METHODOLOGY

The research design and methodology are detailed in this chapter. This contains a study description, research design, research approach, research hypothesis, target population, sample size determination, data type and source, data collection procedure, data collection method, data analysis (regression and correlation), questionnaire design, and reliability.

3.1 Description of the Study Area

The research was carried out in Addis Ababa, Ethiopia's capital and largest city. It is situated in the geographic center of the country, on a well-watered plateau surrounded by hills and mountains. Ethiopia's financial, educational, and administrative capital is Addis Ababa. It's a unique city in East Africa. The city sits virtually in the center of the country, at 2,500 meters (8,200 feet) above sea level on the slopes of Mount Entoto.

3.2 Research Design

Based on the study's goal, there are three sorts of research designs: exploratory, descriptive, and causal (Creswell, 2007). Descriptive research studies are those that are concerned with describing the characteristics of a specific individual or group, such as their age, gender,

educational level, and whether or not they purchase, as well as analyzing respondents' agreement state on factors influencing users' intention to adopt the service. Explanatory designs attempt to establish causal linkages.

The determinants of service quality in the consumer industry were explored in this study. Because the study will look into the aspects that influence service quality and the connections between reliability, assurance, responsiveness, empathy, tangibility, and customer happiness. To aid generalization and forecast the future, the study explained the causal links among service quality parameters that influence satisfaction. It also makes use of mathematical models and theories of customer behavior and service excellence. Furthermore, the study gave a comprehensive picture of Ethiopia's financial service position and analysed the banking industry's purchasing behavior. It also described different facets of Ethiopia's banking system and customer satisfaction, as well as consumer behavior. Because the major goal of this study was to identify several variables of service quality that influence customer satisfaction in a selected private bank in Ethiopia, this study used both explanatory and descriptive research techniques. The SERVQUAL model was used to collect data on the service quality dimensions in this quantitative study. To explain the relationship between the independent variables (service quality characteristics) and the dependent variable, an explanatory study is used (customer satisfaction). In the sense that data was collected at one moment in time, the study is cross-sectional.

3.3 Research Approach

When the research approach is used as a criterion for classification, research can be divided into three categories: qualitative, quantitative, or mixed. Qualitative research is more subjective than quantitative research since it focuses on the intangible components of a subject, such as values, attitudes, and impressions. While quantitative research focuses on gathering and evaluating numerical data, it also measures the magnitude, range, frequency, and other characteristics of events. Furthermore, mixed-method research incorporates both quantitative and qualitative data gathering and analysis in a single study or research program (Creswell, 2007). The mixed-method research methodology was used in this work. It is a study strategy and method of inquiry that directs the direction of data collecting and analysis, combining quantitative and qualitative research procedures (Creswell and Plano Clark, 2007). This study's data analysis has mostly been

quantitative. As a result, this research gathered and analyzed numerical data, as well as evaluate the magnitude, range, and frequency of various events. The research is quite precise and systematic, and the data are simple to collect and show statistically. Overall, both approaches were used in the study, resulting in a mixed research methodology.

3.4 Research Hypothesis

Hypothesis 1

- H_{01} : There is a positive relationship between reliability and customer satisfaction in banking services.

Hypothesis 2

- H_{02} : There is a positive relationship between assurance and customer satisfaction in banking services.

Hypothesis 3

- H_{03} : There is a positive relationship between responsiveness and customer satisfaction in banking services.

Hypothesis 4

- H_{04} : There is a positive relationship between empathy and customer satisfaction in banking services.

Hypothesis 5

- H_{05} : There is a positive relationship between tangibility and customer satisfaction in banking services.

3.5 Target Population and Sample Size Determination

3.5.1 Target Population

The whole set of groups from which a sample is taken is referred to as the population (Creswell, 2007). It is a well-defined group of people, services, elements, events, groups of items, or households under investigation. As a result, the population of this study included 54,000 customers from the five branches of the surveyed bank in the East Addis District.

3.5.2 Sample Frame

The participants in this study were all Bank of Abyssinia clients. As a result, the researcher decided to focus on five branches based on their proximity or convenience to the researcher, as well as the willingness of branch managers to work with the researcher.

3.5.3 Sample Size

Yamane's (1973) formula was used to get the sample size from the target population.

$$n = N / (1 + Ne^2)$$

Where, N = number of total population of selected branches i.e. in our case it is the sum 54000

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

Where, n is the sample size

N is the population size,

e is the level of precision or sampling error = (0.07)

$$n = \frac{54,000}{1 + 54,000 (0.07)^2}$$

= 204

Thus, the sample size of 204 customers is selected from the population of 54,000. On the above information, the sample size (n) calculated for the target population of 54,000 was 204. Out of the total 204 questionnaires, 160 questionnaires are collected. To get the sample proportion the researcher uses the following formula:

$$nh = (Nh / N) * n$$

Where; nh is the sample size for stratum h i.e. respective banks; Nh the population size for stratum h i.e. respective banks; N is the total population size; n is the total sample size. The following table depicts the proportion of the sample size for each Branch;

Table 1: Sample Size Determination

Branch	Target population	Proportion	Sample size
Bole Corporate,	14198	0.003778	54

Mehal Summit	11634	0.003778	44
Misrak,	10759	0.003778	41
Beshale	9594	0.003778	36
SaliteMihret	7815	0.003778	30
Total	54,000		204

Source: Survey result, 2022

3.5.4 Sampling Techniques

The goal of the study was to look into the impact of customer satisfaction and the elements that influence it at a few Bank of Abyssinia branches in the East Addis District. Five branches from Addis Ababa - East Addis District were chosen for this study utilizing systematic sampling methods from the available population, out of 660 Abyssinia Bank branches throughout Ethiopia. A convenience sample is a non-probability sampling method in which a sample is drawn from a group of people who are simple to contact or reach a given moment.

The 5 branches were chosen based on their closeness to data collection and branch managers' willingness to participate in data collection by interacting with clients at the counter. As a result, a convenience sampling method was used to select 204 respondents based on their willingness to complete the questionnaire.

3.6 Data Type and Source

Primary and secondary data were used by the researcher. To obtain enough accurate information, primary data was acquired using a semi-structured and structured questionnaire. There were both quantitative and qualitative data types. An interview based on a structured interview was employed as the alternative method of data collection to allow face-to-face interaction with the respondents.

3.7 Method of Data Collection

The researcher uses both quantitative and qualitative (mixed) research methodologies to achieve the study's goal and answer the research questions. The motivation for employing a hybrid

strategy is to collect data that would be impossible to obtain using a single method, as well as for triangulation (Creswell 2003). Surveys, interviews, and document analysis were used as data collecting approaches. In terms of the survey, 204 customers from East Addis District branches were given a questionnaire to fill out in order to determine their attitudes toward the impact of quality service on customer satisfaction. A total of ten city branch managers were interviewed. Data was collected through questionnaires and interviews, as well as various documents retrieved from industry records and reports, the website, books, papers, and journals.

3.8 Data Collection Procedure

The researcher sought authorization from the university's business department before gathering data. The researcher also asked the BOA Human Resource office for authorization to acquire the data. The research questionnaires were then handed to the individual respondents by the researcher and two data collectors. Customers were handed the questionnaire as they entered the service halls and were instructed to complete it and return it before leaving. 44 questionnaires were not returned, which may improve the response rate.

3.9 Data Analysis Method

3.9.1 Method of Data Collection and Analysis

The survey data were analyzed with descriptive statistics using the statistical package for social science (SPSS) version 23.0 software. Customer satisfaction was employed as the dependent variable, with service quality aspects (reliability, responsiveness, assurance, empathy, and tangibles) and customer satisfaction as the independent variables.

Data analysis is the process of making meaning of the raw data collected. To examine quantitative data received from a distributed questionnaire on factors affecting customers' satisfaction with quality services, descriptive statistics and inferential analysis (regression and correlation) were used. To make the study more meaningful, transparent, and easy to read, descriptive statistics such as arithmetic mean, frequency distribution, standard deviation, and

percentages were employed to examine the demographic profile of the respondents. Researchers can use descriptive statistics to provide data in a structured, accurate, and summary manner. The quantitative data were analyzed using the Statistical Package for Social Sciences (SPSS) data analysis program.

3.9.2 Study Model

The following is the empirical model that will be utilized in the study to investigate the effect of service quality on customer satisfaction:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e_i$$

Where:

- Y = Customer Satisfaction
- β_1 = The constant
- $\beta_2 - \beta_5$ = Coefficients of independent variables
- X_1 = Reliability,
- X_2 = Responsiveness
- X_3 = Assurance
- X_4 = Empathy
- X_5 = Tangibles
- e = error

3.9.3 Model Assumptions

The diagnostic tests below were used to check that the data met the basic assumptions of the classical linear regression model, which were adapted from Rubogora (2017) and Tigist (2017). (2019).

- **Normality:** - Descriptive statistics were employed to assess for normality. A normal distribution is not skewed and has a kurtosis coefficient. The "form of the data distribution or an individual metric variable and its connection to the normal distribution, which is the baseline for statistical methods," according to the definition of normality.
- **Autocorrelation Tests:** - The covariance between the error terms across time (or cross-sectional, for that sort of data) is assumed to be zero in the CLRM's disturbance terms. In

other words, the errors are presumed to be unrelated to one another. If the errors are not uncorrelated, they are described as "auto correlated" or "serially correlated."

- **Heteroscedasticity**- This refers to the fact that the variance of error terms is not constant. When heteroscedasticity arises, the conventional least square method's estimators are ineffective, and hypothesis testing is no longer accurate or valid since the variances and standard errors are underestimated.
- **Multicollinearity**-Multicollinearity: Any correlation coefficient of more than 0.7 may result in a major multicollinearity problem, resulting in a wasteful estimate and less reliable conclusions.

3.10 Data Reliability and Validity

3.10.1 Validity

The extent to which differences identified with measuring tools represents genuine differences among persons being evaluated is referred to as validity. The construct validity of the research and the quality of the research design material were checked. Construct validity establishes the most appropriate operational measurements for the concepts being investigated (Rubogora, 2017). To ensure that the content of the measuring is relevant to the study, a literature review was undertaken and extensively analyzed. It was decided to consult experts with specialized expertise and experience in marketing, quality services, customer management, and management.

3.10.2 Pilot Study

Before distributing the questionnaire to the desired sample size, a pilot survey of ten respondents was undertaken. The purpose of the pilot survey was to see if the questionnaire was clear, easy to comprehend, and straightforward so that respondents could easily answer the questions. Before distributing the questionnaire to the appropriate sample size, relevant revisions were made to the questionnaire based on input from the pilot survey.

3.10.3 Reliability

Cronbach's alpha was utilized to evaluate the internal consistency of variables in the research instrument in this study. Cronbach's alpha is a reliability coefficient that is used to assess the scale's internal consistency. According to Hennayake (2017), a scale with a coefficient alpha between 0.6 and 0.7 indicates fair reliability, hence a Cronbach's alpha score of 0.70 or higher is sufficient to assess reliability in this study.

Table 2: Reliability Test Result

Variables	Reliability Statistics	
	Cronbach's Alpha	No. of Items
Reliability	.793	4
Assurance	.740	4
Responsiveness	.817	3
Empathy	.834	5
Tangibles	.888	4
Customer Satisfactions	.850	6
Overall	.931	26

Source: Survey result, 2022

Chronbach's alpha is a reliability coefficient that is used to assess the scale's internal consistency. According to Senait (2018), a scale with a coefficient alpha between 0.6 and 0.7 suggests fair reliability, hence a Chronbach's alpha score of > 0.70 or higher is sufficient to determine reliability in this study. As a result, it was verified that the data gathering tool was trustworthy.

3.11 Ethical Consideration

The collecting of information and material by a researcher is dependent on trust and confidentiality, and the participant's feelings, interests, and rights must always be maintained. The study adhered to the organization's policy on intellectual property rights. In terms of the respondents' privacy, their responses are kept fully confidential and utilized solely for academic purposes. Accessing some of the organization's secret documents is not ethical. As a result, the organization's code of ethics is considered without jeopardizing the study's conclusions. All materials and sources are correctly acknowledged in terms of references.

CHAPTER FOUR

4 DATA PRESENTATION AND ANALYSIS

The collected data will be presented in this chapter, and statistical analysis will begin. The study's overall findings were compared to the theories offered in the theoretical research frame, all of which were derived from the literature survey. The framework of the analysis is the same as the research questions and objectives.

4.1 Respondent Response Rate

Customers of East District Abyssinia Bank from five distinct branches in the district are the study's target demographic: **Bole Corporate, Mehal Summit, Misrak, Beshale, and Salite**

Mihret (a total branch population of 54,000).After finishing the questionnaire preparation method, a total of 204 survey instruments were sent and 160 questionnaires were collected in February and March 2022.

Table 3:Response Rate

Questionnaire Distributed	Questionnaire Returned	%
204	160	78.40

Source: Own survey, 2022

According to the above data, 204 questionnaires were issued to bank customer respondents, and 160 questionnaires were returned and filled out correctly, resulting in a response rate of 78.40 percent. As a result, the analysis was based on 160 verified questionnaire responses. The response rate for the interview sessions was 70%. According to George (2014), a response rate of 50% is sufficient for a study, 60% is good, and 70% and above is great. As a result, the 78 percent response rate was good and steady throughout the trial, as indicated in the table above. As a result, the study achieved a well-thought-out data response rate within the third round of the Covid 19 hit and its negative effect.

4.2 Respondents Profile

This part presents the respondents' profiles regarding their education, gender, and age of the customer respondents in this study.

Table 4:Summary of Respondents Profile

No	Variable	Response	Frequency	Percentage
1	Gender	Male	78	48.75
		Female	82	51.25
2	Nationality	Ethiopian	157	98
		Others	3	1.87
3	Age	18-29years	29	18.12
		30-40 years	38	23.75
		40-50years	40	25
		Above 50years	53	33.12

4	Educational level	High School	18	11.25
		Diploma	42	26.25
		Degree	78	48.75
		Master and Above	22	13.75
5	Occupation	Private employee	21	13.12
		Public employee	32	20
		Own business	79	49.37
		Others	28	17.5
6	Business relationship with the Bank	Less than 1 year	32	20
		2 - 5 years	39	24.37
		6 – 10 years	55	34.37
		Above 10 years	34	21.25
7	Account Type	Saving Account	98	61.25
		Current Account	42	26.25
		Fixed/Time Deposit	11	6.87
		Others	9	5.62

Source: Own survey, 2022

According to the above table, 78 (48.75 percent) of the 160 respondents were male, while 82 (51.25 percent) of the respondents were female. According to the data, the female gender may be dominant at the Bank of Abyssinia under investigation. As a result, the percentages indicate a rise in the number of women working in banking services. This may be due to increased financial assistance for women through various funds, allowing more women to participate in banking operations. Though men are more likely to engage in income-generating activities and get overworked (Timothy, 2012), women are becoming increasingly interested in and effective in this profession.

We can observe from the same table that a substantial number of responses, 157 (98 percent) of the total 160, are Ethiopians, while the remainder or a negligible amount, 3 (1.87 percent), are not Ethiopians. Although foreigners may use the bank's services, they may not be invited to complete the questionnaire. As a result, we can deduce that nearly all of the respondents are Ethiopians.

In the same table, 29 (18.12 percent) of the respondents were between the ages of 18 and 29, 38 (23.75 percent) were between the ages of 30 and 40, 40 (25.60 percent) were between the ages of 40 and 50, and 53 (33.12 percent) were over 50. The majority of responders in the research are of mature age, which demonstrates this. The replies ranged in age from 18 to 49 years old, with the oldest being over 50. The bulk of the respondents or clients in Bank of Abyssinia is elderly, according to the findings. This is because younger generations are less stable and are less likely to stick to a single bank, and its brand name, 'Abyssinia,' attracts senior residents.

In terms of educational attainment, 18 (11.25 percent) of the respondents said they graduated from high school, 42 (26.25 percent) said they have a diploma, 78 (48.75 percent) said they have a degree, and 22 (13.75 percent) said they have a Master's degree or higher. This demonstrates that the Bank of Abyssinia's clientele is largely educated. According to the interviews, this is due to the government creating a savings system for graduates of technical and vocational school training, as well as universities, who are typically gathered in the form of cooperatives. According to the survey, bank clients who are involved in business and entrepreneurs with a high degree of education are more aggressive in creating jobs than those with post-secondary education. As a result, 42 (26.25 percent) of clients had a diploma or a bachelor's degree. More educated bank consumers have been associating them with exercising in doing business with the Bank, and the Bank of Abyssinia is currently focused on the implementation of digitization. The majority of educated clients entering the Bank desire digital services for the Bank to expand its digitization efforts. Master's and above are ranked fourth (13.75 percent), whereas high school grads are ranked 18th (11.25 percent).

In terms of respondents' occupations, we can see that 79 (49.37 percent) are self-employed, 32 (20 percent) are public employees, 28 (17.5 percent) are not specified, and 21 (13.12 percent) are private employees. Because the business is demanding, these results indicate that those respondents who are running their firm are more experienced in obtaining financial services than the others.

In terms of their business relationship with the bank, the majority of respondents, 55 (34.37 percent), have worked with the bank for 6–10 years, followed by 39 (24.37 percent) for 2–5 years, 34 (21.25 percent) for 10 years and above, and 32 (20 percent) for less than one year.

According to the age group data, the majority of Bank of Abyssinia respondents or clients are elderly. Customers in their senior years are always steady and continue with the same bank for a longer period, and they are more eager and cooperative to fill out the questionnaire since they are loyal and cordial with the staff.

According to the bank's domestic procedure manual, the majority of the respondents (98.62%) have a savings account, while 42.25 percent have a current account, which is commonly used by business owners, and the remaining 11 (5.62%) have fixed account users who deal with the bank to get a better interest rate on their deposit for a specific period.

4.3 The level of Service Quality in Bank of Abyssinia

The developed questionnaire's second group focused on six dependent and independent variables. The first five aspects, reliability, assurance, responsiveness, empathy, and tangibility, are independent variables, whereas the second component, satisfaction, is reliant on customer service satisfaction. Accordingly, the findings were interpreted using means and standard deviations, with a mean (M) value of 0.5-1.4 interpreted as strongly disagree, 1.5-2.4 interpreted as disagree, 2.5-3.4 interpreted as moderate, 3.5-4.4 interpreted as agree, and 4.5-5 regarded as very agree. The standard deviation (SD) figures, on the other hand, revealed the degree of variety in respondents' responses. A standard deviation of more than two implies that the respondents held opposing viewpoints, whilst some less than two indicate that the respondents held comparable viewpoints. The results (N=160) are organized into subgroups below.

4.3.1 Reliability

In this part, respondents were asked how trustworthy they thought the bank's services were. Respondents expressed their level of agreement with several assertions concerning the bank's service reliability. The results were analyzed and provided in the next section.

Table 5: Respondents' Responses on Reliability

Items	SD		D		N		A		SA		Mean	SD
	Count	%	Count	%	Count	%	Count	%	Count	%		
Quality of network and speed service with error free service)	7	4	2	1	27	17	56	35	68	43	4.1	1.017

Keep customer records accurately (statements, account balance, your contact information...)	5	3	3	2	23	14	53	33	76	48	4.2	0.97
Provide service at the designed and promised time	14	9	7	4	18	11	48	30	73	46	3.99	1.241
Employees inform any failure ahead of time	12	8	1	1	29	18	48	30	70	44	4.02	1.152
Grand Mean											4.08	

Source: Own survey, 2022

We can see from the table above that all of the mean values were between 3.99 and 4.2, indicating that the respondents agreed with the various claims about service reliability. Similarly, the standard deviation values were less than two, indicating that respondents shared similar views on whether the bank under investigation retained accurate client records (statements, account balance, contact information). The average score of 4.08 was deemed agreeable or excellent.

Furthermore, the issue is directly related to the subject of how the Bank operates; if it provides reliable services that are reasonable under client expectations. On average, the majority of respondents (43 percent) highly agreed, while 30% agreed and less than 14% are neither content nor unsatisfied. As a result, the bank is expected to preserve its current customer-service culture and to work diligently to satisfy its customers and provide consistent satisfaction. The interview revealed that the bank uses bureaucratic strategic procedures to decide on issues, which could be the basis for clients' discontent with the bank's prompt consumption.

The findings support Wendmu's (2020) argument that the reliability of the selected branches contributes to customer satisfaction because the overall mean is positive. Along with outstanding personal service, staff attitude, expertise, and skills, reliability is an important aspect of product quality. Most customers consider service reliability to be "fundamental," and managers should seize every chance to cultivate a "do-it-right-first" attitude (Betelhem, 2015).

4.3.2 Assurance

Respondents were asked to rate how confident they are in the banks and bank staff's services. This metric measures how committed and confident customers are in the company's ability to provide the service. This is usually due to the clients' trust in the service provider's personnel.

Respondents expressed their level of agreement/disagreement with the statement about the banks and bank workers' assurance of service, and the findings are shown in the table below.

Table 6: Respondents' Responses to Assurance

Items	SD		D		N		A		SA		Mean	SD
	Count	%	Count	%	Count	%	Count	%	Count	%		
The behavior of employees in the bank will develop confidence in customers.	2	1	7	4	23	14	56	35	72	45	4.18	.924
Employees are consistently polite	3	2	10	6	20	13	59	37	68	43	4.12	.980
Staff have adequate knowledge to serve customer	5	3	3	2	19	12	54	34	79	49	4.24	.957
Grand Mean											4.18	

Source: Own survey, 2022

The mean values in the table above were all larger than 4.12 and less than 4.24, and the grand mean score (4.18) was assessed as very good or agree. This shows that the respondents agreed with the various assertions about service responsiveness. Similarly, the standard deviation numbers were less than two, which is a tiny standard deviation, implying that respondents' opinions were all comparable and positive.

While customer information is kept confidential, bank workers are trained in customer service, and the bank places a high priority on customer security. Furthermore, bank staff has the best interests of the customer at heart, allowing them to be welcoming and polite, and deal with customers in a caring manner. The interview replies also revealed that personnel responds politely to client questions. The bank has provided its workers with the necessary resources to ensure that customer demands are properly executed. This table displays respondents' views on bank workers having easy access to information on time and the service taking too long to respond to customer complaints, as well as whether banking is easy to get information promptly. On average, 43% of respondents strongly agree, while 34% agree. 6.04 percent of respondents are neither content nor unhappy, and less than 10% of respondents disagree and strongly disagree, implying that few respondents are unsatisfied. As a result, the bank should work hard to improve its employees' skills, such as developing trust, being pleasant and cooperative, and

providing them with adequate knowledge of the bank's operations. Similarly, Tigist (2019) discovered the same outcome in terms of the service provider's ability to produce the output, notably in terms of expertise, staff conduct, and employee trustworthiness to the client.

4.3.3 Responsiveness

Respondents were asked to rate the bank and its personnel on how responsive they were to their needs, requests, and difficulties. Respondents rated how much they agreed or disagreed with several assertions about responsiveness, and the findings are shown in the table below.

Table 7: Respondents' Responses on Responsiveness

Items	SD		D		N		A		SA		Mean	SD
	Count	%	Count	%	Count	%	Count	%	Count	%		
Employees of the bank provide prompt service to the customers	25	16	22	14	11	7	36	23	66	41	3.60	1.514
Employees are always willing to help customers and provide punctual service	5	3	15	9	19	12	58	36	63	39	3.99	1.084
Employees are adequate in number and never busy to respond to customer request	14	9	4	3	6	4	39	24	97	61	4.26	1.214
Employees give quick response when there are problems	8	5	10	6	16	10	32	20	94	59	4.21	1.162
Grand Mean											4.02	

Source: Own survey, 2022

The mean scores in the table above were all between 3.60 and 4.26, and the mean score of 4.02 was considered very well. This shows that the respondents agreed with the various assertions about service responsiveness. Similarly, the standard deviation values were less than two, indicating that respondents had comparable positive attitudes. According to the data, personnel is never too busy to answer consumer requests, and they respond quickly when there are problems (Mean scores of 4.26 and 4.2 respectively).

The lowest mean (3.60) suggested that respondents were less certain that the branch had enough workers to meet their demands. The vast majority of responders are quite satisfied, with only a minority being neither content nor unsatisfied. We can see from the above data that a higher number of respondents are satisfied, which is a good sign. The majority of interview replies said that the bank's upper management should aim to focus on this dimension to increase bank workers' ability to be helpful and respond positively to client requests. Furthermore, the bank

may provide training to workers so that they understand that the bank's existence is meaningless without customers.

Wendmu (2020) found that the selected respondents were asked four distinct questions about the bank's responsiveness, which did not contribute to customer satisfaction because the parameter's total mean value is negative. The quickness and timeliness with which services are delivered are known as responsiveness. This refers to the service's ability to respond quickly to customer service requests while minimizing waiting and queuing time. When a customer is kept waiting for no obvious reason, it develops unwarranted poor quality perceptions. On the other hand, the bank's capacity to quickly rebound and demonstrate professionalism when service fails will build very favorable opinions of quality.

4.3.4 Empathy

Respondents were asked to share their feelings on the banks and bank staff's empathy for their needs, requests, and issues. Respondents indicated how much they agreed or disagreed with various assertions about empathy made to them. The outcomes are shown in the table below.

Table 8: Respondents' Responses to Empathy

Items	SD		D		N		A		SA		Mean	SD
	Count	%	Count	%	Count	%	Count	%	Count	%		
The staff know what customers' needs are	10	6	5	3	12	8	58	36	75	47	4.14	1.104
Staff give customer's individual attention	7	4	8	5	21	13	41	26	83	52	4.16	1.108
The bank and its employees give do consideration for customers property	6	4	6	4	7	4	57	36	84	53	4.29	.988
Staff give orientation about the new service and the cost related with the	15	9	1	1	24	15	34	21	86	54	4.09	1.248

service

The bank has convenient working hours to all its customers	16	10	7	4	16	10	38	24	83	52	4.03	1.305
Grand Mean											4.14	

Source: Own survey, 2022

The results of the customer's response to the question of the customer's service problem; understanding the customer's banking problem, and prioritizing the customer's banking needs are shown in this table. On average, the majority of responders are extremely satisfied, whereas a small number is neither content nor dissatisfied. The overall mean score of 4.14 was considered excellent. According to the data above, almost 80% of respondents are satisfied. However, 20% of responders is a significant number, and the bank would not expect to lose even 1% of its customers.

As a result, the bank's upper management should comprehend, pay close attention to, and be prepared to resolve customer service issues at any moment and prioritize client inquiries. According to Tigist (2019), the average of the assertions shows that 27.30 percent of respondents strongly disagreed, 23.40 percent disagreed, 2.23 percent remained neutral, and 31.58 percent agreed, which is a big number of respondents, and 15.60 percent strongly agreed with the statements. The willingness and ability of a service provider to respond to particular consumer desires are known as service empathy. This entails putting oneself in the customer's shoes. However, Wendmu (2020) defined empathy as the service's supportive, personalized attention to clients. Niche service providers are more equipped to care for clients as individuals than their more generic equivalents.

4.3.5 Tangibility

The study needed to know what respondents thought about the bank's physical facilities. They were asked to rate how much they agreed or disagreed with several assertions about the bank's tangibility of services. The results are listed in the table below.

Table 9: Respondents' Responses on Tangibility

Items	SD	D	N	A	SA	Mean	SD
-------	----	---	---	---	----	------	----

	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %		
The branch has up to date equipment	7	4.4	7	4.4	17	11	63	39	66	41	4.09	1.042
The branch facilities are visually attractive	7	4.4	6	3.8	13	8	60	38	74	46	4.18	1.031
The branch has an office at a convenient location for its customer	4	2.5	9	5.6	19	12	49	31	79	49	4.19	1.017
The staff of the branch at the front line position is well dressed and appears neat.	6	3.8	8	5.0	15	9	51	32	80	50	4.19	1.049
Grand Mean											4.16	

Source: Own survey, 2022

All of the mean values in the preceding table were greater than 4.09, and the grand mean score (4.16) was considered very well. This shows that the respondents agreed with the various assertions about service responsiveness. Similarly, the standard deviation numbers were less than two, which is a tiny standard deviation, implying that respondents shared similar viewpoints. According to the findings, the branch has up-to-date equipment (mean score of 4.09), the branch facilities are visually appealing (4.18), the branch has an office in a convenient location for its customers (4.19), and the branch's front-line staff is well dressed and appears neat (mean score of 4.19). (4.19).

Customers' comments on the attractiveness of the facility, equipment, branch locations, and employee appearance are also displayed in this table. And, as seen in the graph above, the majority of respondents (32%) are extremely satisfied, while 31% are content. 10% of respondents are neither satisfied nor unsatisfied, 5% of respondents are dissatisfied, and only 4% of respondents are strongly dissatisfied. We can observe from the above data that more than 70% of respondents are satisfied. So the bank's upper management should pay close attention and be ready to plug this vacuum at any time, putting clients first.

George (2014) discovered that tangibility had the highest expectation score of 4.65, followed by Reliability at 4.39, and finally Assurance at 4.29. The bulk of interview replies revealed that the customer service manager's and researcher's observations show that the majority of the material provided to clients is written in English (which is not the customers' native language) and contains professional jargon. These aspects may be the source of the customer's frustration because they do not believe the product is advantageous to them until they can grasp the bank information. Customers were more satisfied with the physical appearance of the bank as well as the equipment utilized in the bank than with any other component, according to the tangibility dimension. This suggested that the bank's service quality was above average; clients expected more than the bank could provide.

4.4 The level of Customer Satisfaction in Bank of Abyssinia

It is determined by the bank's commitment to the connection, customers' purpose to retain the relationship and consumer satisfaction with the bank's banking service. The customer's replies on the question of commitment to the bank's relationship, intention to preserve the relationship, and level of customer satisfaction with the bank's mobile banking service are included below. Respondents were asked to rate their satisfaction with the bank and the services it provided. The findings are presented in the table below. Respondents stated their level of agreement/disagreement regarding how satisfied they are with the bank's services.

Table 10: Respondents' Responses to Customer Satisfaction

Items	SD		D		N		A		SA		Mean	SD
	Count	%	Count	%	Count	%	Count	%	Count	%		
Satisfied with bank security of its service	8	5	4	3	14	9	62	39	72	45	4.16	1.033
Delighted with respectful behaviour of employees	8	5	6	4	12	8	55	34	79	49	4.19	1.067
Satisfied Staff communication ability of employees	5	3	7	4	11	7	52	33	85	53	4.28	.992
Satisfied by staff performance of	6	4	8	5	16	10	60	38	70	44	4.13	1.032

employees													
Satisfied with various range of the Bank's service	12	8	8	5	14	9	47	29	79	49	4.08	1.208	
Abyssinia bank creates happiness to its customers	8	5	22	14	15	9	46	29	69	43	3.91	1.236	
											Grand Mean	4.13	

Source: Own survey, 2022

The grand mean (4.13) was assessed as very good in the above table, with all mean values ranging between 3.91 and 4.28. This shows that the respondents agreed with the various assertions about service responsiveness. Furthermore, the standard deviation values were less than two, which is a tiny standard deviation, implying that respondents had similar viewpoints. The findings revealed that the respondents are satisfied with the security of the bank services (4.16), with the respectful behavior of the bank staff (4.19), and with the effort, they put into maintaining this relationship for a long time. They are satisfied with the communicative ability of the bank employee (4.28),

On average, 41% of respondents are satisfied, while 29% are highly satisfied. 7% of respondents are neither content nor unsatisfied, 5% of respondents are dissatisfied, and only 4% of respondents are strongly dissatisfied. We can observe from the preceding data that a higher number of respondents are satisfied.

Furthermore, based on informal discussions with the five branch managers, customer satisfaction is dependent on the bank's overall service, and the bank's services necessitate strong connections, which may result in the contribution of external factors such as telecom infrastructures and foreign software developers; the bank would find it difficult to manage such irregularities on its own.

However, in order to compete with other commercial and government banks, the bank must offer a variety of options.

According to Tigist (2019), respondents expressed their thoughts about the service provided by the surveyed bank. The researcher posed various questions to the respondents in order to ascertain their feelings about the overall service quality. Customers were likewise delighted with the services they received, according to Mutinda (2020). This is because they stated that they

would suggest the organization to their family and friends, as well as that they will return to the service the next time they visit. Customers also found that the service organization exceeded their expectations because the company's advertised image and brand were similar to what they experienced. Clients also felt respected as customers and satisfied with the services they obtained from the service.

Customers would like to know about the company's new service or service discounts as a result of this. Customer satisfaction has become a well-known field of scholarly research among professionals, and it is an important tool used by businesses to improve client loyalty and, ultimately, company performance. The benefit of a delighted customer cannot be overstated, as satisfied customers are like free advertising. Several people are aware of today's scenario for a company to be customer-oriented that is, they must prioritize their clients in their plans, actions, and procedures (Wendmu, 2020).

4.5 The Relationship between Service Quality and Customer Satisfaction in Bank of Abyssinia

Inferential statistics were used to assess the effect of service quality on customer satisfaction in a selected private commercial bank in Addis Ababa, Ethiopia, using correlation and regression analysis. This study used correlation analysis to determine the links that existed between the independent factors and the study's dependent variable. The degree and direction of the linear relationship between variables were measured using Pearson R correlation. When $r = 0.1$ to 0.29 , the association was regarded weak, when $r = 0.3$ to 0.49 , it was considered moderate, and when $r = 0.5$ and above, the relationship was considered strong (Mutinda, 2020 Sanjay and Garima, 2014). The results of this investigation are presented in the table below.

Table 21: Correlation Table (N=160)

	"Rel"	"Ass"	"Resp"	"Emp"	"Tan"	"CS"
Reliability	1	.311**	.311**	.407**	.576**	.516**
		.000	.000	.000	.000	.000
Assurance	.311**	1	.424**	.386**	.308**	.524**
	.000		.000	.000	.000	.000
Responsiveness	.311**	.424**	1	.700**	.466**	.575**
	.000	.000		.000	.000	.000

Empathy	.407**	.386**	.700**	1	.380**	.553**
	.000	.000	.000		.000	.000
Tangibility	.576**	.308**	.466**	.380**	1	.561**
	.000	.000	.000	.000		.000
Customer	.516**	.524**	.575**	.553**	.561**	1
Satisfaction	.000	.000	.000	.000	.000	

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

Source: Own survey, 2022

To enable inferential analysis, the data was transformed into the composite mean of the variable scores. In this scenario, customer satisfaction composite mean scores were associated with composite mean scores for five independent factors. The results of the analysis are listed in the table above. In BoA, the table revealed a significant positive ($r=.516$, $p=.000$) link between reliability and customer satisfaction. As a result, the technology of the banking services offered has a significant impact on consumer satisfaction. The findings support earlier academics' findings that banking technology has a substantial impact on consumer happiness. The Pearson R correlation resulted in reliability and customer satisfaction ($r = 0.807$, $P 0.01$), according to Tigist (2019). Customer satisfaction and reliability have a strong and positive link. Similar findings were discovered by Messay (2012), who stated that the concept of banking technology is usually associated with the use of Information and Communication Technology (ICT). These technologies promote speedy and successful banking transactions, make banking services more accessible to the general public, and make it easier to be accountable to clients. Most customers consider service reliability to be "fundamental," and managers should seize every chance to cultivate a "do-it-right-first" attitude. Flexi (2017) discovered that the dimension of reliability was the best predictor of overall customer satisfaction, and that customer satisfaction had a positive association with customer satisfaction.

According to the table, assurance exhibited a substantial positive ($r=.524$, $p=.000$) association with customer satisfaction. It shows how knowledgeable and courteous the staff are, as well as their capacity to inspire trust and confidence. Wendmu (2020) and Deepin and Rawin (2016) discovered that assurance, along with reliability and responsiveness, is a key determinant of service quality in terms of customer satisfaction. Customer satisfaction is most affected by assurance, which leads to positive word of mouth. It is the staff's politeness and capacity to

express trust and confidence to the consumer that makes them feel courteous. It has to do with the service provider's ability to deliver the output, specifically in terms of expertise, staff behavior, and employee trustworthiness to the client. In the banking sector, the data revealed a positive significant ($r=.575$, $p=.000$) link between client responsiveness and customer happiness. As a result, in financial firms, customer responsiveness is critical in assessing the quality of client satisfaction. Betelhem (2015) asserted that responsiveness was the most important cause of satisfaction and loyalty in any firm and that any organization can exceed a client's expectation by engaging with that customer in a way that the customer prefers.

The strongest association between responsiveness and customer satisfaction (0.788), reliability (0.768), empathy (0.699), and the remaining variables tangibility and assurance (0.673) and (0.659), respectively, were discovered in this study. Empathy and customer satisfaction were found to have a rather strong positive significant association ($r=.553$, $p=.000$). As a result, increased service efficiency leads to increased customer satisfaction. Empathy is the act of giving clients care and personalized attention in order to make them feel as if they are receiving caring services and personalized attention. The willingness and ability of a service provider to respond to particular consumer desires are known as service empathy. This entails putting oneself in the customer's shoes. According to Tigist (2019), empathy and customer satisfaction are related ($r = 0.719$, $P 0.01$). Customer satisfaction and empathy have a favorable association. The findings showed that the service quality parameters have a favorable link with customer satisfaction.

In the banking sector, the table revealed a positive significant ($r =.561$, $p =.000$) link between tangibility and customer happiness. Similarly, Bethlehem (2015) discovered a favorable link between tangibility (0.673) and customer happiness. Tigist's (2019) tangibility and customer satisfaction ($r = 0.890$, $p 0.01$) indicates that the Tangibility of the service quality component and customer satisfaction have a high positive association. It has to do with physical facilities, equipment, and personnel appearance. Customers in the banking industry are also said to like the tangibility factor of service quality: "Banks could establish customer relationships by supplying additional tangible and intangibility elements of key products."

4.6 The Effect of Service Quality and Customer Satisfaction in Abyssinia Bank

The multivariate analysis looks at how numerous independent and dependent variables interact. Analyzing a complex set of variables to generate research conclusions necessitates difficult math. Multivariate statistics allow for the examination of the effects of multiple independent and/or dependent variables at the same time, provide a more nuanced understanding of the relationships among multiple dependent and/or independent variables, and are more easily accessible with user-friendly statistical software packages.

4.6.1 Assumptions Tests

Test for the average value of the error term

The average value of the errors is zero ($E(u_t) = 0$) - The first assumption is that the average value of the errors is zero. This assumption will never be broken if a constant term is included in the regression equation. The average value of the error term in this study is predicted to be zero because the constant term (i.e.) was included in the regression equation.

Test for Normality Test

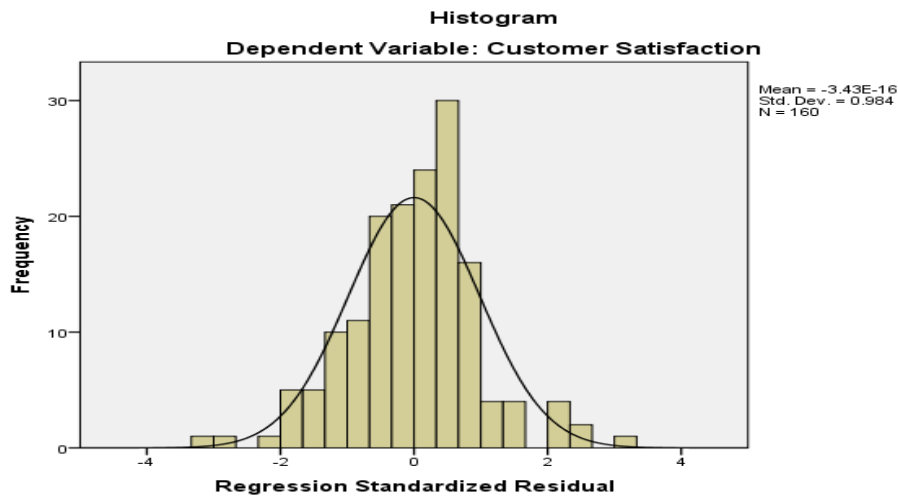


Figure 2 Normality Analysis

Source: Own survey, 2022

To see if a variable's distribution follows a specific pattern. By far the most prevalent application is determining whether observed data are likely to come from a regularly distributed population. The histogram is an important check to use before employing statistics that rely on the assumption of normalcy in this case (Sabir, et al., 2014). A histogram of standardized residuals, as seen in the image above, was used to evaluate the normality assumption of the least square estimator used for regression. The normality assumption of the residuals is thus met, meaning

that the model above is acceptable. Distribution with a mean of 0 and standard deviation of 1; the normality assumption of the residuals is thus met, implying that the model

Test for Multi Collinearity

Table 32: MultiCollinearity Test Result

Variables	Collinearity Statistics	
		VIF
Reliability	.605	1.653
Assurance	.778	1.286
Responsiveness	.436	2.293
Empathy	.464	2.154
Tangibility	.574	1.743

Source: Own survey, 2022

The VIF (Variance Inflation Factor) was used to calculate the combined effect of repressor dependency on the variance of each term in the model. Multicollinearity is indicated by one or more big VIFs. In practice, if any of the VIF results are greater than 5 or 10, it suggests that the related regression coefficients are poorly estimated due to multicollinearity. The preceding table demonstrates that the VIF values are all less than 5 or 10, indicating that there is no collinearity in this data. The table also shows the outcome of regression analysis, which is based on the dependent variable. The standardized Beta coefficient explains the independent variables that contribute to the variation of the dependent variable.

Test for Auto Correlation

The assumption that is made of the multiple linear regressions disturbance terms is that the covariance between the error terms over time is zero.

Table 43: Auto Correlation Test: Durbin Watson

Variables	DW test static result
All variables	1.308

Source: Own survey, 2022

The popular Durbin - Watson Test was used in this investigation to determine the presence of autocorrelation. In other words, the errors are presumed to be unrelated to one another. If the errors are not uncorrelated, they are described as "auto correlated" or "serially correlated." As a result, a test of this assumption is required.

4.6.2 Regression Analysis

To conclude the statistical tests, regression analysis was conducted using independent and dependent variables. The data were calculated as the average of the independent and dependent variables' average dimensions. The Model Summary analysis is shown in the table below.

4.6.2.1 Model Summary

Table 54: Regression Test Results Model Summary

Model	R	R-Square	Adjusted R Square	Std. The error in the Estimate
1	.744a	.553	.539	.588

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

Source: Own survey, 2022

The R-squared value of the model summary was 0.553. All of the independent variables (technology, service dependability, service efficiency, customer responsiveness, and service accessibility) combined might account for up to 55.30 percent of the variation in customer satisfaction. As a result, the independent variables have a significant impact on the degree of customer satisfaction at the examined bank. Factors not considered in this model account for the remaining 44.70 percent of the variation in customer satisfaction.

4.6.2.2 ANOVA

Table 65: Regression Test Results ANOVA

The analysis of variance or ANOVA is shown in the below table.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	66.060	5	13.212	38.157	.000 ^b
	Residual	53.324	154	.346		
	Total	119.384	159			

a. Dependent Variable: Customer Satisfaction

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

Source: Own survey, 2022

An F-statistic of 38.157 was calculated from the ANOVA, with a significance level of 0.000, which was significant at the $p < .05$ level. This meant that the independent factors (tangibility, reliability, responsiveness, assurance, and empathy) had a combined significant effect on customer satisfaction in the studied bank. The model coefficients table also revealed the following results in the table below.

4.6.2.3 Regression Coefficient

Table 76: Regression Coefficients

		Coefficients			
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1	(Constant)	.179	.290		.615
	Reliability	.176	.067	.181	2.614
	Assurance	.233	.056	.254	4.155
	Responsiveness	.191	.080	.195	2.387
	Empathy	.153	.076	.158	2.002
	Tangibility	.209	.065	.228	3.202

a. Dependent Variable: Customer Satisfaction

Source: Own survey, 2022

The regression model was;

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

Where; Y= Customer satisfaction, β_0 = constant (coefficient of intercept),

- X₁= Tangibles;
- X₂= Reliability;
- X₃= Responsiveness;
- X₄= Assurance;
- X₅= Empathy;
- ε = error term;

From the findings, the following regression model was fitted;

$$Y = .179 + 0.176X_1 + 0.233X_2 + 0.191X_3 + 0.153X_4 + 0.209X_5 + \varepsilon,$$

Customer satisfaction will be at a constant value of .179 when the variables of Reliability, Assurance, Responsiveness, Empathy, and Tangibility are set to a constant zero in the preceding equation. The research question for this study was to investigate the impact of reliability on customer satisfaction at Abyssinia Bank in Ethiopia. According to the data in the table above, reliability has a positive impact on customer satisfaction ($\beta=0.176$). The data also revealed that reliability has a substantial impact on customer satisfaction, as the p-value obtained (0.004) was smaller than the level of significance chosen (0.010). The findings of this study correspond with those of George (2014) and Jonathan and Ubah (2018), who indicated that reliability has a beneficial impact on customer satisfaction in Ethiopian private commercial banks. The ability of the website to execute purchases correctly, deliver on time, and keep personal information secure was represented by business reliability. As a result, consumer satisfaction can be considered to be positively influenced by reliability.

This study posed an intriguing research question: what effect does assurance have on customer satisfaction in Ethiopia's banking sector? Based on the data, the study concluded that assurance has a positive impact on customer satisfaction in Ethiopia's banking sector ($\beta=0.233$). Because the p-value obtained (0.0001) was smaller than the predetermined level of significance, the study concluded that assurance has a substantial impact on customer satisfaction (0.05). According to George (2014) and Jonathan and Ubah (2018), the same outcome guarantee has a good impact on customer satisfaction in Ethiopian private commercial banks. As a result of the findings, it can be concluded that assurance has a good and considerable impact on customer satisfaction in Ethiopia's banking sector.

Following that, the research looked into the impact of empathy on customer satisfaction in the bank in question. According to the research, empathy has a positive impact on customer satisfaction ($\beta=0.191$). Furthermore, because the p-value obtained (0.018) was smaller than the predetermined level of significance, the impact of empathy on customer satisfaction is considered significant (0.05). The findings support Tigist's (2019) conclusions that responsiveness has a positive and indirect effect on customer satisfaction in the surveyed bank. As a result of these studies, it is clear that empathy has a beneficial impact on customer satisfaction in the banking industry.

In addition, the research will look into the impact of responsiveness on customer satisfaction in the examined bank. According to the research, responsiveness has a positive impact on customer satisfaction ($\beta=0.153$). Furthermore, because the p-value obtained (0.047) was smaller than the predetermined level of significance, the impact of empathy on customer satisfaction is considered significant (0.05). The findings support Tigist's (2019) conclusions that empathy has a positive and indirect effect on customer satisfaction in the surveyed bank. As a result of these studies, it is clear that empathy has a beneficial impact on customer satisfaction in the banking industry.

Finally, tangibility was found to have a positive impact on customer satisfaction ($\beta=0.209$). The study also discovered that tangibility had a p-value (0.028) smaller than the chosen level of significance (0.002), indicating that tangibility has a substantial impact on customer satisfaction. Betelhem (2015) discovered that tangibility had a favorable impact on consumer satisfaction, which is in line with this study. Furthermore, according to Tigist (2019), tangibility has a favorable impact on customer happiness. As a result, tangibility can be said to have a large beneficial impact on consumer satisfaction. According to Flexi (2017), tangibility has a substantial impact on consumer satisfaction in financial and banking services.

4.7 Hypothesis Testing

Reliability

H₁: Reliability has a positive and significant effect on customer satisfaction in banking services.

The results of the correlation study revealed a positive significant association between service reliability and customer satisfaction. As a result, it was discovered that customer happiness in the banking industry was influenced by service reliability. Using multiple regression analysis, it was discovered that reliability had a significant impact on customer satisfaction in financial services, with a value of 2.614 and a p-value of 0.010. At the $p < 0.05$ threshold of significance, the p-value was judged to be significant. As a result, the study discovered that customer satisfaction with the surveyed bank's financial services is influenced by reliability. Other researchers came to the same conclusion.

Flexi (2017) and Mesay (2012), for example, discovered a favorable correlation between service reliability and client happiness. This could be linked to the service quality model, which emphasizes information technology-based service options in order to study the relationship between them. Furthermore, the people are concerned, reassuring, and helpful, contributing to the bank's services being given within the agreed time frame/at the appropriate time. Customers receive good service, according to the survey, because their concerns and requests are quickly addressed. As a result, it can be inferred that consumer satisfaction in banking services is positively influenced by reliability.

Assurance and Customer Satisfaction

H₂: Assurance has a positive and significant effect on customer satisfaction in banking services.

The results of the correlation study revealed a positive significant association between assurance and customer happiness. As a result, it was discovered that customer happiness in the banking industry was influenced by assurance. In the research industry, multiple regression analysis revealed that it had a considerable impact on customer satisfaction. Service efficiency had a value of 4.155 and a p-value of 0.0001. Because the p-value was below the significance level, it was statistically significant. As a result, assurance has a big impact on consumer satisfaction in the banking industry, especially in BoA financial services. This is because client information is

regarded to be confidential, bank workers are trained in customer service, and banks place a premium on customer security.

The bank personnel also have the best interests of the consumer at heart, which helps them to be courteous and interact with customers in a caring manner. This is visible in how personnel responds to customer questions; it is reasonable. The banks have provided their workers with the necessary resources to ensure that consumer requests are properly executed. The findings of the study correspond with those of Wendmu (2020), Timothy (2012), and Deepin and Rawin (2016), who concluded that assurance has a major impact on customer satisfaction based on outcomes and accomplishments that are valuable to customers. As a result of this research, it was determined that assurance has a positive and considerable impact on consumer satisfaction in banking services.

Customer Responsiveness on Customer Satisfaction

H₃: Customer responsiveness has a positive and significant effect on customer satisfaction in banking services.

Customer responsiveness and customer happiness have a considerable relationship in the banking industry, according to the correlation. As a result, it was discovered that improving customer responsiveness in financial services will lead to increased customer satisfaction. Customer responsiveness has a considerable impact on customer satisfaction, according to a regression study. Customer responsiveness had a value of 2.2387 and a p-value of 0.018, demonstrating this. At the $p < .05$ threshold of significance, the p-value was significant. As a result, the study discovered that customer responsiveness has a considerable impact on customer satisfaction in banking or financial services. Customer responsiveness has a considerable impact on customer satisfaction in the banking business, according to Tigist (2019). This is because clients have higher trust in bank employees who are nice and courteous during the service delivery process. Customer happiness is positively associated with responsiveness, according to Betelhem (2015). As a result, client responsiveness in financial services has a positive and considerable impact on customer satisfaction.

Empathy on Customer Satisfaction

H₄: Empathy has a positive and significant effect on customer satisfaction in banking services.

Furthermore, empathy was found to have a favorable link with customer satisfaction. As a result, the researcher concluded that to improve customer happiness at BoA, empathy accessibility should be improved across the board. Further regression research revealed that empathy had an impact on customer satisfaction in the banking industry. Empathy had a rating of 2.002 and a p-value of 0.047, according to the research. At the $p < .05$ threshold of significance, the p-value was significant. As a result, the research found that empathy has a considerable impact on consumer satisfaction in financial services. Similarly, this is because employees carefully listen to clients' concerns and/or demands, demonstrating that they are interested in what they have to say.

Customers of banks receive this type of individualized attention from employees, and as a result, they believe personnel sufficiently listened to their concerns and wishes. Employees have been trained to listen to clients without interrupting them when they express themselves. Employees' behaviors are all geared toward the customer's benefit. Appropriate opening hours are another indicator of service empathy. Wendmu (2020), Timothy (2012), and Deepin and Rawin (2016) have all verified that empathy has an impact on customer satisfaction in the banking industry.

Tangibility on Customer Satisfaction

H₅: Tangibility has a positive and significant effect on customer satisfaction in banking services.

This study discovered a substantial positive association between it and customer satisfaction in the banking sector ($r = .561$, $p = .000$). Furthermore, tangibility had a value of 3.202 and a p-value of .002. At the $p < 0.05$ threshold of significance, the p-value was judged to be significant. As a result, the study found that tangibility has a considerable impact on customer satisfaction with banking financial services. Aside from that, the banks offer appealing customer service areas and office rooms that are well ventilated and equipped with cutting-edge financial technology such as electronic price boards and others. The research also revealed that the bank layout is appealing and that the servers/workers in the banks are dressed in eye-catching outfits.

Employees also assist bank customers, which includes guiding them. The banks are also located in locations with adequate road infrastructure, according to the report. Mutinda (2020) and Sanjay and Garima (2014) found a statistically significant causal relationship between tangible service factors and diners' satisfaction in the restaurant industry using five dimensions of tangible service attributes: presentation value, table aesthetics, sensory perceptions, hygiene purity, and vehicle convenience.

4.8 Chapter and Hypothesis Summary

The data collected from the respondents were evaluated, presented, and interpreted in this chapter. The results of data gathering were discussed in this chapter in light of the study's objectives. The researcher used descriptive and inferential statistics to discuss the study's findings.

Table 87: Summary of Hypothesis Testing

Hypothesis	Sign Expected and Found	Sig.	Decision
There is a positive relationship between reliability and customer satisfaction in banking services.	+	.010	<i>Support</i>
There is a positive relationship between assurance and customer satisfaction in banking services.	+	.000	<i>Support</i>
There is a positive relationship between responsiveness and customer satisfaction in banking services.	+	.018	<i>Support</i>
There is a positive relationship between empathy and customer satisfaction in banking services.	+	.047	<i>Support</i>
There is a positive relationship between tangibility and customer satisfaction in banking services.	+	.002	<i>Support</i>

Source: Own survey, 2022

CHAPTER FIVE

5. SUMMARY OF MAJOR FINDINGS, CONCLUSION, AND RECOMMENDATIONS

The summary of findings, conclusions, and suggestions are all included in this section. In the Bank of Abyssinia S.C., the study sought to determine the impact of service quality factors on customer satisfaction. The results were summarized by the study's goals.

5.1 Summary of Major Findings

The study's major goal was to look into the impact of service quality on customer satisfaction at a few selected Bank of Abyssinia branches in the East Addis District. One hundred sixty clients contributed to the study's data collection.

According to the background information provided by respondents, roughly 51% of the total respondents are females and the balance is males. The majority of respondents (33.12 percent) were over the age of 50, while a quarter of the respondents were between the ages of 40 and 50. This suggests that the bank's customers were mostly senior citizens. In terms of educational attainment, the majority of respondents (48.75 percent) were first-degree holders, followed by diploma holders (26.25 percent). The majority of respondents, 49.37 percent, are self-employed, with the remainder being public employees, followed by self-employed people. When it comes to the types of accounts that respondents use, saving account users account for 61.25 percent of respondents, while current and fixed deposit account users account for 26.25 percent and 6.87 percent, respectively.

The grand mean score values for service quality categories ranged from 4.02 to 4.18, according to descriptive statistics analysis. This shows that respondents rated the Bank of Abyssinia's customer service as excellent. It was revealed that certainty and tangibility have higher mean values than empathy, reliability, and responsiveness, with 4.18 and 4.16, respectively. All of the variables are performing well and have a very good rating, as shown by the mean value. As a

consequence, the Bank of Abyssinia would be better off maintaining the current status in terms of service quality, as the dimensions studied had a higher mean value.

All service quality elements (tangibility, reliability, responsiveness, assurance, and empathy) have a positive and significant relationship with customer satisfaction, according to the correlation result. The report goes on to state that assurance and tangibility, as well as consumer pleasure, demonstrate the strongest correlation.

The study discovered a significant positive relationship between the five dimensions of service quality and customer satisfaction using multiple regression analysis. The highest correlation is between responsiveness and customer satisfaction (0.788), followed by reliability (0.768), empathy (0.699), and the remaining dimensions tangibility and assurance (0.673) and (0.659), respectively.

5.2 Conclusions

Various inferences were drawn by the study objectives based on the findings. One of the study's goals was to see how the selected five dimensions affected customer satisfaction at the Bank of Abyssinia. The purpose of the research was to see if reliability had a beneficial impact on customer satisfaction. It also revealed that reliability has a substantial impact on consumer satisfaction. As a result, one may conclude that reliability has a positive significant impact on customer satisfaction, implying that improving service reliability in the banking sector will improve customer happiness.

The other goal of the study was to see how responsiveness affected customer satisfaction at the Bank of Abyssinia. Customer satisfaction was found to be positively influenced by responsiveness. Furthermore, responsiveness was proven to have a considerable impact on customer satisfaction. As a result, an increase in customer satisfaction would follow from a unit improvement in service responsiveness at the bank.

Another characteristic that has a favorable impact on consumer happiness is tangibility. The study also demonstrates that tangibility has a major impact on customer satisfaction. The study finds that tangibility positively and significantly influences customer satisfaction in the Bank of Abyssinia based on the research findings. As a result, enhancing the tangibility of service will boost customer happiness.

The study's other goal was to see how assurance affected customer happiness at the Bank of Abyssinia. The study found that assurance has a favorable impact on customer satisfaction and that this impact is significant. As a result, the study finds that assurance has a positive significant impact on customer satisfaction based on the data. This implies that improving service assurance will improve customer satisfaction.

The goal of the study was to see how empathy affected customer happiness at the Bank of Abyssinia. The study discovered that empathy has a favorable impact on customer satisfaction and that the impact of empathy on customer satisfaction is significant. As a result, raising the amount of empathy in customer care in the banking sector should boost customer happiness. Finally, it was determined that the amount of consumer satisfaction with financial or banking services is influenced by service quality. Customer happiness is dependent on service quality. Satisfied consumers are more likely to become loyal customers, which means they will promote positive word of mouth.

5.3 Recommendations

Different recommendations were made by the study objectives based on the findings.

- The bank's services were comparatively quite good; the personnel was dressed properly and appeared neat; the branch had up-to-date equipment; it was visually appealing, and clients' safety was attracted. This does not, however, imply that it will persist indefinitely. As a result, the study suggests that the banks and other financial service providers surveyed embrace new technology and use up-to-date equipment, ensure that their facilities are visually appealing to their customers, ensure that their employees are neat, and constantly evaluate their status and work for continuous improvements.
- Customer satisfaction was found to be positively influenced by reliability; the study then advises Bank of Abyssinia management to ensure that they are reliable in providing services to their clients, which will increase their satisfaction and hence loyalty. Reliability may be improved by ensuring that responses are delivered on time and reassuring clients when problems emerge.
- Ethiopian financial service providers should also ensure that their records are accurate, precise, and reliable. Hiring employees with customer service experience is highly advised for businesses in related industries. The report also recommends that personnel

receive frequent service delivery training, which will improve their responsiveness. It would also be the bank's job to guarantee that its workers are well-versed in the bank and the services offered so that they can assist guests and answer their requests/questions.

- Assurance was also discovered to be a significant factor in customer satisfaction at the Bank of Abyssinia, and it had a considerable impact on customer satisfaction. The study attempted to pinpoint which financial service firms in Ethiopia must engage trustworthy staff who can assure the protection of their consumers. It is also the bank's responsibility to equip its staff with the resources they require to accomplish their jobs effectively.
- A higher level of empathy leads to higher levels of customer satisfaction. Because a larger number of respondents or customers are satisfied with Bank of Abyssinia in this aspect, this does not guarantee that their level of satisfaction will persist indefinitely and that more improvements will be required. The report suggests that Ethiopian banks and financial service providers guarantee that newly hired workers are committed to providing care, personalized attention to customers, and an awareness of their needs.
- It was suggested that bank leaders, executives, and managers in the financial services sector continue to develop marketing tactics and prospective customer metrics that will improve the quality of banking services. This can be accomplished by ensuring that banks and other financial service providers increase the number of services (including online services) available throughout the country, ensuring that all financial services are easily accessible.
- According to the findings of this study, being ready and eager to assist clients in the event of a problem increases their level of satisfaction. As a result, the study recommended that bankers and other personnel in similar organizations be well-trained in dealing with banking customers. This will go a long way toward increasing customer responsiveness and thereby increasing customer happiness. The study recommended that banks come up with innovative strategies to improve how they respond to client needs in order to avoid service disruptions. This can be accomplished using new communication channels like the internet or mobile communications. This will go a long way toward increasing client loyalty and pleasure with their products.
- Digitalization is one of the three pillars of the Bank of Abyssinia's Corporate Strategy Plan (2019). Though the degree of population competency in Ethiopia for digitalization is

low, the Bank is committed to and working to improve the community's heart to think about such products and be able to capture a larger market share. The Bank's management would consequently make every effort to mobilize these goods and raise the communities' competency in operating them as well as their awareness of their production.

- According to the survey study, and based on the aforementioned grand mean score values, respondents considered the Bank of Abyssinia's service quality was very good in the specified aspects discussed earlier. However, this performance does not guarantee that the Bank's current performance will last for an indefinite period. As a result, the Bank's higher officials must better maintain the existing service quality performance while also enhancing the bank's path to growth, operational excellence, and digitalization.

5.4 Implications for Various Stakeholders

Policymakers can use the findings of the study to push bank executives and managers to improve service quality aspects (tangibility, reliability, responsiveness, assurance, and empathy) because they have a favorable impact on customer satisfaction. Managers can also have the fortitude to regularly apply service quality aspects, ensuring that they preserve long-term client connections.

Bank executives, managers, supervisors, and other administrators may be aware that ideal bank personnel will inform clients when services will be performed and that ideal banks will provide prompt service to customers. Ideal bank employees will always be willing to assist consumers. Managers should consider using service quality measures to improve customer satisfaction in financial service providers in Ethiopia, and this should be well implemented to assure customer satisfaction. Managers should prioritize the dimensions of service excellence in order of significance. Ideal bank staff will offer relevant products or services to consumers and will swiftly notify them of important announcements. Improved service quality can help businesses compete more effectively. Both subjective and objective approaches can be used to assess service quality.

Individuals performing further research and scholars can use the study's findings, and it gives a framework for those who desire to pursue research on similar topics. Academics can utilize the

research findings as a starting point for discussing service quality and customer satisfaction in businesses. The study would also add to the existing corpus of information. It has the potential to improve practice and current knowledge in the areas of service quality and customer happiness. In management and marketing, the relationship between service quality and customer happiness has proven its role and importance. During previous decades, the concepts of service quality and customer happiness were heavily considered and utilized in marketing texts and actions. Researchers in business and marketing have lauded the benefits of contentment and quality, citing them as indices of a company's competitive advantage. However, because of its final effect on customers' repeated purchases, service quality is one of the most important structures in service marketing, and loyal consumers who purchase frequently are regarded as the foundation of any organization.

5.1 Suggestions for Further Study

This research was carried out in Addis Ababa on a private commercial bank (Abyssinia Bank), which is the country's largest financial institution. Given the size of the country, it is commonly known that this is a little area. To promote comparison and generalization of the research findings, the study advises replication of the research study in other service organizations, such as the government and other private banks in the country.

As a result, the study suggests that comparable studies be undertaken in other parts of the country so that the findings can be applied across the country. In the financial sector, however, this study only looked at a few factors (service quality) that influence consumer satisfaction. Future research should look into other elements that may influence customer satisfaction with various service organizations such as small and micro businesses, telecom, power, water, and other service organizations, according to the study.

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www.bankofabyssinia.com

Annex -1 Questionnaire for Bank of Abyssinia Customers

COLLEGE OF BUSINESS AND ECONOMICS DEPARTMENT OF MANAGEMENT

Dear Respondents,

This questionnaire is intended to gather primary data on the “**Effects of Service Quality on Customer Satisfaction, the case of Bank of Abyssinia East Addis District.**” The purpose of the study is to fulfill a thesis requirement for the Executive Master of Business Administration (EMBA) at Addis Ababa University. Your genuine responses to the questions are highly appreciated for the success of completing the study. All information collected through the questionnaire will be used only for the intended purpose of the study and will be kept strictly confidential. You will not be held responsible for anything arising thereof. Thank you in advance for your kindly cooperation.

Yalemwork W/Selassie
Tel -251-911 67 30 39 (mobile)
-251- 470 4293 (Office)
Email, yalemworkabraham@gmail.com

Part-I: Questions Related to Demographic Factors (Personal information)

Direction: Please put a checkmark (√) on the appropriate box.

1. Gender: Female Male
2. Nationality Ethiopian others (specify) _____
3. Age: 18-29 years 30-40 years 40-50years above 50 years
4. Educational level High school Diploma/Certificate Degree
Masters
5. Occupation Private employee Public employee Own business

Others (specify) _____

6. Your business relationship with the bank?

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

7. Account type

Saving account Current account Fixed/Time deposit account
 Others, please specify _____

Part II: Survey on Service Quality Dimensions

Direction: This part of the questionnaire intends to find out your perception of the service quality rendered by the Bank of Abyssinia S.C. Please circle the number which reflects your perception. Please put tick mark (✓) & rate questions using the 5 point likers scale ranging from 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. Put a tick mark (✓) in their respective box.

Service quality Dimensions	Corresponding Measurements	Measuring Scale				
		1	2	3	4	5
Reliability	REL1	Quality of network and speed service with error-free service)				
	REL2	Keep customer records accurately (statements, account balance, your contact information)				
	REL3	Provide service at the designed and promised time				
	REL4	Employees inform any failure ahead of time				
Assurance	ASS1	The behavior of employees in the bank will develop confidence in customers.				
	ASS2	Employees are consistently polite				
	ASS3	Staff have adequate skill and knowledge to serve customers				
Responsiveness	RES1	Employees of the bank provide prompt service to the customers				
	RES2	Employees are always willing to help customers and provide punctual service				
	RES3	Employees are adequate in number and never busy to respond to customer request				
	RES4	Employees give a quick response when there are problems				
Empathy	EMP1	The staff knows what customers' needs are				
	EMP2	Staff give customers individual attention				
	EMP3	The bank and its employees give do consideration to customers' property				
	EMP4	Staff give orientation about the new service and the cost related to the service				

	EMP5	The bank has convenient working hours for all its customers
	TAN1	The branch has up to date equipment
	TAN2	The branch facilities are visually attractive
Tangibility	TAN3	The bank has branches at convenient locationsfor its customer
	TAN4	The staff of the branch at the front line position is well dressed and appears neat.
	CS1	I am satisfied with the security of the bank services.
	CS2	I am delighted with the respectful behavior of the bank employees
	CS3	I am satisfied with the communicative ability of the employee of the bank
Customer Satisfaction	CS4	I am satisfied with the performance of the employee of the bank
	CS5	I am satisfied with the various range of service of the bank
	CS6	Doing business with the Bank of Abyssinia makes me very happy

Thank you!!

Appendix I: ባንክ (የባንክ)

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ
የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

0/ የባንክ

የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ::

1. የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ

2. የባንክ አገልግሎት ለማሻሻል የሚያስፈልጉትን ጉዳዮች ይጠቅሙ (የባንክ)_____

