



**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT**

**ANALYSIS OF THE RELATIONSHIP BETWEEN CUSTOMERS'
BANK SELECTION FACTORS, SATISFACTION AND LOYALTY:
IN THE CASE OF SELECTED BANKS IN ETHIOPIA**

Admasu Shegie

ID No. GSE/0805/06

Thesis Submitted to Addis Ababa University School of
Commerce in Partial Fulfillment of the Requirements for the
Degree of Master of Arts in Marketing Management

Advisor: Mulugeta Gebremedhin (Ph.D)

June, 2016

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Approved by the Board of Examiners

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----- External Examiner	----- Signature	----- Date

Declaration and Confirmation

I, the under signed, declare that this submission is my own work, prepared under the supervision of Dr. Mulugeta Gebremedhin. To the best of my knowledge and belief, it contains no material previously published or written by another person nor material which has been accepted for the award of any other degree or diploma of the university or other institute of higher learning, except where due acknowledgment has been made in the text.

Admasu Shegie

Candidate's Name

Signature

Date

Statement of Certification

This is to certify that the thesis entitled “Analysis of the Relationship between Customers’ Bank Selection Factors, Satisfaction and Loyalty: In the Case of Selected Banks in Ethiopia” submitted by Ato Admasu Shegie to Addis Ababa University School of Commerce towards partial fulfillment of the requirements for the award of the degree of Master of Arts in Marketing Management is a genuine record of the work carried out by him under my supervision and guidance.

Dr. Mulugeta Gebremedhin

Signature

Date

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Acronyms and Abbreviations

Acronyms

PRODVAR – Product Variety

SERVQUAL- Service Quality

PHYAPP – Physical Appearance

ACCESS – Accessibility

CuS – Customer Satisfaction

CuL – Customer Loyalty

Abbreviations

NBE – National Bank of Ethiopia

CBE – Commercial Bank of Ethiopia

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Abstract

This paper deals with the analysis of customers' bank selection factors, customer satisfaction and loyalty. The purpose of the study was to find out the impact of customers' bank selection factor on customers' satisfaction and loyalty. Accordingly, five factors were proposed the factors identified were: Product Variety, Service Quality, Reputation, Physical Appearance and Accessibility. The research models were composed of five independent variables and two dependent variable. Namely; Product Variety, Service Quality, Reputation, Physical Appearance, Accessibility and Customer Satisfaction & Loyalty respectively.

To this end, a structured 5-point Likert scale questionnaire-based survey is employed to collect data. For the customers of eight commercial banks found in Addis Ababa 400 questionnaires were distributed and 326 (81.5 %) were returned back for analysis. The relationship and impact of the factors was analyzed using Pearson correlation and multiples regression. Descriptive statistics and sample t-test also conducted in the research through the aid of Statistical Package for Social Science version 20.0 software.

The results show that, Service Quality, Reputation, Physical Appearance and Accessibility positively influence Customers' Satisfaction at significant level. The other dependent variable Customer Loyalty is significantly influenced by the factors Product Variety, Service Quality, Reputation and Accessibility. The leading factor that most contribute for both customers' satisfaction and loyalty of bank customers is Reputation. And also according to the research findings, Product Variety could not influence customers' satisfaction significantly. For Customer Loyalty the factor Physical Appearance could not influence significantly. The researcher conclude that except product variety for customers' satisfaction and physical appearance for customers' loyalty all variables described above positively influence customers' satisfaction and loyalty at a significant level.

Consequently, the researcher recommend for the management of the banks to focus on the above statistically significant factors in order to satisfy their customers' as well to make them loyal.

Key Words: *Customers' Bank Selection Factors, Customer Satisfaction, Customer Loyalty*

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

For each country's economy Banks are indispensable, unless savings are efficiently channeled into investment no growth can be accomplished. In fact when it begins to realize the role of money as a standard of exchange humans realized the need of bank. Credibility where given for the Babylonian who developed banking system as early as 2000 BC. Temples were used as banks at that time because of their rife respect (Rizwan Ali et al, 2014).

"A bank can be defined as a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, those can be directly by loaning or indirectly through capital markets" (Rizwan Ali et al, 2014).

Through this way by providing loans banks supply blood to the economy. Banks are served as a plate form where customers have surplus fund can connect with customers have deficit. , the working of the banks becomes more crucial and more regulated because of their great influence within the financial institutions and economy (Rizwan Ali et al, 2014).

The start of modern banking in Ethiopia was marked by the establishment of the Abyssinian Bank in 1905. Until the nationalization of the Abyssinian Bank in 1931 the financial sector was dominated by foreign ownership, which makes the bank the first one to be nationally owned in Africa. Belay Gedey (1990), Befekadu Degefe (1995) cited by Tony Addison and Alemayehu Geda, (2002).

During the Italian occupations of the late 1930s further financial institutions were established. The State Bank of Ethiopia was founded in 1943, Befekadu Degefe (1995) cited by Tony Addison and Alemayehu Geda, (2002). Until 1963 the State Bank of Ethiopia operated as both a commercial and central bank, and then it dissolved and formed as the National Bank of Ethiopia (NBE), and the Commercial Bank of Ethiopia (CBE). During the 1960s a number of other private financial institutions were also

established. With the overthrow of the monarchy of Haile Selassie in 1974 by Derge regime all of this changed by nationalizing all privately owned financial institutions including three commercial banks on 1 January 1975. Befekadu Degefe (1995) and Harvey (1996) cited by Tony Addison and Alemayehu Geda, (2002).

In 1991 the current government took power and implemented a number of reforms on the financial sector. For example the government legalized domestic private investment in the banking industry in 1994. In addition the two development banks restructured as commercial banks, and a new Banking and Monetary Proclamation that gave more autonomy and further clarified the National Bank of Ethiopia's activities as the regulator and supervisor of the banking sector were introduced. Admassu and Asayehgn (2014) Ethiopian banking industry passes through this historical trend and reached to the current situation.

Today's financial institutions and banks competitive environment led them to improve their service quality, adopt new technologies, and enforced to increase the level of customer satisfaction (Salih, etal, 2011) as cited by Tilahun and Gedifew (2014). Another aspect that should be considered with customer satisfaction is customer loyalty. As Ali etal (2014) cited Duffy (2003) customer loyalty yields significant benefits when its pursuit is part of an overall business strategy. Numerous studies have been carried out with observes to customer loyalty in the several service sectors.

In this study the researcher tried to find out the influence of bank selection factors on customers' satisfaction and customers' loyalty on selected banks found in Addis Ababa city. The bank selection factors that are expected to influence customer satisfaction and loyalty are bank's product variety, service quality, reputation, physical appearance, and accessibility. Various studies conducted in different countries found that this factors have an influence on customer satisfaction as well as customer loyalty. So, the researcher tried to assess whether it is true or not in Ethiopia.

1.2 Statement of the Problem

Customer satisfaction depends on the product's perceived performance relative to a buyer's expectations. The customer will dissatisfy when the product's performance falls short of expectations, and get satisfied when performance matches expectations. If performance exceeds expectations, the customer is highly satisfied or delighted. In turn, delighted customers remain loyal and communicate others favorably about the company and its products (Kotler and Armstrong, 2012).

In increasingly competitive markets, being able to build consumer loyalty is seen as the key factor in winning market share and developing a sustainable competitive advantage. Banking industry is no exception as it has high interaction with the customers, so managers must understand the factors which influence the loyalty of the customers towards their respective banks. It is always costly to attract new customers, so the managers always try to find ways to retain their current customers and concentrate on different factors which enhances the customer loyalty among the customers of the organizations (Bilal Afsar et al, 2010)

It is the best interest of banks to identify factors that espouse customer choice which in turn influence their satisfaction and loyalty.

Tilahun and Gedifew (2014) on their study mentioned the existence of little study concerning the determinants of bank selection decision in Ethiopia which is done by Goiteom (2011) that examined the factors that influence customers banking choices in Addis Ababa city. They give a comment that the study used simple descriptive analysis and didn't include the most important variables in the study and their study examined the determinants of customers' bank selection decision particularly in Bahir Dar City by including additional variables and using multi-nominal regression model. Thos studies only describe the factors that bank customers consider to select a bank for its service. Another study was a study on factors affecting customers brand loyalty done by Nebyou (2014) which sees bank selection factors in relation to brand loyalty of private bank customers' in Addis Ababa.

To the best of the researcher knowledge no comprehensive study has been conducted on bank selection factors (Bank Product Variety, Bank Service Quality, Bank Reputation, Bank Appearance, and Bank Accessibility) that influence customers' satisfaction and customers' loyalty on selected banks in Addis Ababa. Which means no study conducted by incorporating this factors together in consideration of customer satisfaction as well as customer loyalty at the same time.

1.3 Research Questions

On the basis of problem statement the research tried to answer the following questions;

- How product varieties influence the satisfaction of customers and their loyalty in the banking industry of Ethiopia?
- To what extent service quality influence customer satisfaction and customer loyalty in the banking industry of Ethiopia?
- How reputations influence customer satisfaction and customer loyalty in the banking industry of Ethiopia?
- To what extent appearance influence customer satisfaction and customer loyalty in the banking industry of Ethiopia?
- How accessibility influence customer satisfaction and customer loyalty in the banking industry of Ethiopia?

1.4 Objective of the Study

The broader objective of the researcher is to find out the impact of customers' bank selection factor on customers' satisfaction and loyalty.

Specific objectives of this research:

- To establish which of the five independent variables has the largest influence on customer satisfaction and loyalty on banks
- To examine if product variety of banks has impact on customer satisfaction and customer loyalty
- To examine whether the service quality has impact on customer satisfaction and customer loyalty

- To investigate if the impact of bank reputation on customer satisfaction and customer loyalty
- To determine the influence of bank appearance on customer satisfaction and customer loyalty
- To examine bank accessibility impact on customer satisfaction and customer loyalty

1.5 Conceptual Background and Hypothesis

A study in India conducted by Khurshid Ahmad and Ruchi Singh (2013) on sales of retail banking products and customer satisfaction on ICICI bank found out offering various products satisfies a number of bank customers. Among the respondents 78 percents respond satisfied and highly satisfied. Based on this construct the researcher developed the following hypothesis:

H1: Bank product variety has a significant positive influence on customers' satisfaction

Convenience, physical evidence and product innovation put positive impact on behavioral response means these dimensions create positive word-of-mouth communication through the customers and customer's loyalty and intention to stay with the current bank will increases and pricing will put negative impact on behavioral response. Muhammad Ishtiaq (2011). Product innovation indicates the existence of product variety. So, based on this construct the researcher develops the following hypothesis:

H2: Bank product variety has a significant positive influence on customers' loyalty

Cheng Wei Hin et al (2011) conducted a study in Malaysia on bank selection criteria and service quality. The result indicates that overall both bank selection criteria and service quality is related to student's satisfaction. This means that the better the service quality and the better the criteria of the bank in meeting the student's expectation, the higher the student's satisfaction will be. Another study by Raja Irfan et al (2014) on factors affecting customer satisfaction in banking sector of Pakistan show that there is positive relationship between service quality attributes and customer satisfaction which proves its hypothesis. Based on this constructs the researcher developed the following hypothesis:

H3: Bank service quality has a positive effect on customers' satisfaction

A study conducted by Raja Irfan et al (2014) on factors affecting customer satisfaction in banking sector of Pakistan conclude that service quality leads to satisfied customers and customer satisfaction leads to customer loyalty. Another study conducted by Rizwan Ali et al (2014) revealed that service quality and trust had a significant and strong positive impact on customer loyalty, and service quality alone has a moderate and positive relationship with customer loyalty. Based on this constructs the researcher developed the following hypothesis:

H4: Bank service quality will positively affect customers' loyalty

Nur-E-Alam (2012) conducted a study in Bangladesh on bank selecting influence factors and indicates that, in customers bank selection process, young, educated and high income group prefer to use technology based services for getting quick and efficient services as well as they carefully consider reputation or image of bank. Based on this construct the researcher developed the following hypothesis:

H5: Bank reputation has a significant positive influence on customers' satisfaction

Here the weakest impact of reputation is observed on customer loyalty in comparison with other variables. But the impact of reputation on trust is giving the strongest results and the impact of reputation on customer satisfaction is on second number. In short reputation overall is a strong construct. In this study the brand reputation is playing a significant role on customer loyalty and as well as customer satisfaction. Roshana Gul (2014). According to Sirgy and Samli (1989) and Akhter et al. (2011) cited by Elissavet Keisidou et al (2013) on their study of Customer satisfaction, loyalty and financial performance, described that there is a positive relationship between image and loyalty.

Customer's repetitive patronage is influenced by corporate image. Image of corporation attracts more customers and acts as a driving force to gain customer loyalty. Consumer's experiences and perceptions about the bank may be formed from other sources of information such as advertising or word-of-mouth. The emotional element of corporate image may also show a close relationship because of the mental attachment. Beliefs of customers are manifested by previous experiences with the firm. Bareerah and Muhammad (2014) Based on this constructs the researcher developed the following hypothesis:

H6: Bank reputation has a significant positive influence on customers' loyalty

According to a study of Muhammad Ishtiaq (2011) identified four factors that influence customer satisfaction among them physical evidence or physical appearance. Those factors are convenience, physical evidence and product innovation, they put positive impact on behavioral response means these dimensions create positive word-of-mouth communication through the customers and customer's loyalty and intention to stay with the current bank will increase and pricing will put negative impact on behavioral response. Based on this construct the researcher developed the following hypothesis:

H7: Bank appearance has a positive effect on customers' satisfaction

As described above from a study of Muhammad Ishtiaq (2011) physical evidence or appearance is one factor for customer satisfaction which leads to customer loyalty. So, appearance has an impact on customer loyalty. Based on this construct the researcher developed the following hypothesis:

H8: Bank appearance will positively affect customers' loyalty

According to Kombo Felix (2015) study on factors for customer satisfaction and customer dissatisfaction in Commercial Banks indicate that the presence of bank branches is the most important factor for customer satisfaction in Kenya. People with university education prefer presence of bank branches more than those with primary and university education. Based on this construct the researcher developed the following hypothesis:

H9: Bank accessibility has a significant positive influence on customers' satisfaction

Ala`Eddin and Hasan Ali (2011) study on e-banking functionality and outcomes of customer satisfaction showed that adoption of e-banking (accessibility, convenience, security, privacy, content, design, speed, fees and charges) had a positive effect on Jordanian Commercial Bank customers' satisfaction, loyalty, and positive WOM. E-banking is one of the ways that facilitate accessibility. Based on this construct the researcher develops the following hypothesis:

H10: Bank accessibility has a significant positive influence on customers' loyalty

1.6 Significance of the Study

The research investigated the selected determinants of bank selection influence on customers' satisfaction and customers' loyalty of bank users and shows which determinants have a great influence on both dependent variables. Thus, for further researches this study can serve as a reference on related studies.

Another importance could be its managerial implication; banks can use the findings and conclusions derived from the study as a support for decision making process regarding to work on customer satisfaction and loyalty.

1.7 Scope of the Study

Because of time and money constraint this study is conducted on eight banks selected based on their existence in the market more than ten years which are found in Addis Ababa city including both governmental and private banks. The factors which are described above also limited to five with a dependent variables of two in order to manage the study well.

1.8 Organization of the Research Report

This research paper has five chapters. The first chapter contain introduction; which is consists of background of the study, statement of the problem, research question, objective of the study, significance of the study, and scope of the study. Chapter two contains related literature review which has a detailed literature related to the content of the study. In chapter three the research design and methodology is present. Data presentation, analysis and discussion are presented on chapter four. Final chapter of the study which is chapter five has summary of findings, conclusion, recommendation, and area of further investigation.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

In this chapter related to the study theoretical as well as empirical reviews were presented which is obtained from various books and articles. This chapter also covers topics related to customer satisfaction, customer loyalty, and detail explanation of the factor that are proposed to have an influence on customers' bank selection with the conceptual framework.

2.1 Customer Satisfaction

2.1.1 Definition of Customer Satisfaction

Customer Satisfaction depends on the product's perceived performance relative to a buyer's expectations. If the product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied or delighted (Kotler and Armstrong, 2012).

Satisfaction has been defined as an evaluation of the perceived discrepancy between prior expectations and the actual performance of the product (Oliver, 1999).

Outstanding marketing companies go out of their way to keep important customers satisfied. Most studies show that higher levels of customer satisfaction lead to greater customer loyalty, which in turn results in better company performance. Smart companies aim to delight customers by promising only what they can deliver and then delivering more than they promise. Delighted customers not only make repeat purchases but also become willing marketing partners and "customer evangelists" who spread the word about their good experiences to others (Kotler and Armstrong, 2012).

Buyers form their expectations from past buying experience; friends' and associates' advice; and marketers' and competitors' information and promises. If marketers raise expectations too high, the buyer is likely to be disappointed. However, if the company sets expectations too low, it won't attract enough buyers (Kotler and Lane, 2009).

When examined as a whole, three general components can be identified in extant definitions: 1) consumer satisfaction is a response (emotional or cognitive); 2) the response pertains to a particular focus (expectations, product, consumption experience, etc.); and 3) the response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc) (Joan and Joseph, 2002).

2.1.2 Measuring customer satisfaction

In order to know whether we are achieving more as company, signs indicate that we may be having problems, and want to know if we are meeting customers' needs the most effective strategy is to turn to customers for advice. Customer feedback can be invaluable in determining the direction you need to take. Establishing a standard process is the key to measuring customer satisfaction (PTDA, 2007).

Surveys allow companies to ask questions focused on specific topics of interest rather than relying on voluntary comments. They allow customers to communicate their attitudes about and experiences with the company back to the company. Surveys have become a common tool for many companies to learn more about their customers and ultimately improve their satisfaction with the company and its products (Daniel et al, 2008).

Surveying customers on satisfaction is also an excellent tool in order to identify areas for improvement, as well as provide insight into which areas we should focus our resources. It is also critical input into company's continuous improvement initiatives.

Measuring customer satisfaction is required for maintaining a good quality system. Implementing a system to measure customer satisfaction may not provide with immediate solutions, but it will raise important questions. Finding the answers to these questions will build the foundation for a successful, forward looking organization (PTDA, 2007).

Surveys are a good way to measure satisfaction. They allow to solicit actual feedback from internal or external customers. If we choose to survey our customers, the first step is to define the purpose. What information do we hope to gain? Do we need to measure customer satisfaction levels? Which areas where service needs to be improved? Which services should be add or delete? I it to evaluate the strategic direction of the company? (PTDA, 2007).

2.1.3 Determinates of customer satisfaction

Customer's satisfaction is influenced by specific product or service features and by perception of quality. Satisfaction is also influenced by customers' emotional responses, their attributions, and their perception of equity (Zeithaml and Bitner, 2003).

Product and Service Features: Customers satisfaction with a product or service is influenced significantly by the customer's evaluation of product or service features. In conducting satisfaction studies, most firms will determine through some means usually through focus groups what the important features as well as overall service satisfaction. Research has shown that customers of service will make trade-offs among different service features like price level versus quality versus friendliness of personnel versus level of customization, depending on the types of service being evaluated and the criticality of the service (Zeithaml and Bitner, 2003).

Consumer Emotions: customers' emotions can also affect their perception with products and services. These emotions can be stable or preexisting emotions for example, mood state or life satisfaction. Specific emotions may also be induced by the consumption experience itself, influencing a customer's satisfaction with service (Zeithaml and Bitner, 2003).

Attribution for Service Success or Failure: attributions, the perceived cause of events influence perceptions of satisfaction as well. When consumers have been surprised by an outcome, the service can be either much better or much worse than expected, consumers tend to look for the reasons, and their assessment of the reasons can influence their satisfaction (Zeithaml and Bitner, 2003).

Perception of Equity or Fairness: Notions of fairness are central to customers' perception of satisfaction with products and services. Customers' ask themselves: Have I been treated fairly compared with other customers? Did I pay a fair price for the service? Was I treated well in exchange for what I paid and the effort I expended? (Zeithaml and Bitner, 2003).

Other Consumers, Family Members, and Coworkers: In addition to product and service features and one's own individual feelings and beliefs, consumer satisfaction is often influenced by other people (Zeithaml and Bitner, 2003).

2.2 Customer Loyalty

2.2.1 Definition of Customer Loyalty

A deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior (Oliver, 1999).

Generally, loyalty has been and continues to be defined in some circles as repeat purchasing frequency or relative volume of same-brand purchasing (Oliver 1999).

Good customer relationship management creates customer delight. In turn, delighted customers remain loyal and talk favorably to others about the company and its products (Kotler and Armstrong, 2012).

Companies that want to form strong customer bonds need to attend to a number of different considerations. One set of researchers sees retention-building activities as adding financial benefits, social benefits, or structural ties. Interacting with customers, developing loyalty programs, personalizing marketing, and creating institutional ties are four key marketing activities that companies are using to build customer loyalty (Kotler and Armstrong, 2012).

Building customer relationship is backbone for all organizations in general, and companies in service industries in particular. Issues like: customer satisfaction, service quality, customer perception; customer are the main concerns of the nowadays service companies, which improves organization's performance and translates into more profits (Kotler and Armstrong, 2012).

2.2.2 Measuring customer loyalty

Faced with competitive markets, companies are eager to focus their efforts on the wishes and needs of the customers to retain old customers and to attract new ones. While corporate communication directed at the customer is conducted by advertisement, in-store promotion, public relation efforts and a range of other means, the flow of information and feedback from the customer to the company is much more limited: for example, companies

track customers' behavior while shopping or implement voluntary feedback system (Daniel *etal*, 2008).

The likelihood to recommend itself should be based on a positive attitude towards the company. This attitude could be measured, for example, with a question on how much the customer likes or dislikes the company and its products. The customer's past experiences with the company, exposure to communication in mass media such as reviews and advertisement, and communication with other customers about the company will primarily contribute to the construction of that attitude. Past experience is reflected in the satisfaction a customer feels in his or her interactions with the company. The word-of-mouth communication is reflected by how many recommendations are given about a company and therefore is influenced by how many people report the intention or likelihood of recommending the company and its products (Daniel *etal*, 2008).

The customer-company interactions influence satisfaction, liking and the propensity to give future recommendations. These three concepts are connected: if a customer is satisfied he or she is more likely to give recommendations and probably increases his or her liking of the company. Higher liking leads to more recommendations as well. Higher liking and higher satisfaction turns directly into higher retention rates for the company, but higher likelihood of recommendations would also measure the amount of word-of-mouth promotion that might occur (Daniel *etal*, 2008).

2.3 Product Variety

A study conducted by Bain & Co. (2013) described the following about offering of various bank products. Banks with strong customer loyalty have an open door to win more of their customers' business. For every financial product and in every country market we have analyzed, we find that promoters buy more products with their primary bank than detractors do.

That doesn't mean the business comes effortlessly, banks have to ask for it. For example, about one-third of banking products in the US are sold, not bought. That is, customers did not plan to buy a particular product, but they received an offer and then decided to get it (Bain & Co., 2013).

Returning to May bank in Malaysia, the bank has chosen to bundle products in a way that make it easy to sell them. Customers apply once for all products and provide all necessary information at that time; they then can activate and access products as needed, through the channel of their choice (Bain & Co., 2013).

In Australia, Hong Kong and India, Citibank excels in on boarding and then cross-selling to customers, particularly in wealth management. Citibank mandates that every relationship manager raises his or her customers' share of wallet each quarter (Bain & Co., 2013).

Some banks that are loyalty leaders score low on the sales metric, but the good news is that their customers accept the right kind of sales overtures. Other banks have high selling scores but lag on NPS. These players will want to concentrate on adjusting the tone of their selling and delivering a better experience after the sale (Bain & Co., 2013).

Most banks currently miss a significant opportunity for cross-selling to their existing customer base. The steady expansion of the middle class in emerging markets, combined with digital channels making it easier to purchase products, has created a huge opportunity to cross-sell, but it has also become easier to buy from a bank other than your primary provider (Bain & Co., 2013).

About half of customers in developed countries and 84 percent in emerging countries opened a new banking product over the past year. And customers purchased fully one-third of those products, on average, from a bank other than the customer's primary bank. Loyalty matters in cross-selling: For almost every product and in every country, customers who gave their primary bank a high NPS (Net Promoter Score) both own and purchase more products from that bank than customers who gave a low NPS (Bain & Co., 2013).

2.4 Product and Service Quality

Service quality is a critical element of customer perceptions. In the case of pure services, service quality will be the dominant element in customers' evaluations. In cases where customer service or services are offered in combination with a physical product, service quality may also be very critical in determining customer satisfaction (Zeithaml and Bitner, 2003).

Satisfaction will depend on product and service quality. What exactly is quality? Various experts have defined it as “fitness for use,” “conformance to requirements,” and “freedom from variation.” We will use the American Society for Quality Control’s customer-centered definition: **Quality** (or grade) is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. The seller has delivered quality whenever the product or service meets or exceeds the customers’ expectations. It is important to distinguish between *conformance* quality and *performance* quality (Kotler and Lane, 2009).

Dimensions of Service Quality

Research suggests that customers do not perceive quality in a unidimensional way, but rather judge quality based on multiple factors relevant to the context. These dimensions are:

Reliability: ability to perform the promised service dependability and accurately (Zeithaml and Bitner, 2003).

Responsiveness: willingness to help customers and provide prompt service (Zeithaml and Bitner, 2003).

Assurance: employees’ knowledge and courtesy and their ability to inspire trust and confidence (Zeithaml and Bitner, 2003).

Empathy: caring individualized attention given to customers (Zeithaml and Bitner, 2003).

Tangibles: appearance of physical facilities, equipment, personnel, and written materials (Zeithaml and Bitner, 2003).

2.5 Reputation

As described by Chartered Institute of Management Accountants (CIMA, 2007) Reputation is a perception of past actions and future behavior viewed not in isolation but in the context of what others are doing in the marketplace.

Reputation is a perception of character. For a person or place it is what you expect them to be like based on what you know of them. For a business or organization this character is

also a reflection of behavior, what it has done in certain situations and can be expected to do in future occasions (CIMA, 2007).

For a business or commercial organization reputation has a bearing on value. Reputation may not be identified as an asset on the balance sheet but it affects investor confidence, staff recruitment, supplier attitudes and a myriad of other stakeholders in its capacity as relationship capital (CIMA, 2007).

We talk about good reputation when consumers prefer the products and services of a company to available products of the competition that are similar in prices and quality. Good reputation is the key condition of stakeholders' support to a company in competitive relations, and it is an important factor of value of organization on the financial markets. In spite of being intangible, the researches show that reputation provides sustainable competitive advantage (Cedomir and Gordana, 2008).

Corporate reputation may be divided in factors that dominate its content. These are: the company's ethics, employees (the way a company treats them, possible talented employees, etc.), financial performance, leadership, management, social responsibility, and focus on consumers, quality, reliability, emotional appeal, and communication (Cedomir and Gordana, 2008).

Corporate identity is an apprehension of the self and very similar to apprehension of one's personal identity. Corporate identity is the reality and peculiarity of the organization. Its components are presented by strategy, philosophy, culture and structure of a company organization. Identity includes means by which a company wants to present itself on the market or to pose a product on the market (Cedomir and Gordana, 2008).

The image building and managing are linked to several main areas of image usage:

- strategic positioning;
- successful market penetration;
- availability of different resources and cost reduction;
- focus on the behavior that increases motivation and productivity;
- easier recruitment of employees;
- attracting creative employees;

- increasing the company value;
- higher profits (Cedomir and Gordana, 2008).

Besides that, the image is very important in the process of shaping consumers' expectations and for better perception of service quality. The image is a filter that affects the perception of company service operations. Positive image of an organization with a perfect service that communicates clear values leads to positive attitudes of employees. This enables a company to attract such workforce that might be in short supply on the labor market (Cedomir and Gordana, 2008).

Good and recognizable image does not happen by chance. In order to build it, the procedure requires creativity and firm determination of corporate management. Corporate image and corporate reputation management have two primary aims. The first is the creation of 'the intentional image' in the minds of all key constituents in a company. This means creating a widespread name recognition between target stakeholders, accompanied by spontaneous identification (Cedomir and Gordana, 2008).

The second aim in the managing process is the creation of positive reputation in the minds of key stakeholders. A prominent corporate image may be developed through coordinate image building campaign. This includes a formal communication system: name, logo, corporate advertising and public relations. On the other side, building a good reputation requires more than effective communication efforts. It demands extraordinary identity that can be modeled only by consistent performance throughout many years. Coordinated communication programs can, however, strengthen and improve company's reputation (Cedomir and Gordana, 2008).

Reputation is the next distinctive capability that assumes a series of company's attributes that are excerpted from other actions of the company. Corporate reputation is public evaluation of organization resources and company's capability. Good and recognizable image does not happen by chance, instead it demands creativity and determination of the company management (Cedomir and Gordana, 2008).

The transition from identity to image is a result of public relations, marketing and other organizational processes that try to generate the impression which the subjects of business relations have within a company (Cedomir and Gordana, 2008).

Some requests concerning corporate reputation are to make a company and its internal relations consistent, transparent, authentic, and as a result, distinctive. Successful corporate reputation may attract the owners of resources. A company may build its good reputation by revealing relevant information to certain stakeholders. Therefore the intention of reputation management strategy is to give more information consistent to corporate activities within reasonable time. Good reputation is the result of consistent informative signal within a certain period of time (Cedomir and Gordana, 2008).

Corporations may actively achieve intangible but valuable property by using company's resources and by participation in social problems solutions, with the intention to preserve competitive advantage. Social responsibility and relations with employees are two components of reputation (Cedomir and Gordana, 2008).

The ownership structure and board of directors affect the transparency. Transparency is a necessary requirement for successful corporate governance and it leads to good reputation. The board structure influences the transparency. Practice in the countries with developed model of corporate governance undoubtedly shows that smaller boards are more efficient in comparison to boards with more members. With smaller boards it is easier to reach agreements on strategic policies of a company (Cedomir and Gordana, 2008).

Internal directors in board and family controlled companies have low level of transparency. On the contrary, external non-executive boards, bring resources to a company (e. g. reputation); they are responsible for reducing informational asymmetry, and due to better information access, they are able to qualify information for stake holders; they have intermediate role in finding significant entities for a company. External directors are more successful in following the management towards establishing good reputation for a company (Cedomir and Gordana, 2008).

Independent non-executive directors may play an active role for the stakeholders – company monitoring and fraud prevention. Dignified independent directors represent a

significant factor for attracting the stakeholders, since they are the ones who take decisions, and their decisions depend on the company's reputation (Cedomir and Gordana, 2008).

When speaking about ownership structure, we may conclude that important shareholders have positive influence on the reputation since they strive, without changing the strategy, to maximize corporate value, and they also put pressure on the management. Institutional shareholders provide credible mechanism for information transmission in financial markets, and start initiatives to protect their investments from frauds.

The CRW research points out three most important business goals that may be achieved by corporate reputation. These are:

- Recruitment and retention of employees (73%);
- Improvement of transaction and strategic partnerships (61%);
- Sales improvement (56%).

This research concluded that a company in search of positive reputation depends on its consumers more than on any other external factor. It is assumed that consumers should make positive influence on reputation if internal problems of communication, transparency, values and employee treatments are also harmonized. Support and significance of employees are strongly related to reputation. That is in financial sector, with a great number of service encounters, highly expected. A high degree of satisfaction and employee loyalty is a good prerequisite for the satisfaction of external consumers and other stakeholders, and also for good overall business success (Cedomir and Gordana, 2008).

Reputation as an asset

Chartered Institute of Management Accountants (CIMA, 2007) described reputation can be claimed to be an intangible asset but valuing it is controversial. For reputation the label 'asset' is more emotive than financial, like its opposite 'liability' which indicates that there is a problem. Reputation cannot be classed as an asset for balance sheet purposes; a good reputation can be seen to be an asset to the organization.

The value of reputation

Valuing a reputation should not be discounted for the future. However, one has to consider why anyone would want to fix a value on reputation. No insurer will offer a premium as the moral hazard is just too great for claims control. There are just too many factors which influence the value of reputation to make this viable (CIMA, 2007).

In most cases value is taken for granted until threatened, and depreciation results from damage to reputation. A good reputation is an asset and a bad one is a liability. The aim of management should be to enhance a good reputation and build it into the marketing strategy of the organization. This requires an understanding of the factors which contribute to a good reputation in the eyes of stakeholders (CIMA, 2007).

Where reputation is regarded as a liability then the objective should be to contain or reduce the threat of damage. This leads to a protection policy and ultimately a turnaround of fortune. This will take time and skill but can be achieved (CIMA, 2007).

Reputation risk

Reputation has a value even if it cannot be expressed financially. The possibility of this value being reduced represents a business risk. Most organizations do not know enough about the drivers of their reputation to identify or protect against this risk from devaluation. (CIMA, 2007)

Any incident that reduces trust among any single stakeholder group has the possibility to create reputation damage. The severity of this damage and the cost will depend on the influence of the stakeholder group and its impact on the organization. Not all stakeholder groups are benign and some secondary ones are by their nature hostile. (CIMA, 2007).

A risk to reputation occurs where the organization fails to meet the expectations of a specific stakeholder group. The key to effective reputation risk management is therefore the management of expectations. Reputation risk lies in the gap between expected and actual behavior. This is why stakeholder mapping is useful to 'mind the gap'. (CIMA, 2007).

2.6 Appearance

Physical environment

The physical environment (or physical evidence) consists of the tangible features of the hospitality offer, the external appearance of the premises (the landscaping, lighting and signage) and the internal layout (appropriate decor, furniture and furnishings). Intangible factors are intimately linked to physical evidence, the ambience or atmosphere and clearly the success of a hospitality product is dependent upon the appeal of the physical environment to the customers.

Consumer responses to the physical environment

According to David and Francis (2004) there are three types of human responses to the physical environment: cognitive, emotional and physiological.

The physical environment and cognition: Cognition in this context means knowledge and perception. The physical environment influences people's beliefs about places, which in turn creates preconceptions about the characteristics of the product and the behavior of people in that environment. Therefore, the physical appearance and layout of hospitality premises, the décor and employees' dress, reinforces or challenges people's prior beliefs about the hospitality offer. Consumers recognize different combinations of the physical environment, and these differentiate different product categories from other product categories. In this sense, the physical environment acts as a tangible clue for consumers and helps them to categorize the firm's marketing offer accordingly (David and Francis, 2004).

The physical environment and emotion: As human beings, we are all aware of our own emotional responses to the physical environment. Research suggests that the physical environment can, subconsciously or overtly, generate two types of emotional response: pleasure and arousal. Of course, different consumers will respond to the same physical environment differently – some people will feel excited by the sounds, visual and video effects generated in a younger contemporary music scene, whilst other people will be distressed by them. In the same way, some people will be excited and others distressed by an outdoors action-adventure holiday environment. Research suggests that there is a U-

shaped relationship between pleasure and arousal; too little or too much arousal is unpleasant, and the optimal level of arousal lies between these two extremes. Consumers' emotional responses to the physical environment influence their behavior, and therefore an understanding of peoples' emotional responses is important when designing the physical environment (David and Francis, 2004).

The physical environment and physiological response People have different physiological responses to environmental stimuli. Environmental stimuli can be sensed through one of the following, or any combination:

- Visual stimuli (brightness/darkness; colors; shapes)
- Aural stimuli (the volume, pitch and character of sounds)
- Olfactory stimuli (fresh or foul scents and smells)
- Oral stimuli (bitter/sweet tastes, and hot/cold ingredients)
- Tactile stimuli (the texture in food products, the softness in furnishings, and the level of comfort with the temperature) (David and Francis, 2004).

Extreme stimulation can cause consumers varying degrees of physical discomfort, ranging from the mildly aggravating to the medically threatening. Clearly these types of physiological factors influence both consumers' and employees' response to the physical environment, and consumers' initial attraction, enjoyment and propensity to return or reject the hospitality offer (David and Francis, 2004).

Variations in consumer responses to the physical environment

Consumer behavior research into personality traits can explain why certain types of personality might respond to certain types of physical environment differently. Each of us can also respond to the same physical environment differently according to changes in our disposition (good mood/bad mood). Variations in peoples' responses can be linked to different lifestyles and different cultural backgrounds. The same customer may show different responses to the same physical environment, depending on whether the purpose of the visit is business or leisure (David and Francis, 2004).

Dimensions in the physical environment

Companies can control the built environment and create atmosphere through design. According to David and Francis (2004) three environmental dimensions were exist; ambience, spatial layout and functionality, and signs, symbols and artifacts; influence the cognitive, emotional and physiological response behavior.

The *ambient dimension* refers to the sensory elements such as color and lighting (which impact on consumers' visual senses) and temperature (which impacts on consumers' sense of physical comfort) can be linked to consumers' zones of tolerance. Relatively minor irritations can be a source of amusement for some consumers, while more extreme ambient conditions can be a genuinely serious issue and create highly distressed customers (David and Francis, 2004).

Spatial layout - refers to the way in which space is used (the actual layout of the lobby and front desk), and where furniture and equipment is placed in rooms. The scale and size of a hospitality property influences the spatial layout. Functionality refers to the effectiveness of the spatial layout to facilitate efficient service and deliver customer satisfaction. Spatial layout achieves an optimal balance between operational requirements and customer expectations.

Signs, symbols and artifacts - refers to the range of tools that companies can use to communicate either directly or indirectly with consumers.

Each of these three dimensions needs to be coordinated effectively to ensure that a consistent and appealing physical environment is achieved.

Elements of the physical environment

External

The surrounding environment, the external appearance of the building, landscaping, access routes, car parking facilities, signage and logos, and lighting are the shop window for the hospitality business. When the surrounding environment does match the hospitality product, potential customers will be attracted to the physical environment (David and Francis, 2004).

The external appearance of the hospitality premises; the building, its size, age, architecture and, in particular, the quality of maintenance sends cues to customers. Attractive, well-maintained properties inspire confidence, but buildings that appear neglected can actually deter potential customers. Effective landscaping can transform the visual appearance of a property. Well-maintained grounds, attractive lawns and gardens, and pretty flower boxes all contribute towards a positive image Well-maintained attractive signage, including brand logos, and effective external lighting send out positive signals to customers, whilst tired and damaged signage and poor lighting send out negative signals. Investment in the external physical environment can help to attract customers into the premises (David and Francis, 2004).

Internal

Internal factors include the layout, décor, furniture and furnishings, equipment, internal signage, temperature and air-quality, music and smells, which, combined together, convey the all-important atmosphere of the premises (David and Francis, 2004).

The combination of all internal factors creates an overall atmosphere that should, if properly designed, appeal to the target market. However, if some of the key internal environmental factors fail, or do not fit with, the customer's expectations, then customers can be dissatisfied (David and Francis, 2004).

2.7 Accessibility

The definition of accessibility

According to IBM Human Ability and Accessibility Center (2006) Accessibility is defined as the development and integration of systems, tools, structures and processes that facilitate the inclusion of more people, irrespective of their abilities or personal challenges, as valuable customers and employees of businesses, government agencies and the community.

At its most innovative level, accessibility is a business-transformation opportunity that integrates various aspects of an organization to deliver better products and services for everyone, with increased returns and reduced costs across the enterprise.

Reach new markets

Today's banking customers have an incredible array of choices. Rapidly evolving technology has made it easier and more affordable for consumers to switch from provider to provider. As a result, banks must find creative ways to connect with new markets to cultivate long-term, profitable relationships. One way to separate yourself from the competition is to understand that different customers have different needs and demand consistent, personalized service at every touch point, no matter how or where they choose to bank; online, at the branch or self-service. Accessibility provides you with the tools and technology to reach out and deliver a consistently rewarding customer experience to a broader base of the population, including aging consumers and people with disabilities. (IBM Human Ability and Accessibility Center, 2006)

Approximately 420 million people worldwide are age 65 or older, and this number is expected to increase dramatically over the next two decades. These people, who often have technology needs similar to people with disabilities, are likely to have significant disposable income and retirement investments. By offering innovative accessibility options you can enable aging baby boomers to more easily access and use banking services. Foster long-term consumer loyalty and help open sustainable, new revenue channels. For example, larger screen fonts can help aging consumers who may have mild vision impairments more easily navigate ATM services. And text-to-speech technology that reads Web pages aloud can help customers with more significant visual or motor impairments learn about new services and check banking statements online (IBM Human Ability and Accessibility Center, 2006).

Accessibility also offers banks the opportunity to connect with another significant market segment: people with disabilities. The addition of even a small set of accessibility options can help you reach out and connect with more of the almost 500 million people worldwide who have some type of disability (IBM Human Ability and Accessibility Center, 2006).

Improve customer satisfaction

Finding new ways to foster growth in today's competitive banking industry is important. But keeping the customers you already have satisfied is paramount. This can be

particularly challenging when innovative new service channels, such as online banking, quickly become the market standard for increasingly tech-savvy consumers. To boost top-line revenues and differentiate yourself from competitors, you need to redefine the customer experience at every level of your enterprise transition from a customer-service to a customer-centric organization. Accessibility should be a critical part of the redesign process. It provides a direct opportunity to support both the efficiency and effectiveness of service delivery to current and future customers. (IBM Human Ability and Accessibility Center, 2006)

Gain business advantage from accessibility investments

Implementing a comprehensive accessibility strategy in your organization can help you achieve enterprise-wide objectives not only by providing people with disabilities many of the same opportunities as everyone else, but also by allowing you to serve a broader range of consumers. Improve customer satisfaction. And extract new value from your technology investments (IBM Human Ability and Accessibility Center, 2006).

2.8 Empirical Review

The following are excerpted from Bain and co. (2013) study on customer loyalty in retail banking

In some countries, customer loyalty as measured by NPS improved in 2013 from the year earlier, as the financial crisis recedes and some banks have devoted more effort to addressing customers' priorities. The continued surge in mobile banking no doubt contributed to higher scores, because mobile tools have a strong, positive effect on customer advocacy.

New banking relationships; people either new to banking or switching their primary relationships from another bank are hard to come by. Only 0.7 percent of respondents were new to banking in the developed world, with another 2.5 percent switching from their primary bank.

Besides loyalty, what it takes to win new relationships differs by country. Respondents who chose a new bank most commonly cited fees, ease of account opening and branch locations

as the reasons. Interest rates also were a major factor in several markets, including the UK, Sweden and Singapore. And ATM locations ranked high in Argentina, Hong Kong, Indonesia and Japan (Bain and co., 2013).

A surprisingly large opportunity exists to sell new products such as credit cards to existing customers. In the developing countries, 83 percent of respondents purchased a new product over the past year; in the developed countries, 50% did (Bain and co., 2013).

While the primary bank captures most of these new products, on average, 35 percent of new product sales go to a competitor. The competitors' share ranges from 19 percent in Denmark, which has a very concentrated banking sector, to a remarkable 60 percent in the UK and 54 percent in Germany, where the global trend to unbundle product holding has gone further. The UK and German markets have many specialized challenger banks, as well as customers who have a low regard for large banks after the crisis and, in Germany, who are highly price sensitive (Bain and co., 2013).

While many factors account for this difference in performance, customer loyalty has a big influence on a bank's current cross-selling performance and its future potential. Customers who are promoters of their primary bank buy more from that bank than detractors do. The higher cross-sell rates that result from stronger loyalty lead to broader product holdings with the primary bank as well. Promoters hold on average 68 percent of products with their primary bank vs.60% for detractors (Bain and co., 2013).

In all 27 countries surveyed, banks formed new relationships customers switching their primary bank plus customers altogether new to banking at an average rate of about 3% in developed markets and 6 percent in developing ones over the past year (Bain and co., 2013).

Earning high levels of customer loyalty definitely helps the cause: On average, a bank's relative NPS explains roughly half of the variation in its relative win rate, a metric that shows whether a bank is winning more or less than its fair share of customers. Relatively strong NPS among existing customers thus allows banks such as DKB in Germany and Bank inter in Spain to win more than their fair share of new customers (Bain and co., 2013).

Other factors that influence win rate vary by market, but the factors that customers cite most often include the level of fees, the convenience of the branch network and the ease of opening an account (Bain and co., 2013).

Winning new relationships provides a lifetime of opportunity to sell people more banking products and earn their advocacy. Given the low rate of new relationship formation, however, this route alone will not be sufficient as a growth strategy (Bain and co., 2013).

Product Variety in relation to customer satisfaction and loyalty in banking sector

A study in India conducted by Khurshid Ahmad and Ruchi Singh (2013) on sales of retail banking products and customer satisfaction on ICICI bank found out offering various products satisfies a number of bank customers. Among the respondents 78 percents respond satisfied and highly satisfied.

Another study by Muhammad Ishtiaq (2011) indicates that convenience, physical evidence and product innovation put positive impact on behavioral response means these dimensions create positive word-of-mouth communication through the customers and customer's loyalty and intention to stay with the current bank will increase and pricing will put negative impact on behavioral response. Product innovation indicates the existence of product variety.

Service Quality in relation to customer satisfaction and loyalty in banking sector

Cheng Wei Hin *etal* (2011) conducted a study in Malaysia on bank selection criteria and service quality. The result indicates that overall both bank selection criteria and service quality is related to student's satisfaction. This means that the better the service quality and the better the criteria of the bank in meeting the student's expectation, the higher the student's satisfaction will be. Another study by Raja Irfan et al (2014) on factors affecting customer satisfaction in banking sector of Pakistan show that there is positive relationship between service quality attributes and customer satisfaction which proves its hypothesis.

A study conducted by Raja Irfan *etal* (2014) on factors affecting customer satisfaction in banking sector of Pakistan conclude that service quality leads to satisfied customers and customer satisfaction leads to customer loyalty. And also a study conducted by Rizwan Ali *etal* (2014) revealed that service quality and trust had a significant and strong positive impact on customer loyalty, and service quality alone has a moderate and positive relationship with customer loyalty.

From the study of Mubbsher and Mariam (2014) the results indicate that service quality and all its dimensions such as tangibles, reliability, assurance and empathy have positive association with customer satisfaction and loyalty in banking sector of Pakistan.

According to Rahim and collogue (2010) study nearly 43 percent of customer's satisfaction change is explained by service quality. On the other hand, service quality has a direct relation with loyalty, and nearly 45 percent of loyalty changes can be explained by service quality changes. In addition, findings of this research show that there is a positive and meaningful relation among all fivefold dimensions of service quality which are reliability, assurance, tangibles, responsiveness and empathy with satisfaction and loyalty, which in both cases assurance and tangibles have the most and the least relation with satisfaction and loyalty.

For Malaysian Islamic banking service quality, reliability was the key driver of service quality, followed by empathy, tangible, responsiveness, assurance, and compliance, respectively. Reliability had the highest regression coefficient (0.999). It means that Muslim and non-Muslim customers are looking for banks that provide services at the promised time, are able to solve problem and cooperative, and offer a wide range of products and services (Muslim and Zaidi, 2008).

The findings of Muslim and Zaidi (2008) study indicate that the establishment of higher levels of service quality will lead customer to have a high level of satisfaction. As a result, these indicate that service quality is positively associated with customer satisfaction in Malaysian Islamic banking.

Reputation in relation to customer satisfaction and loyalty in banking sector

According to a study of Muhammad Ishtiaq (2011) identified four factors that influence customer satisfaction among them physical evidence or physical appearance. Those factors are convenience, physical evidence and product innovation, they put positive impact on behavioral response means these dimensions create positive word-of-mouth communication through the customers and customer's loyalty and intention to stay with the current bank will increase and pricing will put negative impact on behavioral response.

Here the weakest impact of reputation is observed on customer loyalty in comparison with other variables. But the impact of reputation on trust is giving the strongest results and the impact of reputation on customer satisfaction is on second number. In short reputation overall is a strong construct. In this study the brand reputation is playing a significant role on customer loyalty and as well as customer satisfaction. Roshana Gul (2014). According to Sirgy and Samli (1989) and Akhter et al. (2011) cited by Elissavet Keisidou *etal* (2013) on their study of Customer satisfaction, loyalty and financial performance, described that there is a positive relationship between image and loyalty.

Another study conducted by Bareerah and Muhammad (2014) indicates customer's repetitive patronage is influenced by corporate image. Image of corporation attracts more customers and acts as a driving force to gain customer loyalty. Consumer's experiences and perceptions about the bank may be formed from other sources of information such as advertising or word-of-mouth. The emotional element of corporate image may also show a close relationship because of the mental attachment. Beliefs of customers are manifested by previous experiences with the firm.

Physical Appearance in relation to customer satisfaction and loyalty in banking sector

According to Musriha (2012) study on effect of servicescape and employee communication quality on customer loyalty of mandiri bank in Surabaya found out servicescape has

positive and significant impact on customer satisfaction of 0.580, which means that if the management of Bank Mandiri aims at improving customer satisfaction then they must improve services servicescape first because whenever there is an increase in servicescape, it will enhance customer satisfaction of 0.580. This indicates that there is a positive relationship between customer satisfaction and servicescape.

In addition servicescape directly affects customer loyalty of 0.295, which means that whenever there is an increase in servicescape, then it will add to customer loyalty of 0.295. While servicescape satisfaction and overall satisfaction with the experience slot produce effect on behavioral intention associated with loyalty and a desire to remain in the service environment. This shows that there is a positive relationship between servicescape and customer loyalty.

From a study of Muhammad Ishtiaq (2011) physical evidence or appearance is one factor for customer satisfaction which leads to customer loyalty. So, appearance has an impact on customer loyalty. Another study by Abdullah and his colleagues (2014) assessment of items measuring the construct, tangible, indicates visually attractive front office facility as the indicator with highest loading. This is reasonable since this is the first thing that a potential customer will notice and it is a rough indication of what should be expected. Beautiful environment is a bait to lure potential customers to go in and see what exactly is going on within the premises of bank before they can experience all other aspects of service quality they valued.

Ekaterina (2012) on the study of physical environment in customers' satisfaction found out most of the employees consider the physical environment as a very important element of customers' satisfaction and concerning the significance of the service and the physical environment, the most popular answer was that both are very important. And another study by Rahim and colleagues (2010) indicates service encounter plays an important role in customer's satisfaction and loyalty.

Accessibility in relation to customer satisfaction and loyalty in banking sector

According to Kombo Felix (2015) study on factors for customer satisfaction and customer dissatisfaction in Commercial Banks indicate that the presence of bank branches is the

most important factor for customer satisfaction in Kenya. People with university education prefer presence of bank branches more than those with primary and university education.

Ala`Eddin and Hasan Ali (2011) study on e-banking functionality and outcomes of customer satisfaction showed that adoption of e-banking (accessibility, convenience, security, privacy, content, design, speed, fees and charges) had a positive effect on Jordanian Commercial Bank customers' satisfaction, loyalty, and positive word of mouth. E-banking is one of the ways that facilitate accessibility.

Abdullah and his colleagues (2014) indicates the customers really value bank having ATM machines at different location. This boils down to convenience and having access to ones funds easily at ones convenience. This is even more valued than the banks having branches at different locations or providing different product or service mixed. However, it should be noted that the respondents valued many bank branches and different product and service mix equally.

The IBM Human Ability and Accessibility Center describes companies in many industries, including banking, have traditionally underinvested in accessibility technology, there's evidence that if you offer the options, people of all ages, abilities and aptitudes will use them. A study conducted by Forrester Research found that:

- Approximately 32 percent of people using accessibility options or assistive technology do so for ease of use, comfort and convenience. They have no physical difficulty or impairment.
- 57 percent of computer users are likely or very likely to benefit from the use of accessible technology due to a mild or severe impairment.
- Nearly three-quarters of people who experience some type of difficulty or impairment use computers today; more than two-thirds of them use some form of accessible technology.
- Most computer users (69 percent) with mild or severe impairments are currently using some form of accessible technology, but many could benefit from additional accessibility options or assistive technology products.

2.9 Conceptual Framework

Conceptual Framework for the relationship of bank selection factors, customer satisfaction and customer loyalty

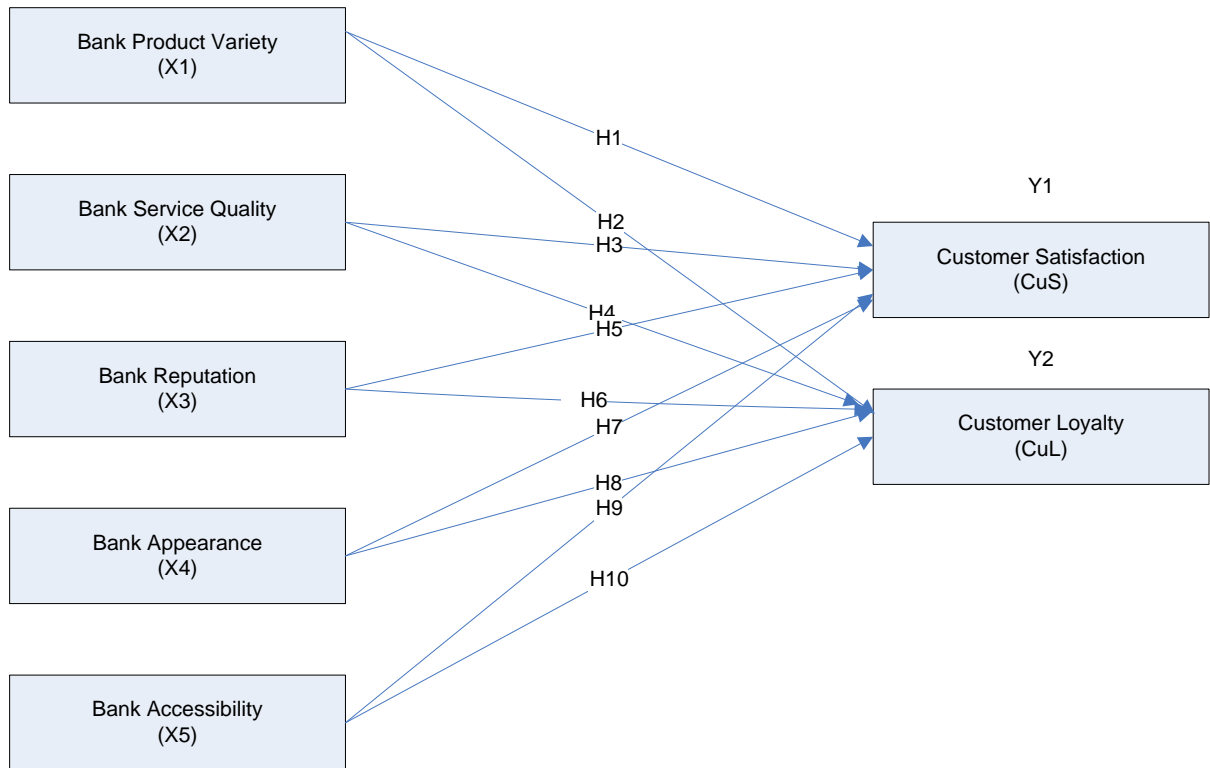


Figure 2.1 Conceptual Framework

$$\text{CuS} = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e \text{ (model 1)}$$

$$\text{CuL} = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e \text{ (model 2)}$$

Where;

CuS: represents Customer Satisfaction

CuL: represents Customer Loyalty

X₁: represents Product Variety

X₂: represents Service Quality

X₃: represents Reputation

X₄: represents Appearance

X₅: represent Accessibility

This conceptual framework indicates that the relationship between independent and dependent variables. The independent variables are; bank product variety, bank service quality, bank reputation, bank appearance, and bank accessibility. The dependents are; customer satisfaction and customer loyalty. The relationship is a cause and effect kind which is the independent variables has positive influence on the dependent ones. The previously discussed hypothesis and model were derived from this combination.

CHAPTER THREE

3. RESEARCH METHODOLOGY

In this chapter a research methodology and data collection instruments were discussed in detail to be employed in the research process. It includes; the Research Approach, Research Design, Sampling Design, Sources of Data, Method of Data Collection, Data Analysis Methods, Validity and Reliability, and Research Ethics issues were addressed.

3.1 Research Approach

The researcher adopted quantitative research approach which involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion (Kotari, 2004). Among various sub categories of quantitative approach inferential approach is adopted. The purpose of inferential approach to research is to form a data base from which to infer characteristics or relationships of population. This usually means survey research where a sample of population is studied to determine its characteristics, and it is then inferred that the population has the same characteristics (Kotari, 2004). Because of this reason the researcher choose quantitative research approach.

3.2 Research Design

Explanatory research design is used in conducting the study. The researcher tried to explain the relationship between bank selection factors such as; banks product variety, service quality, reputation, physical appearance, and accessibility with customer satisfaction and loyalty by using multiple regression analysis. Though, the research design is explanatory type. Descriptive statistics is used to describe the current reality of the banking sector related to the research variables.

3.3 Sampling Design

3.3.1 Target Population

This study is conducted on customers of commercial banks found in Addis Ababa. There are eighteen commercial banks in Ethiopia including the two government banks. Except one all give retail banking service. The establishment of private banks in Ethiopia is not more than twenty years ago. Banks with less than ten years of establishment has less number of customers and branch expansion, this makes difficult to get the required number of respondents in a shorter period of time. So, among all the banks the researcher select eight commercial banks based on their existence on the market more than ten years. Therefore, the sample covered Commercial Bank of Ethiopia, Awash International Bank, Dashen Bank, United Bank, Nib International Bank, Wegagen Bank, Bank of Abyssinia, and Cooperative Bank of Oromia. This banks represent 44.4% of total banks found in Ethiopia.

3.3.1 Sampling Technique

After selecting those banks the researcher select participants using a multi-stage sampling technique. Under multi-stage sampling the first stage may be to select large primary sampling units such as states, then districts, then towns and finally certain families within towns (Kotari, 2004). By considering this the researcher used the classification of Addis Ababa city in to North, South, East, and West Addis Ababa districts. For each district randomly one branch is selected as a sample for each bank. Due to this from North; banks from Gullele area, from South; banks from Temenja Yaj area, from East; banks from Megenagna area, and from West; banks from Abakoran aerea were taken as a sample branch from each districts. To select a specific customer the researcher used a modified systematic sampling technique. Through this technique customers are selected based on fixed time interval of appearing in the bank which is 5 minutes interval. A customer which comes to the bank every 5 minutes was given a questionnaire.

3.3.2 Sample Size

The researcher tried to get the actual number of bank customers in Addis Ababa from the National Bank of Ethiopia, but the data that they have is based on account holders in all

banks. Accounts does not represent the number of bank customers with a depository account holders because one customer could have more than one account. So, the researcher take a sample based on infinite number of population.

An optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility. While deciding the size of sample, the researcher must determine the desired precision as also an acceptable confidence level for the estimate (Kotari, 2004).

According to Kotari (2004) on a sample size when estimating a percentage or proportion the precision and the confidence level shall have to be specified and then work out the sample size. The following formula gives the size of the sample in case of infinite population when we are to estimate the proportion in the universe.

$$n = \frac{z^2 p \cdot q}{e^2}$$

Where **p** = sample proportion, **q** = 1 - p; p = 0.5 and q = (1-0.5) = 0.5;

z = the value of the standard variate at a given confidence level and to be worked out from table showing area under Normal Curve; in our case it is 1.96 under 95% confidence level;

n = size of sample.

e = desired level of precision; in our case which is $\pm 5\%$

Based on the above formula our sample will be:

$$n = \frac{(1.96)^2 \times 0.5(0.5)}{(0.05)^2} = 384$$

So, the researcher distributed 400 questionnaires to have a better sample size

3.3.3 Sampling Procedure

Based on the data obtained from National Bank of Ethiopia which shows number of branches each banks have in Addis Ababa city the researcher tried to give a quota for those banks based on their branch share related to the total banks selected for the study. So, from the total sample of 400 each bank will have a quota based on their branch share which is described in the table below.

Table 3.1 Sample Quota

S.No	Name of Bank	Year of Establishment	No. of Branches in A.A	Share of Branches (%)	Sample Size	Sample Quota
1	Commercial Bank of Ethiopia	1963	195	32.32	400	129
2	Awash International Bank	1994	118	15.51	400	62
3	Dashen Bank	1995	90	11.83	400	47
4	United Bank	1998	67	8.80	400	35
5	Nib International Bank	1999	68	8.94	400	36
6	Wegagen Bank	1997	58	7.62	400	31
7	Bank of Abyssinia	1996	78	10.25	400	41
8	Cooperative Bank of Oromia	2004	36	4.73	400	19
	Total		761	100	400	400

Source: NBE

3.4 Sources of Data

When someone do any sort of inquiry or research, it will collect data of different kinds. In fact, data can be seen as the essential raw material of any kind of research. They are the means by which we can understand events and conditions in the world around us. It is important to be able to distinguish between different kinds of data because their nature has important implications for their reliability and for the sort of analysis to which they can be subjected (Walliman, 2006).

3.4.1 Primary Source

Data that have been observed, experienced or recorded close to the event are the nearest one can get to the truth, and are called primary data. There are many ways of collecting and recording primary data (Walliman, 2006). Among them the researcher used questionnaire for the purpose of collecting primary data.

3.4.2 Secondary Source

Secondary data means data that are already available i.e., they refer to the data which have already been collected and analyzed by someone else. When the researcher utilizes secondary data, then he has to look into various sources from where he can obtain them. In this case he is certainly not confronted with the problems that are usually associated with the collection of original data (Kotari, 2004). Accordingly the researcher of this study used

books, articles, and National Bank of Ethiopia report in order to obtain the required secondary data for the study.

3.5 Method of Data Collection

The researcher with the collaboration of friends distributed questionnaires to the selected bank customers physically in order to collect data for the study.

3.5.1 Data Collection Instrument

The research data was a primary data collected from the selected customers of commercial banks found in Addis Ababa. The researcher used structured questionnaire. This method of data collection is quite popular, particularly in case of big enquiries. In this method a questionnaire is sent to the persons concerned with a request to answer the questions and return the questionnaire.

3.6 Data Analysis Methods

The data collected from respondents through a questionnaire is analyzed through descriptive and inferential statistics. The descriptive statistical analysis describes respondents' background as well as factors that affect customers' satisfaction and loyalty in the banking industry. Regression and correlation analysis are used in order to statistically analyze the relationship of factors that described as independent and dependent variables. Besides, t-test also used to examine the extent to which there is a statistically significant difference between; gender group, public and private banks, and between retail and corporate customers' in terms of customers selection factors, customer satisfaction and loyalty. To study the relationship of this dependent and independent variables different statistical tools were adopted such as correlation and multiple regression analysis. To do such kinds of analysis the researcher used a computer program called Statistical Package for Social Science (SPSS) version 20.

3.7 Validity and reliability

3.7.1 Validity

Establishing the validity of the scores in a survey helps to identify whether an instrument might be a good one to use in survey research (Creswell, 2009). Before using the questionnaire for the study it is always advisable to conduct pilot study or pilot survey for testing the questionnaires. In a big enquiry the significance of pilot survey is felt very much. Pilot survey is infact the replica and rehearsal of the main survey. Such a survey, being conducted by experts, brings to the light the weaknesses (if any) of the questionnaires and also of the survey techniques. From the experience gained in this way, improvement can be effected (Kotari, 2004). In order to keep the validity of the instrument the researcher based previously developed questionnaires with some modifications to comply with the current study as well as conducted a pilot test on the questionnaires that developed for the study. An opinion also asked from bank experts to look the questionnaires from the bank side.

3.7.2 Reliability

Reliability is measures of internal consistency that concerned with items' responses consistent across constructs and indicates scores are stable over time when the instrument is administered (Creswell, 2009). In order to measure the reliability of the instrument the researcher used a 0.70 Cronbach's coefficient alpha to measure the consistency of the instrument. The result of this test is presented in chapter four.

3.8 Research Ethics

Prospective research participants were fully informed about the procedures and risks involved in research and gave their consent to participate. According to William (2000) there are two standards that are applied in order to help protect the privacy of research participants.

Confidentiality – participants are assured that identifying information will not be made available to anyone who is not directly involved in the study.

Anonymity which essentially means that the participant will remain anonymous throughout the study, even to the researchers themselves.

The researcher guaranteed the participants that the stated principles will be strictly followed by the researcher.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Overview

This chapter presents the findings of the research in accordance to the research objectives and hypothesis. The analyses and interpretation of the data collected from the respondents is presented. It began with a description of the demographic and general characteristics of the participating respondents. The results of Cronbach's coefficient alpha for reliability were examined. Then, the results of factor analysis, multicollinearity and correlation analysis for the research variables were discussed. The result of hypothesis test through multiple regression analysis which tries to find out the influence of bank selection factors (Product Variety, Service Quality, Reputation, Physical Appearance, and Accessibility) on customers' Satisfaction and loyalty also presented in this chapter. And finally the result of independent t-test conducted for gender, account type and sector of the bank is presented.

4.2 Response Rate

The total number of questionnaires distributed were 400 out of this 332 questionnaires were returned, yielding 83 percent response rate. However, 6 questionnaires were not completed properly as a result the number of questionnaires for data analysis was 326 which represent 81.5 percent response rate.

4.3 Reliability Test

The Reliability Statistics show that the scale exhibits a high degree of reliability. A Cronbach's Alpha coefficient of 0.70 is a commonly suggested threshold of reliability test. The researcher distributed 30 questionnaires as a pilot test and found the following reliability test result.

Table 4.1 Case processing summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Table 4.2 Cronbach's Alpha coefficients (Reliability test)

Variables	N of Items	Cronbach's Alpha
PRODVAR	4	.801
SERVQUAL	22	.963
REPUTATION	4	.894
PHYAPP	4	.775
ACCESS	5	.732
CuS	5	.944
CuL	5	.924

With a minimum value of 0.732, the Cronbach's Alpha coefficients of all variables lies well above the commonly suggested threshold of 0.70.

Table 4.3 Reliability test for all variables

Cronbach's Alpha	N of Items
.975	49

All variables together gave a value of 0.975 Cronbach's Alpha coefficients. So, in general all items of the variables are reliable.

4.4 Normality Test

Normality of distribution can be tested by using histogram with a normal curve. In general the figure below shows that the variables are normally distributed for both customer satisfaction and loyalty.

Figure 4.1 Normal Distribution Curve for CuS

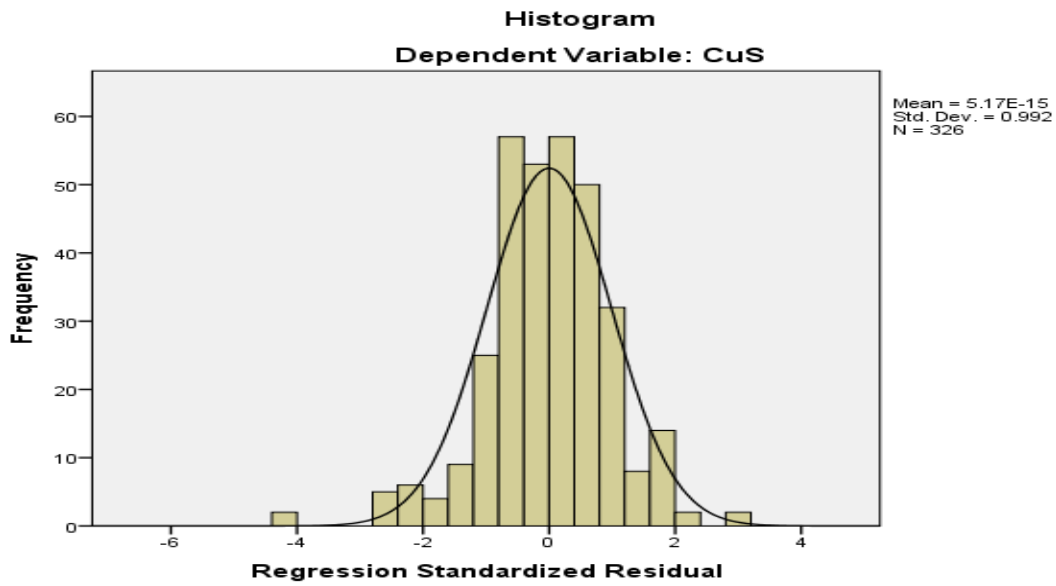
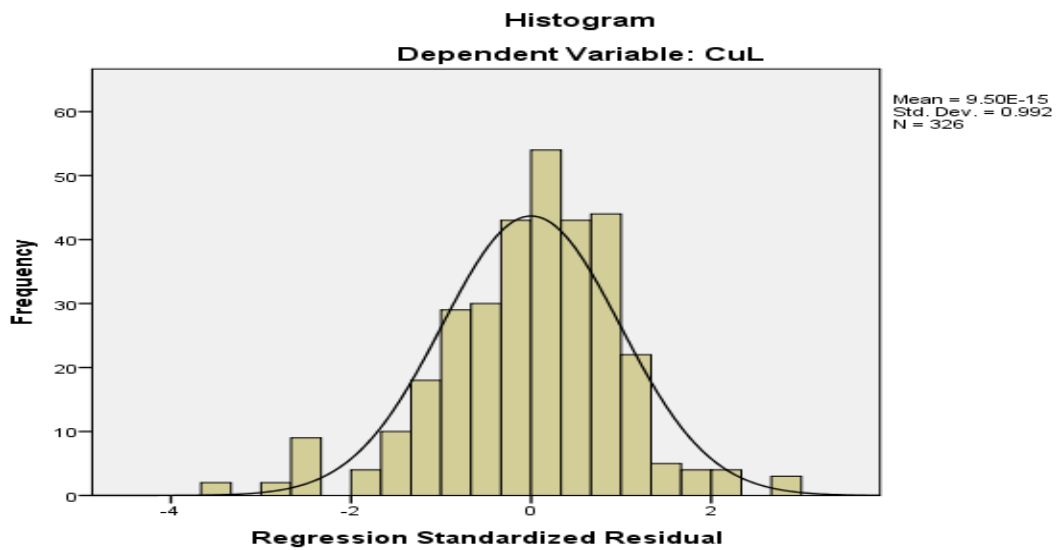


Figure 4.2 Normal Distribution Curve for CuL



If skewness is equal to 0, the data are perfectly symmetrical. But a skewness of exactly zero is quite unlikely for real-world data (Brown, 2011). As George and Mallery (2010) put a generally acceptable range for skewness and kurtosis for further analyses is between the ranges of ± 2.0 . Others extend the range of kurtosis up to ± 3.0 .

Kurtosis statistics is used to measure the peakedness of the distribution. The reference standard is a normal distribution, which has a kurtosis of 3 and the lower bound is -3 (Brown, 2011). The following table shows the skewness and kurtosis statistics of the distribution.

Table 4.4 Skewness and Kurtosis

Descriptive Statistics							
	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PRODVAR	326	3.97	.782	-1.587	.135	3.131	.269
SERVQUAL	326	3.82	.758	-1.144	.135	1.619	.269
REPUTATION	326	4.14	.833	-1.591	.135	3.120	.269
PHYAPP	326	3.45	.918	-.363	.135	-.658	.269
ACCESS	326	3.82	.792	-.670	.135	.323	.269
CuS	326	3.93	.824	-1.015	.135	1.192	.269
CuL	326	3.8472	.90719	-1.130	.135	1.236	.269
Valid N (listwise)	326						

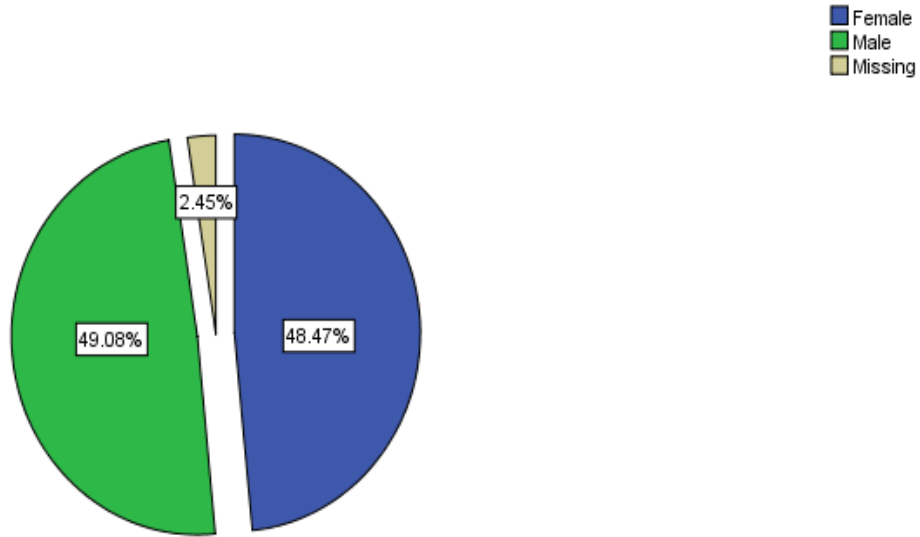
The above table indicates that all variables are under the acceptable range of skewness which is between the ranges of ± 2 . For the two variables product variety and reputation their kurtosis statistics shows a leptokurtic kind but other variables are under the acceptable range. The overall distribution is reflected as normal which is presented on the histogram. For each variables the normal distribution graphs are presented as appendix.

4.5 Characteristics of Demographic and Banking Profile

The demographic profile of the respondents is shown in Figures 4.3 to 4.5. The respondents were classified according to their age group, gender and academic qualification. Banking profile of respondents is based on their account type and sector the bank they become customer. Table 4.5 also summarizes the demographic and banking profile of the respondents.

4.5.1 Demographic Profile

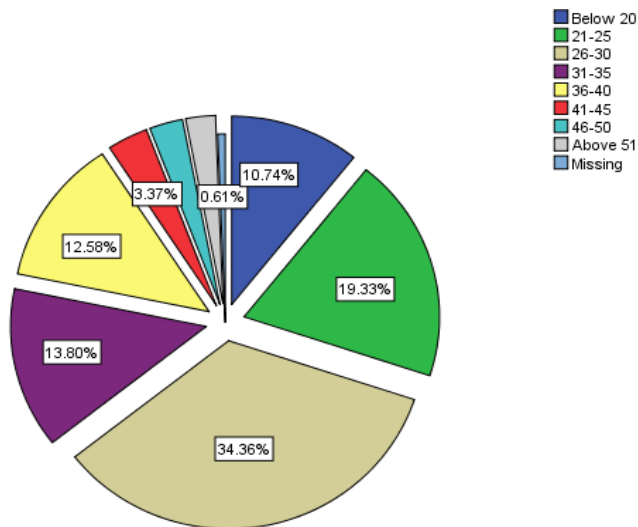
Figure 4.3 Gender Profile



Source: Survey Data (2016)

The above figure shows the ratio of male to female is almost 1:1 which indicates both male and female groups are equally use banks in order to save money and also for their business purpose.

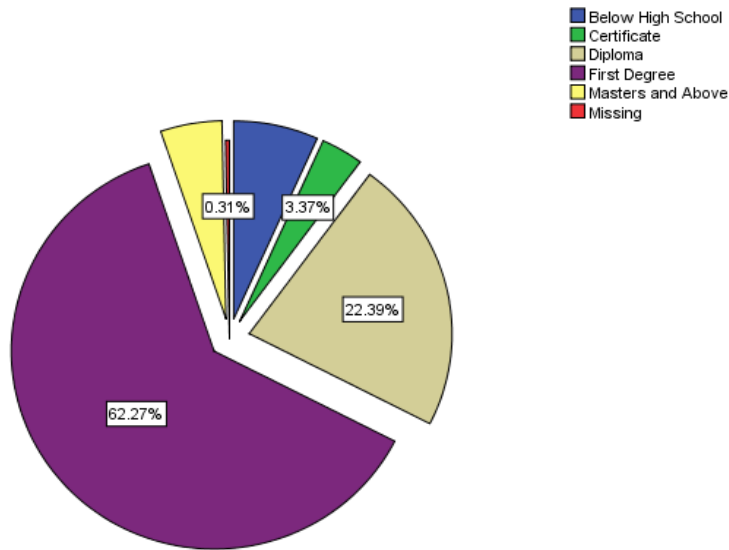
Figure 4.4 Age Group



Source: Survey Data (2016)

The above figure shows most of the respondents are below the age of 35 which holds 78.23 percent of the total respondents. It indicates that young populations of the society are major users of banking services than the old ones. Other major age group is between the age of 36 to 45 which have a share of 15.95 percent.

Figure 4.5 Academic Qualification



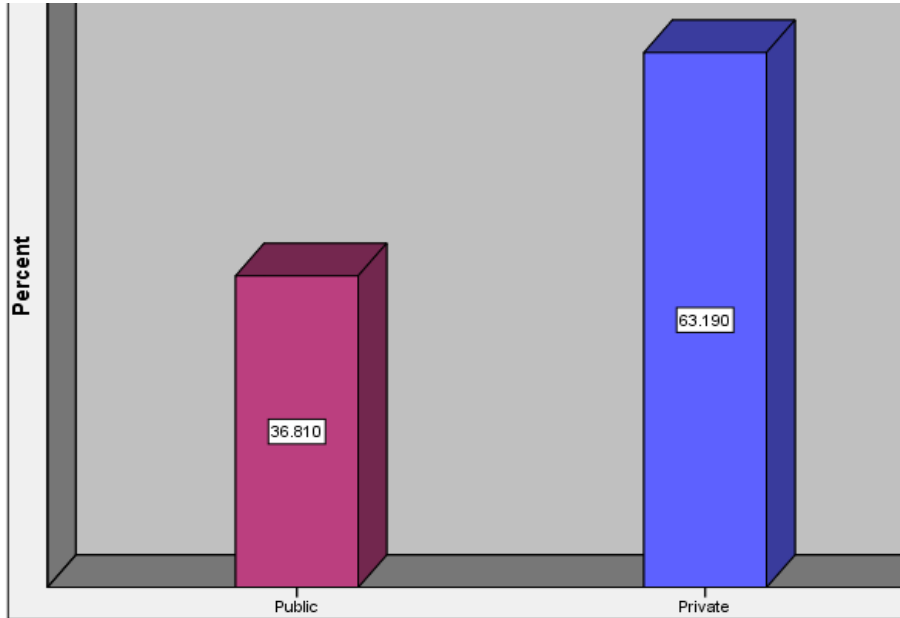
Source: Survey Data (2016)

Figure 4.5 shows most of the respondents are first degree holders which constitutes 62.27 percent of the total respondents. As indicated above most of the respondents are young so, most young population which uses banks have first degree. Another significant percentage is 22.39 which represent diploma holders. Respondents with certificate and below constitute 10.1 percent of the total respondents. The rest 4.9 percent of the respondents are masters and above holders.

4.5.2 Banking Profile

Figure 4.6 shows that 36.81 percent of respondents are a customer of public bank which is Commercial Bank of Ethiopia and the rest 63.19 percent of respondents are a customer of private banks. The private banks are; Dashen Bank, Awash International Bank, Nib International Bank, Bank of Abyssinia, United Bank, Wegagen Bank, and Cooperative Bank of Oromia.

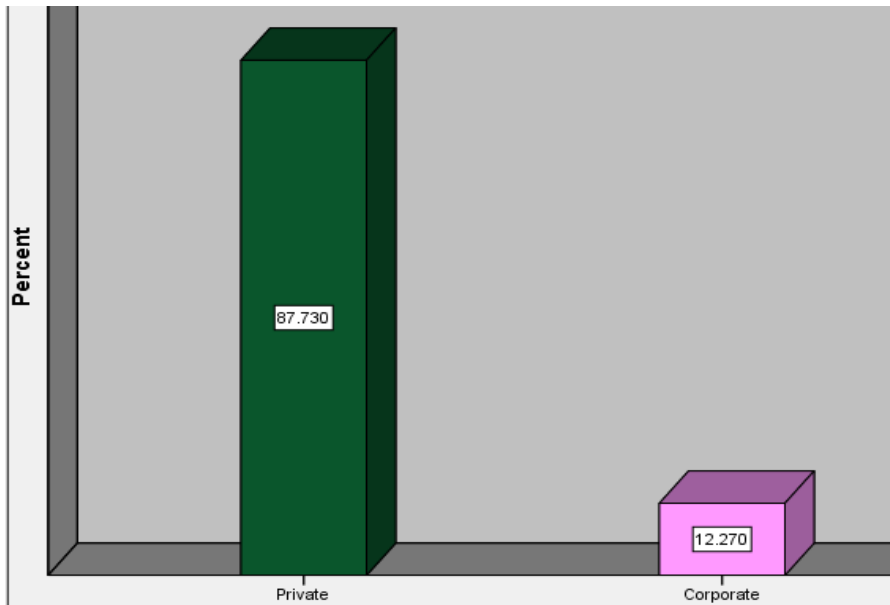
Figure 4.6 Sector of the Bank



Source: Survey Data (2016)

Figure 4.7 shows that most of the respondents are private account holders which constitutes 87.73 percent of the total respondents. The rest 12.27 percent of respondents are corporate customers which run their own business and have an account for business purpose.

Figure 4.7 Type of Account



Source: Survey Data (2016)

Table 4.5 Summary of Demographic Variables and Banking Profile

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender					
Valid	Female	158	48.5	49.7	49.7
	Male	160	49.1	50.3	100.0
	Total	318	97.5	100.0	
Missing	9	8	2.5		
Total	326	100.0			
Age					
Valid	Below 20	35	10.7	10.8	10.8
	21-25	63	19.3	19.4	30.2
	26-30	112	34.4	34.6	64.8
	31-35	45	13.8	13.9	78.7
	36-40	41	12.6	12.7	91.4
	41-45	11	3.4	3.4	94.8
	46-50	9	2.8	2.8	97.5
	Above 51	8	2.5	2.5	100.0
	Total	324	99.4	100.0	
Missing	9	2	.6		
Total	326	100.0			
Academic Qualification					
Valid	Below High School	22	6.7	6.8	6.8
	Certificate	11	3.4	3.4	10.2
	Diploma	73	22.4	22.5	32.6
	First Degree	203	62.3	62.5	95.1
	Masters and Above	16	4.9	4.9	100.0
	Total	325	99.7	100.0	
Missing	9	1	.3		
Total	326	100.0			
Sector of the Bank					
Valid	Public	120	36.8	36.8	36.8
	Private	206	63.2	63.2	100.0
	Total	326	100.0	100.0	
Type of Account					
Valid	Private	286	87.7	87.7	87.7
	Corporate	40	12.3	12.3	100.0
	Total	326	100.0	100.0	

Source: Survey Data (2016)

4.6 Factor Analysis of Variables

A factor is an underlying dimension that account for several observed variables. There can be one or more factors, depending upon the nature of the study and the number of variables involved in it. The score of the factor represents the degree to which each respondent gets high scores on the group of items that load high on each factor. Factor scores can help explain what the factors mean. With such scores, several other multivariate analyses can be performed. It has become customary in factor analysis literature for a loading of 0.33 to be the minimum absolute value to be interpreted Kotari (2004).

The Kaiser–Meyer–Olkin (KMO) statistic is a measure of sampling adequacy (MSA), indicates whether the correlations between variables can be explained by the other variables in the dataset. The final decision of whether the data are appropriate for principal components analysis should be primarily based on the KMO statistic. All MSA values on the anti-image correlation matrix’s diagonal should also lie above the threshold level of 0.50. If this is not the case, we should consider removing this item from the analysis Mooi & Sarstedt (2011).

Table 4.6 Threshold values for KMO and MSA

KMO/MSA value	Adequacy of the correlations
Below 0.50	Unacceptable
0.50–0.59	Miserable
0.60–0.69	Mediocre
0.70–0.79	Middling
0.80–0.89	Meritorious
0.90 and higher	Marvelous

Source: Mooi & Sarstedt (2011)

4.6.1 Product Variety

Table 4.7 KMO and Bartlett's Test for product variety

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.800
Approx. Chi-Square	448.670
Bartlett's Test of Sphericity	df
	6
Sig.	.000

The KMO score is higher than the 0.700 requirement with 0.800 and the Bartlett’s score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.8 Component Matrix for product variety

Product Variety	Component
	1
The bank have extensive e-banking products like ATM, Mobile Banking, and Internet Banking services.	.861
The bank has enough variety of products	.830
The bank I used caters all my banking needs.	.818
The bank I used continuously introduce new bank products.	.732

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

The factor analysis of product variety influence indicates that all the questions loaded onto one factor. All the questions have favorable factor loadings with a component matrix greater than 0.50. This indicates that Customer satisfaction is adequately measured by those questions and all are valid for further analysis.

4.6.2 Service Quality

4.6.2.1 Tangibles

Table 4.9 KMO and Bartlett's Test for Tangibles

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.788
Approx. Chi-Square	587.939
Bartlett's Test of Sphericity	df
	10
	Sig.
	.000

The KMO score is higher than the 0.700 requirement with 0.788 and the Bartlett's score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.10 Component Matrix for Tangibles

Service Quality	Component
	1
The bank's physical features are visually appealing.	.855
Materials associated with the service (such as pamphlets or statements) are visually appealing at the bank.	.827
The bank has up-to-date equipment.	.815
Employees are well dressed and appear neat.	.746

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

The factor analysis of tangibility which is one factor of service quality shows all the questions loaded onto one factor. All the questions of tangibles have favorable factor loadings with a component matrix greater than 0.50. This indicates that tangibles is adequately measured by those questions and all are valid for further analysis.

4.6.2.2 Reliability

Table 4.11 KMO and Bartlett's Test for Reliability

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.849
	Approx. Chi-Square	828.415
Bartlett's Test of Sphericity	df	10
	Sig.	.000

The KMO score is higher than the 0.700 requirement with 0.849 and the Bartlett's score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.12 Component Matrix for Reliability

Reliability	Component
	1
When the bank promises to do something by a certain time, it does so.	.870
When a customer has a problem, they show a sincere interest in solving it	.855
The bank I used perform the service right the first time.	.828
The bank provide the service at the time they promised to do so	.802
The bank insists on error free records.	.749

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

Another factor of service quality which is reliability. Its factor analysis indicates that all the questions loaded onto one factor. All the questions have favorable factor loadings with a component matrix greater than 0.50. This indicates that reliability is adequately measured by those questions and all are valid for further analysis.

4.6.2.3 Assurance

Table 4.13 KMO and Bartlett's Test for Assurance

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.778
	Approx. Chi-Square	689.885
Bartlett's Test of Sphericity	df	6
	Sig.	.000

The KMO score is higher than the 0.700 requirement with 0.778 and the Bartlett's score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.14 Component Matrix for Assurance

Assurance	Component
	1
Customers feel safe in their transactions with employees in the bank.	.877
The behavior of employees instil confidence in customers	.876
Employees are Polite with Customers	.863
Employees of the bank have the knowledge to answer customers' questions	.790

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

The third factor of service quality which is called assurance. Its factor analysis indicates that all the questions loaded onto one factor. All the questions have favorable factor loadings with a component matrix greater than 0.50. This indicates that assurance is adequately measured by those questions and all are valid for further analysis.

4.6.2.4 Responsiveness

Table 4.15 KMO and Bartlett's Test for Responsiveness

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.847
Approx. Chi-Square	846.784
Bartlett's Test of Sphericity	df
	6
	Sig.
	.000

The KMO score is higher than the 0.700 requirement with 0.847 and the Bartlett's score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.16 Component Matrix for Responsiveness

Responsiveness	Component
	1
Employees give prompt service to customers	.916
Employees are always willing to help customers	.900
Employees are never too busy to respond to customers	.880
Employees Make Information Easily Obtainable By Customers	.851

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

The fourth factor of service quality which is called responsiveness. Its factor analysis indicates that all the questions loaded onto one factor. All the questions have favorable factor loadings with a component matrix greater than 0.50. This indicates that responsiveness is adequately measured by those questions and all are valid for further analysis.

46.2.5 Empathy

Table 4.17 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.841
	Approx. Chi-Square	845.232
Bartlett's Test of Sphericity	df	10
	Sig.	.000

The KMO score is higher than the 0.700 requirement with 0.841 and the Bartlett's score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.18 Component Matrix for Empathy

Empathy	Component
	1
The bank has your best interests at heart.	.857
The employees of the bank understand your specific needs.	.854
The bank has employees who give you personal attention.	.838
The bank gives you individual attention.	.835
The bank has operating hours convenient to all its customers.	.770

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

The final factor of service quality which is called empathy. Its factor analysis indicates that all the questions loaded onto one factor. All the questions have favorable factor loadings with a component matrix greater than 0.50. This indicates that empathy is adequately measured by those questions and all are valid for further analysis. So, all factor of service quality questions load is high and this indicate service quality is well represented by this questions.

4.6.3 Reputation

Table 4.19 KMO and Bartlett's Test for Reputation

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.786
	Approx. Chi-Square	810.666
Bartlett's Test of Sphericity	df	6
	Sig.	.000

The KMO score is higher than the 0.700 requirement with 0.786 and the Bartlett's score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.20 Component Matrix for Reputation

Reputation	Component
	1
I have a full trust on this bank	.889
Use of this bank is being reliable	.888
This bank is adding value to user(Prestige)	.879
This bank is innovative and forward looking	.845

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

The other factor which is expected in influencing of customer satisfaction and loyalty is reputation. It is independent variable and its factor analysis indicates that all the questions loaded onto one factor. All the questions have favorable factor loadings with a component matrix greater than 0.50. This indicates that reputation is adequately measured by those questions and all are valid for further analysis.

4.6.4 Physical Appearance

Table 4.21 KMO and Bartlett's Test Physical Appearance

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.710
	Approx. Chi-Square	438.957
Bartlett's Test of Sphericity	df	6
	Sig.	.000

The KMO score is higher than the 0.700 requirement with 0.710 and the Bartlett's score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.22 Component Matrix for Physical Appearance

Physical Appearance	Component
	1
The atmosphere of the bank that I used is attractive	.873
The internal layout like the furniture and furnishing of the bank is attractive	.788
Exterior design of the bank is attractive	.771
The bank have sufficient parking lot	.725

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Physical Appearance is also another independent variable which is expected in influencing of customer satisfaction and loyalty is. Its factor analysis indicates that all the questions loaded onto one factor. All the questions have favorable factor loadings with a component matrix greater than 0.50. This indicates that physical appearance is adequately measured by those questions and all are valid for further analysis.

4.6.5 Accessibility

Table 4.23 KMO and Bartlett's Test for Accessibility

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.711
Approx. Chi-Square	617.322
Bartlett's Test of Sphericity	df
	10
	Sig.
	.000

The KMO score is higher than the 0.700 requirement with 0.711 and the Bartlett's score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.24 Component Matrix for Accessibility

Accessibility	Component	
	1	2
The bank branches are extensive.	.673	.568
The location of branches are convenience.	.666	.558
The bank have sufficient ATMs.	.816	.044
The bank have extensive mobile banking service	.781	-.498
The bank have extensive internet banking service.	.751	-.533

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

The final independent variable which is expected in influencing of customer satisfaction and loyalty is accessibility. Its factor analysis indicates that all the questions loaded onto one factor. All the questions have favorable factor loadings with a component matrix greater than 0.50. This indicates that accessibility is adequately measured by those questions and all are valid for further analysis.

4.6.6 Customer Satisfaction

Table 4.25 KMO and Bartlett's Test for Customer Satisfaction

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.836
Bartlett's Test of Sphericity	Approx. Chi-Square	1039.043
	df	10
	Sig.	.000

The KMO score is higher than the 0.700 requirement with 0.836 and the Bartlett's score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.26 Component Matrix for Customer Satisfaction

Customer Satisfaction	Component
	1
I am satisfied with this bank	.865
My choice to use this bank was a wise one	.856
This is one of the best bank I could have chosen	.863
Using this bank has been a good experience	.820
I have truly enjoyed using this bank	.856

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Customer satisfaction is the first dependent variable which is expected to be measured by the above independent variables. Its factor analysis indicates that all the questions loaded onto one factor. All the questions have favorable factor loadings with a component matrix greater than 0.50. This indicates that customer satisfaction is adequately measured by those questions and all are valid for further analysis.

4.6.7 Customer Loyalty

Table 4.27 KMO and Bartlett's Test for Customer Loyalty

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.886
	Approx. Chi-Square	1165.957
Bartlett's Test of Sphericity	df	10
	Sig.	.000

The KMO score is higher than the 0.700 requirement with 0.886 and the Bartlett's score equally sufficient at Sig. level 0.000. This shows that the data is suitable for factor analysis.

Table 4.28 Component Matrix for Customer Loyalty

Customer Loyalty	Component
	1
If necessary, I would make a few small sacrifices so I could continue using this bank	.844
I tend to praise and defend this bank	.871
I will recommend friends and relatives to use the services offered by this branch.	.899
I think I will appreciate this bank for a long time	.890
To me, this bank clearly is able to provide the best service.	.853

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

The second dependent variable which is expected to be measured by the above independent variables is customer loyalty. Its factor analysis indicates that all the questions loaded onto one factor. All the questions have favorable factor loadings with a component matrix greater than 0.50. This indicates that customer loyalty is adequately measured by those questions and all are valid for further analysis.

4.7 Assumptions of Regression Analysis

There are some assumptions that are required to provide valid results in regression analysis.

4.7.1. Sufficient Number of Observation

If you want to test the overall relationships between the independent and dependent variable, there is a rule of thumb that the number of observations is at least $50 + 8k$ (where k are the number of independent variables) (Mooi & Sarstedt, 2011). In this case

the minimum number of observation required to perform regression analysis is $50 + 8 \times 5 = 90$. So, 326 observation is beyond the requirement.

4.7.2. Testing Multicollinearity

In multiple regression analysis, the regression coefficients (viz., b_1 b_2) become less reliable as the degree of correlation between the independent variables (viz., X_1 , X_2) increases. If there is a high degree of correlation between independent variables, we have a problem of what is commonly described as the problem of multicollinearity (Kotari, 2004).

Fortunately, collinearity is relatively easy to detect by calculating the tolerance or VIF (Variance Inflation Factor). A tolerance of below 0.10 indicates that (multi) collinearity is a problem. The VIF is just the reciprocal value of the tolerance. Thus, VIF values above ten indicate collinearity issues (Mooi and Sarstedt, 2011). According to this measurement none of the variables tolerance level is below 0.10 and their VIF above ten. So, there is no a multicollinearity problem with the variable (see table 4.29 below).

Table 4.29 Collerity Statistics

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
PRODVAR	.533	1.875
SERVQUAL	.323	3.095
REPUTATION	.391	2.555
PHYAPP	.582	1.719
ACCESS	.511	1.956

a. Dependent Variable: Customer Satisfaction

4.7.3 Checking for Linearity

The regression model can be expressed in a linear way. Checking the linearity between y and x variables can be done by plotting the independent variables against the dependent variable (Mooi & Sarstedt, 2011). As figure 4.8 and 4.9 shows the relationship of independent variables with the two dependent variables are linear.

Figure 4.8 Scatterplot for Customer Satisfaction

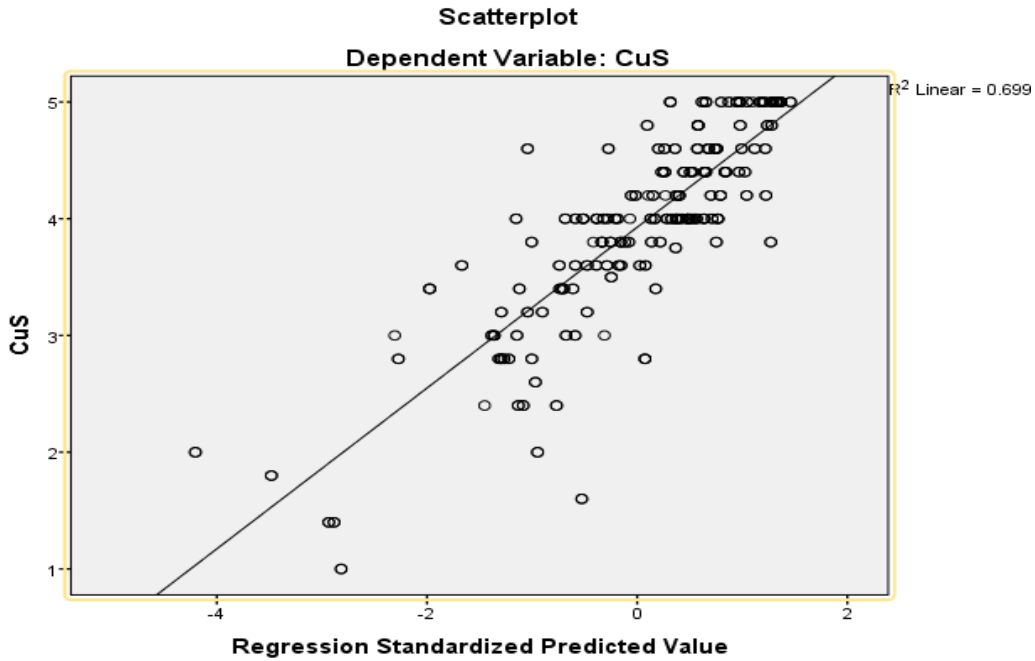
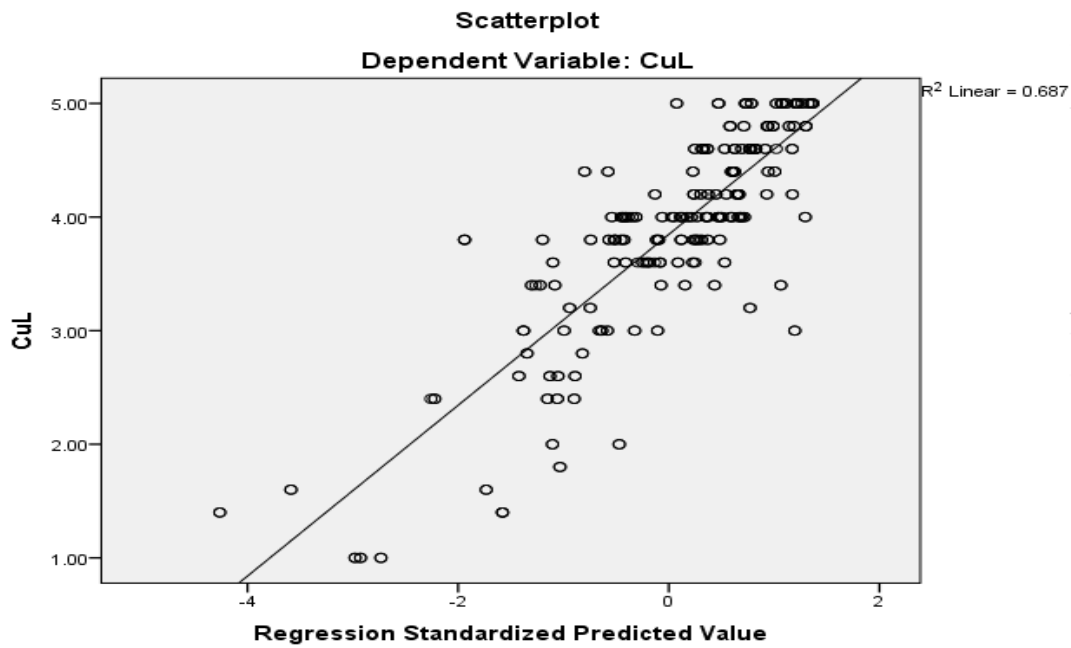


Figure 4.9 Scatterplot for Customer Loyalty



4.7.4 Homoskedasticity

It refers the variance of the errors which should be constant. To test for this, we plot the errors against the dependent variable (Mooi & Sarstedt, 2011).

Figure 4.10 Scatterplot for Homoskedasticity Test (CuS)

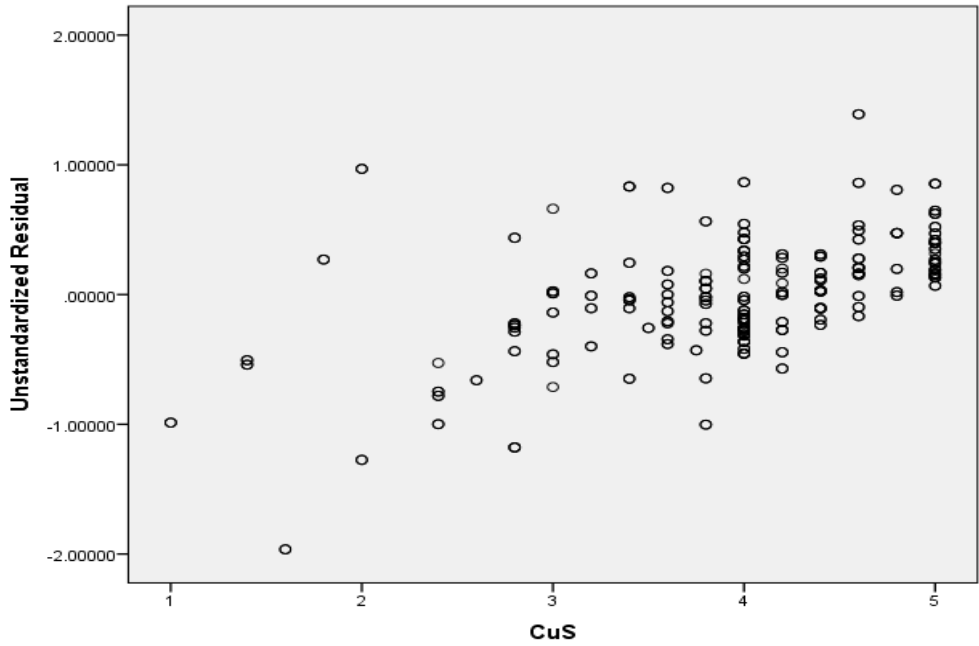
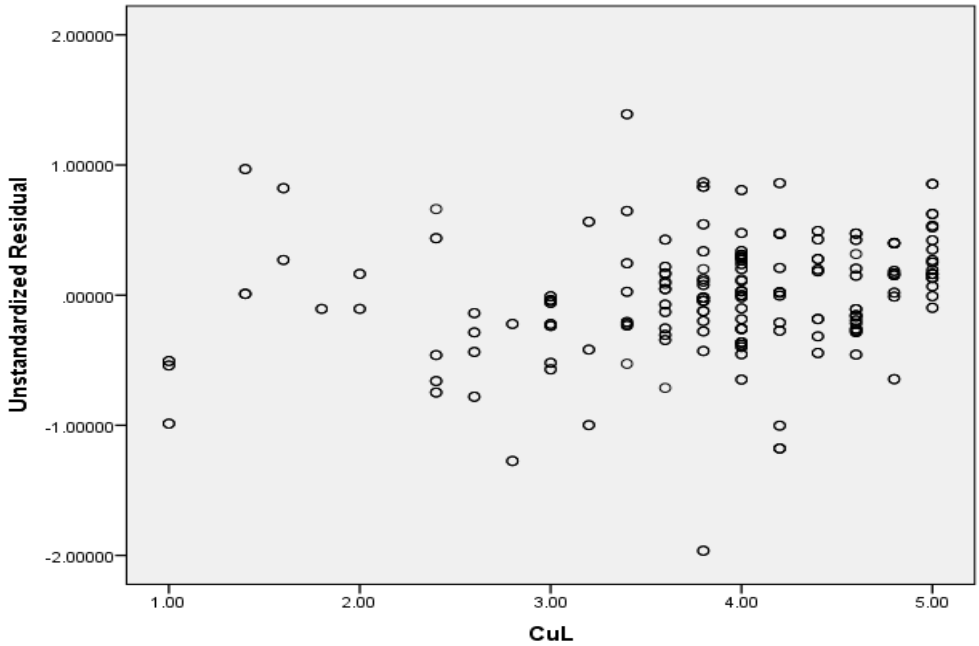


Figure 4.11 Scatterplot for Homoskedasticity Test (CuL)



For both dependent variables the plot indicates the responses seems concentrated in a specific area with some outliers. Which shows the errors are constant throughout the observations.

4.8 Descriptive Statistics

Descriptive statistics concern the development of certain indices from the raw data. These provide the mean scores, standard deviations and N for each subgroup. Inspecting the pattern of these values will also give us an indication of the impact of our independent variables (Pallant, 2005). The following table shows the mean and standard deviation scores of variables obtained from 326 respondents.

Table 4.30 Descriptive Statistics

Descriptive Statistics			
	N	Mean	Std. Deviation
PRODVAR	326	3.97	.782
SERVQUAL	326	3.82	.758
REPUTATION	326	4.14	.833
PHYAPP	326	3.45	.918
ACCESS	326	3.82	.792
CuS	326	3.93	.824
CuL	326	3.85	.907
Valid N (listwise)	326		

In the output presented above the information we requested for each of the variables is summarized. Concerning the variable product variety, the mean is 3.97 which is approximate to 4. This shows on average respondents are agreed on the statements that indicate their bank offers a variety of bank products with a standard deviation of 0.782. Service Quality and Accessibility have same mean value of 3.82 with a standard deviation of 0.758 and 0.792 respectively. For this variables on average respondents are agreed which means their bank give a quality service as well as it is accessible to them. The highest mean of the variables is Reputation's mean which is 4.14 with a standard deviation of 0.833. This indicates that on average respondents agreed on their bank is reputable. The mean of Physical Appearance is the minimum among the listed variables which is 3.45 approximate to 3 with a standard deviation of 0.918. For this variable on average respondents are neutral. When we see the dependent variables mean their approximation is same. Customer satisfaction has a mean of 3.93 with standard deviation of 0.824 and Customer Loyalty 3.85 with standard deviation of 0.907. Their mean is approximately 4 which indicates that on average respondents are satisfied and loyal to their bank.

4.9 Correlations

A correlation is a measure of how strongly two variables relate to each other. Correlation coefficients are frequently used to describe data because they are relatively easy to use and provide a great deal of information in just a single value (Mooi & Sarstedt, 2011).

Karl Pearson's coefficient of correlation or simple correlation is the most widely used method

of measuring the degree of relationship between two variables (Kotari, 2004). The calculated value of the correlation coefficient ranges from -1 to 1, where -1 indicates a perfect negative relation (the relationship is perfectly linear) and 1 indicates a perfectly positive relationship. A correlation coefficient of 0 indicates that there is no correlation (Mooi & Sarstedt, 2011).

Table 4.31 shows the Pearson correlation result with its significant level. When we see the correlation of product variety, service quality, reputation, physical appearance, and accessibility with customer satisfaction they have a significant Pearson correlation of 0.571, 0.754, 0.776, 0.574, and 0.596 respectively. With regard to customer loyalty those variables have Pearson correlation of 0.597, 0.755, 0.775, 0.515, and 0.582 respectively. From this result we can conclude that the independent variables and dependent variables are significantly correlated.

Table 4.31 Pearson Correlation

		Correlations						
		PRODVAR	SERVQUAL	REPUTATION	PHYAPP	ACCESS	CuS	CuL
PRODVAR	Pearson Correlation	1	.638**	.573**	.389**	.545**	.571**	.597**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	326	326	326	326	326	326	326
SERVQUAL	Pearson Correlation	.638**	1	.764**	.554**	.567**	.754**	.755**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	326	326	326	326	326	326	326
REPUTATION	Pearson Correlation	.573**	.764**	1	.473**	.546**	.776**	.775**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	326	326	326	326	326	326	326
PHYAPP	Pearson Correlation	.389**	.554**	.473**	1	.586**	.574**	.515**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	326	326	326	326	326	326	326
ACCESS	Pearson Correlation	.545**	.567**	.546**	.586**	1	.596**	.582**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	326	326	326	326	326	326	326
CuS	Pearson Correlation	.571**	.754**	.776**	.574**	.596**	1	.808**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	326	326	326	326	326	326	326
CuL	Pearson Correlation	.597**	.755**	.775**	.515**	.582**	.808**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	326	326	326	326	326	326	326

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

4.10 Regression Analysis

Regression analysis is one of the most frequently used tools in market research. In its simplest form, regression analysis allows market researchers to analyze relationships between one independent and one dependent variable. In marketing applications, the dependent variable is usually the outcome we care about, while the independent variables are the instruments we have to achieve those outcomes with. It can also help make predictions (Mooi and Sarstedt, 2011).

4.10.1 Bank Selection Factors and Customer Satisfaction

The following tables are excerpted from SPSS in order to perform a regression analysis between independent variables (product variety, service quality, reputation, physical appearance, and accessibility) and dependent variable customer satisfaction.

Table 4.32 Variables Entered/Removed for Regression CuS

Model	Variables Entered	Variables Removed	Method
1	ACCESS, PRODVAR, PHYAPP, REPUTATION, SERVQUAL ^b	.	Enter

a. Dependent Variable: CuS

b. All requested variables entered.

Table 4.33 Model Summary for CuS

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.836 ^a	.699	.694	.455

a. Predictors: (Constant), ACCESS, PRODVAR, PHYAPP, REPUTATION, SERVQUAL

b. Dependent Variable: CuS

The model for this regression was: $CuS = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$

From the model summary result we can see that independent variable explain the dependent variable with a percentage of 69.90. In cross-sectional designs, values of around

0.30 are common while for exploratory research, using cross-sectional data, values of 0.10 are typical (Mooi & Sarstedt, 2011).

Table 4.34 ANOVA for Customer Satisfaction

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	154.155	5	30.831	148.613	.000 ^b
	Residual	66.387	320	.207		
	Total	220.542	325			

a. Dependent Variable: CuS

b. Predictors: (Constant), ACCESS, PRODVAR, PHYAPP, REPUTATION, SERVQUAL

The table below shows the constant, beta, and significance level of each variables. It indicates that except product variety all variables influence customer satisfaction significantly. As the constant and B values are known the model will be:

$$CuS = 0.038 + 0.052X_1 + 0.278X_2 + 0.42X_3 + 0.137X_4 + 0.107X_5 + 0.05$$

Table 4.35 Multiple Regression for Customer Satisfaction

		Coefficients ^a			t	Sig.
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.038	.153		.249	.804
	PRODVAR	.052	.044	.049	1.170	.243
	SERVQUAL	.278	.059	.255	4.730	.000
	REPUTATION	.420	.048	.425	8.659	.000
	PHYAPP	.137	.036	.153	3.797	.000
	ACCESS	.107	.045	.103	2.400	.017

a. Dependent Variable: CuS

4.10.2 Bank Selection Factors and Customer Loyalty

The following tables are excerpted from SPSS in order to perform a regression analysis between independent variables (product variety, service quality, reputation, physical appearance, and accessibility) and dependent variable customer loyalty.

Table 4.36 Variables Entered/Removed for Regression CuL

Model	Variables Entered	Variables Removed	Method
1	ACCESS, PRODVAR, PHYAPP, REPUTATION, SERVQUAL ^b		Enter

a. Dependent Variable: CuL

b. All requested variables entered.

Table 4.37 Model Summary for CuL

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829 ^a	.687	.682	.51175

a. Predictors: (Constant), ACCESS, PRODVAR, PHYAPP, REPUTATION, SERVQUAL

b. Dependent Variable: CuL

The model for this regression was: $CuL = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$

From the model summary result we can see that independent variable explain the dependent variable with a percentage of 68.7.

Table 4.38 ANOVA for Customer Loyalty

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	183.669	5	36.734	140.266	.000 ^b
	Residual	83.804	320	.262		
	Total	267.473	325			

a. Dependent Variable: CuL

b. Predictors: (Constant), ACCESS, PRODVAR, PHYAPP, REPUTATION, SERVQUAL

The table below shows the constant, beta, and significance level of each variables. It indicates that except physical appearance all variables influence customer loyalty significantly. As the constant and B values are known the model will be:

$$CuL = -0.443 + 0.112X_1 + 0.332X_2 + 0.458X_3 + 0.062X_4 + 0.121X_5 + 0.05$$

Table 4.39 Multiple Regression for Customer Loyalty

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	-.443	.172		-2.576	.010
	PRODVAR	.112	.050	.096	2.251	.025
	SERVQUAL	.332	.066	.277	5.031	.000
	REPUTATION	.458	.054	.420	8.406	.000
	PHYAPP	.062	.041	.063	1.537	.125
	ACCESS	.121	.050	.106	2.422	.016

a. Dependent Variable: CuL

4.11 Hypothesis Testing

In this section the suggested hypothesis are tested and the result is presented. The hypothesis were:

H1: Bank product variety has a significant positive influence on customers' satisfaction

H2: Bank product variety has a significant positive influence on customers' loyalty

H3: Bank service quality has a positive effect on customers' satisfaction

H4: Bank service quality will positively affect customers' loyalty

H5: Bank reputation has a significant positive influence on customers' satisfaction

H6: Bank reputation has a significant positive influence on customers' loyalty

H7: Bank appearance has a positive effect on customers' satisfaction

H8: Bank appearance will positively affect customers' loyalty

H9: Bank accessibility has a significant positive influence on customers' satisfaction

H10: Bank accessibility has a significant positive influence on customers' loyalty

H1: Bank product variety has a significant positive influence on customers' satisfaction

The regression result of product variety with customer satisfaction shows that insignificant level of influence at 95 percent confidence interval with a sig. value of 0.243. This result shows the rejection of the first hypothesis.

H2: Bank product variety has a significant positive influence on customers' loyalty

The output of the regression analysis of product variety with customer loyalty shows that product variety has a positive significant influence on customer loyalty with *sig. level of 0.025*. When there is a single unit change in product variety customer loyalty will be affected by 0.112. This result support the second hypothesis.

H3: Bank service quality has a positive effect on customers' satisfaction

The output of the regression analysis shows that service quality has a significant positive influence on customer satisfaction with a *sig. value of 0.000*. A single unit change in service quality will affect customer satisfaction by 0.278. Thus, the third hypothesis is supported.

H4: Bank service quality will positively affect customers' loyalty

As customer satisfaction service quality also has a significant positive influence customer Loyalty (*sig. 0.000*). And a single unit change in service quality will affect customer loyalty by 0.332.

H5: Bank reputation has a significant positive influence on customers' satisfaction

The output of the regression analysis shows reputation has a significant positive influence on customer satisfaction (*sig. 0.000*). When reputation is changed by a single unit customer satisfaction will be affected by 0.420. This beta value is the highest among all variables so, we can say that reputation is the highest influencer of customer satisfaction than the other variables. Due to this result, the fifth hypothesis is supported.

H6: Bank reputation has a significant positive influence on customers' loyalty

Same as customer satisfaction reputation also has a significant positive influence on customer loyalty (*sig. 0.000*). When reputation is changed by a single unit customer loyalty will be affected by 0.458. This beta value is the highest among all variables so, we can say that reputation is the highest influencer of customer loyalty than the other variables.

H7: Bank appearance has a positive effect on customers' satisfaction

The regression results shows that physical appearance has a positive significant influence on customer satisfaction (*sig. 0.000*) with a beta value of 0.137. When there is a single unit change in physical appearance customer satisfaction will be affected by 0.137. This result shows the acceptance of the seventh hypothesis

H8: Bank appearance will positively affect customers' loyalty

Unlike customer satisfaction physical appearance has no significant influence on customer loyalty at a 95 percent confidence interval with a sig. value of 0.125. Due to this hypothesis eight is rejected.

H9: Bank accessibility has a significant positive influence on customers' satisfaction

For the last independent variable the result of regression analysis shows that accessibility has a significant positive influence on customer satisfaction (*sig.0.017*). When accessibility is improved by a single unit customer satisfaction will be improved by 0.107. Thus, hypothesis nine is supported with this result.

H10: Bank accessibility has a significant positive influence on customers' loyalty

Same as customer satisfaction with a little significance difference accessibility has a positive significant influence on customer loyalty (*sig. 0.016*). When accessibility is improved by a single unit customer loyalty will be improved by 0.121. Thus, hypothesis ten is supported with this result.

4.12 Independent sample T-test

Independent-samples t-test, used when we want to compare the mean scores of two different groups of people or conditions Pallant (2005). Here under we will test whether there is a significant difference between; male and female, public and private bank customers, and private and corporate account holders regarding to bank selection factors, customer satisfaction and loyalty.

4.12.1 Based on Gender

An independent-samples t-test was conducted to test whether there is a significant difference between males and females regarding to bank selection factors, customer satisfaction and loyalty. The result shows that there was no significant difference in scores for males and females. The mean and standard deviation value of variables has no significance variation.

Table 4.40 Descriptive Statistics for Gender

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
PRODVAR	Male	160	4.01	.702	.055
	Female	158	3.93	.845	.067
SERVQUAL	Male	160	3.88	.765	.060
	Female	158	3.77	.756	.060
REPUTATION	Male	160	4.15	.786	.062
	Female	158	4.13	.890	.071
PHYAPP	Male	160	3.50	.912	.072
	Female	158	3.38	.929	.074
ACCESS	Male	160	3.78	.770	.061
	Female	158	3.85	.820	.065
CuS	Male	160	4.01	.741	.059
	Female	158	3.84	.900	.072
CuL	Male	160	3.93	.889	.070
	Female	158	3.76	.907	.072

Table 4.41 Independent Sample T-test for Gender

		Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
										Lower	Upper
PRODVAR	Equal variances assumed	6.199	.013	.913	316	.362	.080	.087	-.092	.251	
	Equal variances not assumed			.912	304.253	.362	.080	.087	-.092	.251	
SERVQUAL	Equal variances assumed	.027	.869	1.212	316	.226	.103	.085	-.064	.271	
	Equal variances not assumed			1.212	315.999	.226	.103	.085	-.064	.271	
REPUTATION	Equal variances assumed	1.119	.291	.209	316	.835	.020	.094	-.166	.205	
	Equal variances not assumed			.209	310.187	.835	.020	.094	-.166	.205	
PHYAPP	Equal variances assumed	.116	.734	1.160	316	.247	.120	.103	-.083	.323	
	Equal variances not assumed			1.160	315.698	.247	.120	.103	-.083	.323	
ACCESS	Equal variances assumed	1.227	.269	-.793	316	.429	-.071	.089	-.246	.105	
	Equal variances not assumed			-.792	314.247	.429	-.071	.089	-.246	.105	
CuS	Equal variances assumed	5.821	.016	1.896	316	.059	.175	.092	-.007	.357	
	Equal variances not assumed			1.893	303.405	.059	.175	.093	-.007	.357	
CuL	Equal variances assumed	.825	.364	1.642	316	.101	.16549	.10076	-.03276	.36374	
	Equal variances not assumed			1.642	315.656	.102	.16549	.10077	-.03278	.36376	

4.12.2 Based on Sector of the Bank

Based on sector of the bank independent-samples t-test was conducted to test whether there is a significant difference between public and private bank customers regarding to bank selection factors, customer satisfaction and loyalty. The result shows that for some variables; there is a significant difference in scores for public and private bank customers at a 95 percent confidence interval. The mean and standard deviation value of service quality (*sig. 0.000*), reputation (*sig. 0.034*), physical appearance (*sig. 0.043*), customer satisfaction (*sig. 0.002*), and customer loyalty (*sig. 0.000*) has a significant difference between the group. For this variables the mean of private bank customers' is higher than the public one. See the tables below.

Table 4.42 Descriptive Statistics for Sector of Bank

Group Statistics

	Sector of the Bank	N	Mean	Std. Deviation	Std. Error Mean
PRODVAR	Public	120	3.99	.624	.057
	Private	206	3.96	.862	.060
SERVQUAL	Public	120	3.58	.755	.069
	Private	206	3.97	.722	.050
REPUTATION	Public	120	4.02	.802	.073
	Private	206	4.22	.844	.059
PHYAPP	Public	120	3.32	.803	.073
	Private	206	3.53	.972	.068
ACCESS	Public	120	3.84	.695	.063
	Private	206	3.81	.844	.059
CuS	Public	120	3.74	.827	.076
	Private	206	4.04	.804	.056
CuL	Public	120	3.59	.801	.073
	Private	206	3.99	.934	.065

Table 4.43 Independent Sample T-test for Sector of Bank

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
PRODVAR	Equal variances assumed	6.927	.009	.359	324	.720	.032	.090	-.145	.209
	Equal variances not assumed			.390	308.899	.697	.032	.083	-.131	.195
SERVQUAL	Equal variances assumed	.369	.544	-4.670	324	.000	-.394	.084	-.560	-.228
	Equal variances not assumed			-4.616	240.121	.000	-.394	.085	-.562	-.226
REPUTATION	Equal variances assumed	.811	.368	-2.108	324	.036	-.201	.095	-.388	-.013
	Equal variances not assumed			-2.137	259.475	.034	-.201	.094	-.385	-.016
PHYAPP	Equal variances assumed	9.020	.003	-1.936	324	.054	-.203	.105	-.410	.003
	Equal variances not assumed			-2.035	287.340	.043	-.203	.100	-.400	-.007
ACCESS	Equal variances assumed	2.946	.087	.369	324	.712	.034	.091	-.145	.213
	Equal variances not assumed			.389	287.897	.698	.034	.087	-.137	.204
CuS	Equal variances assumed	.016	.900	-3.177	324	.002	-.296	.093	-.480	-.113
	Equal variances not assumed			-3.153	243.240	.002	-.296	.094	-.482	-.111
CuL	Equal variances assumed	2.899	.090	-3.915	324	.000	-.39917	.10196	-.59975	-.19859
	Equal variances not assumed			-4.076	280.096	.000	-.39917	.09793	-.59195	-.20640

4.12.3 Based on Type of Account

Also based on the type of account customers' hold independent-samples t-test was conducted to test whether there is a significant difference between private and corporate customers regarding to bank selection factors, customer satisfaction and loyalty. The result shows that; for some variables there is a significant difference in scores for private and corporate bank customers at a 95 percent confidence interval. The mean and standard deviation value of service quality (*sig. 0.003*), reputation (*sig. 0.000*), accessibility (*sig. 0.05*), customer satisfaction (*sig. 0.000*), and customer loyalty (*sig. 0.000*) has a significant difference between the group. For this variables the mean of corporate bank customers' is higher than that of private account holders. See the tables below.

Table 4.44 Descriptive Statistics for Type of Account

Group Statistics					
	Type of Account	N	Mean	Std. Deviation	Std. Error Mean
PRODVAR	Private	286	3.96	.817	.048
	Corporate	40	4.04	.464	.073
SERVQUAL	Private	286	3.78	.759	.045
	Corporate	40	4.14	.673	.106
REPUTATION	Private	286	4.10	.868	.051
	Corporate	40	4.43	.436	.069
PHYAPP	Private	286	3.43	.931	.055
	Corporate	40	3.58	.817	.129
ACCESS	Private	286	3.79	.802	.047
	Corporate	40	4.03	.685	.108
CuS	Private	286	3.86	.843	.050
	Corporate	40	4.38	.480	.076
CuL	Private	286	3.78	.93541	.055
	Corporate	40	4.29	.47929	.0758

Table 4.45 Independent Sample T-test for Type of Account

		Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
										Lower	Upper
PRODVAR	Equal variances assumed	7.637	.006	-560	324	.576	-.074	.132	-.334	.186	
	Equal variances not assumed			-.841	78.072	.403	-.074	.088	-.249	.101	
SERVQUAL	Equal variances assumed	2.136	.145	-2.874	324	.004	-.363	.126	-.612	-.115	
	Equal variances not assumed			-3.149	53.898	.003	-.363	.115	-.595	-.132	
REPUTATION	Equal variances assumed	8.896	.003	-2.298	324	.022	-.321	.140	-.596	-.046	
	Equal variances not assumed			-3.738	90.463	.000	-.321	.086	-.492	-.150	
PHYAPP	Equal variances assumed	2.700	.101	-.951	324	.342	-.147	.155	-.452	.157	
	Equal variances not assumed			-1.049	54.181	.299	-.147	.140	-.429	.134	
ACCESS	Equal variances assumed	.213	.645	-1.779	324	.076	-.237	.133	-.499	.025	
	Equal variances not assumed			-2.005	55.141	.050	-.237	.118	-.474	.000	
CuS	Equal variances assumed	7.651	.006	-3.742	324	.000	-.510	.136	-.779	-.242	
	Equal variances not assumed			-5.623	77.950	.000	-.510	.091	-.691	-.330	
CuL	Equal variances assumed	8.659	.003	-3.386	324	.001	-.51038	.15073	-.80693	-.21384	
	Equal variances not assumed			-5.440	88.195	.000	-.51038	.09382	-.69683	-.32394	

4.13 Summary of Hypothesis Test

The following table shows hypothesis of the study, method used to test proposed hypothesis and its outcome.

Table 4.46 Summary of Hypothesis Test

Hypothesis	Description	Analysis Method	Remark
H1	Bank product variety has a significant positive influence on customers' satisfaction	Regression	Rejected
H2	Bank product variety has a significant positive influence on customers' loyalty	Regression	Accepted
H3	Bank service quality has a positive effect on customers' satisfaction	Regression	Accepted
H4	Bank service quality will positively affect customers' loyalty	Regression	Accepted
H5	Bank reputation has a significant positive influence on customers' satisfaction	Regression	Accepted
H6	Bank reputation has a significant positive influence on customers' loyalty	Regression	Accepted
H7	Bank appearance has a positive effect on customers' satisfaction	Regression	Accepted
H8	Bank appearance will positively affect customers' loyalty	Regression	Rejected
H9	Bank accessibility has a significant positive influence on customers' satisfaction	Regression	Accepted
H10	Bank accessibility has a significant positive influence on customers' loyalty	Regression	Accepted

Source: Survey Data (2016)

CHAPTER FIVE

5. SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

This chapter presents major findings, conclusions and recommendation obtained from the analysis and interpretations made at the pervious chapter and also limitation and implications for further research are forwarded.

5.1 Summary of Findings and Conclusions

5.1.1 Summary of Findings

This study aims to investigate the influence of customers' bank selection factors on customers' satisfaction and loyalty. Bank selection factors; product variety, service quality, reputation, physical appearance, and accessibility were taken as independent variables and their influence on consumer satisfaction and loyalty was evaluated similarly, demographic variable (gender) was taken to test whether there is a significant difference on bank selection factors, their satisfaction and loyalty among different demographic variables. Customer banking profile (public and private bank, private and corporate customer) also taken to test whether there is a significant difference between the groups regarding to those variables. To achieve these objectives a conceptual model were developed. And by reviewing the current literature hypothesis were developed, tested and the following major findings are obtained:

Except product variety for customer satisfaction and physical appearance for customer loyalty majority of the variables have a significance positive influence on both customer satisfaction and loyalty. From the whole variables reputation has higher positive influence on customer satisfaction and loyalty.

The result of Independent Sample T-test shows that for gender there is no significant difference between the group on customers' bank selection factor, customer satisfaction and loyalty. But, in the case of customer's bank sector and type of account they hold there is a significant difference for some variables.

5.1.2 Conclusion

From the analysis of the data collected, it can be concluded that:

- Bank's product variety has a significant positive influence on customers' loyalty. This result is supported by the finding of Khurshid Ahmad and Ruchi Singh (2013).
- Bank's service quality has a positive effect on customers' satisfaction and loyalty. Cheng Wei Hin et al (2011), Raja Irfan et al (2014), Rizwan Ali et al (2014), Mubbsher and Mariam (2014), and Muslim and Zaidi, (2008) supported this result with their study.
- Bank's reputation has a significant positive influence on customers' satisfaction and loyalty. This result is supported by the finding of Muhammad Ishtiaq (2011), Elissavet Keisidou et al (2013), and Bareerah and Muhammad (2014).
- Bank's physical appearance has a positive effect on customers' satisfaction. Musriha (2012), Muhammad Ishtiaq (2011), Ekaterina (2012), and Rahim and colleagues (2010) supported this result with their study.
- Bank's accessibility has a significant positive influence on customers' satisfaction and loyalty. Kombo Felix (2015), Ala`Eddin and Hasan Ali (2011), and Abdullah and his colleagues (2014) support this finding with their study.

5.2 Recommendation

The following recommendations are drawn from the analysis and conclusions made:

- The finding of this research indicates that there is a significant relationship between product variety and customer loyalty; physical appearance and customer satisfaction; service quality, reputation, and accessibility with both of customer satisfaction and loyalty. So, by considering this the management of banks should take actions in order to improve their customers' satisfaction and increase customers' loyalty.
- From the beta value we have seen that reputation was the highest influencer of customers' satisfaction and loyalty. So that, in order to attract new customers and also satisfy and make their customers loyal banks should work hard on building their reputation.

- In addition, from the independent sample t-test result we have seen there is a significant difference between public and private bank customers', and also between private and corporate account holders regarding to customers' bank selection factor, their satisfaction and loyalty. So, the bank management should consider this difference when taking of some corrective actions in order to achieve their goal regarding to customers' satisfaction and loyalty.
- Regarding to the mean of the variables like service quality, reputation, physical appearance, customer satisfaction, and loyalty private banks has higher mean value than the public bank which is Commercial Bank of Ethiopia (CBE). So, CBE has to be work on this factors. When we see product variety and accessibility CBE has a
- higher mean value than other private banks. Here of private banks should work on introducing new bank products and also increase their accessibility.

5.3 Limitation and Implications for Further Research

The main limitations of this study were constraints of resource and time as a result of this, the study considered only selected bank selection variables which are product variety, service quality, reputation, physical appearance, and accessibility. There are other bank selection factor that customers' may consider in selection of banks and they are not considered. Similarly gender is the only demographic variables which was considered for regression analysis. Another major limitation of this study was related to the sample of the study because sample was taken only from bank customers' found in Addis Ababa City.

The researcher suggests the following further research areas:

- Additional researches should be done by taking samples drawn from different part of Ethiopia.
- Future researchers should work their study by including or using additional bank selection factors
- Furthermore, one of the finding of this study which related to the relationship product variety and customer satisfaction statistically insignificant is against literature but it is real for the sample used in this research. What the researcher

wants to recommend that to check it, further study should be done by taking sample from different part of Ethiopia.

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Appendices

Section II: Bank Selection Factor Components

The following statements relate to your feelings about the particular bank you have chosen. Please show the extent to which you believe this bank has the feature described in the statement.

You should rank each statement as follows:

1 2 3 4 5
Strongly Disagree Disagree Neutral Agree Strongly Agree

S.No	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Product Variety						
1	The bank has enough variety of products.	1	2	3	4	5
2	The bank have extensive e-banking products like ATM, Mobile Banking, and Internet Banking services.	1	2	3	4	5
3	The bank I used caters all my banking needs.	1	2	3	4	5
4	The bank I used continuously introduce new bank products.	1	2	3	4	5
Service Quality						
Tangibles						
5	The bank has up-to-date equipment.	1	2	3	4	5
6	Employees are well dressed and appear neat.	1	2	3	4	5
7	The bank's physical features are visually appealing.	1	2	3	4	5
8	Materials associated with the service (such as pamphlets or statements) are visually appealing at the bank.	1	2	3	4	5
Reliability						
9	When the bank promises to do something by a certain time, it does so.	1	2	3	4	5
10	When a customer has a problem, they show a sincere interest in solving it	1	2	3	4	5
11	The bank I used perform the service right the first time.	1	2	3	4	5
12	The bank provide the service at the time they promised to do so	1	2	3	4	5
13	The bank insists on error free records.	1	2	3	4	5

	Assurance					
14	The behavior of employees instil confidence in customers	1	2	3	4	5
15	Customers feel safe in their transactions with employees in the bank.	1	2	3	4	5
16	Employees are polite with customers.	1	2	3	4	5
17	Employees of the bank have the knowledge to answer customers' questions.	1	2	3	4	5
	Responsiveness					
18	Employees make information easily obtainable by customers	1	2	3	4	5
19	Employees give prompt service to customers.	1	2	3	4	5
20	Employees are always willing to help customers.	1	2	3	4	5
21	Employees are never too busy to respond to customers	1	2	3	4	5
	Empathy					
22	The bank gives you individual attention.	1	2	3	4	5
23	The bank has operating hours convenient to all its customers.	1	2	3	4	5
24	The bank has employees who give you personal attention.	1	2	3	4	5
25	The bank has your best interests at heart.	1	2	3	4	5
26	The employees of the bank understand your specific needs.	1	2	3	4	5
Reputation						
27	Use of this bank is being reliable	1	2	3	4	5
28	I have a full trust on this bank	1	2	3	4	5
29	This bank is innovative and forward looking	1	2	3	4	5
30	This bank is adding value to user(Prestige)	1	2	3	4	5
	Physical Appearance					
31	Exterior design of the bank is attractive	1	2	3	4	5
32	The atmosphere of the bank that I used is attractive	1	2	3	4	5
33	The internal layout like the furniture and furnishing of the bank is attractive	1	2	3	4	5
34	The bank have sufficient parking lot	1	2	3	4	5

	Accessibility					
35	The bank branches are extensive.	1	2	3	4	5
36	The location of branches are convenience.	1	2	3	4	5
37	The bank have sufficient ATMs.	1	2	3	4	5
38	The bank have extensive mobile banking service.	1	2	3	4	5
39	The bank have extensive internet banking service.	1	2	3	4	5

Section III: Customer Satisfaction and Loyalty

Customer satisfaction						
40	I am satisfied with this bank	1	2	3	4	5
41	My choice to use this bank was a wise one	1	2	3	4	5
42	This is one of the best bank I could have chosen	1	2	3	4	5
43	Using this bank has been a good experience	1	2	3	4	5
44	I have truly enjoyed using this bank	1	2	3	4	5
Customer loyalty						
45	If necessary, I would make a few small sacrifices so I could continue using this bank	1	2	3	4	5
46	I tend to praise and defend this bank	1	2	3	4	5
47	I will recommend friends and relatives to use the services offered by this branch.	1	2	3	4	5
48	I think I will appreciate this bank for a long time	1	2	3	4	5
49	To me, this bank clearly is able to provide the best service.	1	2	3	4	5

ክፍል 2: የባንክ ምርጫ ምክንያት አካላት (Bank Selection Factor Components)

የሚከተሉት አረፍተ ነገሮች የእርስዎ ምርጫ ስለሆነው ባንክ ካሎት ስሜት ጋር የተዛመዱ ናቸው። እባክዎ በአረፍተ ነገሩ የተቀመጠው ባህሪ መጠን ቁጥሮቹን በማክበብ ያሳዩ።

እያንዳንዱን አረፍተ ነገር እንደሚከተለው ደረጃ ይስጡ፡-

1
2
3
4
5

ፈፅሞ አልሰማም
አልሰማም
ሀሳብ የለኝም
እስማማለሁ
በጣም እስማማለሁ

ተ.ቁ	መግለጫዎች	ፈፅሞ አልሰማም	አልሰማም	ሀሳብ የለኝም	እስማማለሁ	በጣም እስማማለሁ
የምርት ስብጥር (Product Variety)						
1	ባንኩ በቂ የምርት ስብጥር አለው	1	2	3	4	5
2	ባንኩ ኤ.ቲ.ኤምን፣ የተንቀሳቃሽ ስልክና የኤሌክትሮኒክስ ባንኪንግ የመሳሰሉ ሰፊ ያሉ ምርቶች አሉት	1	2	3	4	5
3	ስገላገልበት የነበረው ባንክ ለሁሉም የባንክ ፍላጎቶቹ መስተንግዶ ይሰጣል	1	2	3	4	5
4	ስገላገልበት የነበረው ባንክ አዳዲስ የባንክ ምርቶችን በተከታታይ ያስተዋውቃል	1	2	3	4	5
የአገልግሎት ጥራት (Service Quality)						
ተጨባጭ ሁኔታዎች (Tangibles)						
5	ባንኩ ዘመናዊ መገልገያዎች አሉት	1	2	3	4	5
6	ሠራተኞቹ ጥሩ የሚሉብሱና ንፁህ ናቸው	1	2	3	4	5
7	የባንኩ ቁስአካላዊ መገለጫዎች ለዕይታ የሚሰጡ ናቸው	1	2	3	4	5
8	ከአገልግሎቶቹ ጋር የተያያዙ ቁሶች (በራሪ ወረቀቶችና መግለጫዎች) በባንኩ ውስጥ ሳቢ እይታ አላቸው	1	2	3	4	5
አስተማማኝነት (Reliability)						
9	ባንኩ አንድን ነገር በተወሰነ ጊዜ ውስጥ ለመስራት ቃል ገብቶ ይፈፅማል	1	2	3	4	5
10	ደንበኛ ችግር ውስጥ ሲገባ ችግሩን ለመፍታት ልባዊ ፍላጎት ያሳያሉ	1	2	3	4	5
11	የምገለገልበት ባንክ አገልግሎቱን በትክክል ያከናውናል	1	2	3	4	5
12	ባንኩ አገልግሎቱን ቃል በገባው ጊዜ ውስጥ በቃሉ መሰረት ይሰጣል	1	2	3	4	5
13	ከስህተት የፀዳ ሪከርዱን አስጠብቆ ይዘልቃል	1	2	3	4	5

እርግጠኝነት (Assurance)						
14	የሰራተኞች ባህሪ በደንበኞች ላይ በራስ መተማመንን ያስርጻል	1	2	3	4	5
15	ደንበኞች በባንኩ ውስጥ ከሰራተኞች ጋር በሚኖራቸው መስተጋብር ደህንነት ይሰማቸዋል	1	2	3	4	5
16	ሰራተኞች ለደንበኞቻቸው ትሁቶች ናቸው	1	2	3	4	5
17	የባንኩ ሰራተኞች ለደንበኞች ጥያቄዎች ምላሽ ለመስጠት የሚያስችል እውቀት አላቸው	1	2	3	4	5
ምላሽ ሰጪነት (Responsiveness)						
18	ሰራተኞች ደንበኞች መረጃ በቀላሉ እንዲያገኙ ያደርጋሉ	1	2	3	4	5
19	ሰራተኞች ፈጣን አገልግሎት ለደንበኞች ይሰጣሉ	1	2	3	4	5
20	ሰራተኞች ምንጊዜም ደንበኞችን ለመርዳት ፈቃደኞች ናቸው	1	2	3	4	5
21	ሰራተኞች ለደንበኞቻቸው ምላሽ ለመስጠት ፈፅሞ ጊዜ አልባ አይሆኑም	1	2	3	4	5
ችግርን መገንዘብ (Empathy)						
22	ባንኩ በግል ትኩረትን ይሰጥሃል	1	2	3	4	5
23	ባንኩ ለሁሉም ደንበኞቹ ተስማሚ የሆነ የአገልግሎት መስጫ ጊዜ አለው	1	2	3	4	5
24	ባንኩ በግል ትኩረት የሚሰጡዎ ሰራተኞች አሉት	1	2	3	4	5
25	ባንኩ የእርስዎን አብላጫ ጥቅም ማዕከል አድርጎ ይዟል	1	2	3	4	5
26	የባንኩ ሰራተኞች የእርስዎን ልዩ ፍላጎቶች ይገነዘባሉ	1	2	3	4	5
ዝና (Reputation)						
27	በዚህ ባንክ መገልገል አስተማማኝ ነው	1	2	3	4	5
28	በዚህ ባንክ ላይ ሙሉ እምነት አለኝ	1	2	3	4	5
29	ይህ ባንክ የአዳዲስ ነገሮች ፈጣሪና የወደፊቱን የሚመለከት ነው	1	2	3	4	5
30	ይህ ባንክ ለተጠቃሚው እሴትን (ክብር) የሚጨምር ነው	1	2	3	4	5
ቁስአካላዊ ገጽታ (Physical Appearance)						
31	የባንኩ ውጫዊ ዲዛይን ማራኪ ነው	1	2	3	4	5
32	የተገለገልኩበት ባንክ ከባቢ ማራኪ ነው	1	2	3	4	5

33	የቢሮ ውስጥ መገልገያ ቁሳቁሶችንና አቀማመጥን የመሳሰሉት የባንኩ ውስጣዊ ገፅ ንድፍ ማራኪ ናቸው	1	2	3	4	5
34	ባንኩ በቂ የተሽከርካሪ ማቆሚያ ስፍራ አለው	1	2	3	4	5
ተደራሽነት (Accessibility)						
35	የባንኩ ቅርንጫፎች የተስፋፋ ናቸው	1	2	3	4	5
36	ቅርንጫፎቹ የሚገኙባቸው ቦታዎች ምቹ ናቸው	1	2	3	4	5
37	ባንኩ በቂ የገንዘብ መክፈያ ማሽኖች(ኤ.ቲ.ኤም) አሉት	1	2	3	4	5
38	ባንኩ የተስፋፋ ሞባይል ባንኪንግ አገልግሎት አለው	1	2	3	4	5
39	ባንኩ የተስፋፋ የኢንተርኔት ባንኪንግ አገልግሎት አለው	1	2	3	4	5

ክፍል 3:- የደንበኞች እርካታና ታማኝነት (Customer Satisfaction and Loyalty)

የደንበኞች እርካታ (Customer satisfaction)						
40	በዚህ ባንክ እርካታ ይሰማኛል	1	2	3	4	5
41	ይህን ባንክ ለመጠቀም መምረጤ ብልህነት ነው	1	2	3	4	5
42	ይህ ልመርጥ ከምችለው ባንክ ብልጫ ያለው ነው	1	2	3	4	5
43	የዚህ ባንክ ተጠቃሚ መሆን ጥሩ ልምድ ያገኛል	1	2	3	4	5
44	የባንኩ ተጠቃሚ በመሆኔ በእውን ተደስቻለሁ	1	2	3	4	5
የደንበኛ ታማኝነት (Customer loyalty)						
45	አስፈላጊ ከሆነ አንስተኛ መስዋዕትነትን ከፍጹም ቢሆን የዚህ ባንክ ተጠቃሚነቴን እቀጥልበታለሁ	1	2	3	4	5
46	ባንኩን የማምገስና የመከላከል ዝንባሌ አለኝ	1	2	3	4	5
47	በዚህ ቅርንጫፍ የሚሰጡትን አገልግሎቶች ይጠቀሙ ዘንድ ጓደኞቼንና ዘመዶቼን እመክራለሁ	1	2	3	4	5
48	ለዚህ ባንክ ያለኝ አድናቆት ለረጅም ጊዜያት የሚዘልቅ ነው ብዬ አስባለሁ	1	2	3	4	5
49	ለእኔ ይህ ባንክ በግልፅ ከሁሉ የበለጠ አገልግሎት መስጠት ችሏል	1	2	3	4	5

SPSS Output

Reliability for Product Variety

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.801	4

Reliability for Reputation

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.894	4

Reliability for SERVQUAL

Case Processing Summary

		N	%
Cases	Valid	29	96.7
	Excluded ^a	1	3.3
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure

Reliability Statistics

Cronbach's Alpha	N of Items
.963	22

Reliability for Physical Appearance

Case Processing Summary

		N	%
Cases	Valid	27	90.0
	Excluded ^a	3	10.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.775	4

Reliability for Accessibility

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.732	5

Reliability for Customer Loyalty

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.924	5

Reliability for Customer Satisfaction

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.944	5

