



**ADDIS ABEBA UNIVERSITY
SCHOOL OF COMMERCE**

DEPARTMENT OF MARKETING MANAGEMENT

**The Effect of Banking Service Quality on Customer satisfaction
The case of Export customers of Enat bank s.c**

Addis Ababa, Ethiopia
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The Effect of Banking Service Quality on Customer Satisfaction
The case of export customers of Enat bank s.c

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Statement of Declaration

I Lidya Agonafer, hereby declare that the thesis entitled "The Effect of Banking Service Quality on Customer Satisfaction in the case of export customers of Enat Bank S.C " submitted at Addis Ababa University School of Commerce for the Degree of Masters of arts in Marketing Management is my own original work and has not been presented for any other Degree or Diploma in other institution.

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Statement of certification

This is to certify that Lidya Agonafer has carried out her research work on the topic entitled: **The effect of Banking Service Quality on Customer Satisfaction in the case of export customers of Enat Bank S.C.** This thesis is her original work and is suitable for submission of Master's Degree in Marketing Management.

Advisor: Dr. Tewoderos Mesfin

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Acronyms

BSQ- Banking Service quality

NBE- National Bank of Ethiopia

SPSS- statistical package for Social Sciences

SERVPERF-Service Performance Model

SERVQUAL- Service Quality Model

SWIFT- Society for Worldwide Interbank Financial Telecommunication

VIF- Variance inflation Factor

Abstract

The main objective of the research is to evaluate the effect of banking service quality on customer satisfaction in the case of export customers of Enat Bank S.C and to measure the relative importance of the six banking service quality (BSQ) dimensions towards customer satisfaction. To fulfill the target, the research used a quantitative method and a deductive approach for this thesis. Hypotheses were created with theory as a base and tested on a sample population of Enat Bank selected branches customers in Addis Ababa city. Respondents were chosen from various demographic features and the samples were drawn using purposive and simple random sampling techniques. This research generally focuses on exporters customers of Enat Bank. Bank service quality (BSQ) model of Bahia and Nantel, (2000) was used to evaluate overall level of service quality and its effect on customer satisfaction. The model had six dimensions; effectiveness and assurance, price, access, tangibles, service portfolio and reliability. By using five likert scale, a set of questionnaires were disseminated to 180 respondents of Enat bank and 144 valid and complete questionnaires were coded to SPSS version 20. The data was analyzed using correlation and multiple regression analysis. The findings of the correlation analysis indicated that there is a positive and significant relationship between all BSQ dimensions and customer satisfaction. Service portfolio dimension has the highest effect on customer satisfaction. In addition, the regression result indicated that effectiveness and assurance, access, tangibles have a positive and significant effect on customer satisfaction however, price and reliability have a positive but insignificant effect on customer satisfaction.

Key words: Banking Service quality, customer satisfaction

Chapter One

1. Introduction

1.1 Background of the study

In today's world of intense competition and vigorous business environment, surviving in the market has become a key challenging task for numerous service organizations. In order to sustain growth and market share in unsettled environment, businesses need to convey quality service and establish long-term client relationship (Patterson, P., Johnson, L. and Spreng, R, 1997). Many researchers have proven that service quality and customer satisfaction are highly interrelated. Shemwell et al. (1998), has investigated and justified that delivering service with high quality results in satisfied and loyal customers and it is also significant to build sustainable competitive advantage.

Banks have become a crucial portion of the nation's economy; they are one of the major industries that are categorized under the service sector. They play a key part in moving forward productivity by encouraging the streams of monetary resources inside the residential and outside nations. They contribute greatly to economic growth by playing an intermediating role in import and export trade transactions, providing financial resources to industries and enabling production. According to Ushantha, Wijeratne and Samantha (2014), service quality has been distinguished as a prerequisite for fulfilling and holding esteemed clients, this interest have arisen because service quality is one of the key tools for surviving and gaining competitive advantage in banking industry. Thus, it can be said that service quality in the banking sector context is essential as it upsurges customer base through high degree of customer satisfaction and acting as an essential competitive tool to achieve success in the industry.

As worldwide experiences proposes, more prominent competition among domestic and international banks can bring more noticeable benefits within the frame of progressing effectiveness (Bezabeh, 2014). The most important step to improving efficiency and effectiveness in today's economic world is by means of improving service quality and being able to meet the continuously changing preferences of customers to stay ahead of competitors. In addition, building enduring and sustainable relationship with customers have the tendency to help survive in a competitive market place and earn profit.

Service quality has strained the attention of scholars and managers in recent periods because of the realizations of customer's worth and the impact it have on profitability (Zeithaml, 2000) Therefore, Service providing businesses need to be conscious of the importance of customers and need to consider them as the most valuable asset of the companies for ensuring continuity in the future years. Numerous analysts have proven that service quality and client fulfillment are interrelated for occurrence, Chaoprasert & Elsey (2004), expressed that customer satisfaction and service quality have interconnected nature and that satisfaction of customers depends greatly on service quality, Parasuraman et al. (1985), stated that when service quality is high, it will lead to an increase in customer satisfaction, Hossain and Leo (2009), also stated that service quality and customer satisfaction are directly related and an increase in service quality will lead to customer satisfaction and satisfied customers are not only to repeat coming back but they also further recommend the service provided to acquaintances. Furthermore, Finn and Lamb (1991), specified that by satisfying customers through high quality service, business firms not only retain their current customers, but also increase their market share. Thus, from the findings of the above researches it can be understood that building and sustaining quality service that fulfills clients need is indispensable in today's financial world.

Ethiopia's banking industry comprises of eighteen private banks and one state-owned bank. The banking industry in Ethiopia is characterized by intensified competition which is under a lot of pressure. Hence, the capacity of banks to proceed and survive in the market depends on their ability to respond to the requirements of change and interact with the output of it (Ragavan, 2013). Nearly all banks in Ethiopia provide comparative service since they operate under the rules and regulations of the central bank. Consequently, the only way for one bank to get customers and succeed in the industry is by increasing its customer base and providing quality service with the utmost attention to customers' changeable requirements.

Banks are the major financial intermediaries. They play an important role to bring about rapid economic and financial growth to developing countries like Ethiopia (Eshetu, 2008). The existence of many banks in the Ethiopian and many on the pipe line soon to join the industry, service excellence and customer satisfaction has been given due consideration nowadays to sustain and be profitable. Banks in Ethiopia provide variety of services to customer however, due to the generic nature of service in the banking industry, customers observe very slight

change in the products offered from one bank to another thus, customer look for quality service delivery to differentiate one bank from the other. Therefore, poor and delayed service delivery to customers relatively leads to customer dissatisfaction, shift to other competitor, reduces and impedes the performance and ultimately the amount of profit to be gained by the bank.

Although, the relationship between the constructs service quality and customer satisfaction has been extensively researched, the continuously changing marketing environment, the fluctuating demand of customers, and the level of intensified competition necessitate a corresponding assessment from time to time to fill the gap.

1.2 Statement of the Problem

Satisfying customers is one of the main goals of every business. In today's world of heightened competition, business organizations have recognized that keeping the current client is more beneficial than having to win modern ones to supplant those misplaced (Gantasala and Gantasala, 2010). As Koskosas (1995), indicated many globally dominant and successful banks have achieved their current position by innovating and improving their service provision through in-depth evaluation of their service quality and customer satisfaction level. Therefore, service-providing organizations should strive to deliver quality service beyond customer expectations to sustain in the market, satisfy, retain customers, and earn a profit. Many scholars and researchers have shown that customer satisfaction and banking service quality are highly correlated and the higher the service quality, greater customer satisfaction is earned. Felix (2017), also stated that greater satisfaction leads to loyalty and loyalty, in turn, leads to a recommendation, great word of mouth, and repeat purchase.

The Service products that are offered to customers are the major competitive weapons and sources of profit for a bank. If the provided service is low in quality it will cause dissatisfaction and force clients shift to other competitor banks in the industry. In reverse, if the provided service is high in quality the firm will have a powerful and enduring position in the industry. Therefore, quality service provision, a differentiated service offering, deep engagement with customers is a necessity these days as customers are valuable for the existence of the banking industry.

When analyzing various research studies conducted in the banking industry, for instance, the effect of credit service quality on customer satisfaction (Bejega, 2017), the effect of e-banking service quality on customers satisfaction (Gashaw, 2016), the effect of interest-free banking service quality and its effect on customer satisfaction (Gebrede, 2018) the researcher have realized that many studies have assessed the effect of banking service quality on customer satisfaction by employing SERVQUAL and SERVPERF service quality models they did not employ bank industry-specific measurement instrument so the result of these studies was found to be inconclusive.

From the commencement, Enat bank has been known for its uniqueness among other banks in Ethiopia in a way services are offered. The mission of the bank is to provide exemplary service and cater to the needs of all its client with special attention to women. However, not many researches were done in the context of this bank and the services it offers. Furthermore, according to the annual report of Enat bank 2018/2019, it was stated that the banks customer base has shown a great decline in recent years. This dropping in the number of customer's base at Enat bank implies that there are unmet customer needs regarding the service they are receiving from the bank and the bank has failed to keep its consistency in its service delivery.

Therefore, this study examined the effect that banking service quality has on customer satisfaction in the context of Enat bank s.c. Banks must conduct continuous studies to meet the ever-changing request of their clients within the industry. This study is expected to benefit the management of the bank understand the quality of service it delivers to those of its customers and identify areas of weakness to improve its service excellence. Whether Banking service quality affects customer's level of satisfaction was evaluated by employing banking service quality dimensions.

1.3 Research question

In order to achieve the intended objectives of the study and to address the research problem properly, certain research questions were designed accordingly.

1.3.1 Major research question

How does banking service quality affect customer satisfaction in Enat bank s.c?

1.3.2 Specific research question

- To what extent does effectiveness and assurance affect Customer satisfaction?
- In what way does access affect Customer satisfaction?
- How does price affect Customer satisfaction?
- How does tangible affect Customer satisfaction?
- To what level does service portfolio affect Customer satisfaction?
- To what level does reliability affect Customer satisfaction?

1.4 Research objective

1.4.1 General Objective of the Study

The general objective of the study is to assess the effect of banking service quality on customer satisfaction on Enat Bank s.c by using the banking service quality dimensions.

1.4.2 Specific Objective of the Study

- To examine the relationship between effectiveness and assurance and customer satisfaction.
- To evaluate the effect of access on customer satisfaction.
- To identify the relationship between price and customer satisfaction.
- To assess the association between tangibles and customer satisfaction.
- To identify the relationship between service portfolio and customer satisfaction.
- To identify the relationship between reliability and customer satisfaction.

1.5 Significance of the study

The study provides practical importance for different stakeholders. It is expected to assist Enat bank to identify the main determinants of service quality in respect of its customers, offers an indication where improvement is needed and supports the management of the bank in making more customer focused decisions. Also, this study is predicted to contribute valuable ideas to the existing growing body of knowledge. Government, banks, and business organizations will also have some benefits using the explanatory output of the result and recommendations given in the research conducted.

1.6 Scope of the study

According to NBE, currently, in Ethiopia, there are nineteen private and government-owned banks. Out of these banks, this study is delimited only to Enat bank s.c which has joined the bank industry in 2013 G.C. Geographical, this study is limited to assess the satisfaction of export customers working with Enat bank s.c who reside in Addis Ababa city because more than 60% of the bank's branches and customers are located in this city besides, it is accessible to the researcher. Finally, since it was difficult to include the whole population this study employed a sample survey method in which a conclusion was made for the whole population based on a representative sample by employing banking service quality (BSQ) dimensions as an independent variable and satisfaction as the dependent variable.

1.7 Limitation of the study

This study is limited to private bank specifically on Enat bank and assesses the banking service quality and satisfaction of export customers, it may not be viable to conclude the result of the research to the industry level. The other limitation of this research is regarding the measurement of service quality, this research is restricted on the Bank service quality model (BSQ). Since the sampling technique is random sampling it was difficult to find respondents who have been selected randomly to collect the data from them. Besides, the output of the research is highly dependent on the interest of the respondents under investigation to fill the questionnaires properly. Moreover, conducting this study during the pandemic of Covid 19 was also a huge constraint.

1.8 Definition of terms

Consumer satisfaction: The extent to which a product's perceived performance matches a buyer's expectations (Kotler and Armstrong, 2008).

Export: The sale of products/services of one country to foreign markets (Albaum, Duerr and Josiassen, 2016).

Exporter: Exporter mean a legal entity or a physical person having a valid foreign trade license from appropriate government body to engage in sell of goods and services abroad. (National Bank Of Ethiopia, 1998)

Service Quality: an attitude formed by a long-term, overall evaluation of a firm's performance (Hoffman and Bateson, 2010).

1.9 Organization of the study

The research paper is structured in such a way that it can provide a coherent flow of ideas. The paper is be divided into five chapters. The first chapter is the introduction of the study, which contains the background of the study, statements of the problem, the objective of the study, and other related issues. The second chapter deals with the literature review, which presents the theoretical, empirical, and conceptual framework of the study. The third chapter includes the research design and methodology. The fourth part of the study contains the results and discussions of the study. Finally, based on the result of the study, a summary of the findings and the recommendation is presented in the fifth chapter.

Chapter Two

2. Literature Review

This unit provides general literature on the definition of concepts which is the theoretical framework, it also includes a discussion of major findings the empirical framework and the conceptual framework of the study undertaken.

2.1 Theoretical review

This section attempts to provide a theoretical definition that contains a basic explanation of service concepts and its characteristics, the services marketing mix concept, banking service, concepts of service quality, its principles, measurement models and dimensions and finally, the concept of customer satisfaction is discussed.

2.1.1 Definition of service

There is no certainty between scholars concerning the concept of what service truly means. According to Lovelock and Lauren (1994), Service is defined as an act or execution conveyed by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not regularly result in proprietorship of any of the factors of production. This author moreover depicted service as “Something which can be bought and sold, but which cannot be dropped on your foot. Hoffman and Bateson (2010), further characterized service as deeds, efforts, or performances. Moreover, these authors argue that the distinction between goods and services is not always superbly clear. In reality, providing an example of a pure good i.e. no elements supplied by service or a pure service that contains no tangible features is very difficult, if not impossible. Service is also defined as an activity that involves interaction with customers and does not result in a transfer of ownership and which usually has some element of intangibility associated with it (Payne and McDonald, 2006).

2.1.2 Characteristics of Service

According to Mudie and Pirrie (2006), services have the following four key distinguishing characteristics.

1. **Intangibility:** This is the foremost essential and regularly cited difference between goods and services. Unlike tangible goods, services cannot generally be seen, tasted, felt, heard,

or smelled before being consumed. The client is usually incapable to recognize the service before (and sometimes during and afterward) the service delivery.

2. ***Inseparability (or simultaneous production and consumption)***: a marked dissimilarity exists between physical products and services in terms of the structure of production and consumption: Goods are first produced, then stored, and lastly sold and consumed; services are sold first, then produced and consumed simultaneously. Since customers involve in the production and provision of the service, the service provider must exercise care in what is being produced and how it is produced.
3. ***Variability (or heterogeneity)***: the simultaneous production and consumption nature of service are the major causes of variability in the performance of a service. Quality of service may differ depending on who delivers it, as well as at what time and in what way it is provided. For instance, one service firm may provide fast efficient service and another service firm within that same sector nearby may deliver a slow, inefficient service. Moreover, within a specific service firm, one employee may be courteous, well-mannered, and supportive while another may be arrogant and obstructive. Even a single employee can show various variations in performance in a single day.
4. ***Perishability***: services are performances; they cannot be stored and put away for future sales or use.

2.1.3 Concept of Services marketing mix: The '7 Ps' of services

Payne and McDonald (2006), stated that the application of marketing in the service sector has raised an inquiry whether the traditional 4ps approach to marketing mix i.e. product, price, promotion, and place was adequately comprehensive because of the distinguishing characteristics that services offer beside products. This has led to a shift of opinion and the development of the expanded marketing mix which is more appropriate for service business. Mudie and Pirrie (2006), also stated that due to the distinguishing nature of service, particularly aspects like participation of customers in the production process and the importance of the time factor, it requires other strategic elements to be included. Therefore, this has led to the design of expanded marketing mix which is vigorous enough to cover most service marketing situations with the addition of three more Ps i.e. people, physical evidence, and process.

2.1.3.1 The Extended P's of service marketing

The extended P's of service marketing include:

1. **People:** According to Payne and McDonald (2006), people are identified as crucial elements in the production and delivery of service especially in the service sector where there exists a direct, individualized interaction between customers and organization's workers, quality is largely determined by the features and behavior of the company's employees. Lovelock and Wright (1994) also specified that customers often judge the quality of the service they receive mostly on their assessment of the people providing the service, therefore, the nature of interactions of the service provider with its client's strongly impacts the perception customers have towards the organization.
2. **Physical evidence:** According to Payne and McDonald (2006), physical evidence implies entirety the whole thing the service organizations have the appearance, design, and layout of the service setting, advertising material, signage, and equipment of the service setting. When customers demand higher levels of service, the physical facility, and its tangibles element turn out to be a competitive weapon with which a company can segregate itself. Payne and McDonald (2006), also stated that physical evidence in the long run assists in building closer and long-lasting relationships with customers. Thus, Service organizations should consider physical evidence cleverly because it can have a deep impact on quality and customers' impressions (Payne and McDonald, 2006).
3. **Process:** Payne and McDonald (2006) explained the process as the procedures, routines, and policies, which influence how a service is created and delivered to customers. The practices, rules, regulations a company follow can be instrumental in determining how 'customer friendly' the company is perceived to be, how the service is delivered, the actual procedures and flow of activities According to Mudie and Pirrie, (2006) poorly designed processes in the service sector are likely to upset and disappoint customers because it is perceived as sluggish, bureaucratic, inflexible and ineffective service delivery in the eyes of the customers.

2.1.4 Concept of banking service

Banks are service providing and profit-making business sectors. It is a customer-focused service offering industry. Bank's services depend heavily on customers for their survival in the market

and the industry. According to Karim and Chowdhury (2014), bank customers are the center of attention and customer service of the bank is the differentiating factor within the industry. Banks are recognized as the most important financial intermediaries in every economy of each country.

2.1.5 Concept of Service quality

2.1.5.1 Definition of quality

The word “quality” is commonly used to describe products and/or services. It lacks a universal definition because it indicates different meanings to different people and organizations. As a result, there have been various definitions of quality in an attempt to establish a common understanding. According to Lovelock and Lauren (1994) quality is defined as the extent to which a service satisfies customers by meeting their wants, desires, and expectations. Juran, (1974), defined quality as fitness for use. Parasuraman et al., (1988) also stated that customers evaluate service quality by comparing what they want or expect to what they actually get or perceive they are getting. Thus, since to some magnitude, it is the final user who judges the quality of a product or a service; quality can generally be defined as satisfying or exceeding customer requirements and expectations, (Shen et al., 2000).

2.1.5.2 Definition of Service Quality

Service quality has been defined generally as the evaluation of service by customers. Many practitioners defined service quality as the difference between customer’s expectations for the service encounter and the perceptions of the service received (Munusamy et al., 2010) for occurrence, Parasuraman et al., (1985) defined services as the degree to which a service meets customer needs, and involves a judgment of customers expectation with their perceptions of actual service performance, Czepiel (1990) defined service quality as customer perception of how well a service meets or exceeds the expectations of customers. Lehtinen and Lehtinen, (1982) (cited by Kang and James, 2004), also defined service quality in terms of physical quality, interactive quality, and corporate/image quality. *Physical quality* relates to the tangible aspects of the service. *Interactive quality* involves the interactive nature of services and refers the two-way flow that occurs between the customer and the service provider. *Corporate quality* refers to the image attributed to a service provider by its current and potential customers, as well as the public.

Service quality has emerged as a strategic tool to survive and grow in an environment with increased competition (Jain and Jain, 2015). According to Gronroos (1992), the concept of service quality initially originated from consumer behavior and confirmation/disconfirmation paradigm. The model claims that customers compare the quality of the product after usage to that of their expectations before usage, and indicate their satisfaction/dissatisfaction with the products or services purchased. Literature maintains that customers evaluate service quality by comparing the service provider's actual performance i.e. perception with what they think the service performance would be i.e. the expectation in their service experience (Gronroos, 1982). Therefore, Customer expectation and perception are the two key ingredients in service quality (Gronroos, 1984) and they judge quality as "low" if performance (perception) does not meet their expectation and quality as "high" when performance exceeds their expectations (Oliver, 1980).

2.1.5.3 Principles of Service Quality

According to Clow and Kurtz (2003), since it is difficult to understand how customers evaluate the service quality delivered to them the below fundamental principles should be kept in mind are whenever discussing service quality:

1. Service quality is more difficult for the consumer to evaluate than quality of a good.
2. Service quality is based on consumers' perception of the outcome of the service and their evaluation of the process by which the service was performed.
3. Service quality perceptions result from a comparison of what the consumer expected prior to the service and the perceived level of service received. The process used by consumers in evaluating service differs from the process used for goods.

2.1.5.4 Service quality dimensions

The attributes of service quality include:

- 1. Tangibles:** refers to the physical evidence and representation of the service, other customers in the service delivery (Yarimoglu, 2014). Parasuraman et al. (1988), also defined tangibles as the "presence of physical facilities, apparatus, personnel, and written materials.
- 2. Reliability:** refers to the consistency of performance and dependability, accuracy in billing keeping records correctly, performing the service right at the designated time (Yarimoglu, 2014).

Parasuraman et al. (1988), also referred to reliability as the ability to perform the promised service dependably and accurately.

3. Assurance: Parasuraman et al. (1988), denotes assurance as “employees’ knowledge and courtesy and their ability to inspire trust and confidence.

4. Empathy: According to Parasuraman et al. (1988), empathy is defined as “caring, individualized attention given to customers”

5. Responsiveness: Yarimoglu (2014), defined this dimension as the willingness or readiness of employees to provide service, timeliness of service i.e., giving prompt response to customers request as customers are very sensitive to employees ‘working environment in service organizations.

2.1.5.5 Models for measurement of service Quality

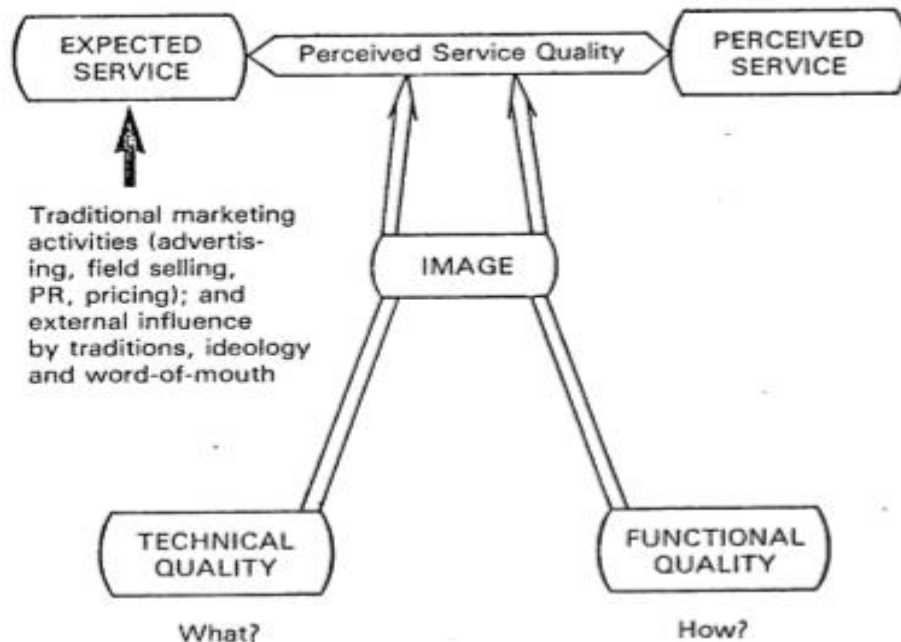
There are many models for service quality; a few of them are discussed below:

1. Gronroos Service Quality Model

The first service quality model was established by Gronroos (1984), which measured perceived service quality based on qualitative methods. Technical quality, functional quality, and corporate image were used in the model as the dimensions of service quality.

- a. **Technical quality:** is about customer evaluation about the service, it refers to the real outcome of service after the service was evaluated.
- b. **Functional quality:** is concerned about how the service was delivered. Functional or process quality refers to the quality of processes and procedures in production and service provision for customers. This portion of quality mainly focuses on the interaction between the service provider and service receiver and is usually perceived mentally. Bearing in mind the process of production and consumption of services which usually occurred simultaneously, process quality is commonly evaluated by customers when doing a service.
- c. **Corporate image:** this element is associated with customer's observations of the service organization. Image is determined by the quality of output, service fee, external relational activities, physical status, decoration and cleanliness of the branch, capability, and

manners of employees. Gronroos explains: "if the corporate image is good in a particular customer's mind, the problems this customer has with the result or process will be ignored to a large degree using the mental image. If problems take place continuously, the positive corporate image becomes damaged and corporate image becomes negative".



Source (Grönroos, 1984)

Figure 2.1: Gronroos service quality model

2. GAP Service Quality Model

Parasuraman et al. (1985), analyzed the dimensions of service quality and constituted a GAP model identifying elements that provides an important framework for defining and measuring service quality (SAAT, 1999). They developed the GAP service quality model through the findings from exploratory research that contains in-depth and focus group interviews, GAP services quality model showed that the key insights gained through the executive and focus group interview were shown in the marketer side (GAP 1, GAP 2, GAP 3, GAP 4), and the GAP 5 which was formed by focus group interview was in the consumer side of the model.

GAP 1: Customer expectation- management perceptions gap, *the knowledge gap*.

GAP2: Management perception- service quality specification gap, *the policy gap*.

GAP 3: Service quality specifications- service delivery gap. *The Delivery gap*.

GAP 4: Service delivery- external communication gap. *The communication gap*.

GAP 5: Expected service- perceived service gap, *the service quality gap*.

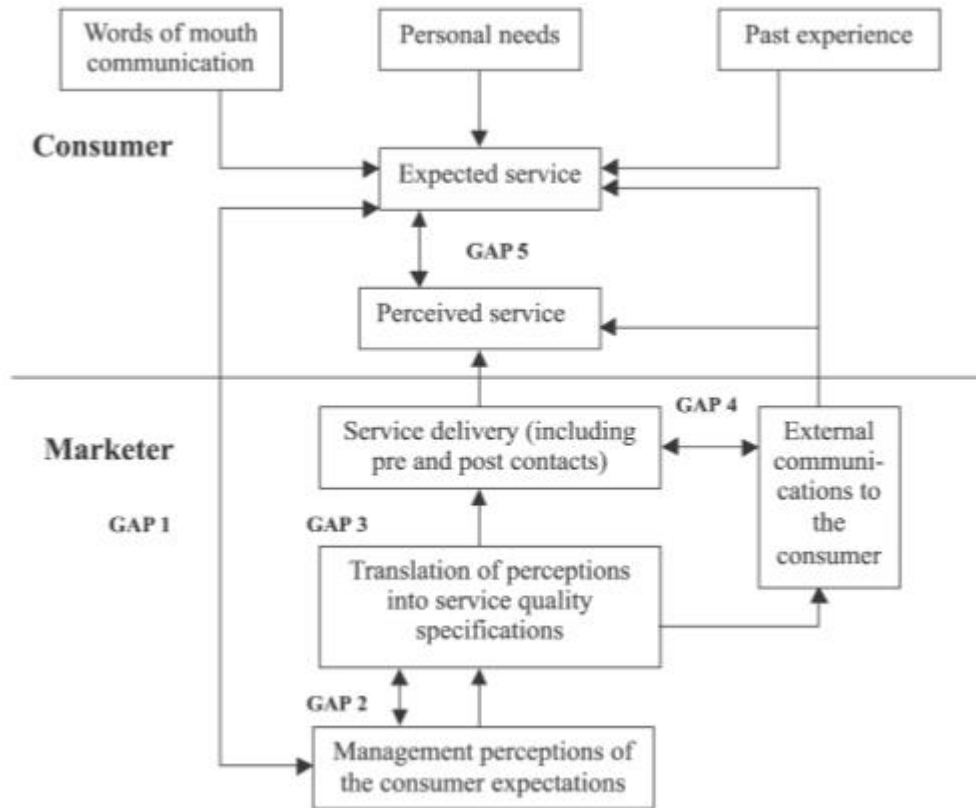


Figure 2.2: GAP service quality model

Source: Parasuraman, Zeithaml and Berry, 1985

3. SERVQUAL Measurement

One of the most frequently used measures of service quality is SERVQUAL. SERVQUAL is an acronym for service quality. The framework of Parasuraman et al (1988), tries to diagnose service shortfalls and thereby opportunities for improvement can be derived.

In view of Parasuraman et al (1985), focus group studies, there were ten detailed dimensions of service quality. These were: *Reliability, Responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security, Understanding the customer, and Tangibles.*

In their subsequent research in 1988, these scholars examine and purify the content of the items making up each of SERVQUALS five dimensions (three original and two combined dimensions). The last two dimensions (assurance & empathy) contain items representing seven original dimensions i.e. communications, credibility, security, competence, courtesy, understanding /knowing customers and access. In the SERVQUAL model the 5 dimensions and 22 items were presented on a seven-point Likert scale. Therefore, according to these scholars, SERVQUAL has only five distinct dimensions these are,

- Tangibles: Physical facilities, equipment, and appearance of personnel.
- Reliability: Ability to perform the promised service dependably and accurately.
- Responsiveness: Willingness to help customers and provide prompt service.
- Assurance: Knowledge and courtesy of employees and their ability to inspire trust and confidence.
- Empathy: Caring, individualized attention the firm provides its customers.

4. SERVPERF Measurement

SERVPERF was developed by Cronin and Taylor in (1992), they developed this instrument to simplify the measurement of service quality and customer satisfaction. The model was developed to study four service sectors: banking, pest control, dry cleaning, and fast food. SERVPERF is a performance-only measurement of service quality. It is a modification of the SERVQUAL model. It contains the same dimensions used in the SERVQUAL model. It brings into consideration only customer perceptions of service performance. Therefore, this model does not have a disconfirmation scale, which is the gap between expectations and perceived performance of service. According to Cronin and Taylor (1994), SERVPERF can provide managers with a summary of overall service quality score, which can then be plotted in relation to time and specific customer segmentations related to consumer characteristics.

The major difference between SERVQUAL and SERVPREF is that the SERVPREF does not take into account customer expectations. It brings into play only customer perceptions of service performance.

5. Bahia and Nantel's Scale: Bank service quality (BSQ)

Bahia & Nantel (2000) developed a specific new scale for perceived service quality in retail banking BSQ (Bank Service Quality). They used a number of the SERVQUAL dimensions, such as assurance, tangibles, and reliability, and incorporated additional dimensions such as access and courtesy as well as “additional dimensions to cover all the facets of the marketing mix. Booms and Bitner's framework was used to represent the marketing mix with the seven Ps: (1) product/service; (2) place; (3) process; (4) participants; (5) physical surroundings; (6) price; and (7 promotion” (Bahia and Nantel, 2000). After refinement, the BSQ was left with 31 items of service quality relevant to the banking sector. These 31 items were distributed across six dimensions:

1. *Effectiveness and assurance*: effectiveness refers to the effective delivery of service (particularly the friendliness and courtesy of employees) and the ability of staff to inspire a feeling of security. Assurance concerns the staff's ability to exhibit their communication skills and to deal confidentially with clients' requests.
2. *Access*: assesses the speed of service delivery.
3. *Price*: measures the cost of service delivery.
4. *Tangibles*: assess the appearance and cleanliness of a bank's physical infrastructure.
5. *Service portfolio*: assesses the range, consistency, and innovation of the bank's products.
6. *Reliability*: measures the bank's ability to deliver the service you have promised accurately and without error.

Comparing BSQ with SERVQUAL, Bahia & Nantel (2000) cited by (Lee et al., 2009) argue that the main strength of BSQ for banks is related to its content validity. The services portfolio dimension and the price dimension of BSQ are absent from SERVQUAL (Petridou et al., 2007).

Description of BSQ (six factors, 31 items)

Factors	Items
1. Effectiveness and assurance	1. Confidence
	2. Recognition of a regular client
	3. Confidentiality
	4. Valorization of the client by personnel
	5. Interruption of the service
	6. Well-trained personnel
	7. Knowledge of the client on a personnel basis
	8. No contradictions in decisions between personnel and management
	9. Delivering when promised
	10. Good reputation
	11. Feeling of security
	12. No delays due to bureaucratic factors and procedures
	13. Indications (communications) of quality
2. Access	14. Sufficient number of ATMs per branch
	15. Modern equipment
	16. Sufficient number of open tellers
	17. Waiting is not too long
	18. Queues that move rapidly
3. Price	19. The bank contacts me every time it is useful
	20. Good explanations of service fees
	21. Balance amount from which service charges begin
	22. Reasonable fees for the administration of the accounts
4. Tangibles	23. Keeping the client informed every time that a better solution appears for a problem
	24. Precision on account statements
	25. Cleanliness of facilities
	26. Decoration of facilities
	27. Efficacious work environment
5. Services portfolio	28. Complete gamut of services
	29. The range of services is consistent with the latest innovations in banking services
6. Reliability	30. Absence of errors in service delivery
	31. Precision of filing systems

Source: Bahia and Nantel (2000)

Figure 2.3: Bank service quality model

6. BANKQUAL

BANKQUAL scale was proposed by Tsoukatos and Mastrojianni (2010), a study conducted in Greece retail banking industry. The BANKQUAL scale proposed with key dimensions of assurance/emphatic, effectiveness, reliability, and confidence, a combination of SERVQUAL and BSQ dimension. The 27-item BANKQUAL scale consists of twelve SERVQUAL, seven BSQ, two commons in SERVQUAL and BSQ, and six setting specific items. Therefore the scale is a mixture of SERVQUAL and BSQ model.

2.1.6 Definition and Concept of Customer satisfaction

Different scholars have defined Customer satisfaction. According to Kotler (2000), Customer satisfaction is defined as personal feelings of pleasure or disappointment by making a comparison between services perceived performance and its outcome in relation to customer expectation. Chi Lin (2003), defined customer satisfaction as a result of a cognitive and affective evaluation; where some comparison standard is compared to the actually perceived performance. If the perceived performance is less than expected, customers will be dissatisfied, on the other hand, if perceived performance exceeds expectations, the customer will be satisfied (Chi Lin, 2003).

Oliver (1980) theorizes that when a customer is evaluating the service performance of a firm, they compare their expectation prior to purchase or consumption with the actual service provided. If the service performance equals or is above their expectation, satisfaction is guaranteed. However, when the service performance is below expectations (a negative disconfirmation), the customer feels dissatisfied. According to Keiningham et al. (2007), satisfied customers are more likely to recommend the bank to others, thereby reducing the bank's cost of providing even more services because of fewer complaints. Studies of researchers like Levesque and McDougall (1996), have proven that the level of satisfaction experienced by clients regarding a service/product will impact their choice to stay as a client of the bank.

2.2 Empirical review

2.2.1 Service quality and customer satisfaction

Many studies in different service settings confirmed that there exists a positive relationship between service quality and customer satisfaction, for instance, Mohammad & Alhamadani (2011), examined the level of service quality as perceived by customers of the commercial bank working in Jordan and its effect on customer satisfaction. Service quality was measured by using a modified version of the SERVQUAL model. In their conclusion, they stated that SERVQUAL is a consistent and reliable scale to measure banking service quality and service quality is an important antecedent of customer satisfaction. The findings reveal that the dimensions tangibles, reliability, responsiveness, assurance, and empathy have a significant influence on customer satisfaction.

Ushantha, Wijeratne & Samantha (2014), studied Customers' perception of service quality towards satisfaction. The study used the SERVPERF measure to test consumers' perceived service quality in state banks in Sri Lanka and its effect on customer satisfaction. The results of the study show that all dimensions i.e. reliability, assurance, empathy, tangibles, and responsiveness contributed significantly towards the service quality. Further, it showed that there is a strong positive linear relationship between overall service quality and customer satisfaction. Moreover, their study confirmed that the SERVPERF scale is appropriate for measuring the service quality of the banking sector in Sri Lanka.

Suhorto and sulistyono (2015), tested the significance of the relationship between service quality dimension and consumer satisfaction. The results indicate that the four dimensions of service quality i.e. tangible, responsibility, responsiveness, and assurance are all predecessors of consumer satisfaction.

Getahun, (2019), studied the effect of service quality on customer satisfaction in commercial bank of Ethiopia Adama city. SERVPERF model by Cronin and Taylor's (1992) was used to identify the effect and the relationship. Quantitative means of data collection method was employed to collect the data through questionnaire. The findings of the study also indicated that there are positive and significant relationships between seven the service quality dimensions and customer's satisfaction.

2.2.2 Effectiveness and Assurance and customer satisfaction

Parasuraman et al. (1988) defined assurance as knowledge and courtesy of employees and their ability to inspire trust and confidence. Effectiveness refers to the effective delivery of service particularly the friendliness and courtesy of employees and the ability of staff to inspire a feeling of security (Bahia & Nantel, 2000).

Dimiyati (2016) studied the effects of banking service quality dimensions on customer satisfaction. The study population was the customers of PT. Bank Rakyat Indonesia. Convenience sampling techniques was applied to 105 customs as the samples. The results showed that the four banking service quality dimensions consisting of effectiveness and assurance, access, price, and tangible have a significant effect on customer satisfaction. Effectiveness and assurance are significantly influential to customer satisfaction with a positive

relationship direction. The finding is supported by the fact that the company employees can serve the customers quickly and effectively besides the appropriate bureaucracy and procedures, and also ensures the security during a transaction so that the customers are satisfied with the provided services.

A case study on Refah bank Tehran city by Vazifehdoost and Raeiszadeh (2015) investigated the relationship between bank service quality dimension and customer satisfaction. The study used the BSQ model to test the relationship. The findings revealed that all BSQ dimensions like effectiveness, guarantee, accessibility, physical dimensions service diversity, and reliability have a positive and significant relationship with customer satisfaction.

Alhkami and Alarussi (2016) empirically examined the association between five service quality dimensions which are tangibility, reliability, responsiveness, assurance, and empathy on customer satisfaction on Telecommunication Company in Yemen. The results of this study show that all the independent variables are significantly correlated to the satisfaction of customers. Moreover, it showed that there is a significant relationship between assurance and customer satisfaction.

Agarwal, Singh and, Thakur (2013), examined the impact of service quality dimensions towards customer satisfaction in Indian call centers, the main aim of the study was to examine the impact of various service dimensions on service quality and customer satisfaction and to find out important dimensions of services having a greater effect on service quality and customer satisfaction. According to this study reliability, responsiveness and assurance are the most important dimensions of services having a stronger impact on service quality and customer satisfaction. The result also shows providing services as promised, knowledge to answer customer questions, providing customer individual attention and convenient business hours are the most important attributes of service dimensions having a stronger impact on service quality and customer satisfaction.

Abdul Rehman, (2012), investigated the relationship between customer satisfaction and six dimensions of service quality (CARTER model) in Islamic banks of Pakistan, the UK, and UAE. The Findings reveal that Pakistani and UK Islamic banking customers consider assurance,

reliability and, empathy as significant factors for customer satisfaction, whereas UAE customers consider assurance as significant dimensions of satisfaction.

This has led to the development of the following hypothesis.

H1: Effectiveness and assurance has a positive and significant effect on customer satisfaction

2.2.3 Access and customer satisfaction

Access is defined as approachability and ease of contact; the service is easily accessible by telephone, the waiting time to receive the service is not extensive, there are convenient hours of operation, and the service facility is in a convenient location (Yarimoglu, 2016). As stated above *Approachability* and *ease of contact* are the two most vital components of accessibility.

Pakurár et al. (2019), studied the effect of Service Quality dimensions (tangibles, responsiveness, empathy, assurance, reliability, access, financial aspect, and employee competences) on customer satisfaction in the Jordanian Banking Sector by using the modified SERVQUAL model, the findings revealed that access positively influences customer satisfaction in the Jordanian banking sector. The finding also confirmed that customers are looking for easy way of receiving the services offered, more options related to receiving services, and also the facility to receive the chosen service in the favored area, time and way.

Dimiyati (2016), tested the effect of banking service quality dimensions on customer satisfaction of PT. Bank Rakyat Indonesia. The study employed the Bank service quality model, the findings of the study stated that access has a positive effect on customer satisfaction. The influences of the access dimension to customer satisfaction can be explained as customers tend to choose a bank that is located nearby, easily accessible, and has guaranteed security.

This has led to the development of the following hypothesis.

H2: Access has a positive and significant effect on customer satisfaction.

2.2.4 Price and customer satisfaction

This component addresses the cost of service delivery (Bahia & Nantel, 2000). Lee and Moghavvemi, (2015), sited that price is measured by the service charges, fee and charges of service delivery, and the interest rates of loans and saving accounts.

Dimiyati (2016), studied the effects of banking service quality dimensions on customer satisfaction at PT. Bank Rakyat Indonesia branch of Jember. The study used the six dimensions of the BSQ model as a study variable. Price dimensions were seen through how fair the administrative costs are charged, how reasonable the loan interest rates are given, and how much profitable the deposit interest rates are provided and these beneficial factors will lead to customer satisfaction. The findings of the study reveal that price is significantly influential to customer satisfaction with a positive relationship direction which means that if the price is low, customer satisfaction will increase. The findings also reveal that PT BRI Jember branch has affordable administrative costs, reasonable loan interest rates, and promising deposit interest rates that make the customers satisfied with the provided services.

Lassar, Manolis and Winsor, (2000) tested the effects of service quality on customer satisfaction from two distinct methodological perspectives i.e. SERVQUAL and Technical/ Functional Quality. The tests were conducted utilizing a sample of international, private banking consumers. The findings indicate that price is an element that is directly related to the levied costs. The influence of price dimension to customer satisfaction can be explained as the more the charged cost is worth to the service provided, the more satisfied the customers will feel, and the less they object to paying.

This has led to the development of the following hypothesis.

H3: Price has a positive and significant effect on customer satisfaction.

2.2.5 Tangibles and customer satisfaction

Parasuraman et al. (1985), defined tangibility as the physical facilities, equipment, and appearance of personnel. It may also be defined as the clear visibility of resources necessary for providing a service to customers, the appearance of the management team and professional employees, brochures, and booklets, which affect customer satisfaction.

Cudjoe, Anim and, Nyanyofio (2015), examined the effect of service quality on customer satisfaction in the Ghanaian banking industry. The expectations and perceptions of customers were assessed by using the five dimensions of SERVQUAL. The investigators found out that, all the five measurements contributed to the quality of service delivery. Moreover, the researchers found out that, the dimension that had the highest expectations was tangibility.

Ann, et al. (2019) studied the relationship between tangibles and empathy dimensions (of SERVPERF model) and customer satisfaction in the use of ATMs. They stated that some studies have downplayed the relevance of tangibles and empathy in the sever role of offering customer satisfaction. Therefore, their study aimed at unveiling the relationship between the service quality dimension and customer satisfaction. The findings of the study revealed that there is a significant correlation between these two service quality dimensions, tangibles and empathy, and customer satisfaction.

Munusamy et al. (2010), studied on the measurement of customer satisfaction through the delivery of service excellence in the banking sector in Malaysia. Quantitative research was utilized to ponder the relationship between service quality dimensions and customer satisfaction. The study collected the opinions of the respondents by using the SERVQUAL model formulated by Parasuraman et al. (1985). The findings of the study show that tangibles have a positive relationship and have a significant impact on customer satisfaction.

Lee and Moghavvemi, (2015), studied the dimension of service quality and its impact on customer satisfaction, trust, and loyalty a case study of Malaysia banks. The study measured service quality by applying six dimensions tangibles, empathy, reliability and security, price online banking, and convenience that were adapted from Bahia and Nantel banking service quality model. These six dimensions were used to examine the relationship between service qualities, perceived value, customer satisfaction, bank image, customer loyalty, and customer trust among bank customers. The findings of the study were found to be consistent with the theoretical framework which states that tangible has a significant positive relationship with perceived value. The tangibles of the service facility such as equipment and machinery, empathetic service to the customer, providing customer service with reliability and security and online banking will result in improved quality of service delivery which will in lead to a higher perceived value which in turn is the major contributor of customer satisfaction.

Krishnamurthy et al. (2010), examined the influence of perceived service quality on customer satisfaction. In this research study, three extra additional variables have been incorporated to the original SERVQUAL scale, the variables are service fees charged by the bank, interest rate and Customer complain handling system suggested by the researcher like (Bahia and Nantel, 2000)

the findings emphasized that tangibility has a positive impact on customer satisfaction in banking services.

This has led to the development of the following hypothesis.

H4: Tangibles has a positive and significant effect on customer satisfaction.

2.2.6 Service portfolio and customer satisfaction

According to Dimiyati (2016), Service portfolio refers to the consistency and the completion of service that keep up with the banking world development.

Lassar, Manolis and Winsor, (2000) examined the effects of service quality on customer satisfaction from two distinct methodological perspectives i.e. SERVQUAL and Technical/Functional Quality. The tests were conducted utilizing a sample of international, private banking consumers. The findings indicate that Service portfolio has a positive effect on customer satisfaction.

This has led to the development of the following hypothesis.

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

2.2.7 Reliability and customer satisfaction

According to Kotler and Keller 15 edition Reliability dimension is found to be the single most important element of service quality and must be a service priority. Parasurman et al (1988), defined reliability as ability to perform the promised service dependably and accurately.

Al Khattab and Aldehayyat, (2011), examined perceptions of service quality in Jordanian hotels. Its objective was to measure hotels service quality performance from the customers' perspective. SERVPERF measurement scale was used on customers who have stayed in three, four, and five-star hotels. In this study, SERVPERF was found to be a reliable and valid tool to measure service quality in the hotel industry. The instrument comprises five dimensions i.e. tangibles, responsiveness, empathy, assurance, and reliability. Pearson correlations were conducted to assess the relationship between quality service dimensions and customer satisfaction. The results revealed that there is a positive statistical significance between the reliability dimensions of service quality and customer satisfaction.

Alabboodi, (2019), studied the effect of customer satisfaction on service quality in the case of Iraqi banks. The study used the components of service quality like assurance, reliability tangibility, empathy, and responsiveness as an independent variable and customer satisfaction as a dependent variable. The study uses a quantitative research design to collect data through close-ended questionnaires. The results of the study indicates a significant positive impact of reliability on customer satisfaction as in banking services provided to the customer, accuracy in completing orders, maintain precise record and quote accuracy in billing, maintained promised services are the basic views of reliability which is consider as the most important factor in convincing customers to retain banking services.

Hammoud et al, (2018), examine the relationship between the dimensions of E-Banking service quality and customer Satisfaction to determine which dimension can potentially have the strongest influence on customer satisfaction. Data were gathered using a survey instrument, which was distributed to bank clients in the Lebanese banking sector. The findings show that reliability, efficiency, and ease of use; responsiveness and communication; and security and privacy all have a significant impact on customer satisfaction, with reliability being the dimension with the strongest impact.

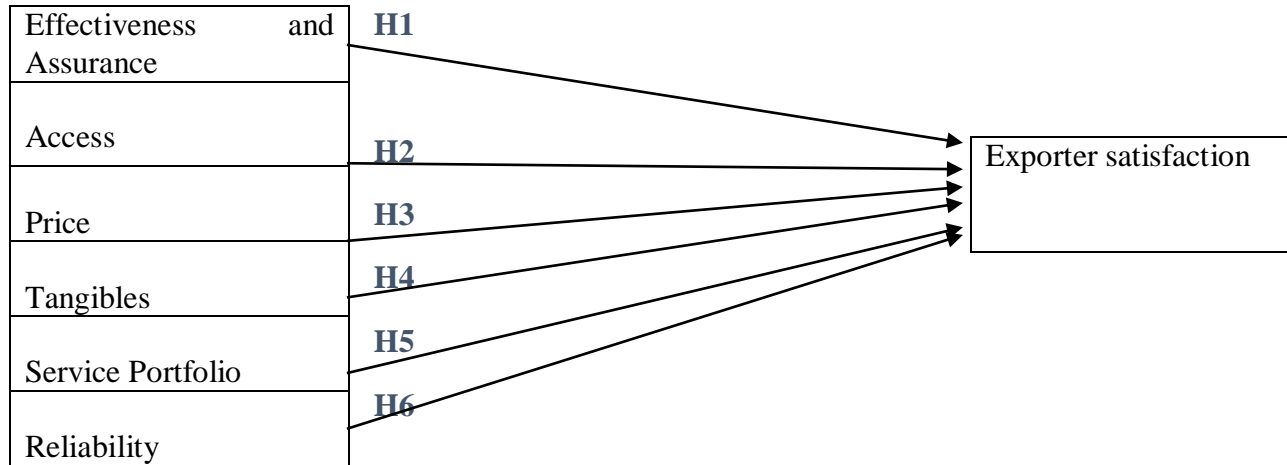
Therefore, this has led to the development of the following hypothesis.

H6: Reliability has a positive and significant effect on customer satisfaction.

2.3 Conceptual Framework

Based on the review of various literatures the researcher decided to conceptualize by adapting the industry specific Banking Service Quality (BSQ) model.

Bank service quality (BSQ) Dimension



Source; Bahia & Nantel, 2000

Figure 2.4: Conceptual model

Chapter Three

3. Methodology

This section discusses the research design and methodology that is used to achieve the objective of the study. Research design, sample size and sampling method, source and method of data collection, procedures of data collection, and method of data analysis is presented.

3.1 Description of the study area

The study was conducted in the city administration of Addis Ababa the capital city of Ethiopia. According to the National Bank of Ethiopia, there are nineteen commercial banks that are licensed and operating in Ethiopia. Enat bank legally joined the bank industry in 2013. The banks have 55 branches out of which 36 of them are located in Addis Ababa city. This bank was chosen as a study area because the bank is very conscious about the quality of service it provides to its clients and nurturing all its customers with a motherly attribute are its major goals. In addition, proximity and ease of access to information are also considered.

3.2 Research approach

According to Singh (2006), research approaches can either be an inductive or deductive approach, **Deduction** is a process which goes from the broad-spectrum to the specific: When general expectations about problems or events based on apparent relations between variables are used to arrive at more specific expectations, that process is called deduction. **Induction** is a method that goes from the particular to the general: In induction, investigators commonly start with particular observations and combines them to produce a more general statement of relationship namely a hypothesis. This study applied a deductive research approach, it begins by searching the literature for relevant specific theories, develops hypothesis collect data and test in order to answer the research question.

3.3 Research Method

According to Creswell (2009), a research method can either be quantitative or qualitative. **Quantitative research** method test objective theories by way of examining the relationship between variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures whereas, **Qualitative research** method explore and recognize the meaning individuals or groups ascribe to a social or human

problem (Creswell, 2009). To achieve the general objective of the study, this study used a quantitative method. The reason for choosing the quantitative research approach is because quantitative research less biased and they uses mathematical models, theories, and hypotheses relating to natural phenomena. Moreover, quantitative research favors methods such as surveys and experiments which this study attempts to implement.

3.4 Research design

A research design is the general plan of how an examiner will go on answering the research questions and achieving the research purpose. According to Bhattacharjee (2012), a research design can be exploratory, descriptive or explanatory. *Exploratory research* is regularly conducted in new areas of inquiry, where the objective of the investigation are: (1) to scope out the size or degree of a specific occurrence, problem, or behavior, (2) to produce a few starting thoughts (or “hunches”) about that phenomenon, or (3) to test the feasibility of undertaking a more extensive study regarding that phenomenon. *Descriptive research* is focused at making cautious observations and in depth documentation of a phenomenon of interest. These observations must be based on the scientific/logical technique (i.e., must be replicable, exact, etc.), and therefore, are more reliable and dependable than casual observations by untrained people. *Explanatory research* looks for clarification of observed phenomena, problems, or behaviors whereas, descriptive investigation analyze the what, where, and when of a phenomenon. Explanatory research looks to answers to why and how types of questions. It endeavors to “connect the dots” in research, by recognizing causal features and outcomes of the target phenomenon

For the purpose of this study, both descriptive and explanatory research design was used for a detailed description of the findings and to be able to display in table, chart as well as develop inferences on the relationship between banking service quality and customer satisfaction.

3.5 Population and sample

3.5.1 Target Population

The target populations of the study are export customers of Enat bank s.c. The study focuses on Addis Ababa city because; the bank's huge numbers of export customers are located in the city. The reasons for selecting Enat bank s.c as a population of the study is that the bank is very

conscious of the quality of service it delivers to its customers and making customers happy, satisfied and loyal is one of its top priorities. Furthermore, because the financial sector is crucial for the development of countries like Ethiopia, every stage of the service delivered by the bank should be studied carefully so that any dissatisfaction could be avoided.

3.5.2 Sampling

3.5.2.1 Sampling Technique and Sample Size

According to Bhattacharjee (2012), sampling may be done either on a probability or non-probability basis. In a **Probability sampling** technique every single unit in the population has a chance (non-zero probability) of being selected in the sample, and this chance can be precisely determined. In a **Non-probability sampling** technique, certain units of the population have zero chance of selection and the probability of selection cannot be exactly determined. It involves the selection of participants at random from the sampling frame.

The sample size of this research study is determined by the formula presented by Yamane (1967) according to him for a 95% confidence level and 5% precision the size of the sample should be

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

Where N is the population size, and e is the level of precision i.e. ± 5

$$n = \frac{284}{1+284(0.05)^2} = 166.08$$

As it was difficult to assess all branches found in Addis Ababa due to lack of time and the pandemic, a purposeful sampling was employed to select a sample from the 36 branches located in Addis Ababa city. To do so, the researcher used the bank's branch grading scheme. This grading arrangement categorizes branches from grade A to C based on the volume of transaction, site location, type of services delivered, credit limit etc... Therefore, this study has drawn a sample of 16 higher grade branches i.e. Grade A and Grade B branches because large numbers of corporate and experienced customers are found in higher grades and its believed that it enables the researcher to answer the research question.

For the reason of accuracy of representation, simple random sampling was employed to select respondents from the selected branches. A sample has been drawn from the total list of customers as the service offering is homogenous, then a sequential number was assigned to the list and the numbers were written down on a separate piece of paper and these papers were put into a box and mixed, then numbers were drawn out of the box in a random manner. Thus, it can be claimed that each respondent of the target population has equal chance of being selected minimizing biasedness.

3.6 Data sources and types

This study used both primary and secondary data. The primary data were collected from exporters of the bank in city branches. In addition, secondary sources such as bank annual report, internet, various journals, and articles were also explored to understand the association between service quality and customers satisfaction level.

3.7 Data collection Instrument and procedures

This research used quantitative data for measuring the constructs; a structured self-administered questionnaire was adapted from Bahia and Nantel, (2000) bank service quality model (BSQ). The questionnaire has three sections. The first section covers the demographic profile of the participants like sex, education level, frequency of visit, type of product exported etc... Sections two and three are structured on a five-point Likert scale to show their degree of agreement or disagreement. To avoid language barrier questionnaires were translated to Amharic language as well.

To collect relevant data for the study, the researcher followed the following procedures

Before distributing questionnaires to respondents, the researcher requested the consent of respondents. In addition, the researcher clarified the purpose of the research, why the information is needed, and gives assurance that information collected will be kept confidential and used exclusively for this research.

In addition, as the data collection was conducted during the spread of the Covid-19 pandemic all the needed precaution measures were taken to minimize human contact. The measures employed include wearing a face mask and gloves when approaching the participant's personally. In

addition, phone call, email, and telegram applications were preferentially used to transmit the data back and forth respecting the social distancing rules.

3.8 Ethical consideration

According to Bhattacharjee (2012), the tenets of ethical behavior that are widely accepted are

Voluntary participation and harmlessness: participants in research must be aware that their participation in the study is voluntary, that they have the freedom to drop out of the study at any time. More importantly, they should be assured that they will not be harmed as a result of their involvement or non-participation in the project.

Anonymity and confidentiality: To protect the participant's interests and future well-being, their identity must be protected in a scientific study.

Disclosure: the investigator/ researcher have a responsibility to provide information about their study to potential participants in advance of data collection to help them decide whether or not they wish to participate in the study.

Analysis and reporting: Researchers also have ethical duties to the scientific community on how data is analyzed and reported in their study.

Unexpected or negative findings should be fully disclosed, even if they cast some doubt on the research design or the finding.

To keep the confidentiality of the data provided by respondents, respondents in this study were not be required to state their identities. Questionnaires were distributed only to volunteer participants and assured that the purpose of the study is academic and specifically for the consumption of this research and will not be available to anybody that intends to use beyond this study. The purpose of the study was also specified in the introductory part of the questionnaire.

3.9 Validity and Reliability

Validity, often called construct validity, refers to the extent to which a measure adequately represents the underlying construct that it is supposed to measure (Bhattacharjee, 2012). According to Bhattacharjee (2012), there are three ways of characterizing validity in research studies. These are

1. **Face validity:** validity refers to whether an indicator seems to be a reasonable measure of its underlying construct “on its face”.

2. **Construct validity:** means that the method must actually measure what you think it measures.
3. **Content validity:** is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good (Kothari, 2004).

The validity analysis of the measurement instrument of this study was based on a pilot test on service providers and some respondents. The instrument was distributed to one division manager and two senior officers and five export customers of the bank to examine if each item of the research instrument is in relation to the objective. Pilot participants were requested to rate their extent of agreement/disagreement on the statements of the questionnaire. They provided relevant inputs to the modification of the data collection instrument and to make it more customized to Ethiopian banking environment.

Moreover, this study used banking service quality BSQ model, a standardized research instrument which is the most appropriate tool that is used to measure service quality and which is specifically designed for the banking industry besides, the inclusion of two dimensions i.e. price and service portfolio makes this model have a content validity than the regular service quality models like SERVQUAL and SERVPERF as the justification of Bahia and Nantel.

3.10 Data analysis

The data in this research were analyzed with the help of a statistical package for social science (SPSS) version 20 software. Descriptive statistics such as frequency distribution, percentages, mean, and the standard deviation was used mainly to organize and summarize the demographic data of the respondent as well as their overall perception towards the service quality of the bank. Multiple regression analysis was used to see how much the independent variable; effectiveness and assurance, access, price, tangibles, service portfolio, and reliability influence the dependent variable customer satisfaction. Correlation analysis was also conducted to measure the strength of the association between the dependent and independent variables.

Chapter four

4. Data Presentation, Analysis and Discussion

4.1 Introduction

This chapter presents the analysis, finding, and interpretation of data gathered through a structured questionnaire that was designed in line with the objectives of the study. The data was collected based on the Bank service quality (BSQ) model of Bahia and Nantel (2000), and it was piloted, refined, and customized to accommodate the context of the Ethiopian banking system. Statistical Package for Social Scientists (SPSS) version 20 was used to perform the analysis.

4.2 Reliability

Reliability is the point to which the measure of a construct is consistent, reliable, or dependable (Bhattacharjee, 2012). The reliability of the two constructs of measurement i.e. Service quality and customer satisfaction was estimated using the Cronbach alpha technique, by which low Cronbach alpha values mean that items do not capture the same construct and high value of Cronbach alpha, indicates that items effectively measure and reflect the construct. In order to get a reliable scale that is the Cronbach alpha should be more than 0.70 and a scale, with Cronbach alpha less than this should not be considered reliable (Pallant, 2005).

Table 4. 1: Cronbach's Alpha of constructs

Construct	Number of Item	Cronbach's alpha
Effectiveness and Assurance	13	0.895
Access	4	0.790
Price	5	0.895
Tangibles	4	0.898
Service portfolio	3	0.878
Reliability	3	0.887
Customer satisfaction	7	0.827

Source: own survey 2020

The overall Cronbach Alpha for all dimensions is described as follows on the below table 4.2

Table 4.2: Cronbach's Alpha result of all items of BSQ dimension

Reliability Statistics	
Cronbach's Alpha	No of Items
.957	39

Source: own survey 2020

All constructs and the overall result exhibited a Cronbach alpha value greater than 0.70 thus, they are accepted as being reliable.

4.3 Response Rate

From the 180 questionnaires distributed, 144 copies were valid, completed, and returned making a response rate of 80%. This high response rate can be due to the data gathering systems used and the huge help of the employees of the bank. The researcher distributed the questionnaires on each places where the services of the bank are delivered such as the import departments, credit department, cash deposit and withdrawal spots taking the precautions for Covid-19.

4.4 Descriptive Statistics of the Respondents' Background

4.4.1 Respondent Gender

The first demographic data collected was the gender of the respondents the results were as shown in table 4.3

Table 4.3: Gender Descriptive statistics by Percentage

Gender of respondents				
		Frequency	Percent	Valid Percent
Valid	Female	57	39.6	39.6
	Male	87	60.4	60.4
	Total	144	100.0	100.0

Source: own survey 2020

The demographic characteristics of the respondents as displayed in the above SPSS statistics frequency table 4.3 shows that from 144 cases or respondents 87 of them were male, which accounts for 60.4% and 57 of them were female respondents accounting 39.6% of the total respondents. This shows that even though the bank's mission was to empower women to engage

in business related activities male customer have also high contribution and engagement with the bank.

4.4.2 Respondent Education Level

The researcher also investigated the education level of respondents. The results were as shown in the table below

Table 4.4: Education level of respondents

Education level of respondents				
		Frequency	Percent	Valid Percent
Valid	High school and below	20	13.9	13.9
	Diploma	29	20.1	20.1
	Degree	71	49.3	49.3
	Masters and above	24	16.7	16.7
	Total	144	100.0	100.0

Source: own survey 2020

As shown above, 13.9% (20) of the respondents have an education level of high school and below, 20.10% (29) are diploma holders, 49.3 % (71) have a university degree, and 16.7% (24) have master's degree. This indicates that from the overall sample size the largest number of the respondents are degree holders which connotes that the majority of the respondents are capable of reading and understanding the self-administered questionnaire properly.

4.4.3 Type of product exported

The researcher also investigated the type of products that the respondents are engaged in exporting. The results were as shown in the table 4.5 below

Table 4.5: Products exported

What kind of products do you export?				
		Frequency	Percent	Valid Percent
Valid	Chat	21	14.6	14.6
	Coffee	25	17.4	17.4
	Cultural clothes	9	6.3	6.3
	Food items and cereals	29	20.1	20.1
	Leather & leather products	16	11.1	11.1
	Meat products	2	1.4	1.4
	Oil seed & pulses	31	21.5	21.5
	Precious metals	11	7.6	7.6
	Total	144	100.0	100.0

Source: own survey 2020

According to the above table, 31 (21.5%) of the respondents are exporters of Oilseeds and pulses, 29 (20.10%) are exporters of Food items and cereals, 25 (17.4%) are exports of Coffee, 21 (14.6%) are exports of Chat, 16 (11.1%) are exporters of Leather and leather products, 11(7.6%) are exporters of Precious metals, 9(6.3%) are exporters of cultural clothes and 2(1.4%) are exports of Meat and meat products. The majority of the respondents are exports of Oilseeds and Pulses, Coffee, Chat, and Food items. This indicates that the majority of the respondents export products that are among the top export products of Ethiopia.

4.4.4 Respondents years of experience in the export business

The researcher also investigated the years of experience that the respondents have in the export business. The results were as shown in table 4.6 below

Table 4.6: Years of experience in the export sector

How many years of experience do you have in the export business				
		Frequency	Percent	Valid Percent
Valid	Less than 6 month	3	2.1	2.1
	6 month - 1 year	15	10.4	10.4
	1 year - 2 year	26	18.1	18.1
	2 years - 3 years	30	20.8	20.8
	More than 3 years	70	48.6	48.6
	Total	144	100.0	100.0

Source: own survey 2020

As shown above, 70(48.6%) of the respondents answered they have the more than three years of experience in the export business, 30(20.8%) responded that they have two to three years' experience in the export business 26(18.10%) have one to two years of experience and 18 (12.5%) have less than one year experience. This indicates that the majority of the respondents are well experienced in the export sector and they are capable to give accurate information as they are knowledgeable and have various exposures to evaluate the quality of service delivery by the bank.

4.4.5 Frequency of visit

Table 4.7: Respondents Frequency of visit to the Bank

How often do you visit Enat bank?				
		Frequency	Percent	Valid Percent
Valid	Once a day	19	13.2	13.2
	Once a week	72	50.00	50.00
	Once a month and more	53	36.80	36.80
	Total	144	100.0	100.0

Source: own survey 2020

Regarding the frequency of visit as we can observe from the table 4.7 above that largest group of respondents i.e. 72(50.00%) tend to visit the bank once in a week, 53(36.80%) visit the bank once in a month or more and 19(13.20%) export customer stopover to the bank once a day. The majority of the respondents are frequent visitors to the bank and this indicates that they know the bank well enough and can evaluate the service offering of the bank.

4.4.6 Length of Relationship

In the questionnaire, respondents were asked the length of the relationship they have with Enat bank. Their response is described in the below table

Table 4.8: Respondents length of relationship with the Bank

Length of relationship in performing business with Enat bank				
		Frequency	Percent	Valid Percent
Valid	Less than 6 Month	8	5.6	5.6
	6 month-1 year	17	11.8	11.8
	1 year -2 year	28	19.4	19.4
	2 year - 3year	45	31.3	31.3
	More than 3 years	46	31.9	31.9
	Total	144	100.0	100.0

Source: own survey 2020

From the total sample of respondents, 75% of the respondents have one year and beyond the length of relationship with Enat bank, which indicates they have a significant level of exposure to evaluate the quality of service delivery by the bank.

Cross-Tabulation

4.4.7 Gender and Type of product exported cross tabulation

As indicated in Table 4.9 below, from a total of 87 male respondents, the majority of 60 (68.97%) are engaged in the export of Coffee, Chat, and Oilseeds & pulses. Moreover, from a total of 57 female respondents, 37(64.91%) engage in the export of Food items & cereals, Leather and leather products, cultural clothes, and Oilseeds and pulses. thus, from this, it can be observed that male exporters take part more in the agricultural and capital intensive type of products than females exporters.

Table 4.9: Gender and Type of product exported cross tabulation

		Gender of respondents		Total
		Female	Male	
Type of products exported	Chat	2	19	21
	Coffee	4	21	25
	Cultural clothes	8	1	9
	Food items and cereals	17	12	29
	Leather & leather products	9	7	16
	Meat products	1	1	2
	Oil seed & pulses	11	20	31
	Precious metals	5	6	11
Total		57	87	144

Source: own survey 2020

4.4.8 Gender and Length of relationship with Enat bank cross tabulation

According to the data presented in Table 4.10, when gender is compared with the duration of relationship respondents have with the bank it was found that 87 (60.42%) of the male exporter and 57(39.58%) of the female have a relationship with Enat bank. From this 36(78.26%) of males have more than three years of relationship with the bank and 10 (21.74%) of females have more the three years of association with the bank. The results show that male exporters tend to have the longest relations with the bank than female exporters.

Table 4.10 : Gender and Length of relationship with the Enat bank cross tabulation

		Length of relationship					Total
		Less than 6 Month	6 month-1 year	1 year - 2 year	2 year - 3year	More than 3 years	
Gender of respondents	Female	6	8	12	21	10	57
	Male	2	9	16	24	36	87
Total		8	17	28	45	46	144

Source: own survey 2020

4.4.9 Type of product exported and frequency of visit

As indicated in the below table 4.11, 19(13.19%) of exporters visit the bank once a day, 72(50.00%) of the exporters visit the bank once a week and 53 (36.80%) visit the bank once a month or more. when it is equated with the type of product exported, exporter of food items, cereals, and chat makes frequent visits to the bank i.e. once a day or week and exporters of Coffee, Oilseeds, and pulses make less visitation i.e. once a month or more. Thus, it can be observed that exporters of foods items and chat make frequent visitation to the bank mostly because their items are perishable and time-sensitive and usually requires urgent service.

Table 4.11: Type of products exported and frequency of visit cross tabulation

		Frequency of visit			Total
		Once a day	Once a week	Once a month and more	
Type of products exported	Chat	5	15	1	21
	Coffee	0	12	13	25
	Cultural clothes	0	5	4	9
	Food items and cereals	8	16	5	29
	Leather & leather products	1	8	7	16
	Meat products	1	1	0	2
	Oil seed & pulses	4	10	17	31
	Precious metals	0	5	6	11
Total		19	72	53	144

Source: own survey 2020

4.5 Descriptive Analysis of the study variables

In this subchapter, the six independent variables analyzed include effectiveness and assurance, access, price, tangibles, service portfolio, and reliability. The dependent variable analyzed is customer's satisfaction. The findings are presented below in tabular form with an explanation.

4.5.1 Service quality on Effectiveness and assurance Dimension

Table 4.12: Respondent's perception towards Effectiveness and assurance

	Effectiveness and Assurance	SD	D	N	A	SA	
1	The bank and its employees interact confidently with their clients	Freq	0	4	2	105	33
		%	0	2.8	1.4	72.9	22.9
2	Employees of Enat bank give special recognition to regular customers.	Freq	0	10	27	81	26
			0	6.9	18.8	56.3	18.1
3	The bank confidentially handles their customers' data.	Freq	1	2	13	101	27
		%	0.7	1.4	9	70.1	18.8
4	Employees of the bank value their customers by committedly delivering their service with honesty and loyalty	Freq	0	8	13	91	32
		%	0	5.6	9	63.2	22.2
5	Enat bank delivers its services without any interruption	Freq	0	8	11	104	21
		%	0	5.6	7.6	72.2	14.6
6	The bank have skilled and well experienced employees	Freq	0	3	11	100	30
		%	0	2.1	7.6	69.4	20.8
7	The employees of Enat Bank tend to make a customer background check in order to offer a better service	Freq	11	2	48	61	22
		%	7.6	1.4	33.3	42.4	15.3
8	There is smooth flow of decision between employees and management at Enat bank	Freq	8	26	15	62	33
		%	5.6	18.1	10.4	43.1	22.9
9	Enat bank provides its services at the time it promises to do so.	Freq	9	35	16	62	22
		%	6.3	24.3	11	43.1	15.3
10	The bank have good reputation and it draws clients	Freq	0	3	22	96	23
		%	0	2.1	15.3	66.7	16
11	You feel secured in doing transactions with Enat bank.	Freq	2	2	3	111	26
		%	1.4	1.4	2.1	77.1	18.1
12	There are no delays in service delivery due to bureaucratic and procedural factors at Enat bank.	Freq	9	20	9	83	23
		%	6.3	13.9	6.3	57.6	16
13	The communication skill of the employees of the bank entails a high quality.	Freq	2	4	13	93	32
		%	1.4	2.8	9	64.6	22.2

Source: own survey 2020

As shown in Table 4.12 above, 22.9% of the respondents strongly agree to the statements that the employees of the bank interact with confidence with their customers and there is a smooth flow of decision between employees and management of the bank. 77.1% of the respondents agree

that they feel secure in doing transactions with Enat Bank. 24.3% of the respondents disagree with the statement that the banks deliver the service at the time it promises to do so and 7.6% of the respondents strongly disagree with the statement that the bank tends to make a customer background check to offer a better service.

Table 4.13: Descriptive Statistics of Effectiveness and Assurance dimension

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
The bank and its employees interact confidently with their clients	144	2	5	4.16	0.575
Employees of Enat bank give special recognition to regular customers.	144	2	5	3.85	0.793
The bank confidentially handles their customers' data.	144	1	5	4.05	0.629
Employees of the bank value their customers committedly delivering their service with honesty and loyalty	144	2	5	4.02	0.734
Enat bank delivers its services without any interruption	144	2	5	3.96	0.668
The bank have skilled and well experienced employees	144	2	5	4.09	0.602
The employees of Enat Bank tend to make a customer background check in order to offer a better service	144	1	5	3.56	1.022
There is smooth flow of decision between employees and management in Enat bank	144	1	5	3.60	1.185

Enat bank provides its services at the time it promises to do so.	144	1	5	3.37	1.187
The bank have good reputation and it draws clients	144	2	5	3.97	0.630
You feel secured in doing transactions with Enat bank.	144	1	5	4.09	0.614
There are no delays in service delivery due to bureaucratic and procedural factors at Enat bank	144	1	5	3.63	1.101
The communication skill of the employees of the bank entails a high quality.	144	1	5	4.03	0.742
Total				3.88	0.81

Source: own survey 2020

The above table 4.13 shows, the evaluation of effectiveness and assurance dimension based on the average respondents rating of the first thirteen items. Based on the descriptive statistics points the overall mean of the dimension was computed to be 3.88 with a standard deviation of 0.81. The standard deviation shows how diverse are the responses of customers for a given item or constructs are in proportion to the mean value. The deviations, in this case, are relatively low in comparison with the average point, indicating the accurate representation of the observed data by the mean values at the item and dimension level. The results indicate that the majority of the respondents have a close opinion towards the effectiveness and assurance dimension of the bank with small diverse opinions. Thus, it can be concluded the respondents perceive the bank delivers its service effectively assuring customers security and keeping the confidentiality of customer data.

4.5.2 Service quality on Access Dimension

Table 4.14: Respondent's perception towards Access

Access		SD	D	N	A	SA
Enat bank has good level of branch service outreach.	Freq	15	53	10	56	10
	%	10.4	36.8	6.9	38.9	6.9
Enat bank delivers its service with the necessary, technologically updated tools and systems	Freq	1	24	19	86	14
	%	0.7	16.7	13.2	59.7	9.7
The bank have sufficient number of skilled service offering employees	Freq	0	20	11	99	14
	%	0	13.9	7.6	68.8	9.7
The waiting time and queues at Enat bank to process and get support is short and quick.	Freq	0	19	2	100	23
	%	0	13.2	1.4	69.4	16

Source: own survey 2020

As shown in Table 4.14 above, more than 85.40% of the respondents strongly agree and agree to the statements that the waiting time and queues to get service and support are short and quick at Enat bank. 47.2 % of the respondents strongly disagree and disagree with the statement that Enat bank has a good level of branch service outreach. Thus, from this, it can be pointed out that the bank has a limited number of branches outlets compared to the needs of customers.

Table 4.15: Descriptive Statistics of Access dimension

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Enat bank has good level of branch service outreach.	144	1	5	2.95	1.208
Enat bank delivers its service with the necessary, technologically updated tools and systems	144	1	5	3.61	.902
The banks have sufficient number of skilled service offering employees.	144	2	5	3.74	.817
The waiting time and queues at Enat bank to process and get support is short and quick.	144	2	5	3.88	.832
Total				3.55	0.94

Source: own survey 2020

The overall mean value of the access dimension was computed from the composite mean of the four items; the bank has a good level of branch outreach, the banks have a sufficient number of service offering employee, the banks deliver its service with technologically updated tools and system, and the waiting time and queues are short and quick in the above table 4.15. The average mean value of the overall dimension computed to be 3.55 with a standard deviation of 0.94, which is satisfactory. In Access dimension, the mean rating score of the item the waiting time and queues at Enat bank to process and get support is short and quick scored a relatively higher mean score of 3.88 followed by the bank have a sufficient number of skilled service offering employees i.e. 3.74 and Enat bank delivers its service with the necessary, technologically updated tools and systems 3.61. This implies that the majority of the respondents agree with the accessibility of the bank but there is a bit lager deviated opinion.

4.5.3 Service quality on Price Dimension

Table 4.16 : Respondent's perception towards Price

Price		SD	D	N	A	SA
Enat bank properly & periodically notifies the term & tariffs for the services	Freq	1	10	24	76	33
	%	0.7	6.9	16.7	52.8	22.9
Enat bank provides adequate justification for its service fees whenever requested.	Freq	0	9	17	89	29
	%	0	6.3	11.8	61.8	20.1
Enat bank clearly identifies/classifies the service fee that relates to each service type.	Freq	1	5	30	81	27
	%	0.7	3.5	20.8	56.3	18.8
The bank charges reasonable fees for the services it offers.	Freq	1	15	11	82	35
	%	0.7	10.4	7.6	56.9	24.3
Problems encountered are rapidly resolved at the bank by involving the customers to reach at better solution	Freq	9	13	15	71	36
	%	6.3	9	10.4	49.3	25

Source: own survey 2020

As shown in Table 4.16 above 24.3% of the respondents strongly agree that the service fee charged by Enat bank is reasonable. 61.8% agree to the statement that Enat bank provides adequate justification for its service fees whenever requested. 6.3% of the respondents strongly disagree with the statement that problems encountered are rapidly resolved at the bank by involving the customers to reach a better solution. The above results show that the bank charges are reasonable with appropriate justifications and this in turn have an impact on the level of customers' satisfaction.

Table 4.17: Descriptive Statistics of Price dimension

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Enat bank properly & periodically notifies the term & tariffs for the services	144	1	5	3.90	.855
Enat bank provides adequate justification for its service fees whenever requested.	144	2	5	3.96	.756
Enat bank clearly identifies/classifies the service fee that relates to each service type	144	1	5	3.89	.767
The bank charges reasonable fees for the services it offers.	144	1	5	3.94	.895
Problems encountered are rapidly resolved at the bank by involving the customers to reach at better solution	144	1	5	3.78	1.112
Total				3.89	0.88

Source: own survey 2020

The above table 4.17 shows the price dimension of banking service quality. The bank charge reasonable fee and adequate justifications are provided for the term and tariffs set scored the highest mean i.e. 3.94 and 3.96 respectively and standard deviation is also low i.e. 0.756 and 0.895 which shows that there low diverse opinion. The dimension average mean score was computed to be 3.89 with a standard deviation of 0.88 which is almost near on the average point of the scale measurement. Therefore, from the analyzed data, it is possible to say that the services fees charged by Enat bank are perceived by the respondents as fair and reasonable.

4.5.4 Service quality on Tangibility Dimension

As shown in Table 4.18 below 54.2% of the respondents strongly agree that Enat bank facilities are pleasant and visually appealing to customer. 45.8% agree to the statement that Enat bank have a well-organized working environment. Only 2.1% of the respondents disagree with the whole statement requested for the construct.

Table 4.18: Respondent's perception towards Tangibility

Tangibles		SD	D	N	A	SA	
1	Enat bank uses high quality and easy to understand receipts, forms, application forms and brochures	Freq	0	3	5	72	64
		%	0	2.1	3.5	50	44.4
2	Enat bank has good level of cleanliness of office facilities.	Freq	0	3	1	72	68
		%	0	2.1	0.7	50	47.2
3	The bank facilities are pleasant and visually appealing to customers	Freq	0	2	3	61	78
		%	0	1.4	2.1	42.4	54.2
4	Enat bank has well organized staff and work environment	Freq	0	3	6	66	69
		%	0	2.1	4.2	45.8	47.9

Source: own survey 2020

Table 4.19: Descriptive Statistics of Tangibles dimension

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Enat bank uses high quality and easy to understand receipts, forms, application forms and pamphlets	144	2	5	4.37	0.656
Enat bank has good level of cleanliness of office facilities.	144	2	5	4.42	0.621

The bank facilities are pleasant and visually appealing customers	144	2	5	4.49	0.614
Enat bank has well organized staff & work environment	144	2	5	4.40	0.671
Total				4.42	0.64

Source: own survey 2020

As indicate above in table 4.19, Tangibles dimension has an overall high perception of service quality with a mean score of 4.42 and the descriptive statistics result shows the respondents opinion are close with a small variation i.e. 0.64. Among the values entered to each items with in this dimension Enat banks facilities are pleasant and visually appealing to customers and the bank has good level of cleanliness of facilities items have high mean score i.e. 4.49 and 4.42 respectively. These results indicate that respondents perceive that Enat bank facilities are clean, well-organized and visually appealing.

4.5.5 Service quality on Service portfolio Dimension

Table 4.20: Respondent's perception towards Service portfolio

Service portfolio		SD	D	N	A	SA
Enat bank offers a diverse or variety of services.	Freq	0	20	32	74	18
	%	0	13.9	22.2	51.4	12.5
Enat bank offers services that are consistent with the latest innovation in the banking industry.	Freq	0	23	26	76	19
	%	0	16	18.1	52.8	13.2
Enat bank offers services that are competent with the other banks in the industry.	Freq	2	21	20	85	16
	%	1.4	14.6	13.9	59	11.1

Source: own survey 2020

As described in above in table 4.20, 66% of the respondents strongly agree and agree that the bank offers services that are consistent with the latest innovations in the banking industry and

16% of the respondents strong disagree and disagree with the statement that the service of the bank are competent with other competitor bank in the industry.

Table 4.21: Descriptive Statistics of Service portfolio dimension

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Enat bank offers a diverse or variety of export services	144	2	5	3.63	.876
Enat bank offers services that are consistent with the latest innovation in the banking industry.	144	2	5	3.63	.906
Enat bank offers services that are competent with the other banks in the industry.	144	1	5	3.64	.913
Total				3.63	0.90

Source: own survey 2020

Service portfolio dimension has three items of scale measurement, which are the bank offers diverse service, a services that are competent with other banks in the industry and the bank offers services that are consistent with the latest innovation in banking industry. As shown in the table 4.21 above the average means score of the three items is 3.63 with the average standard deviation of 0.9. Enat bank offers a services that are competent with other banks in the industry scored the highest mean of 3.64. Therefore, from the analyzed data it is possible to say that customers perceive Enat bank offer variety of services in order to prevent customers from shifting to other competitor banks due to the lack of service offering.

4.5.6 Service quality on Reliability Dimension

Table 4.22: Respondent's perception towards Reliability

Reliability		SD	D	N	A	SA
The bank provides a very delicate and accurate service	Freq	0	1	6	104	33
	%	0	0.7	4.2	72.2	22.9
Enat bank has accurate filing/documentation systems.	Freq	0	1	5	103	35
	%	0	0.7	3.5	71.5	24.3
The service provider shows a sincere interest in solving problems	Freq	0	5	3	99	37
	%	0	3.5	2.1	68.8	25.7

Source: own survey 2020

As described in above in table 4.22, 24.3% of the respondents strongly agree that the bank have accurate filing and documentation system, 72.2% of the respondents agree that the bank have an error free service and 3.5% of the respondents disagree with the statement that the service provider shows a sincere interest in solving problems. Thus, it can be said that customers give value to a service that is very delicate and error free and there level of satisfaction with the service offering depends on it.

Table 4.23: Descriptive Statistics of Reliability dimension

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
The bank provides a very delicate and accurate service	144	2	5	4.17	0.520
Enat bank has accurate filing/documentation systems	144	2	5	4.19	0.519
The service provider shows a sincere interest in solving problems.	144	1	5	4.17	0.626
Total				4.18	0.55

Source: own survey 2020

In this dimension, the average mean score is 4.18 with a standard deviation of 0.55 out of these questions the bank has accurate filing, and documentations scored the highest mean i.e. 4.19. The result shows that respondents believe that the bank delivers a service that is consistent, reliable, error-free, and delicate.

4.5.7 Service quality on Customer satisfaction Dimension

Table 4.24: Respondent's perception towards satisfaction

	Customer satisfaction	SD	D	N	A	SA	
1	How satisfied are you with Enat banks service effectiveness, security of transaction and handling of data confidentially.	Freq	0	10	4	108	22
		%	0	6.9	2.8	75	15.3
2	How satisfied are you with the reliability of service provided by the bank.	Freq	0	2	2	109	31
		%	0	1.4	1.4	75.7	21.5
3	How satisfied are you with the tangibility of service provided by the bank.	Freq	0	3	8	70	63
		%	0	2.1	5.6	48.6	43.8
4	How satisfied are you with the range of services provided by Enat bank	Freq	0	22	17	79	26
		%	0	15.3	11.8	54.9	18.1
5	How satisfied are you with the service fees charged by Enat bank	Freq	1	13	18	81	31
		%	0.7	9	12.5	56.3	21.5
6	How satisfied are you with Enat bank service accessibility	Freq	0	34	4	90	16
		%	0	23.6	2.8	62.5	11.1
7	How satisfied are you with the overall service of Enat bank	Freq	0	14	4	99	27
		%	0	9.7	2.8	68.8	18.8

Source: own survey 2020

As described in above in table 4.24, 43.8% of the respondents replied that they are strongly satisfied with the tangibility aspects of the banks, 75.7 % of the respondents replied that they are satisfied with the reliability of the service offering of the bank and 23.6% of the respondents answered that they are not satisfied with the accessibility of the bank.

Table 4.25: Descriptive Statistics of customer satisfaction dimension

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
How satisfied are you with Enat banks service effectiveness, security of transaction and handling of data confidentially	144	2	5	3.99	.679
How satisfied are you with the reliability of service provided by the bank	144	2	5	4.17	.506
How satisfied are you with the tangibility of service provided by the bank	144	2	5	4.34	.681
How satisfied are you with the range of services provided by Enat bank	144	2	5	3.76	.926
How satisfied are you with the service fees charged by Enat bank	144	1	5	3.89	.870
How satisfied are you with the Enat bank service accessibility	144	2	5	3.61	.969
How satisfied are you with the overall service of Enat bank	144	2	5	3.97	.779
Total	144			3.96	0.77

Source: own survey 2020

Customers satisfaction toward the bank was measured through seven items indicated in the table above 4.25 how satisfied are you with the effectiveness, assurance, accessibility, service fee, tangibility, and reliability of the service provided by the bank. Accordingly, the mean score of respondents towards the tangibility was found to be the highest with a mean value of 4.34 the average mean for this dimension was found to be 3.96 and, the standard deviation is 0.77. This shows that most of the perception of the respondents stress to being satisfied with the banking service offered by the bank with a slightly diverse opinion.

4.6 Correlation analysis

According to Pallant (2005), Correlation analysis is used to describe the strength and direction of the linear relationship between two variables. Correlation coefficient takes a value between -1 and +1. The sign on the front shows whether there is a positive correlation (as one variable increases, so too do the other) or a negative correlation (as one variable increases, the other decreases). The correlation analysis was done for this study to assess the relationship between the independent variables and dependent variables and among the independent variables.

Table 4.26: Persons correlation analysis

Correlation								
		Effectiveness & Assurance	Access	Price	Tangibles	Service Portfolio	Reliability	Customer satisfaction
Effectiveness and Assurance	Pearson Correlation	1						
	Sig. (2-tailed)							
Access	Pearson Correlation	.550**	1					
	Sig. (2-tailed)	.000						
Price	Pearson Correlation	.664**	.428**	1				
	Sig. (2-tailed)	.000	.000					
Tangibles	Pearson Correlation	.296**	.207*	.450*	1			
	Sig. (2-tailed)	.000	.013	.000				
Service Portfolio	Pearson Correlation	.671**	.567**	.676*	.422**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
Reliability	Pearson Correlation	.592**	.471**	.559*	.396**	.587**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
Customer	Pearson	.729**	.682**	.689*	.553**	.802**	.632**	1

satisfaction	Correlation			*				
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05 level (2-tailed).								

Source: own survey 2020

As shown in the above table, all the values of the person correlation (r) were found to be significant at $P < 0.01$ showing a reliable relationship. The extent of the relationship ranged from 0.207 (between tangibles and access dimension) to 0.802 (between service portfolio and customer satisfaction). Service portfolio have the highest correlation with customers satisfaction ($r = 0.802$) followed by effectiveness and assurance ($r = 0.729$), Price ($r = 0.689$) access ($r = 0.682$), reliability ($r = 0.632$), tangibles ($r = 0.553$) respectively. Thus, it can be concluded that all the banking service quality (BSQ) dimensions have a significant and positive relationship with customer satisfaction.

4.7 Testing Regression Analysis Assumptions

In the regression model used in this research, the six BSQ dimensions (Effectiveness and assurance, access, price, tangibles, service portfolio, and reliability) were the independent variables that are hypothesized to predict dependent variables; customer satisfaction. Before performing the regression analysis Normality assumption test, Multicollinearity, Linearity, Homoscedasticity, and No auto-correlation were done to satisfy the common regression analysis assumptions.

4.7.1 Normality Assumption

Before the regression analysis, all assumption tests to perform the analysis was made and satisfied. Among the tests, the normality of data is one of them as the independent variables in the analysis are normally distributed. According to Pallant (2005), if the residuals are normally distributed, the scores are reasonably normally distributed when most scores occurring in the center, tapering out towards the extreme forming a bell-shaped and thus this study implemented graphical methods to test the normality of data.

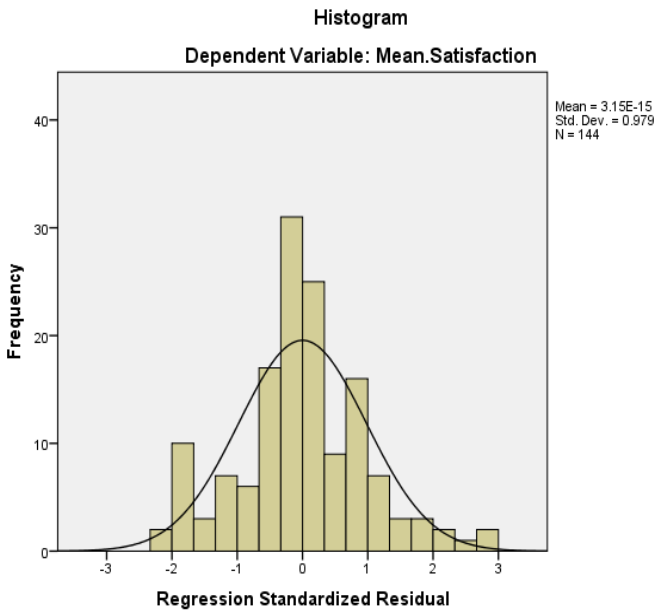


Figure 4.1: Histogram to show Normality

Though the figure 4.5 displays some standard residuals are a little bit far away from the curve, many of the residuals are fairly close more to the curve and the histogram is bell-shaped This shape implies that the majority of scores lie around the center of the distribution (so the largest bars on the histogram are all around the central value. Therefore, this indicates that the residuals or (disturbance or errors) are normally distributed.

4.7.2 Multi-collinearity Test Assumption

Among the test multicollinearity is the other one. According to Pallant (2005), for determining the existence of multicollinearity among independent variables are tolerance value and variance inflation factor (VIF) value. The rule is that tolerance value should not be less than 0.2 and the VIF value should not be greater than 10. For values that cannot satisfy this requirement leads to misleading and/or inaccurate results. Multicollinearity happens when two or more predictors contain much of the same information. As shown on the below table 4.27 the VIF of all variables was less than 10 and tolerance of all variables also greater than 0.2 and this shows that there is no multicollinearity effect.

Table 4.27: Multicollinearity Statistics

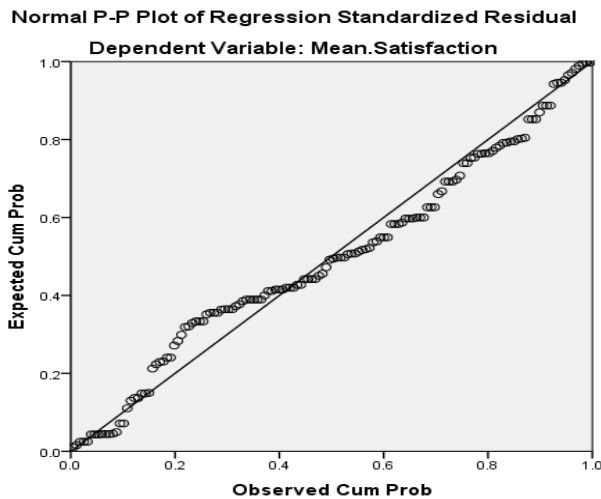
Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Effectiveness and Assurance	.409	2.443
	Access	.611	1.636
	Price	.424	2.356
	Tangibles	.740	1.351
	Service Portfolio	.387	2.583
	Reliability	.539	1.854

Source: own survey 2020

4.7.3 Linearity test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine the relationship between the dependent variable customer satisfaction and the independent variables (Effectiveness and assurance, access price, tangibles, services portfolio and reliability) linear plots of the regression residuals through SPSS software had been used.

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Source: own survey 2020

Figure 4.2: Normal P-P plot graph

The p plot of residuals discloses that there is no large deviation in the range of the residuals. As we look from left to right on the figure it looks like almost all residuals lay on the linear straight line. Therefore, this tells us the relationship between the predictor variables (BSQ) and the dependent variable customer satisfaction is linear.

4.7.4 Homoscedasticity assumption

At each level of the predictor variables, the variance of the residual terms should be constant. This just means that the residuals at each level of the predictors should have the same variance (homoscedasticity); when the variance are very unequal there is said to be homoscedasticity Field, (2009).

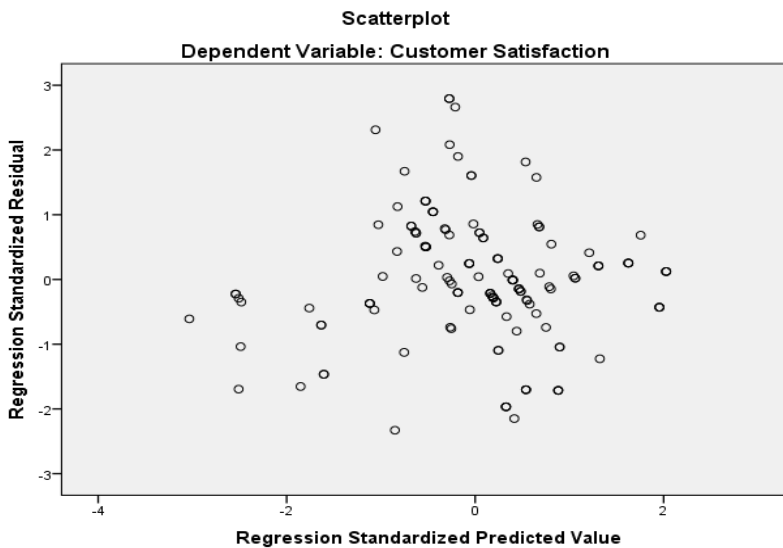


Figure 4.3 Homoscedasticity Variance

For this study, as can be seen in Figure 4.7 plot, the response seems concentrated and balanced with few outliers depicting constant error throughout the observations.

4.7.5 No Auto-correlation assumption

According to Field 2009, this assumption can be tested with the Durbin–Watson test, which tests for serial correlations between errors. Specifically, it tests whether adjacent residuals are correlated. According to (Garson, 2012) the Durbin-Watson statistics should be between 1.5 and 2.5 for independent observations. As indicated in the appendix 2.3 the Durbin-Watson result was found to be 1.788, which is in between 1.5 and 2.5.

4.8 Regression Analysis

Regression analysis is a way of predicting an outcome variable from one predictor variable (simple regression) or several predictor variables (multiple regressions). This tool is incredibly useful because it allows going a step beyond the data that we collected (Field, 2009). After examining the correlation between the independent variables and dependent variables, testing normality, and linear regression model assumptions, multiple regression analysis was conducted using customer satisfaction as a dependent variable and effectiveness and assurance, access, price, tangibles, service portfolio, and reliability as an independent variable.

Table 4.28: Model summary of multiple regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.905 ^a	.818	.810	.237
a. Predictors: (Constant), Reliability, Tangibles, Access, Price, Effectiveness and assurance, Service portfolio b. Dependent: Customer satisfaction				

Source: own survey 2020

As shown in the above table 4.28 The R² is 0.818 this means 81.80 % of the customer satisfaction is explained by the model. In other words, 18.20 % of the variation in customer satisfaction is affected by other factors. As indicated in Appendix II it is pointed out that 53.1% of customer satisfaction is significantly explained by the effectiveness and assurance dimension. As the result of the regression analysis, it was found that the accessibility dimension explains customer satisfaction by 46.5%. It was also found to be significantly related to customers' satisfaction as p-value is less than 0.05. It is also possible to state that 46.8% of customer satisfaction is described by the price dimension of the BSQ model. 30.5% of the variation in the dependent variable i.e. customer satisfaction can be significantly explained by the tangibles dimension of service quality. 64.4% of the variation in customer satisfaction can also be significantly explained by the service portfolio dimension of service quality. Finally, 39.9% of the variation in the dependent variable i.e. customer satisfaction can be significantly explained by the reliability dimension of service quality.

Table 29: Multiple regression analysis test results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.184	.211		.874	.384
	Effectiveness and Assurance	.203	.056	.208	3.648	.000
	Access	.204	.034	.279	5.985	.000
	Price	.057	.041	.077	1.382	.169
	Tangibles	.237	.041	.243	5.749	.000
	Service Portfolio	.217	.040	.321	5.475	.000
	Reliability	.054	.054	.050	1.004	.317

a. Dependent Variable: Customer Satisfaction

Source: own survey 2020

From the above table, we can have the following general formula for the model under the study.

The regression equation was

$$CS=0.203(EA) +0.204(AC) +0.57(PR) + 0.237(TA) + 0.217(SP) + 0.54(RE) + 0.184$$

Where: CS= Customer satisfaction, EA= Effectiveness and assurance AC= Access, PR=Price, TA=Tangibility, SP=Service portfolio, and RE= Reliability

In the regression table above, we can see the contribution of each predictor or B value. This B value means that, the variation in outcome variable due to a unit change in the independent variable. Thus, the table provides the result of the model predicting customer satisfaction through the variables of Reliability, Access, Service Portfolio, Tangibles, Effectiveness and Assurance, and Price. Accordingly, as it can be seen on table 4.29, Price has a positive but insignificant effect on customer satisfaction with a coefficient of (Beta =0.077 and p 0.169 >0.05), Reliability have also a positive but insignificant effect on customer satisfaction with coefficient of (Beta= 0.050 and p (0.317)>0.05. Effectiveness and assurance, Access, Tangibles and Service portfolio

have positive and significant effect on customer satisfaction with Beta=0.208, 0.279, 0.243, 0.321 and p (0.00) <0.05.

Table 30: summary of the overall outcome of the research hypotheses,

Hypothesis	Result	Reason
H1: Effectiveness and assurance has a positive and significant effect on customer satisfaction	Accepted	Correlation result, r= 0.729 Pr< 0.01 Regression result β = 0.208, Sig 0.000
H2: Access has a positive and significant effect on customer satisfaction.	Accepted	Correlation result, r= 0.682 Pr< 0.01 Regression result β = 0.279, Sig 0.000
H3: Price has a positive and significant effect on customer satisfaction.	Rejected	Correlation result, r= 0.689 Pr< 0.01 Regression result β = 0.077, Sig 0.169
H4: Tangibles has a positive and significant effect on customer satisfaction.	Accepted	Correlation result, r= 0.553 Pr< 0.01 Regression result β = 0.243, Sig 0.000
H5: Service portfolio has a positive and significant effect on customer satisfaction.	Accepted	Correlation result, r= 0.802 Pr< 0.01 Regression result β = 0.321, Sig 0.000
H6: Reliability has a positive and significant effect on customer satisfaction.	Rejected	Correlation result, r= 0.632 Pr< 0.01 Regression result β = 0.50, Sig 0.317

4.9 Results Discussion

The results of the research indicate that there is a positive and significant relationship between Effectiveness and assurance and customer satisfaction. This result is supported by Dimiyati, (2016) and Vazifehdoost and Raeiszadeh, (2015) as indicated in the empirical literature. The result points out that company employee are able to serve the customer quickly and effectively besides the appropriate bureaucracy and procedures, and also ensure the security and confidentiality during a transaction so that the customers are satisfied with the provided services. This result led to the acceptance of H1.

Access is defined as approachability and ease of contact i.e. service is easily accessible, easy for customers use, and convenient for customers. The outcomes of this research show that access has a high positive relationship and it has a significant effect on customer satisfaction. This result is supported by Dimiyati (2016) and Pakurár et al. (2019). The effects of access dimension to customer satisfaction can be explained as a customer tend to choose a widespread bank, located nearby, easily accessible, and has guaranteed security. We can conclude that accessibility is a need in providing quality service. This result led to the acceptance of H2.

Based on the finding, Price has a positive relationship with Customer Satisfaction, but without significant effect. Price is defined as the charges and service fees charged by the bank for the service offering. The results of this dimension are supported by Lee and Moghavvemi, (2015). The results implies that the service fees are competitive and reasonable mainly for the reason that the central bank sets the rate to be charged making sure that each bank charges reasonable fees. For this reason, customers are price insensitive and the variation in the pricing policies of banks are not significant enough to affect customer's level of satisfaction. This has led to the rejection of H3.

Tangibles encompass the appearance of facilities, materials, and equipment. The finding of the research shows that there is a positive and significant relationship with customer satisfaction. This result is supported by Munusamy et al. (2010), Krishnamurthy, B, SivaKumar and Sellamuthu, (2010), and Lee and Moghavvemi, (2015) as indicated in the empirical literature. The result shows that appearances of the employees, office arrangement, materials availability, and cleanliness have a positive association with customer satisfaction; it predicts customer

satisfaction during the process and deliverance of banking service offering. This has led to the acceptance of H4.

Service portfolio refers to the consistency and the completion of service that keep up with the banking world development. It can be concluded that Service portfolio i.e. the offering that banks delivers, its diversity, updatedness, competency and consistency is the foremost important factor for providing quality service. The result is supported by Lassar, Manolis and Winsor, (2000) as shown in the empirical review who stated that service portfolio have a positive and significant effect on customer satisfaction. Therefore this has led to the acceptance of H5.

Reliability is about accuracy and being trustworthy in the service provided. The responses of this research show that there is a positive but no significant relationship between reliability and customer satisfaction. This may be caused due to the advancement of technology in the banking system such as ATM, mobile banking, internet banking etc... where customers serve themselves. This advancement in technology makes customers less concerned about the staff sympathy, banks record keeping. The result is supported by Al-Hawary and Al-Smeran, (2017) who studied the impact of electronic Service Quality on customer's satisfaction of Islamic Banks in Jordan they stated that dimensions of reliability and effectiveness, had an insignificant impact on Customers Satisfaction. The result was also supported by Tee et al. (2018) who stated that customers do not concern about the reliability dimension in service delivery. This result leads to rejecting H6.

Chapter Five

5. Summary, conclusion and recommendation

This chapter Winds up the study undertaken by summarizing the findings, giving recommendation and highlighting future research areas.

5.1 Summary of findings

This study attempted to assess the effect of banking service quality namely effectiveness and assurance, access, price, tangibility, service portfolio, and reliability on customer satisfaction in the case of Enat bank s.c. Based on the previous discussion the below major findings have been summarized.

From the demographic characteristics of the respondents, the majority of the respondents are male (60.4%) and 39.6% are female. the majority of customers i.e. about 66% have an education level of degree and above. On top of that majority of participants are export customers of Oilseed & pulses, food items, coffee, and chat. Furthermore, most of the respondents i.e. 69.44% of them have more than two years of experience in the export business and 63.19% have more than two years of relationship with Enat bank.

The result of descriptive statistics analysis revealed that the mean score values for bank service quality dimensions were between 4.42 and 3.55. This indicates that the quality of the banking service provided by Enat bank was perceived as good and average level by respondents. It was noted that tangibles have the highest mean value followed by reliability and effectiveness and assurance. Respondents perceive Enat bank as performing well in the tangibles dimension as compared with other dimensions but performing less in the Access dimension. In a competitive environment where banks use technologically updated tools and systems and are located every few steps away, customers have become sensitive. Thus, Enat bank has to improve its level of branch outreach, tools and systems used and the level of skilled employees, as it scored the lowest mean value to increase the satisfaction of its customers.

The Pearson correlation coefficient reveals the strength of the correlation for the variable Service portfolio ($r=.802$) as strong and positively correlated with customer satisfaction. The strength of the correlation for the other variable's effectiveness and assurance ($r=.729$) price ($r=.689$), access

($r=0.682$), and reliability ($r=0.632$.) as moderate and positively correlated with customer satisfaction. Tangibility ($r=0.553$) showed the least strength of correlation among the variables.

Finally, from multiple regression results, an estimate of the regression weight shows that the independent variables Effectiveness and assurance, Access, Tangibles, and Service portfolio have a positive and significant effect on customer satisfaction with Beta=0.208, 0.279, 0.243, 0.321 and $p(0.00) > 0.05$. However, Price and Reliability dimension has a positive but insignificant effect on customer satisfaction with a coefficient of (Beta =0.77 and $p 0.169 > 0.05$), and (Beta= 0.50 and $p(0.317) > 0.05$) respectively.

5.2 Conclusion

The objective of the study was to assess the effect of banking service quality on customer satisfaction. The study applied the BSQ model measurement instruments. This model has six variables that measure service quality namely Effectiveness and assurance, Access, Price, Tangibility, Service portfolio, and Reliability. The bank service quality dimension (BSQ) that scored the highest mean in customer's perception of Enat bank its physical design and appearance followed by its very delicate, error free service offering. This shows from customers' point of view Enat banks office design, sincerity of staffs, well-organized environment, and accuracy meets with customer's expectation.

Based on the correlation and regressions analysis the researcher concludes that the Effectiveness and assurance, access, tangibility, and service portfolio dimensions have a positive significant effect on the dependent variable customer satisfaction. Thus, as the effectiveness of these independent variables increases the level of customer satisfaction also increase which will consecutively lead to retaining customers and make them loyal to the bank. However, the regression analysis rejects the hypotheses based on the dimensions price and reliability as their influence on customer satisfaction is insignificant.

5.3 Recommendation

Based on the findings, the researcher hereby recommends the following suggestions that should be implemented.

As the findings of the correlation analysis revealed, all six banking service quality dimensions have a positive and significant relationship with customer satisfaction. However, these results shouldn't stop the bank's continual engagement to improve customers' satisfaction and sustainability because a customer's interaction with a single bank is not guaranteed in today's competitive banking environment.

From the descriptive analysis of the study, it was noticed that even though the bank's mission was to empower women and improve their participation in the business world, the engagement of female export customers is less when compared to that of men. Therefore, it is recommended that the bank should work in close contact with women, provide finance, and also dig for the unmet needs of its women customers in order to fulfill its mission.

According to the findings of the study, the service portfolio has a positive and significant effect on customer satisfaction therefore, the researcher recommends Enat bank to expand the quality and diversity of its service offerings in order to increase the level of customer satisfaction. In addition, the bank should consistently improve its service offering with the latest technologically updated tools and systems in order to sustain and be profitable in the competitive banking industry. The findings also revealed that effective service delivery and assurance during a transaction have a strong impact of customer satisfaction therefore; Quality control, assurance measures as well as a strong monitoring and evaluation system for services quality within the bank should also be established in order to maintain a high level of customer satisfaction and retention.

Based on the findings of the study, respondents' perception towards the availability of the bank is low. Since accessibility has a significant impact on customer satisfaction, it is recommended for Enat bank to stretch out its level of branch outreach and at the same time should also keep in mind the selection of a better site location to retain the satisfaction of its customers. Moreover, in the study majority of the respondents agreed that the bank physical facilities are visually

appealing and pleasant. Therefore, it is recommended to Enat bank to keep this consistency especially during the expansion of its branches.

The researcher recommends Enat bank to continue in maintaining a reasonable level of service charges in order to sustain a high level of satisfaction. Raising the service charges far above that of competitors may result in losing clients.

Enat bank should keep its promise during its marketing activities and communication with export customers. More importantly, what was promised should be delivered within the promised time without any preconditions or it will lead to dissatisfaction and it will tarnish the image of the bank.

Export customers usually require import and export finance and the bank should grant an adequate loan to satisfy their export customer's demand. In addition, the bank should strive to minimize any delays due to bureaucratic and procedural issues and minimize the contact points of its customers as it may lead to dissatisfaction and force customers to switch to other competitor banks.

Since it is the employees who deliver the company's service and comes in direct contact with the customers, it is also recommended for the bank to arrange continuous training on service quality for employees to enable them in assisting customers, increase their competence, communication skills and effectiveness in their work.

Finally, as the Ethiopian banking sector is flooded with different banks of the same molecule that are already in the industry and many banks soon to join. Enat bank should always strive to ensure that their customers are very satisfied. The bank should continuously assess key determinants of service quality from the customer's perspective. Furthermore, the institution should monitor customer satisfaction by conducting meaningful market research from time to time so as to stay in the market.

5.4 Implications for Further Research

The study is limited by several factors. Firstly, the study is limited in terms of bank selection, the service offering, and coverage area; it only examined banking service quality and satisfaction of customers of Enat bank at Addis Ababa city. This in general indicates that the scope of the study is narrow in terms of the study area. Moreover, the sample size of respondents used in the study

is small. Thus, it is recommended that future studies should be conducted to cover a wider sample area. Studies on other banks in the industry regarding their banking service delivery could also be significant to provide a base for a more generalized conclusion.

The second limitation is that BSQ model might not be the only bellwether of customer satisfaction in the banking industry even though this study used other variables than the regular SERVQUAL and SERVPERF it is recommended that further study should considered to dig up other models that might influence customer satisfaction in the banking industry besides bank service quality dimensions.

Finally, this study measured the effect of banking services quality on customer satisfaction. However, variables in this study explained 81.80% of the variance, the other 18.20% variance in the customers' satisfaction must be due to other factors therefore, further research on these areas might find other customers' satisfaction factors not covered by this study.

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Appendix I

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

MASTERS IN MARKETING MANAGEMENT

Research Questionnaire form to be filled by export customers of Enat Bank s.c

Dear Respondents, I am currently doing a research on “The effect of export banking Service Quality on customers Satisfaction– In the Case of Enat Bank s.c to fulfill the requirement of MA program in Marketing Management at Addis Ababa University. Therefore, I kindly request your help to spend some minutes of your time by filling the provided questionnaire. Your response will be kept confidential and will only be used for academic purpose only. Please do not write your name or contact details on the questionnaire.

Part I: General Information

1. Gender: Male Female
2. Educational Level:
High school & below Diploma Degree Masters & above
3. What kind of products do you export?
Coffee Oil seed & pulses Chat Meat product Leather & leather products Precious metals Cultural clothes Food items & cereals
4. How many years of experience do you have in the export business?
Less than 6 month 6 month-1 year 1-2 years 2-3 years
More than 3 years
5. How often do you visit Enat bank?
One a day Once a week Once a month & more
6. Length of relationship in performing business with Enat bank?
Less than 6 month 6 month-1 year 1-2 years
2-3 years More than 3 years

Part 2. Directions: For each statement please show the extent to which you believe the bank has the feature described by the statement after reading carefully. Use the response from “1” to “5” to answer your level of agreement or disagreement, where indicating or circling “1” means that you strongly disagree(SD) “2” disagree(D), “3” Neutral(N), and “4” agree(A), and “5” strongly agree (SA).

Bank Service Quality dimensions	No	Bank Service Quality dimension statements	Your perceptions				
			1)SD	2)D	3)N	4)A	5)SA
Effectiveness and Assurance	1	The bank and its employees interact confidently with their clients	1	2	3	4	5
	2	Employees of Enat bank give special recognition to regular customers.	1	2	3	4	5
	3	The bank confidentially handles their export customers' data.	1	2	3	4	5
	4	Employees of the bank value their customers committedly delivering their service with honesty and loyalty	1	2	3	4	5
	5	Enat bank delivers its services without any interruption	1	2	3	4	5
	6	The bank have skilled and well experienced employees	1	2	3	4	5
	7	The employees of Enat Bank tend to make a customer background check in order to offer a better service	1	2	3	4	5
	8	There is smooth flow of decision between employees and management in Enat bank	1	2	3	4	5
	9	Enat bank provides its services at the time it promises to do so.	1	2	3	4	5
	10	The bank have good reputation and it draws clients	1	2	3	4	5
	11	You feel secured in doing transactions with Enat bank.	1	2	3	4	5
	12	There are no delays in service delivery due to bureaucratic and procedural factors at Enat bank.	1	2	3	4	5
	13	The communication skill of the employees of the bank entails a high quality.	1	2	3	4	5

Access	14	Enat bank has good level of branch service outreach that fulfills the needs of customers.	1	2	3	4	5
	15	Enat bank delivers its service with the necessary, technologically updated tools and systems	1	2	3	4	5
	16	The bank have sufficient number of skilled service offering employees.	1	2	3	4	5
	17	The waiting time and queues at Enat bank to process and get support is short and quick.	1	2	3	4	5
Price	18	Enat bank properly & periodically notifies the term & tariffs for the services	1	2	3	4	5
	19	Enat bank provides adequate justification for its service fees whenever requested.	1	2	3	4	5
	20	Enat bank clearly identifies/classifies the service fee that relates to each service type.	1	2	3	4	5
	21	The bank charges reasonable fees for the services it offers.	1	2	3	4	5
	22	Problems encountered are rapidly resolved at the bank by involving the customers to reach at better solution	1	2	3	4	5
Tangibles	23	Enat bank uses high quality and easy to understand receipts, export permit forms, application forms and pamphlets	1	2	3	4	5
	24	Enat bank has good level of cleanliness of office facilities.	1	2	3	4	5
	25	The bank facilities are pleasant and visually appealing customers	1	2	3	4	5
	26	Enat bank has well organized staff and work environment	1	2	3	4	5
Service portfolio	27	Enat bank offers a diverse or variety of services	1	2	3	4	5
	28	Enat bank offers services that are consistent with the latest innovation in the banking industry.	1	2	3	4	5
	29	Enat bank offers services that are competent with the other banks in the industry.	1	2	3	4	5
Reliability	30	The bank provides a very delicate and accurate service	1	2	3	4	5
	31	Enat bank has accurate filing/documentation systems.	1	2	3	4	5
	32	The service provider shows a sincere interest in solving problems.	1	2	3	4	5

Part 3. Please circle your response based on your level of satisfaction **1” means that you Highly Unsatisfied (HUS) “2” Unsatisfied (US), “3” Neutral (N), and “4” Satisfied(S), and “5” Highly Satisfied (HS).**

		1)HUS	2)US	3)N	4)S	5)HS
Customer satisfaction	How satisfied are you with Enat bank service effectiveness, security of transaction and handling of data confidentially	1	2	3	4	5
	How satisfied are you with the reliability of the service provided by the bank	1	2	3	4	5
	How satisfied are you with the tangibility of the service provided by the bank	1	2	3	4	5
	How satisfied are you with the range of services provided by Enat bank	1	2	3	4	5
	How satisfied are you with the service fees charged by Enat bank	1	2	3	4	5
	How satisfied are you with the Enat bank service accessibility	1	2	3	4	5
	How satisfied are you with the overall service quality of Enat bank	1	2	3	4	5

Thank You so much.

አዲስ አበባ ዩኒቨርሲቲ

የንግድ ሥራ ት/ቤት

የገበያ አመራር ድህረምረቃ ፕሮግራም

የባንኮች አገልግሎት ጥራት መለኪያ መጠይቅ

በእናት ባንክ አ.ማ የኤክስፖርት ደንበኞች የሚሞላ የምርመር መጠይቅ ቅጽ

ይህ ጥናት ከንግድ ስራ ኮሌጅ የዱሀረ ምረቃ ትምህርት ክፍል በገብያ አምራር ትምህርት ከፊል ማሟያነት የዋለ ስሆን በእናት ባንክ የአገልግሎት ጥራት በደንኞች እርካታ ላይ ያለው ውጤት ለማወቅ የተዘጋጀ ነው። ስለዚህም ይህንን መጠይቅ በመሙላት ለተወሰኑ ደቂቃዎች እገዣ እንደያደርጉ በትህትና እጠይቃለሁ። የሚሰጡት ምላሽ ሚስጢራዊ ሲሆን ለአካዳሚ አላማ ብቻ ጥቅም ላይ ይሚውል መሆኑን ላረጋግጥሎት እወዳለሁ።

በመጠየቁ ላይ የእርስዎን ስም ወይም አድራሻ ዝርዝሮች አይፃፉ።

ክፍል እንድ: አጠቃላይ መረጃ

1. ጾታ ወንድ ሴት

2. የትምህርት ደረጃ

2ኛ ደረጃ እና ከዚያ በታች ዲፕሎማ ዲግሪ ማስተርስ እና ከዚያ በላይ

3. ምን ዓይነት ምርቶች ይልካሉ/ኤክስፖርት ያደርጋሉ

ቡና ዘይት እና የቅባት እህሎች ጫ የስጋ ምር

ቆዳና የቆዳ ምርቶች ውድ ብረታ ብረቶች ባህላዊ አልባሳት

4. በኤክስፖርት ቢዝነስ የምን ያህል አመታት ልምድ አልዎት

ከ6 ወር በታች 6ወር-1 አመት 1-2 ዓት 2-3 ዓት

ከ3 ዓመት በላይ

5. ወደ እናት ባንክ በምን ያህል ጊዜ ይመጣሉ

በቀን አንዴ በሳምንት አን በወር አንዴ እና ከዚያ በላይ

6. ከእናት ባንክ ጋ የሰሩበት የግንኙነት ርዝማኔ

ከ6 ወር በታች 6ወር-1 አመት 1-2 ዓት 2-3 ዓት

ከ3 ዓመት በላይ

ክፍል ሁለት ትዕዛዞች፡- ለእያንዳንዱ መግለጫ በባንኩ ላይ ያለውን አቋም በጥንቃቄ ከነበቡ በኋላ 1-5 ያሉትን ምላሾች ያላችሁን ስምምነት ወይም አለመስማማት ደረጃ ያመለክቱ 1 ማለት በከፍተኛ ደረጃ አይሰማም 2- አልሰማምም 3 ገልልተኛ 4- እስማማለሁ እና 5- በጣም እስማማለሁ

የባንክ አገልግሎት ጥራት ይዘቶች	ተ.ቁ	የባንክ አገልግሎት ጥራት ይዘት መግለጫዎች	የእርስዎ ግምገማ				
			1)በከፍተኛ ደረጃ አልሰማም	2) አልሰማምም	3) ገልልተኛ	4) እስማማለሁ	5) በጣም እስማማለሁ
ስኬታማነት እና ዋስትና	1	ባንኩ እና ሰራተኞቹ ከደንበኞቻቸው ጋር በመተማመንን ስሜት ግንኙነት ያደርጋሉ።	1	2	3	4	5
	2	የእናት ባንክ ሰራተኞች ለመደበኛ ደንበኞች ልዩ እውቅና ይሰጣሉ	1	2	3	4	5
	3	ባንኩ የደንበኞቹን መረጃ በሚስጠራዊነት ይይዛል።	1	2	3	4	5
	4	የባንኩ ሰራተኞች አገልግሎታቸውን በታማኝነት እና በማክበር ለደንበኞች ዋጋን ይሰጣሉ።	1	2	3	4	5
	5	እናት ባንክ አገልግሎቶችን ያለምንም ማቋረጥ ይሰጣል።	1	2	3	4	5
	6	ባንኩ የሰለጠኑ እና ተገቢ ልምድ ያላቸው ሰራተኞች አሉት	1	2	3	4	5
	7	የእናት ባንክ ሰራተኞች የተሸለ አገልግሎት ለመስጠት የደንበኞችን የኋላ ታሪክ ያጠናሉ	1	2	3	4	5
	8	በእናት ባንክ ሰራተኞች እና አስተዳደር መካከል ወጥ የውሳኔዎች ፍሰት አለ	1	2	3	4	5
	9	እናት ባንክ አገልግሎቶቹን ቃል በገባበት ጊዜ ይሰጣል።	1	2	3	4	5
	10	ባንኩ ጥሩ ስም ያለው ሲሆን ደንበኞችንም ይሰባል	1	2	3	4	5
	11	ከእናት ባንክ ጋር ግንኙነቶች በማድረግ ደህንነት ይሰማዎታል።	1	2	3	4	5

	12	በቢሮክራሲ እና የአሰራር ሁኔታዎች እናት ባንኩ ውስጥ የአገልግሎት አቅርቦት መዘገፍቶች የሉም	1	2	3	4	5
	13	የባንኩ ሰራተኞች የግንኙነት ክህሎታቸው ከፍተኛና ጥራት ያለው ነው።	1	2	3	4	5
ተደራሽነት	14	እናት ባንክ ጥሩ የቅርንጫፍ ተደራሽነት አለው	1	2	3	4	5
	15	እናት ባንክ ዘመናዊ መሣሪያዎች እና አገልግሎት መስጫ ሲስተም አለው።	1	2	3	4	5
	16	እናት ባንክ አገልግሎት የሚሰጡ በቂ እና የሰለጠኑ ሰራተኞች አሉት	1	2	3	4	5
	17	በእናት ባንክ ውስጥ አገልግሎት እና ድጋፍ ለማግኘት አጭር ጊዜ ነው የሚወስደው።	1	2	3	4	5
ዋጋ	18	እናት ባንክ የአገልግሎቶች ታሪፎች እና ወቅታዊ ሁኔታዎች በየጊዜው ያሳውቃል።	1	2	3	4	5
	19	እናት ባንክ ስለ አገልግሎት ክፍያዎች በቂ ማብራሪያ ይሰጣል	1	2	3	4	5
	20	እናት ባንክ የአገልግሎት ክፍያን ለእያንዳንዱ የአገልግሎት አይነት በግልጽ የሳያል/ይመድባል።	1	2	3	4	5
	21	የባንኩ አገልግሎቶች ክፍያዎች ምክንያታዊ ናቸው	1	2	3	4	5
	22	የሚያጋጥሙ ችግሮች ባንኩ ደንበኞችን በማሳተፍ ለተሻለ መፍትሄ በፍጥነት ለማምጣት ይጥራል	1	2	3	4	5
የሚጨበጡ ንብረቶች	23	እናት ባንክ ከፍተኛ ጥራት ያላቸው እና በቀላሉ ለመረዳት የሚያስችሉ ደረሰኞች፣ የኤክስፖርት ፈቃድ ቅጾች፣ ማመልከቻ ቅጾች እና በራሪ ወረቀቶች ይጠቀማል።	1	2	3	4	5
	24	ባንኩ አገልግሎቶቹ በጥሩ ደረጃ ንጽህና አላቸው።	1	2	3	4	5
	25	የባንኩ አገልግሎቶች የሚስቡ እና ለእይታ ማራኪ ናቸው።	1	2	3	4	5
	26	እናት ባንክ በጥሩ ሁኔታ የተደራጀ የሥራ ከባቢ አለው	1	2	3	4	5
የ አገልግሎት ፓርት ፎሊዮ	27	እናት ባንክ የተለያዩ ወይም የተሰባጠረ አገልግሎቶች ያቀርባል።	1	2	3	4	5
	28	እናት ባንክ በባንኪንግ ኢንዱስትሪ የቅርብ ጊዜ ግኝት በሆነ መሳሪያዎች አገልግሎቶች ያቀርባል	1	2	3	4	5
	29	እናት ባንክ በኢንዱስትሪው ውስጥ	1	2	3	4	5

		ከሌሎች ባንኮች ጋር ተፎካካሪ የሆኑ አገልግሎት ይሰጣል።					
አስተማማኝነት	30	ባንኩ በጣም አመቺና ትክክለኛ የኤክስፖርት አገልግሎት ይሰጣል።	1	2	3	4	5
	31	እናት ባንክ ትክክለኛ የፋይል/የሰነድ ማስቀመጫ ሲስተሞች አለው።	1	2	3	4	5
	32	አገልግሎት ሰጪው ችግሮችን ለመፍታት ቅን የሆነ ፍላጎት ያሳያል።	1	2	3	4	5

ክፍል ሶስት፡ በእርስዎ የእርካታ ደረጃ መሠረት እባክዎን የእርስዎን ምላሽ ያክቡ፡- 1- ማለት በከፍተኛ ደረጃ አልረካሁም / 2- አልረካሁም 3-ድምጽ ታቅቦ 4- ረክቻለሁ እና 5- በከፍተኛ ደረጃ ረክቻለሁ

የደበኛ እርካታ		1/በከፍተኛ ደረጃ አልረካሁም	2/አልረካሁም	3/- ድምጽ ታቅቦ	4/ ረክቻለሁ	5/በከፍተኛ ደረጃ ረክቻለሁ
1	በእናት ባንክ አገልግሎት ስኬታማነት፤ የገብይት ደህንነት እና መረጃ በሚሰጡ መያዝ ምን ያህል ረክተዋል	1	2	3	4	5
2	በባንኩ አገልግሎት አስተማማኝነት ምን ያህል ረክተዋል	1	2	3	4	5
3	በባንኩ የሚሰጥ አገልግሎት ተጨባጭነት ምን ያህል ረክተዋል	1	2	3	4	5
4	በእናት ባንክ በሚሰጡ አገልግሎት ይዘት ምን ያህል ረክተዋል	1	2	3	4	5
5	በእናት ባንክ በሚከፍሉ የአገልግሎት ክፍያዎች ምን ያህል ረክተዋል	1	2	3	4	5
6	በእናት ባንክ አገልግሎት ተደራሽነት ምን ያህል ረክተዋል	1	2	3	4	5
7	በእናት ባንክ አጠቃላይ የኤክስፖርት አገልግሎት ምን ያህል ረክተዋል	1	2	3	4	5

Appendix II

Appendix 2.1 Correlations

		Effective ness & assuranc e	Access	Price	Tangibles	Service Portfolio	Reliability	Satisfaction
Effectiveness & assurance	Pearson Correlati on	1	.550**	.664**	.296**	.671**	.592**	.729**
	Sig. (2- tailed)		.000	.000	.000	.000	.000	.000
	N	144	144	144	144	144	144	144
Access	Pearson Correlati on	.550**	1	.428**	.207*	.567**	.471**	.682**
	Sig. (2- tailed)	.000		.000	.013	.000	.000	.000
	N	144	144	144	144	144	144	144
Price	Pearson Correlati on	.664**	.428**	1	.450**	.676**	.559**	.689**
	Sig. (2- tailed)	.000	.000		.000	.000	.000	.000
	N	144	144	144	144	144	144	144
Tangibles	Pearson Correlati on	.296**	.207*	.450**	1	.422**	.396**	.553**
	Sig. (2- tailed)	.000	.013	.000		.000	.000	.000
	N	144	144	144	144	144	144	144
Service Portfolio	Pearson Correlati on	.671**	.567**	.676**	.422**	1	.587**	.802**
	Sig. (2- tailed)	.000	.000	.000	.000		.000	.000
	N	144	144	144	144	144	144	144
Reliability	Pearson Correlati on	.592**	.471**	.559**	.396**	.587**	1	.632**
	Sig. (2- tailed)	.000	.000	.000	.000	.000		.000
	N	144	144	144	144	144	144	144

Satisfaction	N	144	144	144	144	144	144	144
	Pearson Correlation	.729**	.682**	.689**	.553**	.802**	.632**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	144	144	144	144	144	144	144

** . Correlation is significant at the 0.01 level (2-tailed). * . Correlation is significant at the 0.05 level (2-tailed).
Appendix 2.2

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.726	6	5.788	102.733	.000 ^b
	Residual	7.718	137	.056		
	Total	42.444	143			

a. Dependent Variable: Satisfaction

b. Predictors:

(Constant), .Reliability, .Tangables, .Access, .Price, .Effass, .Servpor

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.729 ^a	.531	.528	.374

a. Predictors: (Constant), Effectiveness and assurance

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.184	.211		.874	.384		
	Effectiveness & assurance	.203	.056	.208	3.648	.000	.409	2.443
	Access	.204	.034	.279	5.985	.000	.611	1.636
	Price	.057	.041	.077	1.382	.169	.424	2.356
	Tangibles	.237	.041	.243	5.749	.000	.740	1.351
	Service Portfolio	.217	.040	.321	5.475	.000	.387	2.583
	Reliability	.054	.054	.050	1.004	.317	.539	1.854

a. Dependent Variable: Satisfaction

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682 ^a	.465	.461	.400

a. Predictors: (Constant), Access

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.689 ^a	.475	.471	.396

a. Predictors: (Constant), Price

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.553 ^a	.305	.300	.456

a. Predictors: (Constant), Tangibles

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802 ^a	.644	.641	.326

a. Predictors: (Constant), Service portfolio

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.632 ^a	.399	.395	.424

a. Predictors: (Constant), Reliability

Appendix 2.3

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.905 ^a	.818	.810	.237	1.788

- a. Predictors: (Constant),
.Reliability,.Tangibles,.Access,.Price,.Effectiveness and
assurance,. Service portfolio
- b. Dependent Variable: Satisfaction