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THE EFFECTS OF SERVICE QUALITY ON CUSTOMER SATISFACTION

IN AWASH BANK S.C BRANCHES

BY : MULUGETA LEGESSE KITAW

ID NO: BDU 1400392

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DEBRE BRHAN, ETHIOPIA

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ADVISOR: DAGIM WOLDIE

A THESIS SUBMITTED TO THE DEPARTMENT OF MANAGEMENET DEBREBIRHAN UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ART IN BUSINESS ADMINISTRATION (MBA

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Statement of Declaration

I, Mulugeta Legesse, declare that this thesis entitled effects of service quality and on customer satisfaction in awash bank s.c branches is original work. I have carried out this study independently with the guidance and support of the research advisor, Dagim woldie . The sources used have been properly acknowledged.

MULUGETA LEGESSE: _____   _____

                                         SIGNATURE   DATE

Statement of Certification

This is to certify that the thesis entitled "The effects of Service Quality on Customer Satisfaction: in Awash Bank S.C. Branches" for the partial fulfillment of Master of Business Administration in Management at Debre Berhan University, of Business and Economics, has been carried out by Mulugeta Legesse, ID No. BDU 1400392, under my supervision. Therefore, I recommend that the student has fulfilled the requirements and can submit the thesis to the department.

CONFIRMED BY ADVISOR:

11/10/2016

DAGIM   WOLDIE   SIGNATURE   DATE
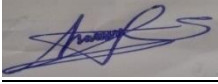
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BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

This is to certify that the thesis entitled "The effects of Service Quality and on Customer Satisfaction in awash bank s.c branches has been prepared by Mulugeta Legesse.

Approved by Board of Examiners:

Dr   Yimer Ayalew   Signature   _ Date ----------------------

External Examiner

Dr   Bekele Meaza   Signature --------------------   Date -----------------------

Internal Examiner

Dagim   Woldie   Signature   Date ----------------------------

Advisor

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Acronyms/Abbreviations

ANOVA	:	Analysis of Variance
Ass.Prof	:	Assistance professor
ATM	:	Automatic Teller machine
CS	:	Customer Satisfaction
CSQ	:	Customer Satisfaction Questions
E.C	:	Ethiopian Calendar
Fig	:	Figure
Freq	:	Frequency
IFB	:	Interest-Free Banking
MBA	:	Masters of Business Administration
S/N	:	Serial Number / Questions number
SC	:	Share Company
SERVQUAL	:	Service Quality
SPSS	:	Statistical Package for Social Science
SQD	:	Service Quality Dimensions
SQDQ	:	Service Quality Dimension Questions
Stdv	:	Standard deviation
VIF	:	Variance Inflation Factor

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Abstract

With the significant increase of the service sector in the economy, there is tight competition in the area. The banking industry also one of the most dominant service sectors in Ethiopia. This study was designed to assess the dimension of service quality and its effect on customer satisfaction taking the case to awash bank S.C branches which are found in Addis Ababa; bole sub-city (goro, mebrat hail and gerig Branches). So, the main objective of this study is to examine the effects of service quality on customer satisfaction in the case of awash bank branches by using the SERVQUAL model. Both descriptive and explanatory research design was implemented by using quantitative and qualitative research approaches to assess the service quality dimensions and their effects on customer satisfaction. This study used the questionnaire and interview method to gather the primary data from the customers of the sub-branches of the selected branches of awash Bank. Version 25 of SPSS was used to analyze the data that were gathered. Additionally, a brief analysis of the regression output reveals a statistically significant relationship between customer satisfaction and service quality dimensions. This relationship is further supported by respondents' findings, which indicate that the five service quality dimensions account for a greater portion of the dependent variable's explanation. The correlation result revealed that tangibility, assurance, reliability, empathy and responsiveness have a statistically significant relationship with customer satisfaction. The regression analysis result indicates all service quality dimensions have a positive effect and there is a statistically significant relationship with customer satisfaction. As customer expectations were changed over time, bank managers were advised to measure their customer expectations against the actual performance regularly and handle complaints timely and effectively. So, the bank needs to improve the quality of service to satisfy and attract unsatisfied customers.

Keywords: - service quality, customer satisfaction, tangibility, reliability, responsibility, Empathy, assurance, awash bank.

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the study

Business organizations are established to provide goods and services to their customers and in turn generate profit and maximize wealth. The development of financial sector which includes the banking sector, especially, commercial banks is one of the service sectors and plays a considerable role in economic development through enhancing savings rate, optimizing the allocation of capital, facilitating and inspiring foreign capital inflows (Daniel & Harrington, 2007). A study by Oliver (1999) states that among the financial service sector, commercial banks is the backbone for the economic soundness of any country. It is the key player in financial markets operations, keeping a country's economy operation smoothly through facilitating the depositing money and loaning activities, reducing transaction cost of the customer, encouraging investment opportunities, connecting customers with financial service sector, exchanging currencies and supporting other finance intermediately activities ((Davies et al., 2003).Thus, by doing this, the Commercial Banks are played the leading role via facilitating and delivering this and others service activities, therefore, in order to maximize this key service activities, Commercial Banks, should be expected to improve and met the satisfaction of their own customer through delivering excellent quality service because SQ is key to success to remain in business competitively as well as constantly improve the quality of services so as to meet better customers' expectations and needs.

Every organization strives to make its customer remains satisfied with its products and services. In order to maintain successful business relationships with clients, maintaining customer satisfaction is undoubtedly essential. Because the customer base is less volatile, the combined impact of a high retention rate and the increased profitability of devoted customers can result in both higher profit and a better "quality of earnings" (Bryman, 2003).Customer satisfaction and delivery of effective service very interlinked. A crucial differentiator in a competitive environment where businesses vie for clients, customer satisfaction is also becoming an increasingly important component of corporate strategy.

Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and service to service (Kanojia, et al,2012). And therefore customer satisfaction has become a very important concept in recent years. It is imperative to prioritize customer satisfaction in both product and service offerings. Quality of services has the power to create customer satisfaction.

The banking industry like many other financial service industries is facing a rapidly changing market, new technologies, economic uncertainties, aggressive competition and more demanding customers and the changing climate has presented a unique set of challenges. Since the banking sector is one that prioritizes customer care, the customer is the main focus and the key differentiator (Kanojia, et al., 2012).

Customers of a bank rely on the services delivered to them whether they are saving, depositing, taking loans, and cashing cheques they count on the high service quality in other to increase their satisfaction. When service interactions are not properly controlled and handled, or not even handled at all, the outcome is poor perception of service quality and customer dissatisfaction. As a result, providing excellent service has emerged as one of the key strategies for achieving higher levels of client satisfaction, which boosts business profitability (Kotler, 2003).

The bank is actively working to expand its branches, develop its human resources, introduce new, cutting-edge technology, and accomplish its aim of being a world-class commercial bank, but it lacks an action plan for raising customer satisfaction. So many critics were forwarded from different customers on the banks way of operation and problems which were identified in order to take remedial actions. The bank is aware of all the grievances and has benefitted from them in order to gain understanding of the difficulties related to customer satisfaction and to address them as much as feasible. Retaining the profitable customers has become increasingly difficult in a competitive environment where other financial institutions specialize in offering attractive services and prices to this rewarding segment (CBE Customer and Employee Survey, 2009). In Ethiopian banking industry, customers perceive very little

difference in the banking service offered by banks as any new offering is quickly matched by competitors and there are displeasures of customers over the service offered and the available services don't match with the expectation of the customer (Mesay et al ,2012).According to Shifera ,(2011), in the Ethiopian banking industry, offering quality services is very important to create closer relationship with the entire customers and has the power to create customer satisfaction, on the contrary, poor quality of services results in customer dissatisfaction and customer defection by going to other competitors. As to Kindye (2011), sated that improved customer satisfaction will lead to improved customer loyalty, which will eventually improve profit and in order to satisfy our customers, we have to focus on effective customer services to meet their need and in Ethiopia, many customers voices concern about inefficiency and lack of quality excellence in the banking sector. The most popular measure of service quality is SERVQUAL, an instrument developed by Parasuraman et al., (1988) which involves five dimensions of service quality, namely Reliability, Responsiveness, Empathy, Assurance, and Tangibles. SERVQUAL is intended to gauge consumer perceptions of service quality.

According to a 2009 study by Usha et al. done in India, tangibility—the physical arrangement of the workplace—has a significant impact on the character of service transactions, one of the five aspects of service quality. And also the SERVQUAL model has a different impact on customer satisfaction in different geographic areas or regions.

Consequently, the study has important facets for the managers of Ethiopian private banks which give to identify which dimension of service quality is important from customers' perspectives to satisfy their specific needs and objectives. It was assisted banking service providers or bank managers to plan and execute a marketing strategy that will maximize service quality to improve customer satisfaction. Therefore, the purpose of this study is to assess the dimensions of service quality and to find out the effects of these dimensions on customer satisfaction in a way that which dimension is more significant on customer satisfaction in the case of awash Bank S.C branches and since they have less market share as compared to the industry as a commercial bank. This private bank is established 1994 years ago in Addis Ababa. The researcher is motivated to investigate this private Bank which is found in Addis Ababa, bole Sub City in goro branch, mebrat hail branch, and gerig branch branch.

1.2 Statement of problem

Service quality is one of the critical factors that influence the competitiveness of an organization and also key to long-term business success (Zeithaml, 1996). Because it offers a high degree of customer satisfaction and so becomes a key to competitive advantage, service quality is particularly important in the context of banking services (Ahmossawi, 2001). Because banks, in particular, compete in the market with largely identical products, service quality becomes a key differentiator in the financial services industry (Stafford, 1996). The banking industry is highly competitive; banks do not only compete among each other; but also with non-banks and other financial institutions both local and foreign (Kaynak & Kucukemiroglu, 1992).

With the rapidly increasing competition in the market, service organizations offer superior service to the customer to retain the present customer and pool more new customers. Now a day, in Ethiopia operating in the bank industry becoming challenging due to the presence of high competition among them. Due to this, they tend to develop various strategies to retain their customer, keep upping competitive advantage and increase service quality. Service quality is an essential tool for Service Company especially for a financial company to maintain their competitive advantage, differentiating their product from competitors and also increases customer satisfaction (Azzam, 2015).

According to Amanfi and Benjamin, (2012) argue that some banks have been seen as weary and non-responsive to the needs of the customers, issues such as, visually appealing facilities, performing right first-time service, poor working conditions, prompt service to customers, poor work ethics, outdated systems, employees not consistently courteous, unable to conduct in a short waiting period, not listen by mother tongue language, lack of clear guidance and information, procedures and practices among others, on service quality, particularly in the private banks has become ever more important to win competitive advantage. Although, these banks have invested in technology heavily, there are still many bottlenecks which need to be addressed, such as lack of knowledge how to operate the system, and how to use of technology in services, lack of availability of latest equipment and readiness for quick

responses, not prompt service by native language, lack of home Banking, office Banking ,online Banking ,telephone Banking so as to ensure speed, accuracy and efficiency. Moreover, the indicators of modern Banking service such as, e-banking, adjusted system, advancing of loans, overdraft, discounting of bill of Exchanges, cheque payment, collection and payment of credit Instrument, foreign exchanges, consultancy, Bank guarantee, remittance of funds, prompt service at a counter, credit cards, debit cards, , accepting deposit, and cashing cheques, and the like are the major tasks of modern Banks of the world ,but in developing still not yet well developed (Kotler and Keller, 2009).

In addition, to the best of the researcher's knowledge, Ayecheluhem (2014) conducted study with a focus on private banks in Addis Ababa city with the aim of examining bank service quality, customer satisfaction, and loyalty in the Ethiopian banking sector. The study will also conduct by using SERVQUAL measures of service quality which merely considers the perceptions of customers. Meron (2015) conduct on the impact of service quality on customer satisfaction in the case of the Bank of Abyssinia at Addis Ababa and the result indicates that assurance has the highest correlation with customer satisfaction than the other service quality dimensions. Dejene (2017) were investigated a similar study and show that Assurance has the highest value from other service quality dimensions.

The purpose of this study is to show whether there is a similar finding/conclusion or not with those other studies were conducted in other branches of awash Bank as well as other banks in the area of Addis Ababa. And also, the researcher will motivate to know the feeling and perception of the customer about service quality from service delivering by these awash Bank S.C branches in terms of the SERVQUAL model and its impact on customer satisfaction. In this study, the service quality concern is to develop market competitiveness. Delivering to service quality makes the facility more user-friendly. It also allowed the service delivery of the awash Bank to timely, quality, trust worthy, knowledgeable, staff attitude, professional and ethical manner. In this case, the quality of service delivery can ensure

customer satisfaction. When customer satisfaction is guaranteed, the number of established customers increases and the branch of awash Bank becomes more profitable and competent to the market. And also the Bank will be using the updated service of ATM and other technologies to service delivery system to ensure customer satisfaction and provide faster service delivery and reduce fatigue the customer.

The main role of the researcher in this study is to identify and clearly conclude (embodied) the problems which are identified in the study, and also to set the recommend and suggest solutions to the problems.

1.3 Basic Research Questions

1.3. 1 General research questions

1. To what extent service quality dimensions affect the customer satisfaction of the Awash bank?

2. Is there any service difference among selected awash bank branches?

1.3.2 Specific research questions

Q1. How can evaluate the impacts of tangibility on the satisfaction of customer service?

Q2. To what extent the effect of reliability of service offered on the satisfaction of customers?

Q3. How do you get the effect of employee's assurance on the satisfaction of customer service?

Q4. What is the effect of employee empathy on the satisfaction of customer service?

Q5. What is the effect of employee responsiveness on the satisfaction of customer service?

1.3.3 Objectives of the study

1.3.4 The general objective of the study

The general objective of the study is to assess the dimension of service quality and its effect on customer satisfaction in the case of Awash Bank S.C.

1.3.5 Specific objectives of the study

Having this general objective, the specific objectives of the study are:

- ❖ To evaluate the effect of service tangibility on the customers' satisfaction
- ❖ To examine the effect of service reliability on the satisfaction of customers.
- ❖ To find out the effect of service quality assurance on the satisfaction of customers.
- ❖ To measure the effect of service quality empathy on the satisfaction of customers.
- ❖ To describe the effect of employee responsiveness on customer satisfaction.

1.4 Significance of the study

This study had its contribution to a different party in different ways. It is very much significant to the branches of the bank, to the researcher, to Debre berhan University, and to those who are interested to do further research in the area of the study in the future.

To the branches of awash bank, it is a good indicator to identify the weakness of the bank related to the quality service and to take corrective actions to satisfy its customers. The findings and results that reported in this study were providing good information about the feeling and level of their customer satisfaction from the services delivered by the bank. So, information from this study is the final finding and the result is very important to know which problems happen, What steps could management take to address these issues, what should be increased and decreased to boost customer satisfaction, draw in new business, and retain current customers.

This study is useful to other researchers who are interested to conduct this kind of investigation, It used to serve as a reference and empirical literature. The study used to help anyone who needs to undertake further study in this area as setting information in the coming(next) generations.

To the researcher, the study used to help to apply the theoretical and practical knowledge to solve the problem which is faced in the existing (real) world.

And finally, this study used to Debre berhan University by using a document like that of a written file of reference.

It used to provide to the surrounding society in order to better understanding the organization in terms of the quality of its services to customers. It is envisaged that the data gathered could serve as a foundation for bettering marketing initiatives and choices on the creation of new services.

Generally, this study used to serve as empirical literature to the management of the bank for strategic decisions and improving customer satisfaction by providing quality service. To different stakeholders like customers, investors, shareholders, employees, and other parties responsible to the organization this study used to provide reliable information that is useful to improve customer satisfaction. Due to this increasing organization profitability and provide a benefit for its investor, shareholder, and employees.

1.5 Scope of the study

The coverage of this study is limited to service quality and its effect on customer satisfaction. And also it is focused on customers who have an account in the sub-branches of awash Bank S.C from 2020 to 2024 G.C, which is found in Addis Ababa; bole sub-city goro branch which is opened in 15967 and the mebrat hail branch which is opened in 12678 and also gerig branch which is opened in 16535. The reason to select these awash Bank S.C branches is, many customers have saving account book in the branches and also these branches are more marketing areas. In addition to this reason, these branches are comfortable branches to have relevant information for the researcher.

The study is focused on the banking service quality dimensions and their effects on customer satisfaction merely from customers' perspective. These five service quality dimensions are including tangibility, reliability, responsibility, empathy, and assurance that are used to measure service quality. These dimensions are called independent variables

which are used to measure service quality whereas customer satisfaction is the dependent variable.

The researcher is motivated to use the quantitative and qualitative research approach to examine the service quality dimensions and their effect on customer satisfaction. And this study will use descriptive and inferential statistical methods.

1.6 Limitations of the Study

A possible limitation is expected to cause a drawback to this study. The first obvious limitation of the study was the small number of bank branches (samples) expected to be involved in the study. The other anticipated limitation of the study was that, since the data is self-reporting, the presence of respondents‴ positive tendency of answering to keep the good name of their bank may be there. That said, the researcher did his best to minimize the impacts of these limitations on the objectivity of the study and manage it to be scientific and valid. The anonymousness of respondents may reduce their positive tendency and report their real opinion on the subject under study.

1.7 Operational definitions

One of the keys to successful research, in addition to careful planning, is the use of operational definitions in measuring the concepts and variables the researcher is studying or the terms he/she is using in their research documents.

Service: - any intangible activity or benefit that can be offered by one party (service provider) to another (customer) which does not result in the ownership of anything Ananth et al., (2011)..

Service quality: - the ability of service to meet/satisfy customer needs or the difference between customer expectation and the actual service offered by the provider (perceived service). If the perceived (actual) service exceeds the customer's expectation (Zeithaml and Bitner 2003:85).

Customer satisfaction: - Customer satisfaction is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities. Customer satisfaction information, including surveys and ratings, can help a company determine how to

best improve or changes its products and services. An organization's main focus must be to satisfy its customers. This applies to industrial firms, retail and wholesale businesses,

government bodies, service companies, nonprofit organizations, and every subgroup within an organization.

Service quality dimensions: - used to measure the perception of customers about the quality of services offered by the provider Ananth et al., (2011).

Tangibility: - one of service quality dimensions that focuses on the general physical appearance of equipment and employee, Ananth et al., (2011).

Reliability: - Is service quality dimension that pertains to the ability to offer a promised service dependably and accurately. It is found that 18 services reliability is the service core to most customers and managers should use every opportunity to build a "do-it-right-first" attitude (Berry et al., 1990).

Responsiveness: - This is another service quality dimension that refers to the readiness and willingness of an employee (service provider) to help customers. Responsiveness is likely to have an important and positive effect on customer satisfaction (Jun & Cai, 2001; Diaz & Ruiz, 2002; Joseph et al., 2005; Glaveli et al., 2006).

Assurance: - It is a service quality dimension that focuses on the knowledge and polite behavior of employees that enable them to convey trust and secret or confidentiality. According to Sadek et al., (2010), in British banks assurance means the polite and friendly staff, provision of financial advice, interior comfort, eases of access to account information.

 Empathy: - It is a service quality dimension that shows the ability of the service provider (employee) to understanding customers' feelings, specific needs, caring and individual attention the firm provides its customers. According to Parasuraman et al., (1988), empathy is the caring, individualized attention the firm provides for its customers. Jabnoun et al., (2003) found that bank customers believed empathy as an essential factor of service quality.

1.8 Organization of the study

The study consists five chapters; Chapter one was the introduction part which Contains the back ground, the statement of problem, objectives of the study, significance of the study, scope of the study, limitation of the study and operational definitions. Chapter two was all about the review of related literature that includes the theoretical, empirical and conceptual framework. Chapter three was about the research methodology involving the research design, research approach, source of data and collection method, target population, sampling techniques and size, method data analysis, validity and reliability of the instrument and ethical consideration. The fourth chapter is also about the analysis and discussion of the results parts. The last chapter, chapter five, is also about the summary, conclusion and recommendation parts.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2. INTRODUCTION

In this chapter, the researcher presented the concepts of service quality, the definition of related terms specific to the area of service quality dimensions and customer satisfaction, and its followed by the empirical investigation that is most relevant and specific to this area of study. Finally, the researcher is developed the conceptual framework of the study.

2.1. Theoretical Related Literatures Review

2.1.1. Concepts of Service

Kotler et al. (2005) define a service as any intangible good or service that can be provided by one person to another without entailing the acquisition of any property. It might not be connected to a tangible product, or it might have something to do with production. Economic activities that generate time, location, form, or psychological values are referred to as services (Kotler and Armstrong, 2012).

In their book Principles of Marketing, Kotler and Armstrong (2012) argue that services are becoming more and more important to the global economy, accounting for 64% of GDP. Due to the Service industries vary greatly, Governments and private organizations which are profit-oriented or nonprofit oriented offer services.

According to Kotler and Armstrong (2012), list out that some examples of services offered by the government like courts, employment services, hospitals, military services, police and fire departments, the postal service, and schools. Private, not-for-profit organizations provide services to hospitals, colleges, foundations, museums, charities, and churches. And so the large number of business (profit-oriented) organizations offer services like airlines, banks, hotels, insurance companies, consulting firms, medical and legal practices, entertainment and telecommunications companies, real-estate firms, retailers, and others.

2.1.2 Characteristics of Service

According to Kotler et al. (1999), a service has four key qualities that have a significant impact on how marketing campaigns are created for it. These characteristics are as following:

Intangibility: Before a service is purchased, it cannot be seen, tasted, felt, heard, or scented. For instance, a person getting a haircut is unable to view the finished product prior to payment.

Inseparability: Services are created and consumed simultaneously, exhibiting inseparability. As it is, for example, in car rentals. The quality of the service is influenced by the individual providing the service, who becomes an integral part of it.

Heterogeneity of Variability: Because services vary depending on who offers them, when they are offered, and where they are offered, they are very variable. For instance, the quality of a certain bank's services may vary from branch to branch even though all of the branches may be offering and providing the same service.

Perishability or Fluctuating Demand: Because services cannot be kept, they are extremely perishable. For instance, on a busy day when long lines form, the bank's cashiers' idle hours cannot be utilized to increase service.

2.1.3 Classification of Service

In the option of Churchill and Peter (1995), service can be classified in several ways. These include the way the service is offered, the sort of business offering the service, and the type of customers they target.

Method of Service Delivery: This could be equipment-based. In other words, services may be delivered primarily by equipment, as in the case of movie theatres, and airlines or they may be delivered primarily by people, as in the case of janitorial service and accounting. Where in the product mix quality is most vulnerable is determined by the mode of delivery. Marketers need to be concerned about if the equipment is of a high enough caliber to satisfy clients while providing equipment-based services.

It is imperative that they guarantee the competence and customer-focused attitude of the staff members who maintain the equipment or interact with users. Thus, the quality of computer programming services depends on both the user and the programmers themselves.

Type of Providers: This is another way of classifying services and it is in terms of the kind of organization providing them. Businesses, governments, non-governmental organizations, and non-profit making ones can all provide services. Business organizations offer goods and services to earn a profit. Government agencies such as the military, state lotteries, and public transportation also offer services. Additionally, marketing is used by non-profit organizations to help them target services, identify needs, raise awareness of causes, and raise funds.

The Purchase Decision for Service: This describes the way in is which consumers and organization buyers arrive at their purchasing decision.

Concepts of customer

In marketing tend to use the word customer/customers and consumer almost interchangeably. However, the customer and the consumer are not strictly speaking the same. A buyer is an individual or business that makes purchases of products and services. When a customer consumes the products or services, or when there is some consumption, they are considered consumers.

The proverb "the customer is always right" is frequently upheld by businesses because satisfied clients are more inclined to recommend businesses that meet or beyond their demands to others. Consequently, a lot of businesses keep a careful eye on their interactions with customers in order to get input on how to make their product lines better. There are numerous ways to classify customers. Customers are typically divided into two categories: internal and external.

Customers that are interested in buying the finished goods and services that a company produces but are not directly involved in corporate operations are known as external customers. Internal customers are people or organizations that are integrated into the

operations of the business; they may exist as staff members or other functional groupings within the organization

Customers categorized

Customers can be categorized as B2C which stands for Business-to-Customer (B2C) for example where you buy sweets from a shop, Business-to-Business (B2B) where the shopkeeper uses the services of an accountant to write his tax return, C2B which is Customer-to-Business (C2B) for example where an individual sells his gold watch to a jewelry store and C2C or Customer-to-Customer (C2C) where customers sell goods to each other. A great example of C2C is eBay, where consumers sell goods to other consumers.

Customers vs. Consumers

The phrases "customer" and "consumer" are frequently used interchangeably and are almost equivalent. Still, there's a small distinction. The term "consumer" refers to people or organizations that utilize or consume products and services. Customers are the buyers in the economy who make purchases of products and services; they can be consumers or just customers.

Marketing Oriented Approach

A marketing orientation underpins focus on the customer/consumer and their needs and wants. Marketing orientation occurs as a result of all of the people from within business from the managing director to the receptionist making the satisfaction of customer needs and wants their whole reason for beingLet's now examine how we obtain data that clarifies the needs and desires of our clients and consumers. The ability to divide consumers into groups and have those segments generate revenue for the company is the main advantage of

marketing orientation. Additionally, customers require instructions on how to use goods and services.

Customer needs and wants.

Customers and consumers are frequently used interchangeably. Hence, using a definition of marketing, our goal will be to predict the requirements and desires of clients or consumers. Wants and needs can be different. Let us go back to our mother and her child. While a mother may want to offer her child wholesome meals during mealtimes, the child may prefer to consume less healthful and sugary foods. The child is the ultimate consumer and may concentrate on what they want, but the mother is the customer and makes purchases based on her needs. Customers and consumers may therefore have different demands and wants.

2.1.4. Concepts of Service Quality

The term "definition" of "service quality" has multiple meanings. In its simplest form service quality is a product of the effort that every member of the organization invests in satisfying customers. The customer's perception of superiority or excellence is the broadest definition of service quality.

Sometimes referred to as a discotheque, club, or disco, is an establishment or an entertainment facility that typically opens late at night, according to Farlex Free Dictionary. provides entertainment such as dancing, and generally opens until the early morning.' Besides as per Wikipedia, 'a nightclub is differed from bars, pubs or taverns by the inclusion of a dance floor and a Disc Jockey (DJ) booth, where a DJ plays recorded dance, hip hop, rock, reggae, dubstep, pop music, and a mix of songs played.

In terms of definitions, a service is "an action or an activity which can be offered by a party to another party, which is intangible and cannot affect any ownership," by Philip Kotler (1997). A service could be associated with an intangible or tangible product. Therefore, "service quality is a focused evaluation that reflects the customer's perception of specific dimensions of service, namely reliability, responsiveness, assurance, empathy, and tangibles," according to Zeithaml and Bitner (2003:85). Business owners may promptly detect issues, enhance their offerings, and more accurately gauge customer expectations when they rely on customer feedback regarding the quality of the services they received.

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a field of research that has emerged to identify and characterize the ways in which services might be provided so as to please the client (American Marketing Association, 2012).

Service Quality or quality of service is provided by one to another and its evaluation is done by the receiver based on the differentiation of the perception and expectation of the quality of services provided by the service provider. an evaluation of the degree to which a service meets the client's expectations. The caliber of service rendered by an individual, group, or computer-based resource. If the service is provided by a computer-based source (e.g., Web site), the service quality is referred to as electronic service quality. A long-term strategy that tries to differentiate a firm's products or services by assessing how well a delivered customer service meets or exceeds a client's expectations of that good or service.

evaluation of the degree to which a service meets the client's expectations. It is argued that businesses need not only correspond to their customers' needs but also extend their customer expectations. The degrees of inconsistency between customers' normative expectations for the service and their perceptions of service performance (Parasuraman et al., 1985). Customers' expectations for service performed before the service encounter and their perceptions of the service received.

The procedure for determining how well a service meets the needs of the clientele. Consumer perception of the technical and objective characteristics of service received. This is a reference to the assistance that users of the system receive from the department responsible for information systems, from information technology support staff to the service provider.

2.1.5. Concepts of Customer service

The direct, one-on-one conversation that takes place between a customer and a representative of the business providing the product is known as customer service. For the majority of retailers, maintaining customer happiness and promoting repeat business depend heavily on this face-to-face encounter.

The ability to communicate with a human is still considered essential by most firms, even in this day and age when automated self-service technologies handle a large portion of customer care. It's an essential component of servant leadership.

Most businesses have employees working behind the scenes who never really interact with the customers they serve. The people that interact directly with customers are the customer service agents. The customers' interactions with that individual influence their opinions of the business and the merchandise.

Any action intended to raise the degree of customer pleasure, such as assistance in selecting the appropriate product and usage advice, is referred to as customer service.

A consumer who receives subpar service is likely to tell ten other people about their negative experience, which will cost your company money.

By implementing customer-friendly rules and educating staff to deliver exceptional customer care, retailers can retain their client base.

Customer service is the extent to which a product falls short of, fulfills, or surpasses the expectations of the client. It outlines how the client feels about their dealings with the business.

Customer service is the assistance you provide to clients to make their interactions with you simple and pleasurable, both before and after they purchase and use your goods or services. Providing outstanding customer service is essential if you want to keep clients and expand your company. Customer service nowadays extends well beyond the conventional phone support representative. It can be accessed through social media, text messaging, the online, and email. Additionally, a lot of businesses offer self-service assistance, enabling clients to look for solutions whenever they want, day or night. Customer service is a crucial component of the commitment your company makes to its clients; it goes beyond simply giving them answers.

2.1.6. The Concepts of Private Bank

Private banking According to James Chen, private banking refers to the specialized financial services and goods that banks and other financial institutions provide to their high-net-worth individual (HNWI) clientele. Revised on August 31, 2020. It offers a variety of wealth management services, all conveniently located under one roof. Trust and estate planning,

insurance, tax services, and investment and portfolio management are among the services offered.

Private banking is provided by consumer banks and brokerages of all sizes, although it is targeted at a select group of customers. Typically, this service is provided by specialized departments known as "private banking" or "wealth management" divisions.

An improved service provided by a financial institution to its high-net-worth person (HNWI) clientele is private banking.

A committed personal banker provides individualized financial and investment services and products as part of private banking.

Financial items are usually offered at preferential pricing or with discounts to private banking clients.
However, in comparison to other providers, a private bank's selection of products and level of investment experience could be restricted.

How Private Banking Works

Private banking includes common financial services like checking and savings accounts, but with a more personalized approach (JAMES CHEN Updated Aug 31, 2020): A "relationship manager" or "private banker" is assigned to each customer to handle all matters. Everything is managed by the private banker, from complex jobs like setting up a jumbo mortgage to routine duties like bill payment. However, private banking goes beyond certificates of deposit (CDs) and safe deposit boxes to address a client's entire financial situation. Advice on investment strategy and financial planning, portfolio management, specialized financing choices, retirement planning, and transferring money to future generations are examples of specialized services.

Even if a person with $50,000 or less in investable assets might be able to do some private banking, most financial institutions have a six-figure asset minimum, and some exclusive entities only take on clients who have at least $1 million to invest

2.1.7. Service Quality Dimensions

Gronroos (1984b) identified two service quality dimensions the technical aspect that is "what" service is provided and the functional aspect and "how" the service is provided. The customers perceive what he/she receives as the outcome of the process in which the resources are used which is the technical quality. But he/she also and more often importantly, perceives how the process itself functions that is the quality of the functions.

The SERVQUAL Instrument

The SERVQUAL instrument is developed by Parasuraman et al (1991) has proved popular, being used in many studies of service quality. This is because it is a useful strategy that can be used to any field and has a broad application. With constructs changed to fit certain hospitality scenarios, several researchers have used the SERVQUAL model to quantify service quality in the hospitality sector.

Parasuraman et al (1985) is developed the gap model (Gap 1 is the gap between what the customer expects and what the company's management thinks customers expectGaps 2 and 3 are caused by management's inability to create service standards that live up to customer expectations and, respectively, by the company's service delivery systems—people, technology, and processes—not performing up to par. and Gap 4 occurs when the company's communications with customers promise a level of service performance that people, technology and processes cannot deliver) and the SERVQUAL tool that followed, which was made to measure and find the discrepancies between what customers thought they had received and what they had expected. From the standpoint of the customer, the degree and direction of the discrepancy between the perceived and expected services determine the quality of the service. Thus, hotels, for example, can ascertain whether their service standard is suitable by comparing the perceived and expected levels of service provided to customers. From a customer's point of view, the quality of service is determined by the difference between expectations and perceptions of performance. 22 assertions make up the SERVQUAL tool, which evaluates customer expectations and perceptions of service quality.

Respondents are asked to score how much they agree or disagree with the assertions that are made. While consumers' expectations are based on information obtained and past experiences, their perceptions are dependent on the actual service they receive. The aspects or factors of service excellence are represented by the statements.

Customers utilize roughly five dimensions to assess the quality of the services. By contrasting the customer's assessment of the service they received with their expectations, these factors are typically used to determine the degree of customer satisfaction.

The five dimensions of service quality are measured by the SERVQUAL instrument. These five dimensions are tangibility, reliability, responsiveness, assurance, and empathy.

Tangibility: Because services are observable, clients gauge the quality of the services by contrasting the observable aspects of the offerings. Furthermore, in their study of private sector banks, Ananth et al. (2011) mentioned the tangibility dimension in relation to items like visually appealing materials, modern-looking equipment, and physical facilities with well-dressed staff. It is the appearance of the physical facilities, equipment, personnel, and communication materials.

Reliability: It is the capacity to deliver the promised service with accuracy and dependability.. It means that the company delivers on its promises about delivery, service provision, problem resolutions, and pricing. Consumers prefer to conduct business with organizations that fulfill their commitments, especially those pertaining to the main characteristics and results of the services. Every business must understand what customers want from a reliable source. Along with excellent customer service, employee attitude, expertise, and abilities, reliability plays a big role in product quality (Walker 1990). It is found that 18 services reliability is the service core to most customers and managers should use every opportunity to build a "do-it-right-first" attitude (Berry et al., 1990).

Responsiveness: It is the readiness to assist clients and offer timely service. Response, in the words of Parasuraman et al. (1988), is the readiness to assist clients and offer timely service. Customer satisfaction is anticipated to be significantly and favorably impacted by responsiveness (Jun & Cai, 2001; Diaz & Ruiz, 2002; Joseph et al., 2005; Glaveli et al.,

2006). This dimension places a strong emphasis on being aware of and responsive to the needs, inquiries, grievances, and issues of customers. Customers may tell how responsive a business is by how long it takes to assist them, respond to their inquiries, or address issues.

The idea of flexibility and the capacity to tailor the service to the needs of the client are also encompassed by responsiveness.

Assurance: It is to inspire trust and confidence. Assurance is the capacity of the company and its personnel to inspire confidence and trust, as well as the awareness of civility among the workforce. This dimension is likely to be particularly important for the services that the customers perceive as involving high rising and/or about which they feel uncertain about the ability to evaluate. The individual who connects the client with the business may be an embodiment of trust and confidence. Sadek et al. (2010) state that at British banks, assurance is defined as the availability of financial assistance, courteous and kind staff, comfortable interiors, ease of access to account information, and a knowledgeable and experienced management team. Besides, Parasuraman et al., (1988) found that assurance is an important factor of service quality next to reliability and responsiveness towards customer satisfaction.

Empathy: It is to give each consumer the kind, personalized attention that the company offers. In certain nations, it is imperative to offer personalized attention in order to demonstrate to the client that the business is making every effort to meet their needs. Empathy is an extra benefit that boosts client confidence and trust while also boosting loyalty. Customers' expectations are growing daily in this cutthroat market, and businesses have an obligation to do everything in their power to satisfy them. If they don't, they will find another supplier. Empathy, according to Parasuraman et al. (1988), is the considerate, customized care that the business offers to its clients. According to Jabnoun et al. (2003), bank clients saw empathy as an essential factor of service quality.

2.1.8. Customer Satisfaction

For a business organization, customers are a relevant part. So, they tend to manage its customer properly. When an organization's real products meet or beyond a client's expectations, that consumer is satisfied. If customers are satisfied, they will remain loyal, less sensitive and speak positively about the company and buy more. Customer satisfaction normally intimates that customer opinion of the fulfilled condition and customer response to the state of fulfillment (Oliver, 1997). According to Kotler (1997), Customer satisfaction is: "a person's feelings of pleasure or disappointment arise from the comparisons of the perceived performance of the product that offered by the firm with their expectation. Regarding Zeithaml & Bitner (2003) Satisfaction is defined as a post-purchase assessment of consumers about the performance of goods or services. Additionally, imply that the beneficial relationships between service quality and profitability, customer happiness, customer retention, and positive word-of-mouth marketing have made it a hot topic. Customer satisfaction is also widely considered as a driver of financial performance and corporate marketing.

2.1.8.1. Customer Satisfaction Measurement

It is the process of gathering data that are used to generate information about the extent or level of customer satisfaction with services provided by the firm. This information can be gathered and analyzed in many different ways. Many organizations continually measure the levels of customer satisfaction to supervise performance over time and measure the effectiveness of service performance/quality. Henley center's headlight vision (Smith, 2007) shows the study conducted in the United Kingdom in the public sector organizations recommends that there are about five tells that are likely to be relevant to all organizations in measuring customer satisfaction.

Delivery of the service (result, outcome, and methods for minimizing difficulties)

Timeliness (amount of time spent in line, frequency of contact)

Information (free from mistake, exactness, enough information, kept informed)

Professionalism (competent staff, fair treatment) Staff attitude (friendly, polite behavior, attractiveness, sympathetic)

2.1.8.2. Determinants of Customer Satisfaction

Specific qualities of the product or service, the customer's assessment of its quality, the customer's emotional reactions, their attributions, and their perception all have an impact on customer satisfaction.

Product Service Features- Customers' assessments of a product or service's features have an impact on how satisfied they are with it (Zeithaml et al., 1985).

Customer Emotion- The way that customers feel about goods and services can also have an impact on how satisfied they are with them. These emotions can be stable preexisting emotions. (Zeithal et al, 1985)

Attribution of Service Success or Failure- Attribution influences perception of satisfaction when they have been surprised by an outcome, (the service is either much better or much worse than expected), customers tend to look for the reasons their assessments of the reasons can influence their satisfaction. (Ibid)

Perception of Equity or Fairness- Customer satisfaction is also influenced by the perception of equity and fairness customers ask for the service. Have I received fair treatment in relation to other clients? Did other clients receive better service, better pricing, better treatment, or anything similar? Fairness notions play a major role in how satisfied customers are with the goods and services they receive. (Zettmal & Associates, 1985) The method used by different organizations to determine customer service standards varies in terms of specifics. Robert-Phelps uses "SPECIAL (Speed, Personality, Exceed expectations, Competence and courtesy, Information, Attitude, Long-term relationship)" as a model to satisfy customers.

2.1.9. Relationship between Service Quality and Customer Satisfaction

(Kotler and Armstrong, 2012) state that satisfaction comes from the post-purchase assessment of goods or services and comparing this with the expectations. Studies which are conducted in the earlier time on service quality and customer satisfaction tell that service quality able to generate satisfaction. Therefore, the studies of many researchers suggest a

quality service leads to customer satisfaction. Since service quality is typically seen as an antecedent of customer satisfaction, they recommend that in order to obtain a high level of customer satisfaction, the service provider should provide a high degree of service quality (Mesay, 2012). Customer satisfaction is more likely as service quality improves. Satisfaction

was a function of multiple factors, including quality, and it could have an impact on future views of quality (Clemes, 2008).

According to Parasuraman et al. (1988), customer satisfaction and service quality are defined as follows: customer satisfaction is tied to a particular transaction, whereas service quality is a general assessment of the superiority of the service. While service quality refers to an overall assessment of a company's service delivery system, satisfaction is a post-consumption

experience that contrasts perceived quality with desired quality (Parasuraman et al., 1985). According to Siddiqi (2011), in retail banking settings, customer satisfaction and customer loyalty are positively correlated. All service quality criteria are also positively correlated with customer satisfaction. Additionally, according to Daniel O. Auka (2012), providing high-quality service will boost client happiness and loyalty.

2.2. Empirical literature

There are different studies are conducted on the impact of service quality on customer satisfaction in the service industry including banking service. Among these studies are the following: Melesse's (2014) investigation into customer satisfaction with service quality in Ethiopia's commercial bank branches in Addis Ababa reveals that the service quality and customer satisfaction indicated that generally, CBE has a big gap from the dimensions expected by its customers and failure to meet or exceed customers" expectations which may necessitate the bank to rethink about its services.

The finding of Khan & Fasih (2014) state that the variables of service quality (tangibles, reliability, responsive and empathy) and customer satisfaction are significantly prevailing in the banking sector of Pakistan while the variable of assurance is also exiting but this proposal

could only be made with less confidence and significance. According to Fasil (2015) study shows that dimensions of service quality have a positive and significant relationship with customer satisfaction. But respondents are most satisfied with tangibility and followed by responsiveness. Consumer satisfaction with empathy and dependability is comparatively lower. The mean score of service quality that is an average of overall service quality dimensions indicates that customers almost agree that their insurers have delivered the best quality services to satisfy their various needs (Fasil, 2015). The study of Felix (2017) on the impact of service quality on customer satisfaction in Rwanda selected banks concluding that there is no significant relationship between service quality and customer satisfaction.

Empirical Study in fact that, the model developed in the context of one nation may not be necessarily applicable in other nations as the institutional, economic, and sociocultural factors may vary from one sector to another within a region or from one region to another. Some of the research outputs and results pertaining specifically to this field of study are briefly displayed in this section.

The empirical section briefly stated some of the research findings in the following manner. Since different studies have different conclusions regarding which dimension affects more customer satisfaction. Among them, Assurance was shown to be particularly important in promoting customer satisfaction for Jordanian commercial bank clients, according to a study done in Jordan by Rashid et al. (2011). It is clear that providing high-quality services and successfully enhancing service quality are essential for ensuring client pleasure. While the study conducted in India by Usha et. al., (2009) said that among the five dimensions of service quality, the nature of service transactions greatly depends on the physical layout of the workplace i.e. tangibility. Common complaints regarding service escape include the inability to concentrate on work because of noise 30 and distraction, lack of privacy, poorly arranged workspaces, discomfort in temperature, lighting, and ventilation. These tangible cues impact how customers view a service firm. Customers in banks prefer those services

which have comfortable and convenient physical evidence, a planned layout, and well-managed queues. According to a study conducted by Niveen et al., (2013), the quality perception of bank customers in Egypt and the differences in the relative importance they

attach to the various quality dimensions using the SERVQUAL model. SERVQUAL appears to be a reliable scale to measure banking service quality and provides a useful diagnostic role to play in assessing and monitoring service quality in banks. Reliability, empathy, assurance, and responsiveness have a substantial impact on customer happiness in the banking services provided in Egypt, according to research findings. In contrast, the dimension of tangibility has no discernible effect on consumer satisfaction. Additionally, the results are comparable with Parasuraman et al. (1985, 1988) and Yang et al. (2004) in that customers' perceptions are lowest in the assurance area and highest in the dependability area.

2.3. Conceptual framework of the study

Based on the previous research outcomes, the researcher developed the following conceptual framework to find out the statistically significant and positive relationship between the independent variable and dependent variable. The Independent variable is service quality i.e. the five dimensions of service quality (tangibility, assurance, empathy, reliability, and responsiveness) while, the dependent variable is customer satisfaction. This conceptual framework guiding the evaluation is depicted in figure 2.1, adapted from Parasuraman et al. (1994) and Caruana (2002). The Conceptual framework for this study is shown as follows:
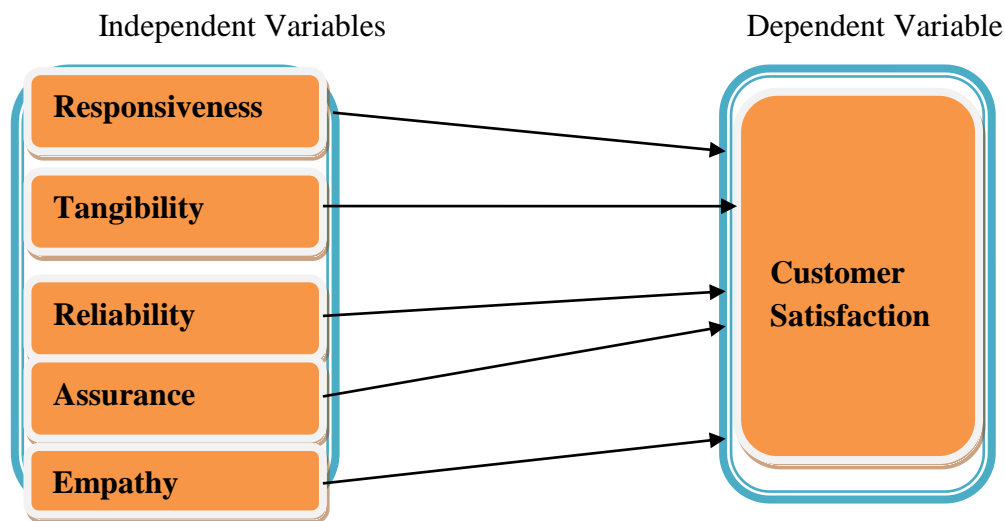
Source: It is adapted from Parasueaman et La. (1994) and Caruana (2002)

Figure 2. 1:Conceptual framework and development

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

In this section, the researcher has discussed the overall methodologies that are used by this study and analyze the data following assessing service quality dimensions and their effect on customer satisfaction. This section includes many subsections those are research approach, research design, the target population, sampling technique, sample size, type of data, data gathering techniques, source of data, data collection instrument and measurement, data analyzing methods, description of variables, reliability test and validity test of the questionnaire.

3.2. Research Design

Research design is a decision regarding what, where, when, how much, by what means of concerning an inquiry or a research study constitute a research approach and the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement, and analysis of data (Kothari, 2004).

According to Kothari (2004), more explicitly, the design decisions happen to be in respect of: What is the study about? Why is the study being made? Where will the study be carried out? What type of data is required? Where can the required data be found? What periods will the study include? What will be the sample design? What techniques of data collection will be used? How will the data be analyzed? In what style will the report be prepared?

This study was used descriptive and explanatory research designs which are intend to assess gap inquiry of customer expectation and perception toward dimensions of service quality. Descriptive research intends to present facts concerning the nature and status of a situation, as it exists at the time of the study, and to describe present conditions, events, or systems based on the impressions or reactions of the respondents of the research (Creswell, 1994).

As descriptive research; this study is concern with describing the existing nature and characteristics of respondents and variables by presenting a profile of the respondents through tables, frequency distributions, and percentages and identifying the mean and standard deviation of service quality dimensions and customer satisfaction. This study is an explanatory research design; it had an explanatory variable which is service quality dimensions to explain the dependent variable which is customer satisfaction and the study was examined relationships and impact of service quality dimensions on customer satisfaction.

3.3 Research Approach

This study use both quantitative and qualitative research approaches. The reason is here quantitative research approach is often use to standardize data collection and generalize findings in terms of statistically figurative. It is use to systematically investigate social sciences and involved mathematical, computational, and statistical techniques. It is use to

develop theories and mathematical models to study hypotheses. The reason is to use the qualitative approach is here it is most often applied in social sciences projects as well as market-based research projects.

3.4. Target population of the Study

The target population of this study is all account holder customers who have a current or saving account, in ten age of 18 years and above in Awash Bank S.C at the surroundings of the branches. This study investigated three branches of the private Bank that of Awash Bank S.C in Addis Ababa, are goro branch, mebrat hail branch, and gerig branch. Due to this, the researchers include these branches as part of this study. The total population that is target for this study from goro branch is 15967, the total population from the mebrat hail branch is 12678 and the total population from the gerig branch is 16535. Therefore, the sum of the total population of these three branches that were targeted for this study was 45180 customers who opened saving accounts.

3.5. Sample Size Determination and sampling technique

This study employ one element of the Probability sampling technique which is the simple random sampling technique to select sample respondents and also the researcher employ the element of non-probability sampling technique which is called the purposive sampling method. The reason for applying the simple random sampling technique is each sample element has an equal probability of selection, and each possible sample of elements that can be drawn The sample that is actually chosen has an equal chance of being chosen at random from the sample frame.

The reason for applying the purposive sampling method respondents can be selected subjectively based on the information that we need to get. For instance, selecting only managers and senior customers for an interview, concentrating only on the marketing department to study the marketing mix, etc.

Besides, the researchers use the total population of the study to hold customers of three main branches of Awash Bank S.C. The main reason for the selection of the study area center is that they are recently enter the industry and they have a small number of customers (customer base) which is an indication to have floor market share as compare to the industry

as a whole. Based on the total population of 45180, the sample size of this study is 396 which are calculating by the formula.

Therefore, depend on the total population the sample size is calculated by using Taro Yamane, (1967) formula:- $n = N/(1 + N(e2))$

      Where, n=sample size

      N=total population

      e=tolerance level i.e. 0.05

      n=45180/ (1+45180(0.05)2

      n =396

There are all homogenous characteristics to get from the population of 45180, the branches are stratified in the form of $stratum_1$, $stratum_2$ and $stratum_3$ are each cluster proportional allocation of sample size determine as follows:

Let N_h= the total number of customer in the branches

n_h= sample number of customers in the three branches

N_1= the total number of customers in goro branch = 15967

N_2= the total number of customers in mebrat hail branch = 12678

N_3= the total number of customers in the gerig branch =16535

The sample size of each stratum was calculate by using proportional as following with respect to their numbers in each strata $n_h = \dfrac{N_h n}{N}$

$n_1 = \dfrac{n_h N_1}{N_h} = \dfrac{396 \times 15967}{45180} = 140$

$N_2 = \dfrac{n_h N_2}{N_h} = \dfrac{396 \times 12678}{45180} = 111$

$n_3 = \dfrac{n_h N_3}{N_h} = \dfrac{396 \times 16535}{45108} = 145$

The table below shows the summary of the population and sample size in each branch

Table 3. 1:Summary of population and sample size in each branch

List of branch	N_h	n_h
Strata 1	15967	140
Strata 2	12678	111
Strata 3	16535	145
Total	N_h= 45180	N_h= 396

Source: own survey 2024

3.6. Type and source of data

This study use both quantitative and qualitative types of data. The reason for using the quantitative type of data is the study was analyzed the data by using statistical approach analysis. So, statistical analysis is use mainly quantitative data using the appropriate measurement of their variables and it can be measure numerically. In order to know the impact of the independent variable on the dependent variable by using statistical approaches, it requires a quantitative type of data. Therefore, to achieve the objective of the study, it used a quantitative type of data.

A quantitative research approach is use to test the basic questions and theory. So, this study has its basic questions to be answer. In order to answer these questions, the studies implement a quantitative research approach.

The reason for using the qualitative type of data is to study is the focus on the subjective and individual from a humanistic perspective, through interviews and reports.

3.6.1. Data Source

This study use mainly primary and secondary sources of data and methods of data collection.

3.6.1.1. Primary data source

The main primary source of data for this study was a questionnaire and interview. The main reason for using the questionnaire is respondents are generating their true feeling or idea without any bias and free from any biases. Because obtaining data through a questionnaire doesn't tell the person who gives that particular response. The questionnaire that uses to

obtain primary data was a standard questionnaire constructs 22 questions by considering the five dimensions of service quality these are stated on the SERVQUAL model by

Parasuraman et al. (1985; 1988). These dimensions are tangibility, reliability, responsiveness, assurance, and empathy of the service. Further, customer perceptions are used to assess customer satisfaction. The attitude of the respondent on these variables measure by using five Liker-scales label.

3.6.1.2. Secondary data source

In order to understand different relate kinds of literature conduct in the area secondary data use in this study. So these secondary data are collect from different publish and unpublished documents like different journals, books, previous researches, and others use. In addition to these documents, this study also use publications and reports produce by Private Banks' of different websites which are previous researches use as an additional source of secondary data for this study like Addis Ababa university and S't Marry University repository.

3.7. Data Gathering Techniques

The researcher use the questionnaire and interview to gather the primary data from the customers of the main branch of the select private bank which gives the special reference of banks. The questionnaire is constructing having three major sections. The first section of the questions was about the personal profiles of the respondents. While, the second section contained five constructs measuring the SERVQUAL model in the view of the respondent's expectation of service qualities as proposed by Parasuraman et al., (1988). Finally, the third section was dealing about measure customer's feelings and perceptions toward the actual performance of service of this selected awash bank. Questions that measure customer satisfaction levels are also include in this section.

3.8. Data collection instruments and measurement

In order to obtain realistic information, the studies use mainly the primary data collection method. The studies use the questionnaire and interview as a primary data collection mechanism. Questionnaires was distributed to the respondents who are the customer of awash bank S.C at these branches while it receiving service without any discrimination by genders, races, age groups, marital status, education backgrounds, and professionalisms. The

questionnaire was standardize and structure; as a result of this, respondents able to easily understand.

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3.8.1. Questionnaire

In order to measure the effect of service quality on customer satisfaction on awash bank S.C at three branches of awash bank; the researcher was develop the five-point Likert scale questionnaire. Where; 1 represents "Strongly Disagree", 2 represent "Disagree", 3 represents "Neutral", 4 represents "Agree" and 5 represent "Strongly Agree."

The questionnaire would have three sections to cover the general characteristics of the respondents, dependent and independent variables of the study. This questionnaire was adapted from the SERVQUAL model standard which is containing 22 questions originally used to construct the structure of the SERVQUAL questionnaire.

The first part of the questionnaire contains six (6) elements which are the details of demographic information of the respondents like age, gender, educational level, for how long are the respondents a customer of the bank, and type of service. The second part of the questionnaire contains service quality variables i.e. Tangibility and Responsiveness would have four elements each to measure them, whereas Reliability would has five elements to measuring it. Assurance has four elements to measuring it (personal behavior, staff politeness, and adequate knowledge to serve customers) and Empathy has five elements to measuring it. The Third part was containing variables for Customer satisfaction; it have five elements to measure the level of customer satisfaction.

Table 3. 2:Dependent and independent variables

No	Variables	Number of items	Type of Variables
1	Tangibility	4	Independent V.
2	Reliability	5	Independent V.
3	Responsiveness	4	Independent V.
4	Assurance	4	Independent V.
5	Empathy	5	Independent V.
6	Customer satisfaction	5	Dependent V.

Source: own survey 2024

3.8.2. Interview

In order to evaluate and understand the quality of the service and its effect on customer satisfaction, the researcher use interviewing the branches' manager of awash Bank and some customers who are senior to the branches of the awash Bank S.C. This is why because, these interviewees have enough information to explain the ways of delivering the branch's service.

3.9. Statistical Methods of Data Analysis

3.9.1. Descriptive Statistics

After the needed data gather through the state data collection methods, the next step is to analyze and present these data. For this study Statistical Package for Social Science (SPSS) software version, 25 were implementing to analyze and present the data by using the statistical tools for this study. The statistical tools uses for this study are descriptive analysis, correlation, and multiple regression analysis.

To present a profile of the respondents through tables, frequency distributions, and percentages and to identify the mean and standard deviation of service quality dimensions and customer satisfaction a descriptive statistical analysis was implemented for this study. It may be compute by the measure of central tendency (mean) and measures of variation (variance).

In order to determine the relationships between service quality dimensions (reliability, empathy, responsiveness, tangibility, and assurance) and customer satisfaction this study use Pearson's correlation coefficient. And in addition to this, the study uses multiple regression analysis to determine the impact of service quality on customer satisfaction.

3.9.2. Inferential Statistics

3.9.2.1 The Pearson Product Moment Correlation Coefficient

According to Phyllis and his associates (2007:18-55), inferences have very important in management research. This is so because conclusions are normally established based on results. Such generalizations are, therefore, be made for the population from the samples. They speculate that the Pearson Product comment correlation coefficient is a widely use statistical method for obtaining an index of the relationships between two variables when the relationships between the variables are linear and when the two variables' correlation is

continuous. To ascertain whether a statistically significant relationship exists between lacks of information about the independent variable on dependent variable with the awash bank. According to Duncan C. and Dennis H. (2004:38-41), the correlation coefficient can range from -1 to +1. The value of -1 represents a perfect negative correlation while a value of +1 represents a perfect positive correlation. A value of 0 correlations represents no relationship.

In this study Pearson's Product, Moment Correlation Coefficient will use to determine the relationships between independent variable on dependent variable.

The results of the correlation coefficient may be interpreted as follows.

Correlation Coefficient Interpretation

(-1.00 to -0.8) …………………………....strong

(-0.8 to -0.6) …………………………….substantial   Negative

(-0.6 to -0.4) …………………………….medium

(-0.4 to -0.2) …………………………….low

(-0.2 to 0.2) …………………………......very low

(0.2 to o.4) …………………………...low

(0.4 to 0.6) …………………………….…medium   Positive

(0.6 to 0.8) …………………………….…substantial

(0.8 to 1.00) …………………………...strong

The researcher has developed models on the one hand to see the effect of all considered four predictor variable and The Model of equations used to answer the research objectives was linear function, expressed as follows: service quality dimensions (reliability, empathy, responsiveness, tangibility, and assurance) and customer satisfaction

$Y_i = b_o + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$ …….. 1

Use to see the relationship between independent variable on dependent variable.

Where:

Yi = dependent variable (customer satisfaction)

b_0: Constant ; b_1, b_2, b_3, b_4, b_5= regression coefficient (Slope of line) of each variable, e = Error, and

Xi = independent variables (X1= tangibility, X2= assurance, X3= reliability, X4= responsiveness, and X5= empathy).

Assumption of Linear Regression model

- The relationship between the response and independent variables are linear.
- The error term appearing in the population regression function is homoscedasticity (constant variance).
- The successive (a pair of error terms) are uncorrelated.
- All explanatory variables are linearly independent.
- Determines how the response variable changes as a particular variables change.
- The independent variable and the error term are independent.

3.10. Validity and Reliability test

3.10.1. Validity test

Validity tests to measure the ability of items to address the concept of each service quality dimension which use for this study. The questionnaire use for this study was initially developed by Parasuraman, et al (1988) Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality and they check the validity of each item. And also the study adopts a questionnaire from the former study that checks the validity of the questionnaire. In addition to this, the researcher checked the validity of the questionnaire with a person who was specialized in the area of service quality and customer satisfaction.

3.10.2. Reliability test

The researcher use to check the reliability of the questionnaires by using Alpha reliability with Cronbach's alpha (L.M. Collins, in Encyclopedia of Gerontology (Second Edition), 2007). Alpha reliability uses as measuring internal consistency of the mean of the items at the time of administration of the questionnaire. Cronbach's alpha indicates that the reliability coefficient of items set in the questionnaire is positively related to each other. It is the most widely use measurement tool with a generally agreed lower limit of 0.7. According to Hair, et al., (2006), if α is greater than 0.7, it means that it has high reliability and implies an

acceptable level of internal reliability of items; and if α is smaller than 0.3, then it implies that there is low reliability means it is not an acceptable level of internal reliability of items.

Table 3. 3:Reliability test of items

Factors	No. of items	Cronbach's Alpha
Tangibility	4	0.845
Reliability	5	0.836
Responsiveness	4	0.816
Assurance	4	0.877
Empathy	5	0.869
Customer satisfaction	5	0.805
Mean of Cronbach's Alpha		0.84

Source: own survey data 2024

The above table 3.2 shows that the Cronbach's Alpha of each factor was found between 0.805 and 0.877. It implies that all items which are found in each factor are an acceptable level of internal reliability.

3.11 Ethical consideration

The researcher was give emphasis to the ethical issues in every aspect of this study that demands. When the questionnaires distribute to the respondents, respondents are informed and guaranteed that the information they provide ware confidential and used only for academic purpose. Further more, a comment conforms with the questionnaire's prohibition on disclosing personal information or identifying details.

This would be help to avoid any biased responses and to make participants feel safe in filling the questionnaire. Therefore, the collected data was keep and not used for any personal interest. Generally, the whole process of the study was conducted within the frame of acceptable ethics.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION, AND DISCUSSION

4. INTRODUCTION

In this chapter the collected data was analyzed and interpreted; the analyzed and interpreted data was presented and discussed. It includes the response rate of the distributed questioner, the background of the respondent through frequency distribution and percentage, descriptive statistical analysis of service quality dimensions and customer satisfaction to know the level of satisfaction, correlation analysis to show the relationship between the dependent variable and independent variable (customer satisfaction as a dependent variable and service quality dimensions as an independent variable) and multiple regression analysis to determine the impact of service quality on customer satisfaction by using SPSS statistic version 25.

4.1. Response Rate

Table 4. 1: Response rate of questionnaires by respondents

Questionnaires	Frequency of the Respondents				Valid Percent
	goro Branch	mebrat hail Branch	gerig branch	Total	
Distributed	140	111	145	396	100%
Collected and Used	126	100	122	348	87.88%
Uncollected	14	11	23	48	12.12%

Source: Own survey data, 2024

Formt he above table 4.1 shows that, three hundred ninety-six (396) questionnaires were distributed for the customer of Awash bank S.C at Addis Ababa three branches by using a simple random sampling technique. So, out of 396 questioners, three hundred forty-eight (348) (87.88%) were collected. And the remaining forty eight (48) (12.12%) were uncollected questionnaires. Therefore, three hundred forty-eight (348) (87.88 %) questionnaires were employed for this study.

4.2. Descriptive Statistical Analysis

4.2.1. Demographic Characteristics of Respondents

To obtain the general profile information of the customer of Awash Bank at Addis Ababa, the respondents were asked about their gender, age, educational level, and the duration of the period that they have been customer of the Awash bank branch.

Table 4. 2:Gender, Age , Length of Time to be a Customer and Education level

Item		Frequency	Percent	Valid Percent
Sex	Male	221	63.5	
	Female	127	36.5	
	Total	348	100	
Age	18-30	182	52.3	
	31-40	116	33.3	
	41-50	31	8.9	
	51-60	12	3.4	
	above 60	7	2.0	
	Total	348	100.0	
Educational Level	primary school level	12	3.4	
	High school	20	5.7	
	Certificate	11	3.2	
	diploma	104	29.9	
	First degree and above	201	57.8	
	Total	348	100.0	
For how long are you a customer of the bank?	Less than one year	84	24.1	
	1-3 years	139	39.9	
	Four and above years	125	35.9	
	Total	348	100.0	
For what purpose have you come to the bank today	To deposit money	147	42.2	
	To transfer money	36	10.3	
	To open a new account	29	8.3	
	To withdraw money	136	39.1	
	Total	348	100	

Source: output of SPSS from Own survey data, 2024

The result of the gender of the respondent from the above table 4.2 shows that 63.5 % (221) of the respondents were male and 36.5% (127) of the respondents were female. It suggests that there are more male customers than female customers overall.

The above table illustrates that the age of the respondents. Table 4.2 result shows that 52.3% (182) of the respondents were found from 18 to 30 years old, whereas 33.3% (116), 8.9% (31) and 3.4% (12) of the respondents were found between 31 and 40 years, 41 up to 50 and from 51-60 years old respectively. The remaining 2% (7) respondents were found aged from above 60 years old. So, the majority of the customers of the bank were found their age 18 up to 30 years old.

The above table 4.2shows the educational level of the respondent. The result of table 4.4 indicates that 57.8% (201) of the respondents were first degree and above. Whereas 29.9% (104) of the respondents were diploma and 5.7% (20) of the respondents were high school. And the remaining 3.4% (12) and 3.2% (11) of the respondents were primary school and certificates. Therefore, the majority of the customer of the bank are degree and above.

The above table 4.2 demonstrates the length of time that respondents use or be a customer of the bank. 24.1% or 84 of the respondents were to be a customer of the bank range less than one year, 39.9 % or 139 of the respondents were to be a customer of bank range from one up to three years and 35.9% or 125 of the respondents were to be a customer of the bank range from four and above years. Regarding this data presented in the above table 4.5 most of the customers of the bank at Addis Ababa are one up to three years to be a customer of the bank.

The above table 4.6 shows that the reason why customers came to the bank on the data collecting day, 42.2 %(147) of customers came to deposit money, 39.1 %(136) of customers came to withdraw money. The other 10.3 %(36) and 8.3 %(29) of customers were come to transfer money and to open new accounts respectively.

Generally, the demographic characteristics of respondents' on study which show the male dominance of the sample. The age distributions of customers have been characterized as most of them are young. Thus, it is obvious that the younger aged ones had a higher and were more willing to participate for service of bank. As far as the education, as the data shows most customers are first degree and above holder. Hence, that majority of the respondents

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have a good educational background to evaluate service of bank. Regarding to length of time that respondents use or to be a customer of the bank most of the customer are one up to three years to be a customers of the awash bank.

4.3. Analyzing Service Quality Dimensions

For this study, SERVQUAL model was used to measure customers' perception about service quality delivered by Awash bank. SERVQUAL model is used to measure customers expectation about service quality that the bank provide directly compare their expectation with the actual or perceived service. This model contains 22 questions to describe the five service quality dimensions namely tangibility, reliability, responsiveness, assurance, and empathy. To measure the quality of service provided by the bank five-point Likert scale was used with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. But, while interpreting the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear. 1-1.8= Strongly Disagree, 1.81–2.6 = Disagree, 2.61 – 3.4= Neutral, 3.41 –4.20= Agree and 4.21 –5 = Strongly Agree (Best, 1977, as cited by Yonas, 2013). To measure the result of customers' perception about the quality of service provides by awash bank S.C; the mean and standard deviation of each question about each service quality dimension is computed as follows. In order to simplify interpretation of the results, ratings of agree & strongly agree are grouped as agreement and ratings of disagree & strongly disagree are grouped as disagreement.

4.3.1. Tangibility

Table 4. 3:Mean and standard deviation score for tangibility

S/N	Tangibility	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Stdv
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
1	The branch has up-to-date equipment	22	6.3	40	11.5	29	8.3	216	62.1	41	11.8	3.61	1.04
2	The branch's physical facilities are visually attractive	34	9.8	39	11.2	51	14.7	180	51.7	44	12.6	3.46	1.042
3	The branch's appearance of the physical facilities are consistent with the type of service industry	21	6	52	14.9	34	9.8	167	48	74	21.3	3.64	1.15
4	Staffs of the branch at the front line position are well dressed and appear neat.	19	5.5	48	13.8	47	13.5	172	49.4	62	17.8	3.6	1.09
ARG		24	6.9	45	12.85	40	11.575	184	52.8	55	15.88	3.57	1.081

Source: output of SPSS from Own survey data, 2024

Tangibility was about the physical facilities, equipment, personnel, and communication materials. To measure the perception of customers about tangibility, four questions were asked to the respondents. From the questions which are asked to the respondents, branch facilities are visually attractive and the branch has up-to-date equipment and has 3.64 and 3.61 have high mean scores respectively. Staffs of the branch at the front line position are well dressed and appear neat was have a second mean score of 3.6 with a 1.09 standard deviation. The other remaining questions the branch's appearance of the physical facilities are consistent with the type of service industry was have the least mean score of 3.46 with a 1.042 standard deviation. The highest numbers of respondents (239) said that agree and the lowest numbers of respondents (40) said that neutral.

Accordingly, the overall mean score of tangibility shows that 3.57 with the standard deviation 1.081 which means that most of the respondent was satisfied regarding the overall physical appearance of employee, facilities, and equipment associated with services provided by the bank.

4.3.2. Reliability

Table 4. 4:Mean and standard deviation score for reliability

S/N	Reliability	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Stdv
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
1	The bank meets its promised time-frames for network and speed service response	25	7.2	56	16.1	35	10.1	162	46.6	70	20.1	3.56	1.18
2	The branch keeps customer record correctly	15	4.3	59	17	59	17	166	47.7	49	14.1	3.5	1.06
3	The branch employees provide service at the designed and promised time	33	9.5	95	27.3	26	7.5	166	47.7	28	8	3.18	1.19
4	The branch inform to the customer when any failure ahead	17	4.9	65	18.7	36	10.3	169	48.6	61	17.5	3.55	1.12
5	The branch is dependable	28	8	80	23	39	11.2	142	40.8	59	17	3.36	1.23
ARG		24	6.78	71	20.42	39	11.22	161	46.28	53	15.34	3.43	1.156

Source: output of SPSS from Own survey data, 2024

The ability to consistently and accurately provide the promised service is referred to as reliability.

Five questions were asked to the respondents to know the perception of customers about service reliability which is provided by Awash bank S.C. From those question asked to respondents; the bank meets its promised time-frames for network and speed service response was have the highest mean score with 3.56 mean and 1.18 standard deviation scores followed by the branch inform to the customer when any failure ahead of time mean score 3.55 and 1.12 standard deviation scores. The branch keeps customer record correctly was the lowest mean score which is 3.5 with 1.06 standard deviations and the branch is dependable was the mean score which is 3.36 with 1.23 standard deviations. The last one is the branch employees provide service at the designed and promised time with 3.18 mean and 1.19 standard deviation scores. And the overall mean score of reliability shows that 3.43 with a 1.156 standard deviation. So, most of the respondent was satisfied regarding the service reliability. The highest numbers of respondents (214) said that agree and the lowest numbers of respondents (95) said that strongly disagree.

4.3.3. Responsiveness

Table 4. 5:Mean and standard deviation score for responsiveness

S/N	Responsiveness	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Stdv
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
1	It is reasonable to expect prompt(fast) service from	34	9.8	75	21.6	28	8	148	42.5	63	18.1	3.38	1.27
2	Employees always have to be willingness to help customers	32	9.2	50	14.4	39	11.2	173	49.7	54	15.5	3.48	1.18
3	Employees are never busy to respond to customer request	16	4.6	85	24.4	20	5.7	185	53.2	42	12.1	3.44	1.12
4	Employees should be expected to tell customers exactly when the service will be performed.	26	7.5	71	20.4	50	14.4	173	49.7	28	8	3.3	1.11
ARG		27	7.775	70	20.2	34	9.825	170	48.78	47	13.43	3.4	1.17

Source: output of SPSS from Own survey data, 2024

Responsiveness concerns the readiness and voluntariness to support customers, serve quickly and on time or punctually. Regarding responsiveness, four questions were asked the respondents to understand the filing of customer about service responsiveness which is delivered by Awash bank. Accordingly, employees are never busy to respond to customer request have the mean score which is 3.44 with a 1.12 standard deviation and employees always have to be the willingness to help customers with the highest mean value of 3.48, It is reasonable to expect prompt (fast) service from the employee with the mean value of 3.38 and Employees should be expected to tell customers exactly when the service will be performed with 3.3 mean score. The highest numbers of respondents (217) said that agree and the lowest numbers of respondents (34) said that neutral.

The overall mean score of responsiveness was 3.4. It implies that most of the respondents were almost satisfied with the presence of service responsiveness.

4.3.4. Assurance

Table 4. 6:Mean and standard deviation score for assurance

S/N	Assurance	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Stdv
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
1	Personal behavior of the staffs are excellent that the customer	21	6	53	15.2	20	5.7	222	63.8	32	9.2	3.55	1.04
2	Employees are polite	18	5.2	46	13.2	71	20.4	157	45.1	56	16.1	3.54	1.07
3	Staffs have adequate knowledge to serve customer	30	8.6	46	13.2	42	12.1	180	51.7	50	14.4	3.5	1.15
4	Customers feel safe when doing transacting with employees	12	3.4	77	22.1	47	13.5	175	50.3	37	10.6	3.43	1.05
ARG		20	5.8	56	15.93	45	12.93	184	52.73	44	12.58	3.51	1.08

Source: output of SPSS from Own survey data, 2024

Assurance refers to the knowledge and polite behavior of employees and their ability to convey trust and secrets. So, to understand the customers feel safe when doing transacting with employees were asked the respondents perception of customer four questions. From these questions the staffs of awash bank have Personal behavior of the staffs are excellent that the customer can trust have the highest mean score from this dimension which is 3.55. Next to this Employees are polite with the mean score is 3.54. Staff have adequate knowledge to serve the customer with the mean score is 3.5 and Customers feel safe when doing transacting with employees which has the lowest mean score is 3.43 in this dimension. The highest numbers of respondents (228) said that agree and the lowest numbers of respondents (76) said that disagree.

 The overall mean score of assurance is 3.51 which mean that majority of the respondents satisfied about the knowledge and polite behavior of employees and their ability to convey trust and secret.

4.3.5. Empathy

Table 4. 7:Mean and standard deviation score for empathy

S/N	Empathy	Strongly Disagree Freq	%	Disagree Freq	%	Neutral Freq	%	Agree Freq	%	Strongly Agree Freq	%	Mean	Stdv
1	The bank is expected to give each customer individualized attention	16	4.6	55	15.8	42	12.1	169	48.6	66	19	3.61	1.1
2	Employees are expected to give each customer individualized attention	27	7.8	51	14.7	69	19.8	159	45.7	42	12.1	3.4	1.11
3	It is reasonable to expect employees to have the best interests of the customer at heart.	4	1.1	60	17.2	47	13.5	162	46.6	75	21.6	3.7	1.02
4	It is realistic to expect employees to fully understand the needs of the customers	17	4.9	59	17	43	12.4	177	50.9	52	14.9	3.54	1.08
5	The bank has comfortable working hours to all customers	26	7.5	51	14.7	47	13.5	198	56.9	26	7.5	3.42	1.06
ARG		18	5.18	55	15.88	50	14.26	173	49.74	52	15.02	3.534	1.074

Source: output of SPSS from Own survey data, 2024

Empathy is the ability to understanding customers' feelings, caring and individual attention the firm provides its customers. It contains five questions used to assess the ability of staff to understand customers' feelings, caring, and individual attention the firm provides its customers.

According to the following table 4.10, the overall mean score of empathy was 3.534; which implies that most of the respondents were satisfied with the ability of staffs to understanding customers feeling, caring, and individual attention to customers (service empathy). From this dimension of service quality the It is reasonable to expect employees to have the best interests of the customer at heart have the highest mean value which is 3.7 followed by The bank is expected to give each customer individualized attention have the mean value of 3.61, It is realistic to expect employees to fully understand the needs of the customers, the bank

has comfortable working hours to all customers and Employees are expected to give each customer individualized attention with the mean values of 3.54, 3.42 and 3.4 respectively.

The highest numbers of respondents (225) said that agree and the lowest numbers of respondents (73) said that disagree

The overall mean score of empathy is 3.534 which mean that majority of the respondents satisfied about the understanding customers' feelings, caring and individual attention the firm provides its customers.

4.4 Mean and standard deviation of service quality dimensions.

Even though, all the variable including service quality dimensions of tangibility, reliability, responsiveness, empathy, and assurance have been observed to be sever on service quality dimensions, this does not necessarily mean that all have equal service quality dimensions on customers satisfaction . The result of the mean value of service quality dimensions on customer's satisfaction in the following table clearly compares the difference of all the key barriers in relation to its severity.

Table 4. 8:Mean and standard deviation of service quality dimensions

No	Predictor variables	Grand mean	Grand std. dev	Rankof severity	Agreed %	Neutral %	Disagreed %
1	Tangibility	3.57	1.081	1	19.75	11.575	68.68
2	Reliability	3.43	1.156	4	27.2	11.22	61.62
3	Responsiveness	3.4	1.17	5	27.975	9.825	62.21
4	Assurance	3.51	1.08	3	21.73	12.93	65.31
5	Empathy	3.53	1.074	2	21.06	14.26	64.76

Source: output of SPSS from Own survey data, 2024

From the above lists of main service quality dimensions on customer's satisfaction, the tangibility with the mean value of 3.57 and standard deviation 1.081 depicts that it is dominant determinants than the others followed by involvement of empathy, assurance, reliability and responsiveness that have a mean of 3.53, 3.51, 3.43 & 3.4 and a standard deviation of 1.074, 1.08, 1.156 and 1.17 respectively.

4.5. Analyzing Customer Satisfaction

Table 4. 9:mean and standard deviation of customer satisfaction

S/N	Customer Satisfaction	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Mean	Stdv
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
1	Am satisfied with the security of the bank services.	21	6	57	16.4	33	9.5	169	48.6	68	19.5	3.59	1.51
2	I am satisfied with the respectful behavior of the bank staffs	24	6.9	45	12.9	41	11.8	182	52.3	56	16.1	3.58	1.11
3	I am satisfied with the communication ability of the employee of the bank	22	6.3	60	17.2	31	8.9	170	48.9	65	18.7	3.56	1.16
4	I am satisfied with the performance of the employee of the bank.	18	5.2	46	13.2	71	20.4	157	45.1	56	16.1	3.54	1.07
5	I am satisfied with the various range of service of awash Bank	8	2.3	61	17.5	44	12.6	162	46.6	73	21	3.66	1.06
ARG		19	5.34	54	15.44	44	12.64	168	48.3	63	18.28	3.586	1.182

Source: output of SPSS from Own survey data, 2024

The above table 4.13 pertains that the level of customer satisfaction about the security of the bank service, the respectful behavior of the bank staff, the communicative ability of the employee of the bank, the performance of the employee of the bank, and the various range of service of awash bank. According to the data presented in the following table 4.13 indicate that satisfaction with the security of the bank services relative to the remaining factors with the mean value of 3.59. The others factor satisfied with the respectful behavior of the bank staffs, satisfied with the communication ability of the employee of the bank, satisfied with the performance of the employee of the bank and satisfied with the various range of service of awash bank with the mean values of 3.58, 3.56, 3.54 and 3.66 respectively. Therefore, the majority of the customers are satisfied with the security of the bank services, the communicative ability of the employee of the bank, the performance of the employee of the bank, and various rang of service awash bank. The highest numbers of respondents (231) said that agree and the lowest numbers of respondents (73) said that disagree.

The overall mean result of customer satisfaction is 3.586 which imply that the majority of the customers are satisfied by the service provided by the bank.

The finding of Endalkachew (2013) conducted on Assessing the impact of Core Banking and service quality on Customer Satisfaction in the Commercial Bank of Ethiopia (A case of Bishofftu Branch) shows that 85% of the customer are satisfied with the various range of service of CBE at bishofftu branches.

4.6. Correlation Analysis between Service Quality Dimensions and Customer Satisfaction

Table 4. 10: Correlation Analysis

Variable	Pearson Correlation with Food Insecurity	Sig. (2-tailed)	N	Significance Level
Assurance	0.694**	0.00	348	Significant at the 0.05 level (2-tailed)
Tangibility	0.701**	0.000	348	Significant at the 0.05 level (2-tailed)
Responsiveness	0.663**	0.000	348	Significant at the 0.05 level (2-tailed)
Empathy	0.649**	0.000	348	Significant at the 0.05 level (2-tailed)
Reliability	0.706**	0.000	348	Significant at the 0.05 level (2-tailed)

Source: output of SPSS from Own survey data, 2024

Correlation analysis is measuring or indicating the leaner relationship and measure the strength of the association between two variables. The coefficient of correlation founds between -1 and 1. If the correlation coefficient of two variables is 1, these variables will have a positive relationship. And also the correlation coefficient approaches to positive one there is a strong relationship among the two variables. In another way, the correlation coefficient is -1 show that the two variables have a negative relationship. And the correlation coefficient approaches -1 there is a strong negative relationship among them. If there is no relationship between the two variables, the correlation coefficient will be equal to zero (0) (Berndt et. al. 2005).

The correlation coefficient lies between 0.1 and 0.29 the relationship between the two variables is weak or non-existent. When the relationship between two variables moderate, the correlation coefficient found between 0.3 and 0.49 and the correlation coefficient of the two variables is more than 0.5 there is a strong relationship among them. For this study, the Pearson correlation coefficient was used to study the relationship between service qualities dimensions namely tangibility, reliability, responsiveness, assurance, and empathy, and customer satisfaction. The following table shows that the Pearson Correlation on the relationship between service qualities dimensions and customer satisfaction.

Regarding the table above, all of the service quality dimensions have a statistically or significant positive relationship with customer satisfaction at the p-value 0.000 which is less than the significant level of 0.01 (1%). Among them, reliability has the strongest relationship with a correlation coefficient of 0.706 followed by tangibility with a coefficient of 0.701, On the other hand, assurance 0.694, and responsiveness 0.663. Empathy has the lowest relationship among customer satisfaction relative to the other four dimensions at the Pearson correlation coefficient of 0.649. If there is a positive relationship between two variables indicates; that one variable increases, the other variable will be increases. Therefore, based on the above discussion of the four service quality dimensions and customer satisfaction have a strong positive correlation. So, these dimensions offering a better quality of service enhancing customer satisfaction.

The finding of Meron (2015) conducted on Impact of Service Quality on Customer Satisfaction: The Case of Bank of Abyssinia S.C and the result show that assurance is highly correlated to satisfaction (0.606) followed by responsiveness (0.585), reliability (0.512), and tangibility (0.501) and empathy (0.487). It was consistent with this study in the first listed dimension.

4.7. Regression Analysis

Regression analysis is a statistical measurement of the relationship between the two or more variables by showing the change of response variable (dependent variable) as a result of per unit change of the predictor (independent variable). In other words, the regression model is the process of estimating the value of the dependent variable while the independent variable changed by per unit (Sekaran and bougie, 2010).

In this study, regression analyses are used to see what the dependent variable (customer satisfaction) will be as a result of change occur on the independent variable (service quality dimension namely, tangibility, reliability, responsiveness, assurance, and empathy).

4.7.1. Assumption of Regression analysis
4.7.1.1. Multicollinearty Test

Table 4. 11:Multicollinearty Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	Tangibility	0.395	2.530
	Reliability	0.331	3.017
	Responsiveness	0.462	2.166
	Empathy	0.436	2.292
	Assurance	0.430	2.326
a. Dependent Variable: Customer Satisfaction			

Source: output of SPSS from Own survey data, 2024

While computing a multiple regression, testing Multicollinearity between the independent variable is necessary. Multicollinearity test is to measure the close correlation of independent variables to each other. Multicollinearity of the variables is tested by using the tolerance statistics and variance inflation factor (VIF). If the tolerance statistics are below 0.1(10%), there will be a multicollinearity problem. And also the value of VIF of variables is more than 10, there will be a multicollinearity problem.

Regarding the table in above, all variables VIF was below 10 and the tolerance statistics were more than 0.1 (10%). So, there is no multicollinearity problem or there is no close correlation among the predictors.
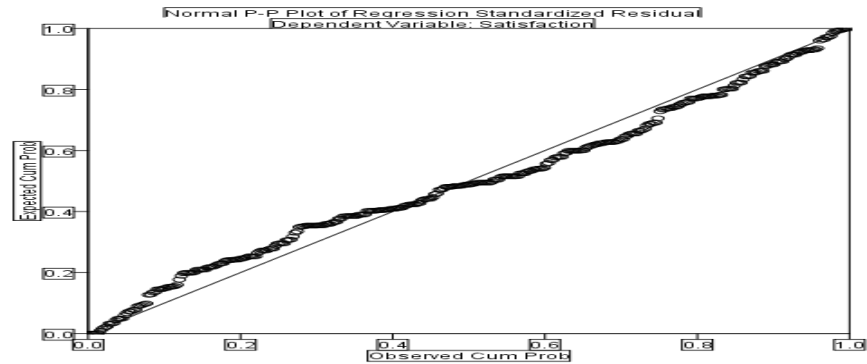
4.7.1.2 Test of Normality

Figure 4. 1:The probability Plot (P-P) graph shows the normal distribution of the population
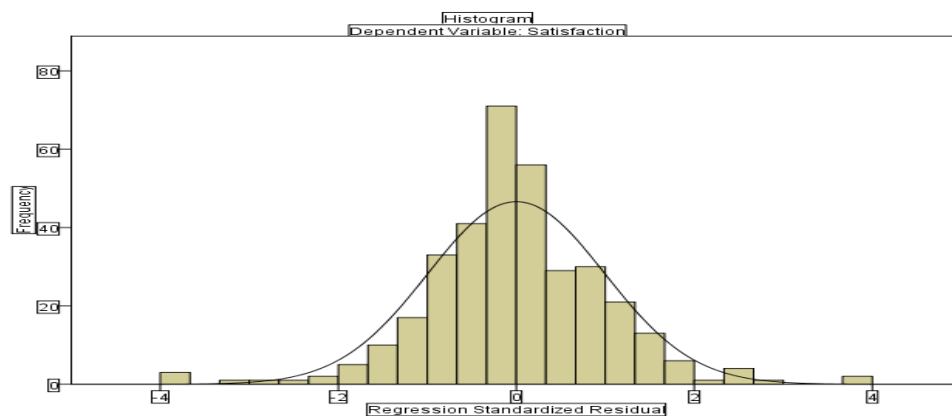
Figure 4. 2:histogram that shows the normal distribution of population

A normality test is used to determine whether the sample data drawn from the normally distributed population or not. Simply it shows the population distribution is normally distributed or not. The study used both methods of assessing normality. This can be checked by histogram and Normal Probability Plot (P-P) graph.

In the Normal Probability Plot, it will be hoped that points will lie in a reasonably straight diagonal line from bottom left to top right. This would suggest that there is normal population distribution. And also Histogram should be approximately normal or it must be bell-shaped distribution. The following figure 4.1 shows that the population distribution was

normally distributed. Because all plotted points lie near the straight diagonal line from bottom left to top right. And also figure 4.2 shows similarly the distribution of the population was normal. Because the curve is a bell curve and the histogram shows that the population is normally distributed.

4.7.1.3. Linearity

Linearity is the relationship between the dependent and independent variable should be linear concerning their parameter, this can be checked by the scatter plot of the dependent variable versus standardizing predicted. In another word, Linearity means that the predictor variables in the regression have a straight-line relationship with the outcome variable. If the remainder is normally distributed and homoscedastic, we will not have to worry about linearity. so, there is linearity.

4.7.1.4. Homoscedastic

Homoscedasticity is an assumption of regression analysis used to test whether remain is equally distributed, or whether they tend to bunch (merge) together at some values, and at other values, spread far apart. In the context of t-tests and ANOVAs, you may hear this same concept referred to as equality of variances or homogeneity of variances. Your data is homoscedastic if it looks somewhat like a shotgun blast of randomly distributed data. The opposite of homoscedasticity is heteroscedasticity, where you might find a cone or fan shape in your data. You check this assumption by plotting the predicted values and residuals on a scatter plot. So, there is Homoscedasticity to test whether remain is equally distributed, or whether they tend to bunch (merge) together at some values, and at other values, spread far apart.
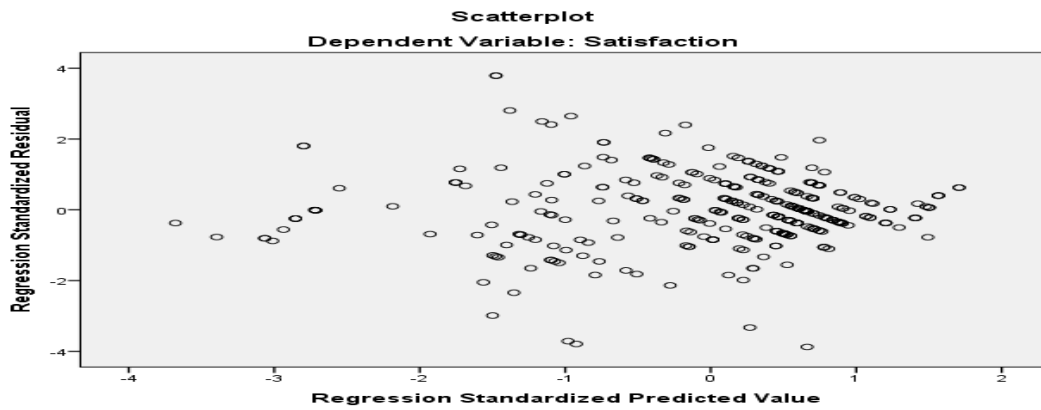
Figure 4. 3:Homoscedasticity and Linearity assumption checked by regression

4.7.2. Multiple Regression Analysis

Multiple regression analysis is a form of statistical analysis that seeks the equation representing the impact of two or more independent variables on a single dependent variable. Multiple regression analysis is a statistical model used to analyze or figure out the extent of the impact of two or more independent variables on a single dependent variable. More precisely, multiple regressions able to show how the value of the dependent variable changes as the value of two or more independent variables is changed (Babbie, 2013).

For this study, multiple regression analysis was used to determine the strength of the relationship between the overall service quality dimensions that are contracted on the conceptual framework and customer satisfaction.

4.7.2.1. Multiple Regression Analysis of Overall Service Quality Dimensions and Customer Satisfaction
Table 4. 12:Model summary of service quality dimensions

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815[a]	.664	.659	.46971
a. Predictors: (Constant), Assurance, Tangibility, Responsiveness, Empathy, Reliability				
b. Dependent Variable: Customer Satisfaction				

Source: output of SPSS from Own survey data, 2024

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From the above table 4.24 the multiple regression analysis of the overall SQDs (independent variables) and customer satisfaction (dependent variable), the model summary revealed that 66.4% (R^2 =0.664) of the variation of customer satisfaction explained by the overall service quality dimensions which are developed in the conceptual framework (Tangibility, Reliability, Responsiveness, Assurance, Empathy). Therefore, service quality dimensions have a positive effect on customer satisfaction

The following ANOVA table demonstrates that the good fitness of the model. More precisely, ANOVA table shows that the significance of the regression model. So, the following ANOVA table infers that the model is a significant or good fit at $F_{(5,342)}$ 135.071, p =0.000.

Table 4. 13:ANOVA of customer attitude towards advertising

	ANOVA[a]					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	149.004	5	29.801	135.071	.000[b]
	Residual	75.455	342	.221		
	Total	224.459	347			
a. Dependent Variable: Customer Satisfaction						
b. Predictors: (Constant), Assurance, Tangibility, Responsiveness, Empathy, Reliability						

Source: output of SPSS from Own survey data, 2024

Table 4. 14:Coefficients of service quality dimensions on customer satisfaction

	Coefficients[a]					
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.209	.137		1.533	.126
	Tangibility	.212	.043	.243	4.882	.000
	Reliability	.186	.058	.174	3.197	.002
	Responsiveness	.149	.043	.161	3.487	.001
	Empathy	.143	.050	.135	2.845	.005
	Assurance	.277	.052	.254	5.305	.000
a. Dependent Variable: Customers Satisfaction						

Source: Regression output of SPSS from Own survey data, 2024

The above multiple regression coefficients table pertained that the contribution of the effect of each service quality dimension (independent variables) on the model. The predictor

variables which have a higher beta coefficient with the lower p-value (p<0.05) have a significant contribution or effect on the dependent variable, and the predictor variables which have a smaller beta coefficient with a higher p-value(p<0.05) have insignificant contribution or effect on the dependent variable. Predictor variables that have a small beta coefficient and higher p-value have little or no effect on the model.

The above table 4.26, indicate that the two service quality dimensions (tangibility and assurance) has a positive and significant effect or contribution on customer satisfaction by 0.254 and 0.243 beta value and at p=0.000 and0.000 respectively. On the other hand, the service quality dimensions (reliability, responsiveness, and empathy) have a little positive effect or less contribution on customer satisfaction by 0.174, 0.161, and 0.135 beta value and p-value 0.002, 0.001, and 0.005 respectively.

From the above table of multiple regression coefficients, the following regression equation was developing to predict the level of customer satisfaction due to the listed predictor in this study.

$Y = a + \beta 1 x_1 + \beta 2 x_2 + \beta 3 x_3 + \beta 4 x_4 + \beta 5 x_5$

$Y = 0.209 + 0.254 x1 + 0.243 x2 + 0.174 x3 + 0.161 x4 + 0.135 x5$

Y= dependent variable (customer satisfaction)

a= constant, if all predictor variables are 0 (zero), the value of dependent variable equals to constant (=0.209)

β1, β2, β3, β4 and β5 = the beta coefficient of tangibility, assurance, reliability responsiveness, and empathy respectively

x1, x2, x3, x4 and x5 = the predictors or independent variables (tangibility, assurance, reliability responsiveness, and empathy respectively)

The result of the research conducted by Zerihun (2018) on the title "The Effect of Service Quality on Customer Satisfaction" showed that tangibility has the highest mean value of 3.81, is the dominant service quality dimension that has a relation with customer satisfaction

followed by assurance with the mean value of 3.71, responsiveness 3.64, empathy 3.49 and reliability 3.35. So, it was incompatible with the result of this study.

According to the study of Quyet and Chang (2015), the greatest satisfaction tangibility had and Reliability had the last satisfaction. The result of this study also doesn't consistent with this study.

The finding of Meron (2015), conducted on the title Impact of Service Quality on Customer Satisfaction indicated that assurance has the highest mean score which is 4.1409.

A research done by Betelehem (2015) on the impact of service quality on customer satisfaction; the case of the commercial bank of Ethiopia the regression analysis result shows that except empathy, all service quality dimensions (tangibility, reliability, responsiveness, and assurance) have a positive and statistically significant impact on customer satisfaction and 82.7% of the variation of customer satisfaction explained by service quality.

The other study investigated by Dejene (2017) on the title of the "Effect of Service Quality on Customer Satisfaction: The Case of Dashen Bank S.C". The regression analysis result of the model summary shows that 51.1% of the variation of customer satisfaction can be explained by service quality. And also, except for responsiveness the other four service quality dimensions (tangibility, reliability, assurance, and empathy) have a positive and significant effect on customer satisfaction. Whereas, responsiveness does not has a significant effect on customer satisfaction.

The result of the study conducted by Girma (2015) on the title "Assessment of Service Quality and Its Influence on Customer Satisfaction: The Case of Oromia International Bank SC". The regression analysis indicates that the four independent variables tangibility, reliability, assurance, and empathy are influencing customers" satisfaction significantly at 95% (α=0.05) confidence level. However, Responsiveness has no significant influence on customers" satisfaction at 95% (α=0.05) confidence level".

The study of Meron (2015) on the "Impact of Service Quality on Customer Satisfaction: The Case of Bank of Abyssinia S.C" regression analysis shows that tangibility, responsiveness, and assurance have an appositive and statistically significant impact on customer satisfaction at a 95% level of confidence (α=0.05). But reliability and empathy don't have a statistically significant effect on customer satisfaction and service quality can explain 43.8% of the variation of customer satisfaction.

To conclude, all the above-mentioned studies reviled that; service quality dimensions have a positive and statistically significant relationship with customer satisfaction. After all, the level of contribution of service quality dimensions on customer satisfaction and the dominance of service quality dimensions differs from case to case/studies to study.

4. 8. Interviews Questions Discussion

According to the interviewer, the bank managers and senior customers who were interviewed responded to the questions as follows:

❖ Based on the branches, the bank has modern types of equipment such as point of sale, counting machines, etc that can be used for service delivery. Customers also said that they have access to the above-mentioned services and that they are using the products to get efficient and fast service;

❖ All the interviewed bank managers and customers stated that there is no problem with the information management system in any of the service provided by the bank and even the best modern information management system;

❖ According to the bank managers, the bank often hires an employee who has worked in other banks and has well experience in dealing with customers. Customers similarly testified that the bank employees had enough knowledge because we had not seen any operational errors so far;

❖ The employees of the bank said that due to the special respect and care given to our customers, they pay special attention to each customer and that caring for customers is one of the characteristics of the bank. Customers will also be treated to a "what to order" service when they enter the bank.

❖ Although the bank can provide customers with a wide range of services, ATMs are not available in every branch, bank managers said. They said there is no queue for customers at the branch and there is no negative effect. Customers are similarly .

❖ satisfied with the service delivery, but it is good to have an ATM where can withdraw money out said of the business days (bank working days).

❖ According to the bank's branch managers, the bank has many products, but the main ones are youthes' saving (customers who are 18-30 years old), taxi saving (customers who have taxi driving license), women saving (the product only for women), and interest-free banking (IFB). Accordingly, Youths' saving product, gerig branch has the highest numbers of customers (783) whereas goro branch has the lowest numbers of product users (593). In taxi saving product mebrat hail branch has the highest numbers of product users (61) whereas goro branch has the lowest numbers of customers (30). In Lucy special women saving product mebrat hail branch has the highest numbers of product users (582) whereas goro branch has the lowest numbers of customers (165).

❖ Generally, the above response to the interview with branches' managers and customers clearly indicates that the quality of service delivery of the bank's (branches) has a positive effect on customer satisfaction. And also there is a bank product difference among these three awash bank branches in numbers of customers.

CHAPTER FIVE
5. SUMMARY OF THE FINDING, CONCLUSION, AND RECOMMENDATION

5.1. Summary of the Finding

This study was conducted on the effect of service quality on customer satisfaction in the case of awash bank at three of Addis Ababa branches. The study committed to knowing the effect of service quality dimensions (tangibility, reliability, responsiveness, assurance, and empathy) on customer satisfaction. In order to achieve its objective, this study was used SERVQUAL model to measure and know the perception of customers about the performance of service offered by awash bank S.C. This model has five service quality dimensions, and 22 items of questions were containing all five service quality dimensions used to measure the perception of the customer.

For this study, 396 questionnaires were distributed and 348 questionnaires were properly filled and collected. The general profile of the respondents showed that 63.5% of the respondents are male whereas the remaining 36.5% are female. Regarding the age profile of the respondents pertain that 52.3%(182) of the respondents' age were found between 18-30 years. It implies that the majority of the customer of awash bank at Addis Ababa branches is 18 up to 30 years old. The educational background of the respondents showed that 57.8%(201) of the respondents were Degree and above. Regarding the length of time respondents used the service of awash bank, 39.9%(139) of the respondent counted 1-3 years.

The result of the descriptive statistics of this study showed that tangibility has the highest mean score of 3.57 followed by empathy with a 3.53 mean score and assurance of 3.51. According to this study, this implies that customers of the bank are satisfied with these dimensions. But customers neither satisfied nor dissatisfied with reliability and responsiveness dimensions of service quality with the mean scores of them are 3.43 and 3.4 respectively.

The finding from the correlation analysis indicates the five service quality dimensions have a positive and statistically significant relationship with customer satisfaction.

But the remaining two dimensions (responsiveness and empathy) have weak relative other relationships and significant relationships with customer satisfaction. Among them, reliability has the strongest relationship with a correlation coefficient of 0.706 followed by tangibility with a coefficient of 0.701. Assurance 0.694, responsiveness 0.663, and empathy 0.649 have the weakest relationship with customer satisfaction relative to the other two dimensions at the Pearson correlation coefficient.

Similarly, the multiple regression analysis results demonstrate that the overall service quality dimensions have an effect on customer satisfaction. From this result, tangibility, reliability, responsiveness, assurance, and empathy have a positive relationship with customer satisfaction and have a statistically significant effect on customer satisfaction at a 95% level of confidence ($p<0.05$). The two service quality dimensions (tangibility and assurance) has a positive and significant effect or contribution on customer satisfaction by 0.254 and 0.243 beta value and at $p=0.000$ and $p=0.000$ respectively. On the other hand, the service quality dimensions (reliability, responsiveness, and empathy) have a little positive effect or less contribution on customer satisfaction by 0.174, 0.161, and 0.135 beta value and p-value 0.002, 0.001, and 0.005 respectively.

From the model summary of multiple regressions, the value of R squared shows that 66.4% of the variation of customer satisfaction explained by service quality dimensions the remaining 33.6% explained by other factors which are not included in this study.

The quality of service delivery of the bank's (branches) has a positive effect on customer satisfaction. And also there is a bank product difference among these three awash bank branches in numbers of customers.

5.2. Conclusion of the Study

This study investigated to point out the effect of service quality on customer satisfaction in the case of awash bank at Addis Ababa three branches.

✓ The result of the descriptive statistics of this study showed that tangibility has the highest mean score of 3.57 followed by empathy with a 3.53 mean score and assurance of 3.51. According to this study, this implies that customers of the bank are satisfied with these dimensions. But customers neither satisfied nor dissatisfied with reliability and responsiveness dimensions of service quality with the mean scores of them are 3.43 and 3.4 respectively.

✓ Two service quality dimensions (tangibility and assurance) have a strong positive and significant relationship with customer satisfaction. Relatively tangibility has the strongest and empathy has the weakest correlation with customer satisfaction with 0.254 and 0.135 correlation coefficients respectively.

✓ The overall service quality dimensions can explain 66.4% of the variation of customer satisfaction. And also the overall service quality dimensions (tangibility, reliability responsiveness, assurance, and empathy) have a positive relationship to customer satisfaction and from these dimensions, tangibility and assurance are statistically significant effects on customer satisfaction; the remainders are the service quality dimensions (reliability, responsiveness, and empathy) have a little positive effect or less contribution on customer satisfaction.

✓ When the branches were compared with each other in service delivery of bank products, there is a difference among these three awash bank branches.

5.3. Recommendation

In today's competitive era, service provider organizations work more on customer satisfaction through differentiating their product by providing a better quality of service in order to gain a competitive advantage over their competitors. The banking industry is one of the dominant service provider industries in Ethiopia. The last two ten years shows the presence of tight competition progress among banking organization. Therefore, awash bank S.C has expected to work too hard to provide excellent service in order to pass through this strong competition progress period. For the bank to achieve this, the researcher recommended the following possible recommendations.

➢ The finding of this study shows that, majority of the customer of the bank aged 18 up to 30 years. It implies that the majority of customers of the bank are young and productive age groups. Therefore, the bank should work more on this age group through segmentation marketing strategy by providing a unique service to handle these customers for a long period of time (to be a loyal customer) and pool more others.

➢ The descriptive statistics result of this study shows that the mean value of all service quality dimensions is lying between 3.57 and 3.4. This indicates that most customers are almost satisfied but still there is an unsatisfied customer. More specifically, the mean value of reliability is 3.57; it is relatively satisfied customers with other dimensions. And also it implies that still there is unsatisfied customer regarding tangibility dimension of service quality. So, the bank should have work more on to up to date its equipment's which are important for delivering service. And the bank should make more visually attractive the branches equipment and facilities to satisfy those unsatisfied customers.

➢ The mean value of assurance is 3.51. It indicates that customers were almost satisfied with the service assurance. It doesn't mean that the assurance of service delivered by the bank meets the expectation of customers about service assurance. So, the bank better makes more on employees provide punctual service, enabling employees are never busy to respond to customer request and empowering employees to give a quick response when ether is a problem and enable the employee to ready and voluntary to support the

customer through adding additional worker and opening additional service counter windows.

➢ From those, all five service quality dimensions assurance has a strongest positive correlation with customer satisfaction than the others and it has the first in the mean score as the result shown in this study. It implies that there is some change occurs on assurance, there will be large change occurs on customer satisfaction; but the bank doesn't work hard on this dimension. Therefore, the bank has invested more in employee about the Personal behavior of the staffs are excellent that the customer can trust, make on employees' politeness, prepare short term awareness training to staffs have adequate knowledge to serve the customer and assure to customers feel safe when doing transacting with employees in the bank.

➢ The result of this study discovered that service quality has an effect on customer satisfaction and 66.4s% of the variation of customer satisfaction is explained by the overall service quality dimensions (Tangibility, Reliability, Responsiveness, Assurance, Empathy). So, the bank better gives more attention to the selected service quality dimensions (tangibility and assurance and reliability) and improves them continue to deliver better service and able to compete in the market.

➢ Branches have expected to hard work in new bank products in order to have more customers in each product.

5.4. Suggestion for the Future Research

The main focuses of this section are going to give some suggestions for the future researcher who is voluntary to conducting on the area of marketing specifically on customer satisfaction and service quality. Therefore, the followings are some suggestions for future researchers on the area of the study.

➢ This study directly focuses on the effect of service quality in the case of awash bank S.C. So, it was limited in geographical coverage. Due to this, it was not able to assess the perception of the overall customer of awash bank branches about the performance of service offered by the bank. So, it was suggested the future

researcher, they will try to cover a large geographical coverage to increases the probability of representing the total customer of awash bank S.C.

➢ It was wanted to recommend for the future researcher, they will go to see factors that were challenges for a service provider organization to improve service quality.

➢ The result of this study shows that there is some gap between the expectation of customers and the actual or perceived quality of service offered by the awash bank. So future researcher will be conducting their study on whether the bank fills this gap or not.

➢ In addition to this, it was needs to recommend that, the coming researcher tends to make a comparison of the perception of customer about the performance of service delivered by two or more branches which are found in similar bank branches and provide similar service.

➢ Finally, the coming researcher can study the effect of service quality on customer satisfaction without the banking sector especially on government organizations (public sectors).

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APPENDIX I

QUESTIONNAIRE

DEBRE BERHAN UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

MASTERS OF BUSINESS(MBA) PROGRAM

<u>Questionnaire for Customers</u>

Dear/sir respondents, I am currently a student at Debre berhan university, and I am doing my MBA thesis on the effect of service quality on customer satisfaction; in the case of awash Bank S.C in Ethiopia at Addis Ababa branches. The purpose of this questionnaire is to gather data regarding the service quality and customer satisfaction in the case of awash Bank. The study is only for academic purposes and thus does not affect your life in any case. All of your responses to the given question would be used for the research and will be kept confidential. Therefore, the researcher kindly requests you to respond to each question in carefully, honestly and responsibly.

Thank you in advance for your cooperation and timely response!

MULUGETA LEGESSE

legessem2@gmail.com

0913660948

Note:

1. No need of writing your name;
2. Where alternative answers are given, encircle your choice and put "√" mark where necessary;
3. Please return the completed questionnaire in a timely;

Questionnaire to be filled by the customer of Awash Bank--------------------------Branch

Part I. Personal background

1. Sex

Male ☐   Female ☐

2. Age

18-30 ☐   51-60 ☐

31-40 ☐   Above 60 years old ☐

41-50 ☐

3. Educational level

Primary school ☐

High school ☐   First degree and above ☐

Certificate ☐   Other please specify_____

Diploma ☐

4. For how long are you a customer of the bank?

Less than one year ☐

1-3 years ☐   Four and above years ☐

5. For what purpose have you come to the bank today?

To deposit money ☐   To withdraw money ☐

To transfer money ☐

To open a new account ☐

Other-----------------

Part II: Service Quality Dimensions Questionnaire (SQDQ)

Instructions: Please tick the number that you feel most appropriate, using the scale from 1 up to 5 (Where 1 = strongly disagree, 2 = disagree, 3 = Neutral (neither agree nor disagree), 4 = agree and 5 = strongly agree).

Quality dimensions	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
1. Tangibility					
1.1.The branch has up-to-date equipment					
1.2.The branch's physical facilities are visually attractive					
1.3.The branch's appearance of the physical facilities are consistent with the type of service industry					
1.4. Staffs of the branch at the front line position are well dressed and appear neat.					
2. Reliability					
2.1.The bank meets its promised time-frames for network and speed service response					
2.2.The branch keeps customer record correctly					
2.3.The branch employees provide service at the designed and promised time					
2.4.The branch inform to the customer when any failure ahead of time					
2.5. The branch is dependable					
3. Responsiveness					
3.1.It is reasonable to expect prompt(fast) service from employee					
3.2. Employees always have to be willingness to help customers					
3.3. Employees are never busy to respond to customer request					
3.4. Employees should be expected to tell customers exactly when the service will be performed.					
4. Assurance					
4.1.Personal behavior of the staffs are excellent that the customer can trust					
4.2.Employees are polite					

4.3.Staffs have adequate knowledge to serve customer					
4.4 Customers feel safe when doing transacting with employees					
5. Empathy					
5.1.The bank is expected to give each customer individualized attention					
5.2. Employees are expected to give each customer individualized attention					
5.3. It is reasonable to expect employees to have the best interests of the customer at heart.					
5.4.It is realistic to expect employees to fully understand the needs of the customers					
5.5. The bank has comfortable working hours to all customers					

Part III: Customer Satisfaction Questionnaire (CSQ)

Customer Satisfaction	strongly disagree	Disagree	Neutral	Agree	strongly agree
	1	2	3	4	5
1. Am satisfied with the security of the bank services.					
2. I am satisfied with the respectful behavior of the bank staffs					
3. I am satisfied with the communication ability of the employee of the bank					
4. I am satisfied with the performance of the employee of the bank.					
5. I am satisfied with the various range of service of awash Bank					

PART IV. INTERVIEW QUESTIONS

1. Does the bank have modern, high-quality service delivery equipment? Specify if you have any.

2. Is the information management system reliable in the services provided by the bank? Explain what you believe.

3. Do the bank employees have enough knowledge to handle customers? How do you describe their knowledge?

4. Do the bank employees pay attention to each of their customers? Explain how they provide.

5. Are you satisfied with the full service delivery system? Give a reason.

6. What are the main products provided by the bank to the customers? How much are customers using these products?