



ASSESSMENT OF INFORMATION TECHNOLOGY ON SERVICE DELIVERY
AND CUSTOMER SATISFACTION: CASE COMMERCIAL BANK OF ETHIOPIA
(IN THE CASE OF WOLKITE BRANCH).

A RESEARCH PAPER SUBMITTED TO DEPARTMENT OF MANAGEMENT
COLLEGE OF BUSINESS AND ECONOMICS WOLKITE UNIVERSITY IN
PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF BA
DEGREE IN MANAGEMENT.

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WOLKITE,
ETHIOPIA Apr 2025

ACRONOMYS

CBE: COMMERCIAL BANK OF ETHIOPIA

BA: BACHLER OF ART

IT: INFORMATION TECHNOLOGY

ATM: AUTOMATED TELLER MACHINE

CS: CUSTOMERS SATISFACTION

Acknowledgements

First and for most, I would like to give my praise to the Almighty GOD for his invaluable cares and support throughout the course of my life and helped me since the inception of my education to its completion and enabled me to achieve my study by giving health, knowledge ,power of communication and endurance.

Next, I would like to express my sincere gratitude to my Advisor Mr. Wuletaw Fantaye for his patience motivation and valuable support while conducting this research. His advice, tolerance, guidance, criticisms and correction throughout the course in preparing the paper were the reason to realize the task.

And also I would like to thank customers of the bank for their valuable response and cooperation in filling the questionnaire.

Finally, I wish to express my sincere gratitude to my friends to their tremendous contributions to this study

Abstract

The study will assess the impact of information technology on service delivery and customer satisfaction in the case of commercial bank of Ethiopia at Wolkite branch. The banking industry of Ethiopia plays a crucial role for the economy of the country. As the financial institution and service sector the activities of the commercial banks mainly depend on customers. By delivering quality service customer satisfaction has become the issue of success for the banking industry. This research has considered critical literature reviews of studies which will do with related to customer satisfaction with the objective of examining quality service delivery factors and the impact on customer satisfaction. Since there is stiff competition in the banking industry of Ethiopia customer satisfaction on information technology is the means of gaining competitive advantage within the industry. And this study used a qualitative research approach with purposive sampling technique. Primary data source (questionnaire) will be used with a total sample size of 100 respondents and interview was asked from the manager of the bank. Thus to excel the service quality and to satisfy the customers the commercial banks should improve the service. Network and power interruption, lack of branches, lack of competent employees and gaps in awareness creation for the banking service to the customers in easy and understandable manner are the causes for poor service quality. Therefore, to achieve the objectives and goals the commercial banks should give appropriate solutions for the identified problems to overcome customer dissatisfaction in service quality.

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CHAPTER ONE

1. INTRODUCTION

The first chapter of the study gives a brief explanation by starting with the background section, which contain the overall concepts about service quality and customer satisfaction on information technology. And then background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope and limitation of the study and the overall content of the study has been discussed respectively

1Background of the study

Information technology on customer satisfaction is the life blood of business success regardless of whether a business Customer provides products, services or both to manufactures, retailers or end use. I.e. the service consumers in business customer satisfaction on information technology are the key component to success. Unhappy customer can lead to substantial loss in profits through poor word of mouth and lack of repeat business. Customer satisfaction is paramount the success of any business. Customer satisfaction becoming controversial issue in different ways; This is because the existence of the organization mainly depends on customer. During the past century the main concern of the organized the bench mark of the organization or industries performance is customer satisfaction. Organizations are different depending on the service delivery. But their major objective is to insure their profitability, sustainability and their good will be providing goods and services which are important for customer performance. Preference of customer can be measured by different ways. (Kilter 2000) Satisfaction would depend on product and service quality is defined as “fitness for use” conformance to requirements freedom from variations Kilter and Keller. 2006). in this study the researcher would tried to assess customer satisfaction towards information technology on service delivery and customer satisfaction in commercial bank of Ethiopia wolkite branch.

1.2 Statement of the problem

Customer satisfaction on information technology is a measurement that determines how happy customers are with a company's products, service, and capabilities. In business customer satisfaction is the key component of efficiency of any organization. Unhappy customer can lead to a substantial loss in profits through poor word of

mouth and lack of repeat business. A customer is not depending up on organizations rather organizations are dependent up on customer. There for, customers are the final decision makers and they can be called as kings. Without customer it is impossible for any business to sustain it achieving the desired results are frequently a result of customer satisfaction. Any business without a focus on customer satisfaction is at the money of the marketed. Customer satisfaction refers to the extent to which customers are happy with the product and services provided by a business. It is important for banks to be competent with the other bank. And also customer's services is an act or performance that one party can offer to another that is essentially (the most important) intangible and doesn't resort in the ownership of anything.(Kilter, panda Altman 2000)

Now a day, many business companies in our country are engaged in providing services to the society, usually the same service is being provided by different organization. And customers have many choices to satisfy his/her needs, if a customer doesn't feel comfortable with the service provided, he/she can go to other service providers. By taking this in to account, service provider should control and evaluate their service quality to increase customer satisfaction and keep their competitiveness. Since customer is a base for profitability and growth of the business, a company must keep and improve its service quality. If organizations fail to serve and satisfy their customers they will lose their profit as well as business directly or indirectly (Loon am, 2008).

In our county the banking industry is grows at a slow rate in many aspects such as in number, financial strength, type of services and application of technology (Melissa, 2014). Poor quality service is one of the major factors for the failure of many financial institutions and service organizations. Mostly, customer's dissatisfaction is related to poor quality services that can result poor image for the organizations (Bethlehem, 2015).

When banks provide service it should keep in mind to achieve their vision. CBE has a vision of being world class commercial banks by 2025. As "Abyssinia" is the ancient name of our great nation and that of the pioneer bank of the land, Bank of Abyssinia's vision is to live up to this legacy through continuous innovation and provision of world class banking services. It is difficult to find today a bank that does not initiate some kind of service quality improvement programs. Also, commercial banks are still

struggling to improve and keep their service quality towards increase customer's satisfaction by providing and implementing change tools like Business process re-engineering(BPR) and Balanced Score Card (BSC), modern banking systems (Core Banking System, E-Banking, Mobile Banking, and Internet Banking) and technological instruments (ATM, POS) and other many banking services tools (Lynch, 2011). However, there are some problems and difficulties observed on its service quality, uses of banks working hours, handling of customers compliant, and other services to apply effectively and efficiently as expected. In the banking industry, offering quality services is very significant to create closer attachment with the entire customers. The issue of quality service is becoming a global concern that demands continuous improvement to fit the unbalanced environment and changing customer needs (Black, 2011).

Quality of services has the power to create customer satisfaction and making them loyal. On the other hand poor quality of services results in customer dissatisfaction and customer defection by going to other competitors. Creating customers satisfaction includes prompt and effective response and solutions to their needs and desires as well as building and maintaining good relationships. Getting quality service is the criteria of the customers to distinguish one service provider from the other (Gale, 2007).

A business can achieve success only by understanding and fulfilling the needs of customer. Hence, customer satisfaction plays an important role for the success and continuous existence of the industry. There is a great deal of research work has being found recently concerning customer satisfaction and concepts and theories are discussed on this topic too. Advocates of customer satisfaction emphasizes on the importance of giving service according to specifications, and handling customer complaints in a good way to achieve their organizational goals (Mercy, 2016). According to Shafer(2011), in the banking industry offering quality services is very Important to create closer relationship with the entire customers in today's rapidly Challenging business environment due to technological advancement coupled with high competition within industry players and outside businesses, there is a greater need to improve on customer experience in the banking industry. Since there is a competition within the banking sector of Ethiopia, challenges has been existed with regarding to technology, accessibility, employee recruitment and working

environment layout. And these challenges lead to the cause for poor service quality. Even though service quality is the base for customer satisfaction in the banking sector, most of the banks in Ethiopia lack to provide quality service to their customers (Ayenew; 2014).

Currently banks in Ethiopia have been encountered by network failures, power interruptions, lack of accessibility (Bethlehem, 2015). Customers are willing to extend their loyalty to business that can offer superior value relative to the offers by competition (Yang and Peterson, 2004) cited in (Mercy, 2016). Therefore, with increasing competition in the service industry, banks included there have needed to refocus service delivery objectives.

In light of the above discussion, it is deemed essential for selected commercial banks to be fully aware of its customer satisfaction in relation with the service offered to them. If commercial banks does not asses the magnitude of their customer actual satisfaction of the service and make appropriate measure the result may have a direct impact on customer dissatisfaction. Commercial banks (Wolkite branch) in the banking industry of the country should pay more attention for service quality to meet the customer's satisfaction.

As a result, the main purpose of this research is to assessment of customer satisfaction towards service delivery at the selected Commercial Banks under Wolkite branches. The former researcher are done their work in other geographic area i.e. not in Wolkite branch then the researcher study would be assessment of information technology and customer satisfaction tat commercial bank of Ethiopia in Wolkite branch.

1.3 Basic research question

1. What are the ways the organization use to evaluate its information technology on customer satisfaction?
2. What are the activities that dissatisfy the customers on the bank?
3. What policies, procedures and practice the bank follow in order to improve service delivery?
4. How information technologies affect customer satisfaction?

1.4 Objective of the study

1.4.1. General Objective

The general objective of this study was to assess the role of information technology on service delivery and customer satisfaction at commercial bank of Ethiopia Wolkite branch.

1.4.2. Specific objectives

- ✓ To assess the way that the organization use to evaluate information technology on service delivery and customer satisfaction.
- ✓ To find out the problem that creates dissatisfaction on the parts of customer associate with the service provided by the bank.
- ✓ To assess whether the banks providing high facility service to its customers or not.
- ✓ To assess the impact of information technology on service delivery and customer satisfaction.

1.5. The significance of the study

The study finding will significant for both the researcher and the organization.

1.5.1. To the organization

For the organization it is important to show its strength and weakens as well as the satisfaction level of the customer.

1.5.2. To the student: It is important to develop the researcher's knowledge and skill on how to conduct research and also it is important to develop the researcher's knowledge with regard to assessing customer satisfaction on the bank.

1.5.3. To another researcher

The researcher can take this study as a reference for conducting other similar assessments and may use as a base to conduct and identify research gaps.

1.6 The scope of the study

The study would be focused on Assessment of information technology and customer satisfaction at commercial bank of Ethiopia in the case of Wolkite

1.7 Limitations of the Study

The problems that willbe uncouncted while conducting this study are;

- lack of customer's confidence to fill the questionnaire

- And also there was difficulties to get empirical data in Ethiopia related to the topic. .
- Time and financial constraints

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

This chapter starts with presenting the banking industry of Ethiopia and the service delivery process of the selected commercial banks. The study emphasizes on factors of service delivery and their impact on customer satisfaction in selected commercial banks (Branch of Wolkite). For this study the service delivery factors are; technology, bank accessibility, employee competency, internal processes and procedures facility layout. Following this, various empirical studies have been reviewed on emphasizing quality service delivery and customer satisfaction. the knowledge Finally, gaps from the reviewed literature were drawn on this chapter.

2.1 what is customer satisfaction?

Customer satisfaction is the life blood of business success regardless of whether a business provides products, services or both to manufactures, retailers or end users. In business customer satisfaction is the key component of efficiency of any organization. Unhappy customer can lead to a substantial loss in profits through poor word of mouth and lack of repeat business.

A customer is not depending up on organizations rather organizations are dependent up on customer. Therefore, customers are the final decision makers and they can be called as kings. Without customer it is impossible for any business to sustain it achieving the desired results is frequently a result of customer satisfaction. Any business without a focus on customer satisfaction is at the money of the marketed. Customer satisfaction refers to the extent to which customers are happy with the product and services provided by a business (Kittlerpanda and G. Zelman 2016) In free market economy there is intense completion of business firms and also there is adequate information about the current market situation. This is so, business firms should be pay high attention to words customer satisfaction. Customers satisfaction in service sector service render composes have been used service based strategy without considering customer satisfaction. This is because during 1950 onwards they were rapid population growth in the world.

In this cues companies are highly focused on providing adequate services for customers regardless of the quality of service. (Philip Kittler, 1994)

Customer satisfaction is a person's feelings of pleasure a disappointment resulting from comparing a product received performance in relation to his/her expectation. From this definition satisfaction is a function of perceived performance and expectation. If the performance fails short of expectation, the customer dissatisfied. If the performance matches the expectation, the customer is satisfied. If the performance exceeds expectation the customer is highly satisfied or delighted. Those who are highly satisfied are much less ready to switch. High satisfaction or delights creates an emotional affinity with the brand, not just rational preference the result is high customer loyalty. (Saturn 1994)

2.1.1 Measures of customer satisfaction

According to (Harvard business review, 1995) customer satisfaction is a measure of degree to which a product or service meets the customers' expectations. Measuring customer's satisfaction also enables a business to determine the companies' strength's and weakness and identify new markets that increase its customer base measuring customer satisfaction is an essential form of determines how the business reaches its target and goals. Companies used the following methods to measure customer satisfaction.

1. Customer satisfaction survey

Responsive companies take direct measure of customer satisfaction by conducting regular, survey. They send quarterlies or make telephone calls to a sample of recent customer to find out how they fail about various aspects of the sampan's performance. The company can ask respondents to list any problems they have had with the other and to suggest improvements. The result of these surveys can be used to compute customer satisfaction index. Such quantitative measures are useful for comparing results from different business units, location and time periods. They often measure the customers repurchase intention, this will usually be high if customer satisfaction is high.

2. Complaint and suggestion system

A customer center organization makes it easy for customer to make suggestions for complaints. Banks provide forms on which guests can check of their lives and dies likes.

Companies also use toll free numbers to their lives and dies likes. Companies also use toll free numbers to make it easy for customers to inquire. Suggest, or complaint. Such system not only helps companies to act more quickly to resolve problems but also provide companies with many good ideas for improved service.

3. Attentive front line personnel

Employs that have direct contact with customers can be an excellent source of information about customer satisfaction. They are often the first to know about both what delights customers and what disappoints them.

4. Ghost Shopping

Another useful way of assessing customer satisfaction is to hire people to pose as peer to report their experiences in buying the companies and competitors product. Company managers themselves should leave their office from time to time and experiences first hand treatment they receive as “Customers”.

5. Customer defection analysis (Lost customer analysis)

Companies should contact customers how have stopped buying, or those who have defected to a competitor, to Learn why this happen. Carefully questioning defecting customers yields two important benefits. It identifies the problem with the company’s services that causing customer’s to leave. It provides an opportunity to meek a last-ditch effort to keep the customer. Often companies, find that they can recapture substantial proportion of lost customers simply by contacting them, listening to their concerns, making sincere effort to correct the problem. (Philip, 1999)

Delivering customer value and satisfaction given the importance of customer value and satisfaction, what does it take to produce and deliver them?

To answer these equations, will need to discuss the concept of value chain and value delivery stems.

Value chain Michael porter of Harvard proposed the value chain as a tool for identifying wears to create more customer value. Every firm a collection of activities that are performed to design, produce market delivery, and support its product. The value chain identifies the sequence of business operation starting from procuring materials up to distributing products to customers.

Too often, companies department act to maximize their interest rather than the company’s and customer interest. Each department has created wall that slow down the delivery of quality customer service. The solution to this problem it is place more

emphasis on the smooth management of care business process most of which involve across functional inputs and cooperation's.

Value Delivery Network

To be successful the firm also needs to look for competitive advantages beyond its own operations, into the value chains of its suppliers, distributors and customers. Faced with intense competition, many companies today have partnered with specific suppliers and distributions to create superior value delivery network; The need for Customer Retention.

According to (Myron Magnet, 1994) the cost of attracting new customer is estimated to be five times the cost of keeping current customer happy. It requires already death of effort to induce satisfied customers to switch away from their current suppliers.

2.1.2 Characteristics of Service

A service is an activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product. Pure service has several distinctive characteristics that differentiate them from goods and have implications for the manner in which they are marketed (Kittler, P. and Armstrong, 1994)

1. Intangibility

A pure service cannot be assessed using any of the physical senses, it is an abstraction. This cannot be directly examined before its purchase. The in tangible process characteristics that define service, such as reliability. Personal care and attentiveness and friendless of staff can be verified only when service has been purchased and consumed.

Intangibility of service leads to customers.

- Having difficulty in evaluating competing services
- Perceiving high level of risk
- Placing great emphasized on personal information source
- Using price as base for assessing equality

These may results in management response through the following ways:

- Reducing service complexity
- Stressing tangible cues
- Facilitating word of mouth recommendation

- Focusing on service quality

2 Inseparability

Producer and consumer must interact in order for the benefit of the service to be realized both must be normally meet at mutually convenient time and place in order that the producer can directly pass on service benefits. In the extreme came of personal care service the customer must be present during the entire production process. Inseparability of service leads to customers:

- ✓ Being co-producer of the service
- ✓ Often being co-consumer of a service with other consumer
- ✓ Often having to travel to the point of service production

The results in management process are:

- ✓ Attempt to separate production and consumption
- ✓ Management of consumer producer interaction
- ✓ Improvement in service delivery system

3 Variability

Variability can be particularly difficult to control when personnel are involved in providing service such as hairdressing on a one to one basis when no easy method of monitoring and controlling is possible. The variability of service output can pose problems for brand building in services compared with tangible goods.

Variability of service implies that:

- ✓ For any particular service process. Customers experiences vary
- ✓ There is potential for customizing a service offer
- ✓ Brand building is difficult.

These results in management response through

- ✓ Tightly specifying service process deskillling many person task
- ✓ Exploiting opportunities for customization
- ✓ Having strategies to recover from service failure

4 Perishability

Services differ from goods in that they cannot be stored. The perish ability of services results in greater attention having to be paid the management of demand by evening

out peaks and trough in demand and scheduling as far as possible service production to follow this pattern.

Service perishes ability leads to:

- ✓ Impossibility of inventorying service
- ✓ Requirement to match time of supply and demand
- ✓ Deterioration of quality in peak periods and unused capacity in off peak period

This results in management process through:

- ✓ Use of marketing mix to even out pattern of demand
- ✓ Development of demand responsive production systems
- ✓ Use of lines and reservations systems.

2.1.3 Important of information technology on service delivery and Customers Satisfaction

The important of customer satisfaction is apparent when you reality that without customer satisfaction is a parent when you realities that without customer, you donate have a business: a single unsatisfied customer can send more business way from your company than satisfied customers.

Customer satisfaction is important for the following reasons?

1. To Understand the Needs of the Customer

A business relationship, just like any other relationship relies on both people getting their needs and wants to meet. Customers do not want to get the impression that they are just being used by you for money. Smaller interactions like “Thank You” and anise smile can go a long way towards customer satisfaction.

2. To make sure Employees Operation with the Same Principle

A big part of customer satisfaction is reliability. If customers come to expect a certain mode of behavior from you and your employees, you should deliver it to them each and every time. By training employees to treat all customers with the same respect, customers will or, have the same experience with your company, which will increase customer sat is faction.

1. To be Honest When you donate me Expectation

The phrase the customer is always right is at the care of a good customer satisfaction strategy. It doesn't matter whether or not the customer misread the instructions or made the mistake: employee should take the steps to make the customer happy

2. It is also the foundation of a good business

Satisfied customers will make a great foundation for return business and they maximize also bringing in their friends and associates. Logically, customers are the heart of any business.

2.1.4 Customer Satisfaction objective and Strategies

The most widely pursued customer satisfaction objectives are the following?

- ✓ Achieving a high quality offering
- ✓ Achieving a high level of productivity
- ✓ To differentiate the service rendering
- ✓ To retain the current customers

The strategies that can be taken to fulfill the above objectives are:

- ✓ Providing training those of employees
- ✓ Material maintaining and creating service
- ✓ Accepting and respecting customer suggestions
- ✓ Develop principles of standardization for service rendering system.

2.1.5 Models of Customers Satisfaction on information technology

Models are important for the purpose of identifying customer satisfaction exactly. The service rendering company should clearly identify customer models in order to conduct sustainable business process.

Customer perceived value: - a customer's opinion of a service to value to him or her.

It may have little or nothing to do with service market praise, and depends on the service quality to satisfy his or her needs or requirements.

Customer reliability customers hold have uninterrupted service over desired duration.

It is also very crucial for those banks for the following reasons?

- ✓ It maintains reputation
- ✓ Provides repeat business
- ✓ Competitive advantage

Customer Expectation:- This is a customer perceived value search from the service being utilizing or consuming. Normally customer may predict or focus about the quality of the service whether it may be satisfied or not (Kneapan J. Warren, 1995)

Customer Value: - The difference between what a customer from a service or product and what he use has to give in order to get it. Sometimes customer values will not be correctly matched as they want.

Customer loyalty: - It is used to describe the behavior of repeat customers as well as those that of good ratings, reviews or testimonials. The ultimate goal of customer loyalty is happy customers who will return to purchase again and persuade others to use that industries service. This equated profitability as well as happy stake holders. There are two ways strengthen customer retention one is to erect high switching barriers the second is to deliver high customer satisfaction.

2.1.6 Customer complaints

Seeking out and identifying customer complaints is one of the most potentially profitable to that a business can engage in. an organization should focus on establishing a separate customer complaints monitoring. This role of the cell is to receive, register and classify complaints forward them to the respect department to initiates action and following up while the complaints is attended to the satisfaction of the customer concerned. Periodical meeting of functional areas are to be arranged to discuss. The value and nature of complaints received. This will help to proactive accordingly such attempts will enable better relationship with customer (Mohammed, 2003).

(Fitzsimons, 2003); States that customer complaints often several advantages in measuring service quality some are:

1. Companies gain valuable information on how customers feel about their service firms may believe they are supplying good and service but if customer do not feel the same and do not express their feelings, service provider cannot understand their weakness to take corrective action and make customers to come back.
2. Complaints point out an area that needs improvement understanding how customer feel about a service will provide firms with information that can be used to improve their effort to be after meet customer needs.

2.1.7 Customer Handling

Market oriented service provider are not focusing on a single transaction with customer. Their main objective is starting, developing and maintain relationship with customer. In some situation it may also mean that relationship is ended. for example when the service provider does not meet customer demands (any longer), relationship marketing concerns attractive, developing and retaining customer. Customer who are glad they selected firm who perceive they are receiving value and feel valued who are likely to buy additional service from the firm and who are unlike it able of all customer they spread favorable world of mouth information about the firm and they may even be willing to pay a premium price for he/she benefit the service other.

(Kasper Holding and Varies Jr. 19997)

Companies with such customer will have lower marketing cost relationship marketing are favored by customers in the service business customer often want to have a partner whom them customer and who cares about them. This allows for closer and more personalized contacts.

2.1.8 Types of Handling

Kittler/1994 defines five different level of relationship to customer these are re defined in terms service they can be described as follows.

Basic: the sales person sale the service but does not contacts the customer again.

Reactive the sale person save the service and encourages the customer to all of he/she have any question/complaints.

Accountable: the sale person phones the customer a short time after the sales to chalk weather the service is meeting the customer any service expectations. The sale person also solicits from the customer any service improvement suggestions and any specific dies appointments. This information helps the company to continuously improve its offering.

Proactive: the company sales person poles to customer from time to time with suggestions about improved service use or helpful new service.

Partnership the company works continuously the customer to discover ways to affect customer savings or help the customer to perform better.

Relationships are not static phenomena rather they are characterized by names and change over time. They go through a certain development, comparable with the well-known like cycle of products or organization's (Kasper Helsingr and Uris 1999)

- Handling Dissatisfied Customer

Dealing with angry, upset customers take a lot of self-control as service givers dealing with your customer. Whatever the situation may be you must be the controller and learn to take on the responsibilities of the problem.

Seyou M (1998) states source tips for handling dissatisfied customer the steps have been put as follows:

1 Listen with understanding: It defuses anger and demonstrate your concern show interests and willing demonstrate your concern show interests and willingness to help. No matter what caused the problem don't blame other, take full responsibility for filling the problem and whatever can to solve it as rapidly as possible. Find out what the customer wants propose a solution and get his support state your solution in a positive manner act quickly. Make a follow up call to insure satisfaction.

- Handling Satisfied Customers

International customer satisfaction standards may be handled by having the following criteria.

Enhancing customer satisfaction by creating a customer focused environment that is open to feed back (Inc lading complaints) resolving any complaints reserved and enhancing the organization daily to improve its product and customer service.

Top management involvement and commitment through adequate a question and development of resource including personal training.

Recognizing and addressing the needs expectations of complaints;

providing complaints with an open effective and easy to use complainant's process.

Analyzing and evaluating complaints in order to improve the products and customer service quality.

Reviewing the effectiveness and efficiency of the complaint handling process ([http:// Business ball.com](http://Businessball.com))

2.2 Empirical evidence

The research done by Bethlehem (2015) on the title of 'the impact of service quality on customer satisfaction: case of commercial bank of Ethiopia.' And the main purpose of study was to assess the impact of service quality on customer satisfaction in the case of CBE. The result was shows that there is a gap on the service quality of CBE.

The research done by Amman (2008) with title of “Effects of service delivery process and service quality on customer satisfaction: a case study of EEPCO, North Western region, Bahir Dar town customer service centre”. The main purpose of the study was to examine the effect of service delivery process and service quality on satisfaction of customers of EEPCO with the 3233 following specific objectives: To examine the effect of service delivery process and service quality on customer satisfaction and to understand real situation on how EEPCO handle its customers.

Quality of services has the power to create customer satisfaction and making them loyal. On the other hand poor quality of services results in customer dissatisfaction and customer defection by going to other competitors. Creating customers’ satisfaction includes prompt and effective response and solutions to their needs and desires as well as building and maintaining good relationships. Getting quality service is the criteria of the customers to distinguish one service provider from the other (Gale, 2007).

And also other research conducted by Massey (2012) on the relationship between on service delivery and customer satisfaction in Ethiopia banking sector and the result shows that service quality is inversely correlated with customer satisfaction.

2.3. Summary and knowledge gap

In summary, all the literature review regarding the impact of quality service on customer satisfaction have leads to the fact that quality service has impact on customer satisfaction of commercial banks. The former researcher are done their work in other geographic area i.e. not in wolkite branch then this study would be assessment of information technology and customer satisfaction towards service delivery at commercial bank of Ethiopia in wolkite branch.

CHAPTER THREE

3. Research Methodology and Design

While the study primary aim is to examine and identify the factors of quality service delivery and their impacts on customer satisfaction at the Commercial Banks (wolkite branch), the methodology section describes clearly: the research design, the sample size, sampling techniques, data sources and instruments that has been utilized in collecting data, the procedure of data collection and the method of data analysis, statistical tools and model specifications, and the ethical consideration.

3.1. Study Design

This section deals with the methodological steps adopted for this study. The appropriate design for this study has used descriptive and quantitative type of research design.

3.2 Target Population

This study was conducted at commercial bank of Ethiopia in Wolkite branch. So the targeted populations for this study were customers of the bank.

3.3. Sampling Techniques

The method of sampling techniques in this study would be used non probable sampling techniques. Convenient sampling technique mainly used in this study to overcome time, budget constraint ease of access and geographical proximity, to direct the study as per both the researcher and the customer of the bank convenience. I.e. it was difficult to get all the customer of the bank. There for the convenient respondents among the entire of customer of the bank were used.

3.4 Sample Size Determination

According to the information which the researcher has been gotten from the manager of CBE at wolkite branch the total number of customer in CBE are 26,448, from the total customer of the bank 100 customers would be conveniently take as sample using non probability sampling technique in order to overcome the problem of time as well as cost constraint. The customer of the bank are large in number but finite so to determine sample size the researcher has been used the following formula assuming

the level of confidence to be 90% and the level of error to be 10%.

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

Where n= total sample size

N=total population

e=sample error (10%)

$$n = 26,448 / 1 + 26,448(0.01)^2 = 99.62 \sim 100$$

3.5. Description of the study area

The study was conducted in commercial bank of Ethiopia in Wolkite branch. It located in Garage zone in Wolkite town; it located 155KM South East of Addis Ababa from the capital city of Ethiopia. The reason why the researcher chooses this study area was that because of the problem as disclose in the title of the researcher was occurred in various situation. The climate condition of the study area is woyinadega. The socio economic is based on most of the society are government servant and trader; the rest are participate in other occupation.

3.6. Source of Data

In order to meet the purpose of the study the researcher has been used both primary and secondary source of data.

3.7 Method of data Collection

Data in the research has been gathered from two main source i.e. primary and secondary source of data. The primary sources of data we recollect from customers through questionnaires. The equation would be given to the selected customers of the bank to respond their own idea. Because it enables respondents to have adequate time to think over the questions and to write their major problems on the questionnaire paper by using their own word and secondary source of data are include books and internet.

3.8 Methods of Data Analysis and Interpretation

After collecting the required data through questionnaires, it was analyzed and presented by using descriptive methods. I.e. percentage and tables

3.9. Ethical considerations

This study has been completed by using the data, which was obtained from the customers'. And their response was the main input to the study. By considering their collaboration in this research, the researcher was giving a special care to the customers with regarding to their freedom and permission of the response. Clearly, the researcher informed about the confidentiality of the information and the intended purpose of the questionnaire. To give a confidence and to avoid any frustration, the customers (respondents) were not allow writing their name and addressing on the questionnaire. And their valuable response was needed only for academic purpose. In addition, a clear and precise explanation has been given to the respondents on the questionnaire with regarding to the aim of the study, to assured a full confidence and to get a real response. All in all, the customers who give the response for the questionnaire were informed about their wellness in connection with their participation. Moreover, the materials which have been used for the study obtain from appropriate sources.

CHAPTERFOUR

TIME BUDGET AND COSTBUDGET

4.1Time budget

No	A c t i v i t i e s	Dec.	Jan.	Feb.	Mar.	A pr.	May.	j u n .
1	Title selection submission	*						
2	L i t e r a t u r e r e v i e w		*					
3	Proposal development and consultant	*						
4	Submission of proposal		*					
5	D a t a c o l l e c t i o n			*				
6	Data analysis and processing			*				
7	R e p o r t w r i t i n g			*				
8	Submission of report					*		
9	Presentation of the finding						*	

4.2 Cost budget

This part of the research contains different types of expenditures that will be in corroding conducting the study. This expenditure would be covered by their searcher families. The following table shows expenditures of the items with the era associated lost.

I t e m s	U n i t	U n i t c o s t	T o t a l c o s t
M a t e r i a l		B i r r	B i r r
P a p e r	1 package	5 0 0	5 0 0
e n	4 u n i t	2 0	8 0
e n c i l s	1 u n i t	1 0	1 0
i n d e r	3 u n i t	2 0	6 0
r a s e r	1	1 0	1 0
C o m p u t e r c o s t	1		
S e c r e t a r y	1	3 0 0	3 0 0
A t t a c h m e n t s	4	8	3 2
C o p y	4	1 6	6 4
F l a s h d i s k	1	3 0 0	3 0 0
O t h e r c o s t s			
T r a n s p o r t a t i o n	10 times	1 0	1 0 0
M i s c e l l a n e o u s		1 0 0	1 0 0
C o n t i n g e n c i e s		1 5 0	1 5 0
T o t a l	3 1	1 7 9 4	1 7 0 6

5.3. Recommendation

- ❖ Based on the research findings and conclusions, the following issues are recommended for commercial banks wolkite branch to improve customer satisfaction is advisable if the employees of the bank should be given continuous training on the way to how to give courtesy and respectful service.
- ✓ The bank better have to create awareness about the type of service provided by it. It can be done through printing media, preparing pamphlets and advertisement.
- ✓ Putting suggestion box in convenient place and accepting complaints respond towards it appropriately and immediately.
- ✓ It is advisable if the bank use helpline telephone; that receive customers complaints.
- ✓ The bank has no experience of conducting marketing research or customer satisfaction survey. These have determination effect on effectiveness in marketing activity. Because the bank cannot able to identify weather customers are satisfied with the service they provide unless it understands extensive marketing research. So it is better to if perform market research for customer satisfaction.
- ✓ The banks that thrive in the future will be those that are able to focus more on their customers Rather than the products and service which they sell.
- ✓ The bank better to have the interest of their customers at heartbecause the company said customers are the true business of every company.
- ✓ It is advisable if bank embark on effective training and development skill that can help employees deliver promote service to the customers.
- ✓ It is advisable if the bank try to engage in overtime banking. That is working extra hours, as this would profit working class, individual who do not have the opportunity to go to the bank during their working hours. And bank operators should ensure that they avoid putting promises that will unnecessarily raise the expectation of the customers as against the actual quality of service they are able to provide.
- ✓ To keep loyalty of the customers it is advisable if the bank follow the following service delivery practice providing better quality service, fair price,

proximity and provision of better customer service compared with other competitor banks.

- ✓ Commercial banks should create awareness for the customers; regarding with Technology that has been used by the bank's in a clear and understandable manner.
- ✓ The commercial banks should have a conducive working environment not only to
- ✓ Increase customer satisfaction but also to satisfy the staff of the banks because
- ✓ Satisfied staff is the cause for customer satisfaction by engaged to the customers.

All in all, to survive in the stiff competitive banking industry with achieving the goals and objectives, banks have to increase customer satisfaction and maintaining higher level of loyalty by providing quality service in efficient and effective manner. And more emphasis shall be given by the commercial banks to the major variables which have more impact on customer satisfaction in service quality.

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Internet source

- <http://www.businessball.com>
- <http://www.tarupublication.com>

APPENDIX I

Wolkite University

College of Business and Economics

Department of Management

The objective of this study will be to assess the over all aspects of information technology on service delivery and customer satisfaction with in commercial bank of Ethiopia. So far your response will not be publicized and kept a secret. And you are kindly requested to provide relevant answer to the questions willingly. So, your correct response have great contribution to attain the purpose of the study. Finally I will be like to thank you in advanced for your valuable response in filling this questioner.

Read the following instructions carefully to fill the questionnaires.

1. Writing name is not necessary
2. Please mark this symbol for your answer in the box.

Questionnaires for customer's demography characteristics

1. Age

18-21 22-25 26-29
Above 30

2. Sex

Male Female

3. Marital status

Single Married Divorced
Widowed

4. Level of education

Primary Secondary Diploma First
degree
Second degree other

Main Questionnaires

1. How long you are the customer of the bank?
 - A. less than one year
 - B. between on up to three years
 - C. greater than three years
2. Why you choose to become a customer of this bank?

3. Are you happy or satisfied with the service delivery?
 - A. Yes
 - B. No
4. The quality of materials and conform ability of seats?
 - A. Comfortable
 - B. Moderate
 - C. Not comfortable
5. How you evaluate the location of the bank as far as services delivery in concerned?
 - A. Very good
 - B. Good
 - C. Fair
 - D. Poor
6. The courtesy and respect given by the employees while treating customers?
 - A. Very good
 - B. Good
 - C. Fair
 - D. Poor
7. Your awareness about the service provided by the bank
 - A. Very good
 - B. Good
 - C. Fair
 - D. Poor
 - If very good how?

 - If good how?

 - If poor how?

8. Have you ever asked the bank for additional help like (giving loan, insurance)
 - A. Yes
 - B. No
 - i. If yes what is their response

ii. If no why?

9. Dose the bank have to provide additional service as compared to other similar bank?

A. Yes B. No

10. The working hour of the bank is relevant to customer?

A. Yes B. No

11. The time that a customer spend to set the service of the bank

A. Too long B. Long C. Medium D.
Short

12. How do you rate the process of the bank to improve its quality and competence through time?

A. Very good B. Good C. Fair D. Poor

▪ If very good how? _____

▪ If poor how? _____

13. The competency of the bank service like money transfer and saving account compared with other private and government bank?

A. Very good B. Good C. Fair D. Poor

14. Rate your level of satisfaction attained from the bank currently?

A. Very good B. Good C. Fair D. Poor

15. Have you ever made decision to shift to other competitor bank?

A. Yes B. No

If yes what is your reason _____

A. Proximity B. Better quality C. Fair price

D. Better customer service provision

16. If any problem may happen during service delivery what kind of measure do you take?

A. Contacting the manager immediately

B. Leaving the bank

C. Keeping silent

D. Communicating the problem as soon as possible with the person

17. Write your suggestions about the overall problems of the bank service delivery?

Interview question to be answered by manager of the bank

1. What are the ways the organization use to evaluate its customer satisfaction?
2. What are the activities that dissatisfy the customers on the bank?
3. What policies, procedures and practice the bank follow in order to improve service delivery?
4. How service deliveries affect customer satisfaction?