



**WOLKITE UNIVERSITY**

**COLLEGE OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF MARKETING MANAGEMENT**

**ASSESSMENT OF SERVICE QUALITY AND CUSTOMER  
SATISFACTION (IN CASE OF OROMIA INTERNATIONAL BANK  
WOLISO BRANCH)**

A SENIOR ESSAY SUBMITTED TO THE DEPARTMENT OF MARKETING  
MANAGEMENT IN PARTIAL FULFILLMENT FOR REQUIREMENT OF THE  
DEGREE IN BACHELORS OF ART IN MARKETING MANAGEMENT

BY: -HUNDA SHE KAMAL

ID NUMBER 178/10

ADVISER; Mr. SIMACHEW (MBA)

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WOLKITE, ETHIOPIA

## DECLARATION

I declare that this thesis entitled entitled “/s outcome of my own effort and that all sources of materials used for the assessment of service quality and customer satisfaction (in case of Oromia international bank woliso branch)” study have been appropriately acknowledged. To the best of my knowledge, this study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the Bachelor degree in marketing management.

By: Hunda She kamal

Signature-----

Date-----

# APPROVAL SHEET

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MARKETING MANGEMENT ASSESSMENT OF SERVICE QUALITY  
AND CUSROMER SATISFACTIONINCASE OF OROMIA INTERNATIONAL BANK WOLISO  
BRANCH

BY:

HUNDA SHE KAMAL

Approved by:

Name.....

(Advisor)

(Signature)

Name.....

(Examiner)

(Signature)

Name.....

(Examiner)

(Signature)

DEC, 2020 GC

WOLKITE ETHIOPIA

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## Abstract

This research paper was conducted on assessment of service quality and customer satisfaction (in case of Oromia international bank woliso branch. The major purpose of study was to assess service quality and customer satisfaction and find mechanism to solve the problems. The sampling technique that the researcher was used Convenience sampling. Using convenience sampling method, the researcher used 99 customers and the study would conduct through descriptive research type. Because of the descriptive

research is description of the state of the nature of affairs as it exists present. Data collection method was used questionnaires and interview for primary data and different written books and broacher was used to gather secondary data. The major finding of this study indicates the level of service quality and customer satisfaction Oromia International bank wolisa is high and service quality given by the bank was good.

# CHAPTER ONE

## 1. Introduction

### 1.1 Back grounds of the study

In today's competitive environment, the study shows that delivering high quality service is the key for sustainable competitive effect on organizations profitability satisfies customers are the foundation of any successful business because customer's satisfaction leads to repeat purchase, brand loyalty and positive word of mouth.

Service marketers have realized over past few years that competition can be well managed through quality. Thus, service quality is imperative to achieve competitive advantage. Poor quality places a firm at a competitive disadvantage. Service quality offers a way of achieving success among competing services, particularly in case of firms that offer nearly identical services. Service quality is focused evaluation that reflects the customers reflects the customer's perception of specific dimension of service: reliability, responsiveness, assurance, empathy, tangibility (zeithamland bitner 2003:85)

Services industry import significant part of markets in many countries. Kotler in his marketing book indicates that 79 per cent of employees in American industries work in services activities (Newman, 2001). On the other hand, nowadays which organizations will be successful in competition area that main focus of their activities is satisfaction of needs and desires of customers with minimum cost and maximum quality? With respect to the differences that exist between physical products and services, customer considered as the only qualified reference to differentiate quality of offered services, so successfulness and efficient presence in competitive market through using all facilities and new industries for production and offering desirable and qualified services for customer's expectations is inevitable. Though products quality that could assess

through objective measurements such as durability and shortages of products, but services quality is a subjective concept and its measurement is impossible in objective manner. In absence of objective measures, it is necessary to apply a proper approach for assessment of services quality to assess customer's perception of quality (Parasuraman and et al., 1988). Assessment of services quality is necessary and critical for marketing professionals and researchers to acquire better perception of prerequisites and outcomes, and for creating methods of quality improvement in accessing competitive advantage and creating loyalty among customers. Because quality of superior services isn't a selective or optional strategy, but also it is differentiation of successful banks from inefficient banks, therefore it plays an important role in banks and it is should remember that awareness from services quality concept and effort to its improvement lead to offer qualified services in banks and it is possible to improve customer's satisfaction through increasing level of services quality

## 1.2 Statement of problem

The major objective of any service business organization is making profit by providing, and rendering service to current and potential customer. Today there is a worldwide competition in the in banking service sector, because quality service is a major driving force for success. The main focus, of the bank is to satisfy customer and get sustainable profit. Because of its nature it is difficult to manage the service quality and control that factor affect it. Also it is difficult to define customer satisfaction it's varying from customer to customer. The quality service is a major driving force for success and it is the prime concern of every service organization. The intention of this researcher would to assess service quality and customer satisfaction in Oromia International bank of Woliso branch.

## 1.3. Research Questions

This study would be tried to answer the following question

- ❖ What would be the influence of basic dimension of service quality that important to customer satisfaction?
- ❖ What would be the relationship between customer satisfaction and service quality?
- ❖ What would be the gaps between customer expectation and perception toward the level of customer satisfaction?
- ❖ Is the bank tried to satisfy the customers or not?

## 1.4 Research Objective

### 1.4.1 General Objective

The objective of this study would be to assess the influences of service quality on customer satisfaction and to show the way of solving the observe problem in appropriate manner.

### 1.4.2 Specific objective

- To identify the basic dimensions of service quality that are important to customers satisfaction
- To verify the relationship between service quality and customer satisfaction
- To identify the gaps between customer expectation and perception to words the level of service quality.
- Identifying whether the bank tries to satisfy customers or not.

## 1.5. Significance of the study

The result of this study would be helped the bank to develop better service quality in order to meet customer needs and their satisfaction.

It would be helped the student researcher to have known how about conducting

research and serves as a corner stone for future career.

It would be helped as an input for other researchers who conduct research on the same issue.

### 1.6 Scope of the study

This study would be geographically delimited to Oromia international bank not include other similar bank and time bounded for this study is 2008 according to Ethiopian calendar (EC)

The study is also only focuses on service quality on customer satisfaction. It does not include other variables such as pricing, place, promotion, and product because they will make the scope wide, which in turn is difficult for assessment.

### 1.7. Organization of the Study

This paper is organized into three chapters. The first chapter focuses on the introduction part, the second chapter is about theoretical and empirical review of literature; the third chapter is about data sources and methodology of the study, chapter four research methodology and chapter five about recommendation and conclusion.

## CHAPTER TWO

### 2. Review literature

#### 2.1 Defining service

According to Kotler, Service is any act or performance one party can offer to another that is essentially intangible and does not result in the ownership of any things. Its production may or may not be tied to a physical product (Kotler, 2012).

Moreover, understanding the provision of good service quality and satisfying the

customer expectation may include the customer participation on the service production process of an organization (Meheret, 2011).

Banks should increase the quality of service constantly since there is no assurance that the current outstanding service is also suitable for future. Consequently, banks should “develop new strategy” to satisfy their customer and should provide quality service to distinguish themselves from rivalries (Siddiqi; 2011).

Researchers all over the globe claim that offering quality services give a sustainable competitive advantage to any business. It enables them to fulfill not only the present needs of their customers satisfactorily but also to anticipate their future needs. This ability to anticipate the future needs of customers allows them to delight their customers through quality services on consistent basis.

Good customer services make sound business sense. It cost less to keep the good will of existing customer than it does to attract new customer or to back lest customers given the important of customer service as marketing tool, many companies have set up strong customer service department to handle compliant and adjust credit service maintenance service, technical service and customer information, many other have set up hot lines to handle consumer compliant and request for information. By keeping records on the type of compliant the customer service department identify the changes in product design, quality, control, high, press unsealing and soon. An active customer service department co-ordinates company service to create consumer satisfaction and loyalty that help the company to out shine from the competitor (Kotler and Kevin, 2009).

Service quality is a critical component of customer’s perception. In the case of pure service, service quality would be the dominant element in customer evaluation in easy where customers service or service are offered in combination with a physical product, service quality may also be very critical in determining customer satisfaction.

A satisfaction is the customer evaluation of a product or service in terms of whether that product or services have meet there need and expectation. Failure to meet need and expectation i t is assumed to result in dissatisfaction with the product or service (Zeitmal and Bithor 2000).

According to Kotler and Keller (2006), customer satisfaction is personals felling of pleasure or disappointment resulting from comparing a product perceived performance or (outcome) in relation to his or her expectation. If the performance falls short of expectation the customer is dissatisfied. If the performance matches the expectation, the customer is satisfied. If the performance exceeds expectation, the customer is highly satisfied or delights.

Many of researchers have emphasized on the importance of determining role of quality in hospital choice by the patients, as well as satisfying and retaining customers and have claimed that the improvement of the quality of hospital services will increase the number of satisfied patients and thereby customer loyalty (Zeithmal and Bitner 2004).

A service is a result of applying human or mechanical effort to people or object .service involves added a performance or an effort of that cannot be possessed. Today service sectors substantially influence the developed economics, for instance, the service sector accounts for 76% of the USA gross domestic product and 90% of employment. The demand for the service is expected to continue as demographics changes change worldwide. Although a comparison of goods and services marketing can be beneficial in reality .that a hard to distinguish Cleary between manufacturing and service firms, indeed many, manufacturing firms can paint to service as a major factor in their success. E.g. Maintenance and repair service offered by the manufacture are important to buyers of copy machines (Hair and mc Daniel, 2004:344).

One of the most fundamental concepts in analyzing service operation is the distinction between the front stage and the back stage, front stage products are those experienced by the customer.

In the case of low contact service such procedures represents a very small proportion of the service firm total activities for instant the extent of proposal content between customers and credit card companies is limited to receiving and paying a monthly statement . Occasionally letter telephone of problem aroused

## 2.2 Service quality

### Understanding quality

According to Hardie & Walsh, (1993, p.75); Sower and Fair, (2005, p.8); Wicks & Rotulien, (2009, p.82), quality has many different definitions and There is no universals acceptable definition of quality. They claim it is because of the elusive nature of the concept from different perspectives and orientations and the measures applied in a particular context by the Person defining it. The definition of quality varies between manufacturing and services industries and between academicians and practitioners. These variations are caused by the intangible nature of its components since it makes it very difficult to evaluate quality which cannot be assessed physical implying other ways must be outlined in order to measure this quality.

“Quality is the degree or grade of excellence etc. possessed by a thing” – (Oxford English Dictionary).

“Quality is defined as the summation of the affective evaluations by each customer of each attitude object that creates customer satisfaction”- (Wicks & Roethlein, 2009,p.90). Service quality is company personnel need a common understanding in order to the able to address such issues as the measurement of service quality, the identification of causes of service quality short fall and the design and implementation of corrective actions, (lovelock, 2004)

## 2.3 Service experience.

In some cases, businesses provide the tools and means by which customers apply or

use service on their own. Internet service providers provide the technology and means for customers to access the Web, for instance (Neil Kokemuller, 2014).

When it comes to customer experience and profitability, loyalty is a key. There is a significant and growing body of evidence to suggest that meeting customer expectations consistently can have a significant effect on customer loyalty, and in turn, revenue. As much as superior customer experiences are expected to be the norm, banks are falling short in regards to customer satisfaction.

Nobody is ever inspired to advocate your bank after receiving a neutral experience and poor experience can even initiate a bank change. The fluid nature of today's market encourages change, and people are not afraid to leave a bank that is not providing a service they deserve and require.

In fact, customers with positive experience are three times more likely to refer others and purchase additional products than customers with negative experiences (Capgemini's Customer Experience Index (CEI), 2014). Taxes such as review of credit card application, credit checks and processing of credit card slips, all take place behind the scenes.

## 2.4 The importance of service

A service is a result of applying human or mechanical effort to people or object. Service involves added performance or an effort of that cannot be possessed. Today service sectors substantially influence the developed economics, for instance, the service sector accounts for 76% of the USA gross domestic product and 90% of employment. The demand for the service is expected to continue as demographics change worldwide. Although a comparison of goods and services marketing can be beneficial in reality, it is hard to distinguish clearly between manufacturing and service firms, indeed many, manufacturing firms can point to service as a major factor in their

success. E.g. Maintenance and repair service offered by the manufacture are important to buyers of copy machines (Hair and mc Daniel, 2004:344).

Service quality is considered an important tool for a firms struggle to different itself from its competitors (Adrian palmer, 2005).the relevance of service quality to organizations is emphasized here especially the fact that it offers a competitive advantage to organizations that strive to improve it and hence bring customer satisfaction.

Service quality has received a great deal of attention from both academicians and practitioners (Neigh, 2009) and service marketing literature service quality is defined as the actual assessment of the service by the customers (Eshghietal, 2008).

Service quality more subjective comparison that customers make between the quality of the service that they want to receive and what they actually get.

As profit oriented financial institutions resting their activities on service quality delivery and consumer satisfaction (Anderson, et.al., 2004), they must have the readiness to constantly learn and cultivate a learning culture among members of the organization (Harris, 2002) . An organizational learning culture is expected to be a much needed banking character at this time. As a service oriented organization, to anticipate the possibility of changing the external environment, banking organization needs to transform itself to become a learner.

## 2.5 What is customer satisfactory?

What is clear about customer satisfaction is that customer are most likely to appreciates the good and service that they buy if they are made to feel special. This occurs when they feel that the good and service that they buy have been specially produced for them or for people like them. This relates to a wide range of products such as razor that are designed for ease of use and good quickly finish petrol products that are environmentally friendly and customized to meet the needs of particularly types of

need and etc. Everyone knows what satisfaction is until asked to give a definition then it seems nobody known (Zeithmal, Birzner, Gremler, 2006:110).

The satisfaction of customer is a core issue for organization to be profitable in business activity. One measure to be profitable in today's marketing is through a quality service delivery, service is a process which consists of more or less intangible activity that normally but not necessarily always take place in interaction between customer and service employees and or physical resource of good and service or system of the service providing which are provided as a solution to customer problem (Gronoroos, 2000:52). Customer satisfaction is the customer fulfillment response to a consumption experience or some part of it (Butte, 2005).

Satisfaction which is vaguely defined as fulfilling the needs for which a good or service Was made (Merriam Webster's Dictionary), is viewed differently in various industries, 36 Over various demographic backgrounds, as well as for individuals and institutions (Center for the study of Social Policy, 2007). Moreover, it has a totally different Approach when it comes to services and products (Center for the study of Social Policy, 2007). All along we have been trying to understand quality of services, quality of Products, and satisfaction both in the arena of comfort and in terms of utility that is, the Product or service fulfilling the actual purpose for which it was made and bought.

This is however very important but the fore mentioned intricacies about satisfaction cannot Be under looked Sashimi et al., (2006) in an effort to find out whether customers were satisfied with the Food services in the military hospital in Turkey realized that specific demographic. Characteristics were not of significance in determining the satisfaction of the patients but. The appearance and taste of food their emphasis on demographic characteristics gives. The reader the impression that they thought it was going to be an important factor. Another study in Jiangsu province, China seeking to find out the differences in food preferences between students of different socio-demographic backgrounds and characteristics stated in their literature that

societal and cultural factors as well as Environmental and indigenous factors shape children's food choices, Shi et al., (2005). Various researchers in retail banking institutions prove the same thing, that service is the main contributor of banking performance (Al-Azzam, D., 2015). Service is the competitive edge in banking. Customer service plays a pivotal role in the development of service quality Anderson, et.al. 2004). While the quality of external service value is determined by employee satisfaction differentiated Organizations will have higher aggregate level of perceived performance and subsequent customer satisfaction, and that a large portion of variance in customer satisfaction across industries can be explained by the impact of differentiation(via perceived performance).

Service differentiation is quite challenging and needs out of the box thinking. Services may be offered individually to customer or they may be bundled with a product.

Contemporary financial service industry has become highly dynamic and turbulent with many changes in form of new regulations, changed consumer behavior, increased usage of information and communication technology and intense competition (Lymperopouloset al., 2013; Heinonen, 2014).

Banks have to invest great efforts to create added value and one way to do that is to generate and support the development of long-term customer relationships that provide greater value than the value provided by the banking product itself. Building of any added value is hard to achieve nowadays since competitors activities which are often very similar, erode added value of any business (Zineldin, 2005).Service quality plays a significant role in conventional and service industries.

Customer satisfaction in the service industry depends on the quality of service and overall experience. Firms with a satisfied customer base have a competitive edge over others (Arokiasamy & Huam, 2014). Banks are key institution in the financial system and an economy significantly depends on the efficiency of the banking sector. In the corporate world, service quality plays an important role in creating differentiation and a

satisfied customer base (Kainat Y., 2017).

Customer satisfaction is a psychological state. Customers are highly satisfied when service quality exceeds their expectations (Paul, Mittal & Srivastav, 2016a). It is believed that satisfied customers keep a sustainable relationship with the company by regularly purchasing its products and services which in turn will contribute to profitability (Kashif, Suzana, Shukran, and Rehman 2015).

A service is any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything. The advanced economies of the world are now dominated by the services and virtually all companies view services as critical to retaining their customers to day and in the future. Kotler defines service as "any intangible act or performance that one party offers to another that does not result in the ownership of anything" (Kotler & Keller, 2009, p. 789).

(Zeithaml and Bitner, 2009) defines service as; Service are deeds, processes, and performance provided or coproduced by one entity or person for another entity or person.

## 2.6 Determines customer satisfaction

The followings are some of the determinants of customer satisfaction (Zeithaml, Bitner, p-87, 2003)

Product and service features: customer satisfaction with a product or service is influenced significantly by the customer's evaluation of the product or service features.

In conducting satisfaction studies, most firms will determine through some means (often focus groups) what the important features are as well as overall service satisfaction.

Customer emotion: customers' emotions can also be a factor in their perceptions of satisfaction with product and service.

These emotions can be stable, pre-existing emotions.

Example: Mood state or life satisfaction.

Attribution for service excuse or failure: attributions are the perceived causes of events, influence prospecting of satisfaction as well. When they have been surprised by an outcome (the service is either much better or worse than expected), Customers tend to look for the reasons and their assessment of the reasons can influence their satisfaction.

Prospecting of equality or fairness: customers ask themselves service did other treated fairly compared with other customers? Did other customers get better treatments, better price, or better quality service? Did I pay a fair price for the service?

Notion of Fairness are central to customers' prospecting of satisfaction with products /services.

Other commerce, family members and co-workers: in addition to products and service features are one's own individual feeling and believe, commerce satisfaction is often influenced by other people.

According to (Sasraku, 2007), the physical evidence also plays a role in customer satisfaction. The physical evidence includes the edifice or buildings and its decorations, an imposing banking hall with comfortable seats, places of conveniences, etc. The office or building and its external and internal decorations can satisfy a customer.

## 2.7 Service characteristics

A company must consider five main service characteristics when designing marketing programs: intangibility, inseparability, variability, perishability, and lack of ownership (Kotler, 1999, pp-647).

### A. Intangibility

Service intangibility means that services cannot be reading displayed, so they cannot be seen, tasted, felt, and heard, or seen tried before they are bought. Because, service offerings lack tangible characteristics that the buyer can evaluate before purchase, uncertainty is increased.

To reduce uncertainty, buyers look for “signals” of service quality. They draw conclusions about quality from the place, people, equipment, communication material and price that they can see, (Kenneth E. Clow Devid L. Kurta 2003).

Therefore, the service provider’s task is to make the service tangible in one or more ways. Whereas product marketers try to add intangible (e.g, fast delivery, extended warranty, after sales service) to their tangible offers. Service marketers try to add tangible cues suggesting high quality to their intangible offers.

Consider about that wants to conveyance idea that its service is quick and efficient. It must make this positioning strategy tangible in every aspect of customer contact. The banks advertisements and other communications should suggest efficiency, with clean and simple designs and carefully chosen words and photos that communicate the banks positioning.

### **B. Inseparability**

Service inseparability means that service cannot be separated from their providers, whether the providers are people or machines. If a person provides the service then the person is a part of the service. The other or feature of the inseparability of services is that other customers are also present or involved. The implication for management would be to ensure at all times that customers involved in the service do not interfere with each other’s satisfaction.

### **C. Variability**

As services involve people in production and consumption there is considerable potential for variability. Service variability means that the quality of services depends on who provides them, as well as when, where and how they are provided. As such, service quality is difficult to control. Even the quality a single employee service varies according to his or her energy and frame of mind at the time of each customer contact. For example, two services offered by the same solicitor may not be identical in

performance.

Service firms can take several steps towards quality control. First they can select and train their personal carefully.

Second, they can motivate staff by providing employee incentives that emphasize quality, such as, employee to- the mouth- a words or bonuses based on customer. Feedback third, they can make service employees more visible and accountable to consumers car dealership can let customers talk directly with the machines working on their cars.

A firm can cheek customer satisfaction regularly through suggestion and complaint system customer surveys and comparison-shopping, when poor is found. It is corrected. Fourth, service firm can increase the consistency of employee performance by substituting equipment for staff (example, vending machines, automatics cash dispenser), and through heavy enforcement of standardized as well a detailed job procedures (Kotler, 1999).

#### **D. Perishability**

Service perishability means that service cannot be stored for later sales or use. The perishability of services is not a problem when demand is steady. However, when demand fluctuates, service firms often have difficult problems.

Service firms can use several strategies for producing a better match between demand and supply. On the demand side, differential pricing- that is charging different prices at different times- will shift some demand from peak periods to off, peak periods. On the supply side, firms can hire part time employees to service peak demand.

Peak time demand can be handled more efficiently by rescheduling work so that employees do only essential tasks during peak periods. (kennth E. clow and David I. Kurzt, 2003)

#### **E. Lack of owner ship**

Service produces lack that quality of ownership. The service consumer often has access to the service for a limited time. Because of the lack of ownership, service providers must make especial effort to reinforce their brand identity and affinity with the consumer by offering incentives to consumers to use their service again.

Table 1 Summary of service characteristics

No	Characteristics	Resulting implication
1	Intangibility	Services cannot be inventoried Service cannot patented Service can not readily displayed or recommended Pricing is difficult
2	Heterogeneous	Service delivery and CS depends on employee action Service quality depends on many up controllable at factors There is no sure knowledge that the service delivered matches what was planned and promoted
3	Inseparability	Simultaneous production and consumption Consulters participate in and affect the transaction. Customers affect each other Employees affect the service outcome. Decentralization may be essential mass production is difficult.
4	Perishable	It is difficult to synchronize supply and demand is with service Service cannot be returned or resold.

## 2.8 Service quality dimensions

Service quality dimension represent how customers organize information about service

quality in their minds (Zeithaml, Bitner, 2003) on the basis of exploratory and quantitative research. These five dimensions were found relevant for banking, insurance, appliance repair and maintenances. As banking service has become highly competitive, banks are focusing on building long term relationships, enhancing satisfaction and loyalty through the provision of premium services (Mubbsher Munawar Khan & Fasih, 2014).

Service quality depends on the gap between performance and expectation. This study has used five factors for measuring customer satisfaction. Service providers want to know what customers (internal or external) care about. Service quality is a good guess. Price, and to a minor degree product quality, also count. But for service providers, customers care most about service quality.

After extensive research, Zeithaml, Parasuraman and Berry found five dimensions customers use when evaluating service quality. When suppliers get dimensions right, customers would hand over the keys to their loyalty, because they would have received service excellence. All dimensions are important to customers but some are more important.

**Tangibility** In service organization, customers often rely on tangible evidence that surrounds the service to form their own evaluation of the service (Suliaman, R. , 2011)). Customers often look for tangible indications which considered as indicators of service quality.

**Reliability** is the extent to which the service is delivered to the standards expected and promise (Siddiqi, 2011) and it represents the customer getting what they feel they have paid for. Dimension is concerned in dealing with the customer's requests, questions and complaints promptly and attentively (Siddiqi, 2011). Companies should understand the concerns rising from the customers rather than their individual's perspective (Zeithaml, et.al, 2000).

**Empathy**:-Empathy is regarding the way to serve the customer whether the customers are able to feel the uniqueness or special care from the banks refers to how firms understand and solve customer problems and issues (Parasuraman & Zeithaml, 1988).

**Assurance**; is the degree of trust and confidence of customers to feel that the service providers are competent to provide the services (Siddiqi, 2011). The customers will not be satisfied if he or she did not feel assured about the competence of the service provider. All these service quality dimensions will result in customer satisfaction which will contribute for customer attraction and retention.

As it is known doing business with a well-established relationship is by far less costly than attracting a new customer. Therefore, all these service dimensions will help an organization to build a strong customer relationship. Hence, effective CRM is becoming very important in banking industry as it has been to any other industry to build strong relationship and improve business performance.

## 2.9 Customer expectation and perception of service quality

Customer expectation are believes about service delivery that faction as standards or reference point against which performance is jugged. Because customers complain their perception of performance with its reference points when evaluating service quality, through knowledge about customer expel action is critical to service marketers. Knowing what the customer expects is the first and possibility most critical step in delivering quality service.

### 2.9.1 Factors that influences customer expectation

Because expectations play such a critical role in customer evaluation of service company needs and wants to understand the factors to shape them. These are  
Personas needs and Philosophy

## 2.10 The gaps modern of service quality

Service quality, according to parasureman et al (1994, p- 202), is the degree of discrepancy between customers normative expectations for the service and their perceptions of the service performances. A conceptual model of service quality which

inquired five gaps is proposed by Parasuraman et al (1985) and Zeithaml et al (1988). This conceptual model is useful in that it is easy for practitioners to understand service quality components. The gap model positions the key concepts, strategies, and decisions in service marketing in a manner that begins with the customers and build the organizations tasks around what is needed to close the gap between customer expectation and customer perception point. The central focus of the gaps model is the customer gap, the difference between customer expectation and perception.

Firms need to close this gap between what customers expect and receive in order to satisfy these customers and build long term relationship with them. To close this all in fact customer gap, the model suggests four other gaps- need to be closed.

Gap1: Difference between consumer expectations and management perception of consumer expectations.

Gap2: Difference between management perceptions of consumer expectations and service quality specification.

Gap3: Difference between service quality specifications and the service actually delivered.

Gap4: Difference between service delivery and what is communicated about the service to the consumers.

Gap5: Difference between consumer expectations and perception

## 2.11 Customer perception

Customer perceives services in terms of the quality of service and how satisfied they are over all with their experiences. This customer oriented terms quality and satisfaction have been focus of attention for executives and researchers unlikely. Perceived service quality has been defined as the consumer's global attitude or judgment of the overall excellence or superiority of the service.

Perceived service quality results from comparisons by consumer of expectations with

their perceptions of service will be delivered by the suppliers (Lewis et al., 1994; Takeuchi and Quelch, 1983; Zeithaml, 1988). It is argued that the key to ensuring good service quality perception is in meeting or exceeding what customers expect from the service.

Thus, if perception of the actual service will be delivered by the supplier falls short of expectation, a gap is created which should be addressed through strategies that affect the direction either of expectations or perceptions, or both (Parasuraman et al., 1985; Zeithaml et al., 1990). Again, customer service may be described as a process or an outcome. One area that has received considerable debate in customer satisfaction literature is whether customer satisfaction should be defined as an outcome or a process.

Many early definitions conceptualized satisfaction as a process which is currently the dominant view held by most scholars (Oliver, 1980, Parasuraman et al., 1988). The process perspective presupposes that customer satisfaction is a feeling of satisfaction that results from the process of comparing perceived performance and one or more predictive standards, such as expectations or desires (Khalifa& Liu, 2002). This perspective is grounded in the expectancy disconfirmation theory proposed by Richard Oliver (Oliver, 1980).

The customer is satisfied if the performance of product/service is equal to his/her expectations and he/she is dissatisfied if the product/service performance is perceived to be below his/her expectation (negative disconfirmation). If expectation exceeds perceived performance, the customer is highly satisfied. By taking satisfaction as a process these definitions do not focus on satisfaction itself but things that cause satisfaction, the antecedents to satisfaction, which occur primarily during the service delivery process (Vavra, 1997).

Recent studies have found that satisfaction as an outcome or end result during the process of the consumption of a service; it is viewed as a post-purchase experience

(Vavra, 1997). This view has its roots in motivation theories that postulate that people are driven by the desire to satisfy their needs (Maslow, 1954) or that their behaviour is directed at the achievement of relevant goals (Vroom, 1964). In this way satisfaction is perceived as a goal to be achieved and can be described as consumer fulfilment response (Rust & Oliver, 1994).

## 2.12 Determines customer satisfaction

The followings are some of the determinants of customer satisfaction (Zeithaml, Bitner, p-87, 2003)

Product and service features: customer satisfaction with a product or service is influenced significantly by the customer's evaluation of the product or service features.

In conducting satisfaction studies, most firms will determine through some means (often focus groups) what the important features are as well as overall service satisfaction.

Customer emotion: customers' emotions can also affect their perceptions of satisfaction with product and service. These emotions can be stable, pre-existing emotions.

Example: Mood state or life satisfaction.

Attribution for service success or failure: attributions are the perceived causes of events, influence prospecting of satisfaction as well. When they have been surprised by an outcome (the service is either much better or worse than expected), customers tend to look for the reasons and their assessment of the reasons can influence their satisfaction.

Prospecting of equality or fairness: Customers ask themselves service did other customers get better treatments, better price, or better quality service? Did I pay a fair price for the service?

Notions of Fairness are central to customers' prospecting of satisfaction with products /services.

Other commerce, family members and co-workers: in additions to products and service features are one's own individual felling and believe, commerce satisfaction is often influenced by other people. According to (Sasraku, 2007), the physical evidence also plays a role in customer satisfaction. The physical evidence includes the edifice or buildings and its decorations, an imposing banking hall with comfortable seats, places of conveniences, etc. The office or building and its external and internal decorations can satisfy a customer.

### 2.13 Customer Satisfaction in Banking Services Context

In contrast to products, customers are not really able to evaluate services before the service process takes place. The interaction with the service provider and the customers, the so called service encounter, is the key in the evaluation of service performance (Gil,2008).

During these encounters, the customer is able to get an impression of the way the company provides its services. His/her service experience is defined by the interaction with the organization, the processes and the employees.

In banking services, satisfaction is usually conceptualized as a multidimensional Construct (Manrai, L.A., Manrai, A.K., 2007). The list of bank service attributes used for the measurement of satisfaction comprises elements like: appearance of the facility, attitude and behavior of staff, decor and atmosphere, business hours, interest rate, waiting time. Bank customers may regard some of these elements as being not equally important as the others.

### 2.14. Quality Vs. satisfaction

Kotler (2006) summarizes current thinking on satisfaction as follows;- satisfaction in a person's feeling of pleasures or disappointment resulting from comparing a product's perceived falls short of expectation, the customers is dissatisfied, If the performance exceeds expectations the customer is highly satisfied or delighted. Satisfaction is depend on produce or service quality. Quality is the totality of features and

characteristics of a product or service that bear on its ability to satisfy stated or employee

## CHAPTER THREE

### Research Methodology

#### 3.1 Research design

In order to find answer for the research questions and to arrive at a conclusion; the researcher would be used descriptive research design; because it helps to describe service quality and its impact on customer satisfaction. Qualitative data and quantitative data would also include in this research. Because mixed method helps utilization of the strength of both qualitative and quantitative and tackle of disadvantages of both designs.

#### 3.2 Target population

The target populations of the study would the customer and the manager of bank.

#### 3.3 sample size and Sampling Technique

Selecting sample would be fundamental for research study. Because taking the total population is impossible due to time constraints. So the sample technique would be used. the primary data would be taken from manager by nonprobability sampling technique, judgmental sampling method; due to the researcher believe as the manager can provide the best information to achieve the objectives of the study; And to select the respondent the researcher would be used simple random sampling technique which is non-probabilistic sampling technique for customer because the respondent is known.

Currently, there are about 6800 active user of banking in Oromia International bank of Woliso From this population the study would take sample by using this formula

$$n. = \frac{N}{\dots}$$

$$1+N(e)^2$$

$$n==$$

$$n==99$$

Yamane (1967) the researcher use this sample size formula because it is appropriate for taking sample from large population N=population n=sample e=precision level which is 10%. Therefore sample size n=99 from the total of 6800.

### 3.5 Source of Data

Both primary and secondary source of data would be used for the study. Primary data would be collected specifically from customer and manager of bank. In addition to this, secondary data would be collected from related written materials such as books, other research papers, brochures of bank and internet.

### 3.6 Methods of Data Collection

The Primary data would be collected through questioner which include closed ended question for customers. An interview would be also used. Secondary data would be collected through reading Different materials like: books, manuals, reports and others. Also the secondary data would be collected from official published materials, organizational manuals, charts and internet which could provide necessary and relevant information about this bank

### 3.7 Method of Data Analysis

After the data is collected through questionnaire then researcher would be analyses and

discuss using simple descriptive statistics and it would be presented by percentage. Accordingly, after summarizing the data there would be also interpretation thoroughly to reach on a meaningful conclusion. Finally, conclusion would be made on that interpreted data in order to forward recommendation.

## CHAPTER FOUR

### 4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Delivering quality service is one of the most important elements that help an organization to server and compete in the competitive business environment. Customers always look for services with better quality.

The significance of evaluating the quality of service and customer satisfaction has become a prominent issue for companies. Many researchers have applied SERVQUAL model to assess the quality of service delivery and customer satisfaction. By using this model customer's expectation and perception about the quality of service, and the gap between the two can be determined and the gap can be computed and so that customer's level of satisfaction to dissatisfaction with the service delivered to them can be determined. In this study, the standardized SERVQUAL question was used and it is constructed from twenty-two (22) service quality attributes, which from five service quality dimensions' tangible, assurance, reliability, responsiveness, and empathy.

The study would be analyzed customer's expectation and perception about the quality of Oromia International Bank, Woliso Branch; saving account service. It also identified the gap between customers' expectations and their perceptions about the delivered service and them by customer's satisfaction or dissatisfaction was determined. This chapter also presents the finding.

#### 4.2. Questionnaires for the customers

Forty questionnaires were distributed to the respondents and out of the 40

questionnaires 35 of them were collected with a response rate of 87.5 percent.

The demographic characteristics include: gender, age, level of education, and frequency of usage of the respondent. This aspect of the analysis deals with the personal data on the respondents of the questionnaires given to them. The table below shows the details of background information of the respondents.

#### 4.2.1. Demographic information

Table 1. I. Age Distribution of respondents.

Age	Number of respondents	Percentage
Under 20	0	0
21-30	18	51.43
31-40	9	25.71
41-50	6	17.14
Above 50	2	5.71
Total	35	100%

*Source: Survey questionnaire, 2020*

The above table clearly indicate that the age distribution of 35 respondents there is no respondent's underage of 20, 51.43% are between the age 21& 30, 25.71% are between the age of 31-40, 17.14% are between the age of 41 & 50, 5.71% are above the age of 50. This indicates that large numbers of respondents are found in the age (21-30).

## II. Sex distribution

**Table 2:** sex distribution of respondents

Sex	Number of respondents	Percentage
Male	27	77.14%
Female	8	22.56%
Total	35	100%

*Source: Survey questionnaire, 2020*

I understood from the above table, the number of male is greater than the number of female with the ratio of 27(77.14%) to 8(22.86%).

## III. Education level of the respondent

**Table 3:** Education level of respondent

Education level	Number of respondents	Percentage
Below grade 12	8	25.86
12 complete	2	5.7
Certificate	3	8.57
College diploma	6	17.14
First degree	15	42.86
2 <sup>nd</sup> degree and above	1	2.86
Total	35	100%

*Source: survey questionnaire, 2020*

As can be seen from the above table 25.86% are below grade 12 level, 5.7% are at grade 12 complete level 8.57% are certificate level, 17.14% are at college diploma level, 42.86% are at 1<sup>st</sup> degree level, 2.86% are at 2<sup>nd</sup> degree level this. Percentage indicates that the large number of respondents have first degree education level

#### IV. Work Occupation of the respondents

**Table4:** work occupation of the respondents

Work occupation	Number of respondents	Percentage
Government employee worker	7	20
Private company employee worker	8	22.86
Students	12	34.3
Self-employee worker	8	22.86
Total	35	100%

*Source: Survey questionnaire, 2020*

The researcher could see from the above table 20% are government employee worker 22.86% are private company employee work, 34.3% are students, 22.86% are self-employee work. This percentage indicates that the large number of respondents have students of work occupation.

#### 4.2.2. Expectation section

There were 22 items from five dimension were available in the expectation section. The table below showed the summary of the percentage score of each of an expectation statement.

	Dimension	Measurement				
No	<b>Tangible</b>	Strongly agree	Agree	Moderate	disagree	Strongly disagree
1	The bank has up to date equipment's	13	10	10	2	2
2	The physical facilities (office layout, furniture, etc., of bank will be visually appealing )	11	12	8	3	1
3	The employees of the bank are well dressed and appear neat	11	12	6	3	3
4	The equipment and materials will be in line with the type of service provided	7	14	10	2	2
	Total	42	46	34	10	8
	Average	10.5	11.5	8.5	2.5	2
	<b>Reliability</b>	Strongly agree	Agree	Moderate	Disagree	Strongly disagree
5	The staff can provide you the services as promised	7	8	10	5	5
6	The staff provide to you accurate information	5	9	12	5	4

7	The staff perform the service right at the first time	3	15	10	5	4
8	The staff offer you some help	6	10	10	5	4
9	Keep record accurately	7	12	10	4	2
	Total	28	54	42	24	19
	Average	5.6	10.8	10.5	6	4.75
	<b>Responsiveness</b>	Strongly agree	Agree	Moderate	Disagree	Strongly disagree
10	The staff tells you exactly when services will be provides	5	7	13	8	2
11	The staff gives your on time service	8	13	7	7	2
12	The staff are willing to help you	7	10	7	6	5
13	The staff respond to requests properly	5	8	8	7	7
	Total	25	38	35	28	16
	Average	6.25	9.5	9.25	7	4
	<b>Assurance</b>	Strongly agree	Agree	Moderate	Disagree	Strongly disagree
14	The staff product knowledge	5	8	14	6	2

	of bank information					
15	The staff have required skill to perform services	7	14	12	13	1
16	The staff speak with you by using an appropriately	10	6	10	7	4
17	The staff are trust worthy	9	15	8	2	3
	Total	31	43	44	28	10
	Average	7.75	10.75	11	7	2.5
	<b>Empathy</b>	Strongly agree	Agree	Moderate	Disagree	Strongly disagree
18	The staff make you feel safe	6	10	7	5	6
19	The staff are able to communicate effectively with you	7	10	12	3	3
20	the staff shows personal attention to you	9	8	10	3	5
21	The staff knows your specific needs	5	9	5	7	9
22	The staff use convenient time management	8	11	11	5	2
	Total	34	48	45	23	25

Average	8.5	12	11.25	5.75	5.75
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*Source: from questionnaire 2020*

(Zeithamal and Betener, 2003) defines customer expectations as beliefs about service delivery that function as standards or reference points against which performance is judged. So, from the above table one can understand that the expectation that the respondents have towards the service of the bank. Their expectation for the five service dimensions were collected from the respondents and discussed as follows. Empathy dimension as the measurement indicates respondents strongly agree 8.5 and 12 agree this shows that respondents expect towards the empathy dimension is high. Furthermore, they consider tangibility to evaluate service quality of the bank. On the "reliability" dimension the respondent's expectation was relatively lower than of tangibility and it measures 5.6 agree and 10.8 moderate this would implies the according to their expectation they have less trusts on service that related with reliability dimension. The customers also have medium expectation of service delivery on the dimension of "Responsiveness." When the researcher saw the customer expectation averagely it would measure 6.25 agree and 9.5 moderate. This implies that they have a doubt on this dimension.

Towards the all dimensions of service quality, average respondent's expectation the highest expectation was from the "Assurance" dimension which score 10.75 agrees and 11 moderate. This indicates that from all dimension the customer has a greatest trust on this dimension and they also consider getting really on the service delivery process of the bank.

Generally, to increase customers' expectations towards Assurance, reliability, and responsiveness dimension the bank should promote variables that are located under those dimension and improve the area of service quality related to those dimensions to

transfer the customer's expectation from agree to strongly agree and to minimize the moderate to those measurements.

#### 4.2.3. Perception part

There were 22 items from five dimension were available in the perception part. The table below showed the summery of percentage score of each of each of perception statement

No	Dimension	Measurement				
		Strongly agree	Agree	Moderate	disagree	Strongly disagree
1	Oromia international bank Woliso branch has up to date equipment	5	10	11	6	3
2	The physical facilities (office layout, furniture, etc., of Oromia international bank Woliso branch will be visually appealing )	7	8	9	8	3
3	The employees of the Oromia international bank Woliso branch are well dressed and appear neat	6	9	10	6	4
4	The equipment and materials of a Oromia international	8	9	9	5	4

	Woliso branch will be in line with the type of service provided.					
	Total	27	36	39	25	9
	Average	6.75	9	9.75	5.5	2.25
	<b>Reliability</b>	Strongly agree	Agree	Moderate	Disagree	Strongly disagree
5	The staff of Oromia international bank Woliso branch can provide you the services as promised	4	14	10	4	3
6	The staff of Oromia international bank Woliso branch provide to you accurate information	4	15	6	6	4
7	The staff of Oromia international bank Woliso branch performed the service right at the first time.	5	12	11	6	1
8	The staff of Oromia international bank Woliso branch offer you some help	5	11	10	5	4
9	Oromia international bank	8	12	7	6	2

	Woliso branch Keep record accurately					
	Total	26	64	44	27	14
	Average	5.2	12.8	8.8	5.4	2.8
	<b>Responsiveness</b>	Strongly agree	Agree	Moderate	Disagree	Strongly disagree
10	The staff of Oromia international bank Woliso branch tells you exactly when services will be provides	6	12	10	3	4
11	The staff of Oromia international bank Woliso branch give your on time service	9	10	6	9	1
12	The staff of Oromia international bank Woliso branch are willing to help you	7	14	10	1	3
13	The staff of Oromia international bank Woliso branch respond to requests properly	5	10	11	5	4
	Total	27	46	37	18	12
	Average	6.75	11.5	9.25	4.5	3

	<b>Assurance</b>	Strongly agree	Agree	Moderate	Disagree	Strongly disagree
14	The staff of Oromia international bank Woliso branch product knowledge of bank information	7	11	10	5	2
15	The staff of Oromia international bank Woliso branch have required skill to perform services	4	14	9	5	3
16	The staff of Oromia international bank Woliso branch speak with you by agree with an appropriately	6	9	9	5	6
17	The staff of Oromia international bank Woliso branch are trust worthy	10	14	6	3	2
	Total	27	48	34	18	13
	Average	6.75	12	8.5	4.5	3.25
	<b>Empathy</b>	Strongly agree	Agree	Moderate	Disagree	Strongly disagree
18	The Oromia international bank Woliso branch make you feel	7	12	11	4	1

	safe					
19	The staff of Oromia international bank Woliso branch able to communicate effectively with you	5	9	11	4	6
20	the staff of Oromia international bank Woliso branch shows personal attention to you	6	12	11	3	3
21	The staff of Oromia international bank Woliso branch knows your specific needs	4	10	11	5	5
22	The staff of Oromia international bank Woliso branch use convenient time management	10	10	9	3	3
	Total	32	53	49	19	18
	Average	6.4	10.6	9.8	3.8	3.6

The above table indicates the perception of customers get from the bank from the five services quality dimensions. Under tangibility dimension, as the average indicates, the respondent's perception is agreeing (9) and a moderate (9.75). This implies that what customers perceive from tangibility dimension is god levels. Among the five dimension

of service quality the highest perception related to “the staff of Oromia international bank Woliso branch provide to your accurate information” “that is from the reliability” have (15) respondents. The second highest perception from the respondent (14) were related to “The staff of Oromia international bank Woliso branch can provide you the services as promised”, which is the reliability, “The staff of Oromia international bank Woliso branch are willing to help you”, from responsiveness, “The staff of Oromia international bank Woliso branch are trust worthy”, which is from assurance. From the above explanation the three highest perceptions were identified from reliability, responsiveness and assurance dimension. This implied that in Oromia international bank Woliso branch customer’s feels best and satisfied on those dimensions.

In addition to the highest perception the respondents also have a lowest perception. The lost was the statement related to “The physical facilities (office layout, furniture, et c., of Oromia international bank Woliso branch will be visually appealing)” from the tangibility dimension (8).

#### 4.2.4. Service quality gap analysis

**Table: distribution of service quality value between customer expectation and perception**

No	Dimension	Measures	Expectation average score	Perception advantage score	Gap score
1	Tangible	Strongly agree	10.5	6.75	-3.75
		Agree	11	9	-2
		Moderate	8.5	9.75	1.25
		Disagree	2.5	5.5	3

		Strongly disagree	2	2.25	0.25
2	Reliability	Strongly agree	5.6	5.2	-0.4
		Agree	10.8	12.8	2
		Moderate	10.5	8.8	-1.7
		Disagree	6	5.4	0.6
		Strongly disagree	4.75	2.8	-1.95
3	Responsiveness	Strongly agree	6.25	6.75	0.5
		Agree	9.5	11.5	2
		Moderate	9.25	9.25	0
		Disagree	7	4.5	-3.5
		Strongly disagree	4	3	-1
4	Assurance	Strongly agree	7.75	6.75	-1
		Agree	10.75	12	1.5
		Moderate	11	8.5	-2.5
		Disagree	7	4.5	-2.5
		Strongly disagree	2.5	3.25	0.75
5	Empathy	Strongly agree	6.8	6.4	0.4
		Agree	9.6	10.6	1
		Moderate	9	9.8	0.8

	Disagree	4.6	3.8	0.8
	Strongly disagree	5	3.6	-1.4

Service quality gap shows whether customers are dissatisfied, satisfied, or delighted by purchasing service from services organization. As indicated in the above table, respondent's perception towards tangible is lower than what they expect from the bank. This does not mean that the respondents are dissatisfied from the service of the bank. Even if their expectation is greater than what they perceived, one can conclude the respondents are satisfied, because the average respondents towards tangibility dimension is strongly agree (6.75) and agree (9%) which shows their perception is high. Furthermore, it is important to reference zone of tolerance at which respondents accept service (Parasuaman, Bitner, 1994).

Sometimes, customers' expectation is very high since they set their expectation based up on different criteria, so that what they expect is greater than what they perceive based on this it is difficult to say that customers are dissatisfied because there is a level at which they desired service adequate service. Therefore, the highest gap shows that the aspect is not delivered properly the bank has supposed to pay more attention to the aspect.

Generally, what bank should do is that increase customer expectation and increase their perception and also delight them by providing more than what customer expect from the bank.

#### 4.3. Interview for the manager

In this part of the study the researcher concerned with the analysis of data obtained from the manager of the bank questionnaires on service quality and its effect on customer satisfaction in the case of Oromia international bank Branch.

**What looks like the relationship that the bank has with its customer?**

It is more or less we have good relationship with our customer.

**How the bank can collect and solve the customer complaints and feed bank?**

We collect the complains and feed banks of customer by using different mechanism like: suggestion box, survey and this complain can solve by the top manager and whit other subordinates respectively and collectively.

**How can the bank administer its employee?**

The bank employee has their own union and collective agreement with the employee so based on this agreement we punish the employee who made a mistake and we also awarded the employee who perform best.

**What are the techniques applied to measure satisfaction and service quality of the bank?**

To measure our customer's satisfaction and the service quality of our banks we made survey annually, in addition we also see some indicators like:

Ø If the customer can get a service quickly

Ø If the customer can demand to work with us always

## CHAPTER FIVE

### 5. SUMMARY CONCLUSION AND RECOMMENDATIONS

#### 5.1. Summary of finding

The SURVQUAL instrument is conceptualized as the yielding gap scores that can inform the service provider as when their service exceeds or fall below customers' expectations along the five dimensions which are tangible, reliability, responsiveness, assurance and empathy. This study also addressed the significant elements of customer perception and expectation influencing their overall satisfaction with the

banking services provided at bank of Oromia international bank branch. Positive gaps are seen as indicating customer's satisfaction. Negative gap indicted dissatisfaction. which means perception fall below expectation and suggest service quality aspects that may need improvement or change.

## 5.2. Conclusions

The following conclusion are drawn from the findings

As the customer demographic information shows most of them are young and they are mostly male customers. Most of the time customers at this age need more worker by their money. In addition to this the greater numbers of customers are first degree education level. This implies that those customers have potentially to save money in the bank.

Do to the work occupation the greater number are the students. Most of the time the students are more secure on their money.

Based on the above analysis the higher number of respondent's expectation was from the dimension of tangibility 11.5 respondents, 10.75 assurance, 10.8 reliability, Empathy 9.6 and responsiveness 9.5 respectively and also the lower number of respondents expected from the dimension of responsiveness.

On the other hand, in the perception part the higher average number of respondents perceived on the reliability 12.8 dimensions and the lower number of respondents precise on the dimension of tangibility.

## 5.3. Recommendation

Customer satisfactions are ensured by quality services. That means if there is equality service, customer become satisfied.

Those customers who are dissatisfied in switch warn their friends and relations. The bank should improve the quality of service to satisfy those dissatisfied customers in

continuous manner to ensure consistency quality service.

According to the manager interview can see the bank can collect and solve the customer's complaints. So the bank would use better communication for the customers and the clients.

On the customer expectation and perception part there was a gap on the dimensions for example: from the five dimensions the only dimension that shows satisfaction was "reliability and responsiveness" but on the other dimension it was very recommendable that the bank should avoid a poor service design. Know the culture of the customer, not promise the service that cannot be delivered at a time, and improve the work hand to minimize the gap and increase customer satisfaction.

Since the customer's suggestion or complaint is one method of improving quality service and solving customer problems. The bank should initiate customers to give suggestions by providing forms, critical incidents studies to get the real intention of the customer instead of waiting annual surveys.

It is better for the manager to ensure and motivate the employee to provide and deliver quality service every time to every customer.

The fast delivery of service is preferable: as a result, the bank should improve the length of time a customer's spent until he/she gets the intended service.

Even if, the employees have good relationships with customers, the bank should improve the employee relationship continually by using different mechanisms.

It is better for manager to focus on and think physical layout of the bank

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## APPENDIX

### QUESTIONNAIRES

#### WOLKITE UNIVERSITY

#### COLLEGE OF BUSINESS AND ECONOMICS

#### DEPARTMENT OF MARKETING MANAGEMENT

This questionnaire is part of a study for Bachelor Degree at Wolkite University. The objective of the study is to evaluate customer expectation and perception levels towards service quality and thereby to evaluate customer satisfaction level in Oromia International bank in Woliso branch bank's service quality. I would like to invite your participation in this survey by filling up this questionnaire. All information will be treated with the strict confidentiality. Since your honest response is vital role for the success of the study please put "ü" mark or circle for those questions that you think right.

#### Part I: General information

Gender            A. male                        B. female           

Age                A. under 20years            B. 21-30years                        C. 31-40years

D. 41-50 years  E. Above 50years

Educational status? A. below grade 12  B. 12 grades complete   
C. certificate  D. college diploma  E. first Degree   
F. 2<sup>nd</sup> degree and above

4. Employment A. public/government organization  B. private organization   
C. unemployed  D student   
E. self employed

**Part II. Survey of your expectation and perceptions towards service quality of Oromia International bank in Woliso branch.**

This survey deals with your opinion about Oromia International bank in Woliso branch service quality. Please show the extent to which you expect and perceive the bank's offering services should possess features described by each statement. Based on this please put a tick (ü) in the bottoms which mostly explain your attitudes. The score levels are;

Strongly disagree 2. Disagree 3. Moderate 4. Agree 5. Strongly agree

**Expectation part**

No	Dimensions	Measurement				
		Strongly agree	Agree	Moderate	Disagree	Strongly disagree
	<b>Tangibles</b>	5	4	3	2	1
1	The bank have up to date equipment					
2	The physical facilities (office layout, furniture, etc.) of the bank will be visually appealing					
3	The employees of the bank are well dressed and appear neat.					
4	The equipment and materials will be in line with the type of service provided.					
	<b>Reliability</b>					
5	The staff can provide you the service as promised					
6	The staff provide to you accurate information					
7	The staff perform the service right at the first time					
8	The staff offer you some help					
9	Keep record accurately					
	<b>Responsiveness</b>					
10	The staff tells you exactly when service will be provides					
11	The staff give you on time service					
12	The staff are willing to help you					

13	The staff respond to requests properly					
	<b>Assurance</b>					
14	The staff product knowledge of bank information					
15	The staff have required skill to perform services					
16	The staff speak with you by using an appropriately					
17	The staff are trust worthy					
	<b>Empathy</b>					
18	The staff makes you feel safe					
19	The staff are able to communicate effectively with you					
20	The staff shows personal attention to you					
21	The staff knows your specific needs					
22	The staff use convenient time management					

**Perception part**

No	Dimensions	Measurement				
		Strongly agree	Agree	Moderate	Disagree	Strongly disagree
	<b>Tangibles</b>	5	4	3	2	1
1	The oromia international bank Woliso branch					

	has up-to date equipment.					
2	The physical fairies (office layout, furniture E etc.) of oromia international bank at Woliso branch will be visually appealing					
3	The employees of oromia international bank at Woliso branch are well dressed and appear neat.					
4	The equipments and materials of bank at oromia international Woliso branch will be in line with the type of service provide.					
	<b>Reliability</b>					
5	The staff of bank at oromia international Woliso branch can provide you the service promised.					
6	The staff of oromia international bank at Woliso branch provide to you accurate information.					
7	The staffs of oromia international bank at Woliso branch perform the service right at the first time.					
8	The staff of oromia international bank at Woliso offer you some help					
9	oromia international bank at Woliso branch keeps record accuracy.					
	<b>Responsiveness</b>					
10	The staff of oromia international bank at Woliso branch tells you exactly when service					

	will be provides.					
11	The staff of oromia international bank at Woliso branch gives your prompt service.					
12	The staff of oromia international bank at Woliso branch is willing to help you.					
13	The staffs of oromia international bank at Woliso branch respond to requests properly.					
	<b>Assurance</b>					
14	The staff of oromia international bank at Woliso branch product knowledge of bank information.					
15	The staffs of oromia international bank at Woliso branch have required skill to perform services.					
16	The staff of oromia international bank at Woliso branch speak with you by using an appropriately					
17	The staff of oromia international bank at Woliso branch are trust worthy					
	<b>Empathy</b>					
18	The staff of oromia international bank at Woliso branch makes you feel safe					
19	The staff of oromia international bank at Woliso branch able to communicate effectively with you.					
20	The staff of oromia international bank at Woliso branch shows personal attention to					

	you.					
21	The staff of oromia international bank at Woliso branch knows your specific needs.					
22	The staff of oromia international bank at Woliso branch use convenient time management.					

Interview for the manager

How can the bank administer its employee?

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How the bank can collect and solve the customer complaints and feed back?

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What looks like the relationship that the bank has with its customer?

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What are the techniques applied to measure satisfaction and service quality of the bank?

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