



COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MARKETING MANAGEMENT

**ASSESSING THE PRACTICE OF SERVICE QUALITY ON CUSTOMER SATISFACTION :(THE
CASE STUDY OF WAGAGEN BANK WOLKITE BRANCH)**

**A RESEARCH ESSAY SUBMITTED IN PARTIAL FULFILLMENT FOR THE BACHELOR OF
ARTS DEGREE IN MARKETING MANAGEMENT**

PREPARED BY:ADEM HAMDA

ID NO 041\09

ADVISOR ;MEAZA GETNET (MA)

WOLKITE,ETHIOPIA

JUNE 2019

WOLKITIE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MARKETING MANAGEMENT

ASSESSING THE PRACTICE OF SERVICE QUALITY ON CUSTOMER SATISFACTION :(THE CASE STUDY OF WAGAGEN BANK WOLKITE BRANCH

BY ADEM HAMDA

ID NO 041\09

APPROVAL BOARD OF EXAMINER

1. _____

CHAIRPERSON, DEP'T Signature Date

2. Advisor Signature Date

3. INTERNAL EXAMINER Signature Date

DECLARATION

I, Undersigned declare that this project work is my original work; and has not been presented for a degree in any university further more, all sources of materials used for the project had been dully acknowledged.

Name: Adem Hamda
Signature:
Date:
Place: Wolkitie University

This Project has been submitted for examination with my approval as a university advisor.

Advisor: MEAZA GETNET (MA)
Signature:
Date:

LIST OF ACRONYMS

SERVAQUAL = Service Quality

WB. = wagagen bank

ATM = Automatic Teller Machine

Acknowledgement

First thanks to Allah for his support me in every walk of my life and next my greatest gratitude goes my advisor MEAZA G. who have helped me throughout course of the study and without her the study would not have been realized. Again my heart full thanks to my family without their unlimited support I am not here today and my elder brother I have no word to say more but you are the special one in my life.

At the last but not the least I would like to thank my relative freind their technical and ideal support from beginning up to end of my education

Abstract

Service quality and customer satisfaction are very important concepts that companies must understand in order to remain competitive in business and hence grow. It is very important for companies to know how to measure these constructs from the consumers' perspective in order to better understand their needs and hence satisfy them. Service quality is considered very important because it leads to higher customer satisfaction, profitability, reduced cost, customer loyalty and retention. To this end the study aimed to assess the service quality and customer satisfaction of Wegagen bank ,a self-administered questionnaire was developed based on a SERVQUAL model that identified the influence of five dimensions (i.e. tangibility, responsibility, reliability, assurance and empathy). Since the objective of the study is to assess the quality service and customer satisfaction of Wegagen Bank wolkite branch , to conduct the study the researcher used a descriptive type of research design which helps to describe the characteristics service quality dimensions and samples of 118 customers are selected..This study suggests that SERVQUAL is a most widely used instrument for measuring service quality; hence the management of Wegagen bank should consider this instrument as a tool to assess and help improve their service quality and customer satisfaction

Contents

Abstract	iv
CHAPTER ONE	1
INTRODUCTION.....	1
1.1 Background of the Study	1
1.2 Statement of the Problem	3
1.3 Research questions	4
1.4 Objectives of the study	4
1.4.1 General Objective	4
1.4.2 Specific Objectives	5
1.5 Significance of the Study.....	5
1.6 Scope of the Study.....	5
1.7 Limitation of the study	6
1.8 Organization of the Research Report.....	6
CHAPTER TWO.....	7
2. Literature Review	7
2.1 Definition of service	7
2.2 Characteristics of Services.....	8
2.3 Definitions of service Quality	10
2.4 Service Quality Measurement	10
2.4.1 SERVQUAL model	11
2.4.2 The Perceived Service Quality Model	12
2.5 Importance of quality of service:	15
2.6 Service quality in banking	16
CHAPTER THREE	18

3. RESEARCH METHODOLOGY	18
3.1 Background of the Study Area.....	18
3.2 Research design.....	18
3.3. Target Population	19
3.4 Source of data	19
3. 5 Sample Size and Technique	19
3.6 Sample Size	20
3.7 Data collection Tools	21
3.8 Method of data analysis.....	21
CHAPTER FOUR	22
4. Analysis, Presentation and Interpretation	22
4.1 Introduction.....	22
Table 4.2: AGE OF RESPONDENTS.....	23
Table 4.3: RELATIONSHIP WITH THE BANK.....	23
4.2 Analysis of a data	25
4.2.1 Tangibility Dimension.....	26
Table 4.6 Tangibility Dimension.....	26
4.2.3 Responsiveness Dimension.....	27
4.2.4 Assurance Dimension.....	28
The Manager interview	36
5.3 RECOMMENDATIONS.....	39
<i>Questionnaires to be filled by customers</i>	43
<i>Dear respondent,</i>	43

List of table

Table 4.1 sex respondent-----	24
Table 4.2 Ages of Respondents.....	25
Table 4.3 Relationship with the Bank.....	25
Table 4.4 Frequency of Visiting the Bank.....	25
Table 4.5 Time of relationship with the Bank.....	26
Table 4.6 Tangibility Dimension	28
Table 4.7 Reliability Dimension.....	29
Table 4.8 Responsiveness Dimension.....	29
Table 4.9 Assurance Dimension.....	30
Table 4.10 Empathy Dimension.....	31
Table 4.11 The level of Importance in SERVQUAL Dimension.....	43
Table 4.12 sex distribution of respondent employs-----	34
Table 4.13 Age respondent of employs-----	34
Table 4.14 position of services bank-----	35
Table 4.15 positive roles of satisfaction-----	36
Table 4.16 relation between service quality and customer satisfaction-----	36
Table 4.17 customers compliant of the bank-----	37

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In service industries, globally, the subject of service quality remains critical as businesses strive to maintain a comparative advantage in the marketplace, since financial services, particularly banks compete in the marketplace with generally undifferentiated products, and service quality becomes a primary competitive weapon. It is true that structural changes have resulted in banks being allowed a greater range of activities, enabling them to become more competitive with nonbank financial institutions (Mohammed H., and Shirley L., 2009).2 (4)'pp 338-350

Currently, technological changes are causing banks to rethink their strategies for services offered to both commercial and individual customers. Moreover, banks that excel in quality service can have a distinct marketing edge since improved levels of service quality are related to higher revenues, increased cross-sell ratios and higher customer retention, and expanded market share. Moreover, the banks understand that customers will be satisfied if they can produce greater value than competitors. In addition, higher profits will be earned by the banks if they can position themselves better than their competitors within a specific market. Therefore, banks shall focus on service quality as a core competitive strategy (Juan C. et al 2006). Vol .24 no.5)

Customer satisfaction is the concept that occupies a central position in marketing thought and practice (Potluri & Mangnale, 2010). Customer satisfaction is actually how customer evaluates the ongoing performance (Gustafsson, Johnson & Roots, 2005) and it is a critical issue in the success of any business system in today's business world (Ahmed et al., 2010).

Customer satisfaction is influenced by various factors. Service quality is the main driving factor for satisfaction of customers in service sectors (Andaleeb and Conway 2006). Therefore, a firm shall concentrate on the improvement of service quality and charge appropriate fair price in order to satisfy its customers who would ultimately help the firm to retain its customers (Gustafsson et al., 2005). Vol.69, October, pp.210-8

Service quality is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Gronroos, 1984; Parasuraman et al., 1985, 1988). A number of experts define service quality differently. It is the differences between customers' expectation of services and their perceived service, if the expectation is greater than the service performance, perceived quality is less than satisfactory and hence, customer dissatisfaction occurs. Other defines service quality as the extent to which a service meets customers' need and expectation (Keir, C and Mitchell 1990), (Dotchin and Oakland 1994), and (Asubonteng et al. 1996).

Service quality has become a significant differentiator and the most powerful competitive weapon which many leading service organizations possess (Berry et al. 1998), Leading service organizations strive to maintain a superior quality of service in an effort to maintain a satisfied customer base.

To measure the service quality researchers used SERVQUAL and Gronroos's model in various aspects of business environment. However, the dimension of quality and the measurement approach of the service quality and its relationship with customer's satisfaction are still been unsettled (Owlia and Aspinwall 1996; Parasuraman et. al., 1993; Cronin, Taylor, 1994; Carman, 1990; Buttle, 1996). In spite of the ongoing debate and development of new theory, numerous researchers have agreed on the significances of service quality and its practice on customer satisfactions (Arambewela, 2006; Ben, 2007; Boshoff, 2004). That satisfaction is a function of the disconfirmation of performance from customer's expectation (Oliver 1980) some other theorists

Also mentioned the same concept that the quality plays a major role on consumer satisfaction (Omar and Schiffman, 1995, Gremler et.al., 2001, Radwin, 2000; Kumar et.al., 2008). vol.10, p.62

1.2 Statement of the Problem

The financial services industry is changing rapidly (Firdaus Abdullah, Rosita Suhaimi, GlumaSaban and Jamil Hamali, 2011). Technology, government regulation, and increasing customer sophistication are forcing financial service institutions to re-evaluate their current business practices. Financial institutions across the globe are re-examining how they are meeting their customer's needs today and developing business plans needs to align them strategically to remain competitive and profitable in the future, service quality and customer satisfaction are very important concepts that companies must understand in order to remain competitive in business and hence grow. *International journal of quality and reliability management*, vol.28 issue; 5, pp.542-555

As any service industry, Wegagen Bank also shall be providing a quality service that satisfies its customer needs and to achieve the long run objective of the organization. In order to achieve this objective, it requires continuous improvement of the service and tracking customer requirements periodically or continuously besides to achieving the objective it help to retain customers for long periods and satisfying their requirements in the best way by achieving service excellence.

The question of why customer service is so important in today's competitive business world should be relatively simple to answer, since no customer means no work, no income and no jobs. So, then customer relation should be more than just providing quality service and care at the point of transaction. (Cartwright, 2000). However, given that there is still a great deal of poor customer service.

As (Jeffery P. 2002) stated that it has long been understood that winning new customers is very costly and at the same time retaining customers and winning their loyalty becomes increasingly more complex unless the company provides a better service. In today increasingly competitive environment, quality service and customer satisfaction are critical to corporate organizations. Delivering high quality service is linked to increase profits, cost savings and corporate image. Customer satisfaction is the route to sustained high performance. Organizations should be aware of the fact that customer dissatisfaction leads to defection and long-term losses. Ensuring quality customer service is everybody, s business in the organization. (Kimando, 2012).

In any business to customer type of environment satisfying a customer is the ultimate goal and objective. And it is a burning issue for any service giving organization due to the fact that organizations sometimes do not really understand of what actually goes in a customer mind. And in order to get solution for the problem many organizations seek and measure the level of customer satisfaction and quality service render. According to Wegagen Bank it is very important to assess the quality service and customer satisfaction using the SERVQUAL model five distinct dimensions. And this study therefore tries to assess the service quality and customer satisfaction of Wegagen Bank based on SERVQUAL model.

1.3 Research questions

1. What is the overall satisfaction of customers with the service provide by wegegan Bank?
2. What are the major factors that affect or determine service quality in the wegegan Bank?
3. Which service quality dimension is getting the highest perceive quality by the customer of Wegagen Bank

1. 4 Objectives of the study

1.4.1 General Objective

The main objective of the study into assess service quality and its practice on customer satisfaction at Wegagen Bank wolkite branch

1.4.2 Specific Objectives

1. To assess the overall satisfaction of customers with the service provide by wegegan Bank.
2. To examine the major factors that affects or determines service quality in the wegegan Bank.
3. To examine service quality dimension is getting the highest perceive quality by the customer of Wegagen Bank

1.5 Significance of the Study

This study will help Wegagen Bank managers and employees to focus on how to provide service to satisfy customer. The researcher hopes that from the suggestions and recommendations the managers of WB can make a better decision in order to become effective on handling their customer. This study will also help other researchers to conduct further studies on service quality and its practice on customer satisfaction. In addition to this, thesis study will help readers to gain knowledge and better understanding in the area of service quality and customer satisfaction.

1.6 Scope of the Study

The researcher believes that there are many factors that need research /investigation on customer satisfaction. However, this study was focused on service quality and its practice on customer satisfaction at Wegagen Bank. This study is geographically limited to Wagegen Bank specifically which is found in wolkite town. Because of this the findings of this study may not be generalized to other area branches of Wegagen Bank. However, doing in all service centers may be beyond the ability and financial capacity of the researcher. Excluding other bank branches may limit the general ability of the results of this research, conceptually the researcher would be delimited to only service quality and customer satisfaction and methodologically consist of research design, population of study, datasource, data collection instrument and data analysis tools.

1.7 Limitation of the study

The student researcher would be Shortage of the secondary data Unwillingness of respondents to provide exact data and their personal view point during scheduling, During data collection, most of the workers may be on site so it may be quite difficult getting in touch with them. Some senior members were reluctant in releasing vital information about their performance in relation to service quality and customer satisfaction in their respective organizations because they will not honestly respect the appointment time on the place. Inaccurate information from participants and shortage of money to finalize the study is also another constraint.

1.8 Organization of the Research Report

This researcher report comprises five chapters, which include the following:

The first chapter contains introduction part; this includes background of the study, statement of the problem, research questions, objective of the study, significance of the study, and scope of the study, limitation and organization of the report. The second chapter presents theories and previous studies related to the topic (literature review). The third chapter contains research methodology and design used in this study. It describes the type and design of the research; the subject and participants of the study; data source used for the study as well as the data collection tools applied and methods of data analysis, fourth chapter data analysis, presentation and interpretation is presentiment fifth chapter summary ; conclusion and Recommendations is also presented

CHAPTER TWO

2. Literature Review

2.1 Definition of service

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 advance economies of the world are now dominated by services and virtually all companies view services as critical to retaining their customers today and in the future. Even manufacturing companies that, in the past, have depend on their physical goods for their existence but now their come to see and recognize that service provides one of their few sustainable competitive advantages (Zeithaml&Bitner, 2003).

It is important to distinguish between a service and goods. Goods are most tangibles (an object) while services are more of an act (a deed or performance). There are many definitions of services in the literature which focus on different characteristics of service and depend on the author and focus of the research (Gronoors, 2001). However, one of the most important and unique

A characteristic of services which has to be raised is that services are process, not things.

Put in the simplest terms, “services are deeds, processes and performances”, (Zeithaml and Berry, 2003). Berry define service as “Service is an activity or benefit that one party can offer to another that are essentially intangible and does not result in the ownership of anything and its production may or may not be tied to a physical product” (Palmer and Cole 1995). A service is an intangible product involving a deed, a performance or an effort that cannot be physically possessed (Zeithaml and Berry, 2003). Services are a form of product that consist of activities, benefits, or satisfactions offered for sale that are intangible and do not result in ownership of anything (Kotler& Armstrong, 2004). Services are bought on the basis of promises of satisfaction (Dibb, S., Simkin, L., Pride, W. &Ferrel, O., 2001). Promises with the images and appearances of symbols help consumers make judgments about tangible and intangible products (Voss, G.B., Parasuraman, A., Grewal, D., 1988). One of the comprehensive definitions of services is:

“Services are all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms such as convenience, amusement, timeliness, comfort or health. That is essentially intangible concerns of its first purchaser” (Zeithaml&Bitner, 200).

2.2 Characteristics of Services

Service marketing is distinct from goods marketing (Dibb et. al, 2001). To understand the nature of services marketing, it is necessary to appreciate the particular characteristics of services (Dibb et. al., 2001). Service have four intrinsic characteristics that leads to different consumer perceptions and behavior makes it more difficult to evaluate quality and in turn making it more challenging and complicated to achieve customer satisfaction and establishing competitive advantage. Thus, services managers must deeply understand them to survive in the complex service environment. The four basic characteristics of service are: Intangibility, Inseparability, Perish ability, and Heterogeneity.

Intangibility

Services differ from goods most strongly in their intangibility (Dibb, S., Simkin, L., Pride, W. and Ferrel, O.C, 2001). Intangibility stems from the fact that services are performances. They cannot be seen, touched or smelled, nor can they be possessed. Intangibility also relates to the difficulty that consumers may have in understanding service offerings (Dibb et. al., 2001). Services have a few tangible attributes, called search qualities that can be viewed prior to purchase, such as neatness of nurses and Doctors, cleanliness of the facilities such as waiting stations, toilets and the like.

When consumers cannot view a service product in advance and examine its properties, they may not understand exactly what is being offered (Dibb et. al., 2001). On the other hand, services are high in experience and credence qualities.

Experience qualities are those qualities that can be assessed only after purchase and consumption these include characteristics such as taste or duration of well-being. Credence qualities are those

qualities that cannot be assessed even after purchase and consumption for examples results of medical procedures. Few customers possess medical skills sufficient to evaluate whether the service is or was necessary and performed in a proper manner. (Zeithaml, et al, 1994).

Inseparability

Inseparability refers to the notion that, in many service operations, production and consumption cannot be separated; that is a service is to a greater extent consumed at the same time as it produced (Oliver, 1980). Unlike most goods that are produced first then sold and consumed, most services are sold first and then produced and consumed simultaneously (Zeithaml and Bitner 2003) e.g. the doctor cannot possibly perform the service without the patient's presence, and the consumer is actually involved in the production process (Dibb et. al., 2001). These characteristics of service makes it difficult to achieve standardization and economies of scale through centralized production.

Perishability

Perish ability refers to the fact that unlike physical goods, services cannot be saved, stored, resold, or returned (Zeithaml and Bitner2003). Unused capacity on one occasion cannot be stock piled or inventoried for future occasions, because production and consumption are simultaneous.

Heterogeneity

Heterogeneity refers to the variability in the quality of service, since most services are labor intensive, they are susceptible to heterogeneity. For the service to be provided and consumed the client physically meets and deals directly with the service providers personnel. Direct contact and interaction are distinguishing features of services. People typically perform services, and people do not always perform consistently. It is also true that the characteristics of services themselves make it possible for marketer to customize their offerings to consumers. In such cases, services marketers often face a dilemma; how to provide efficient, standardized service at some acceptable level of quality while simultaneously treating each customer as a unique person (Dibb et. al., 200

2.3 Definitions of service Quality

Quality has been defined differently by different authors. Some prominent definitions include conformance to requirements' (Crosby, 1984), 'fitness for use' (Juran, 1988) or 'one that satisfies the customer' (Eiglier and Langeard, 1987). As per the Japanese production philosophy, quality implies 'zero defects' in the firm's offerings. Though initial efforts in defining and measuring service quality emanated largely from the goods sector, a solid foundation for research work in the area was laid down in the mid-eighties by Parasuraman, Zeithaml and Berry (1985). They were amongst the earliest researchers to emphatically point out that the concept of quality prevalent in the goods sector is not extendable to the services sector.

Being inherently and essentially intangible, heterogeneous, perishable, and entailing simultaneity and inseparability of production and consumption, services require a distinct framework for quality explication and measurement. As against the goods sector where tangible cues exist to enable consumers to evaluate product quality, quality in the service context is explicated in terms of parameters that largely come under the domain of experience' and 'credence' properties and are as such difficult to measure and evaluate (Parasuraman, Zeithaml and Berry, 1985; Zeithaml and Bitner, 2001).

2.4 Service Quality Measurement

Since service quality attributes are not expected to be equally important across service industries, it has been suggested to include importance weights in the service quality measurement scales (Cronin and Taylor, 1992; Parasuraman, Zeithaml and Berry, 1995, 1998; Parasuraman, Berry and Zeithaml, 1991; Zeithaml, Parasuraman and Berry, 1990). In the empirical literature, there are many alternative service quality models and instruments developed for measuring service quality. Sasser et al. (1978) suggested three different attributes (levels of material, facilities, and personnel) all apparently dealing with the process of service delivery. Gronroos (1984) argued that service quality can be divided into two generic dimensions: technical quality (what is provided) and functional quality (how the service is provided), with image quality (the

organization's reputation for quality) mediating the impact of these two dimensions on overall perceived quality.

Subsequently, Gronroos (1990) identified six specific dimensions viz., professionalism and skills, reliability and trustworthiness, attitudes and behavior, accessibility and flexibility, recovery, and reputation and credibility, on which service quality could be measured. However, these dimensions have not been subject to any rigorous empirical testing, although a number of studies have used scales based on such principles (e.g., Lehtinen and Lehtinen, 1991). Lehtinen and Lehtinen (1982) discussed three dimensions viz., physical quality, involving physical aspects; corporate quality, involving a service firm's image and reputation; and interactive quality, involving interactions between service personnel and customers.

2.4.1 SERVQUAL model

Although the measurement of service quality was hard to pin down due to the service characteristics involving intangibility, perishability, inseparability, and heterogeneity, researchers had continuously investigated and contributed to this area. Among others, Parasuraman, Zeithaml, and Berry have been widely recognized for their service quality battery.

Their significant contribution was the development of a service quality measurement, called

“SERVQUAL”, based on the original conceptual gap model of service quality (Parasuraman et al., 1985; Parasuraman et al., 1988; Parasuraman, et al, 1991). The SERVQUAL was seen as a generic service-quality measurement tool for services industries (Lovelock, 2001).

SERVIQUAL is a multi-item scale developed to assess customer perceptions of service quality in service and retail business. Originally developed from the GOP model, SERVIQUAL took shape and was grouped in to two statements, one to measure expectations concerning general factors about the company while the other measure perception about the particular firm whose service quality was being evaluated. Furthermore, these items were grouped in to following five distinct dimensions; (Zeithaml et al, 1988)

The SERVQUAL was criticized for its validity, predictive power, and length. The validity of some dimensions was doubted but the original developers argued their dimensions were

conceptually distinguished, but somewhat interrelated. The empirical research by Carmen (1990) and Taylor (1992) commented on the validity and applicability of the SERVQUAL instrument. Its dimensions were criticized for not being generic enough that they could be used without adding new items or factors which were considered potentially important to the quality of given service firms. The empirical findings of Cronin and Taylor (1992) found the inconsistency of item scales defining service quality in different industries. In fact, Parasuraman and colleagues had recognized this limitation and suggested other researchers to consider minor modifications of their instrument to a particular service industry. Additionally, service organizations with multiple service functions were recommended to use the instrument separately to evaluate the service quality of each function (Carmen, 1990) and Taylor (1992). Concerns over handling the expectations were also noted because the expectation responses were not practically effective. The method of asking respondents was questionable. Specifically, a problem might occur from some respondents who might be unable to establish the expectation due to a new experience or no communication with other sources.

The extension of arguments over the SERVQUAL provided more insights into the evaluation of service quality. Cronin and Taylor (1992 & 1994) further argued that the SERVQUAL was an inappropriate instrument due to its inadequate conceptualization and operationalization of service quality. They pointed out conceptual and operational flaws of the SERVQUAL, particularly its validity. Parasuraman et al. (1994) argued that the concerns of Cronin and Taylor, and Teas over the validity and other suspected deficiencies of the SERVQUAL were not warranted. Despite these debates, more studies were conducted and made the measure more well-established.

2.4.2 The Perceived Service Quality Model

The service quality construct is mostly conceptualized in the context of service marketing literature (Lee, Lee and Yoo 2000). Therefore, it deals with the concept of perceived service quality. According to Zeithaml, Parasuraman and Berry (1990), perceived service quality is the extent to which a firm successfully serves the purpose of customers. Customers determine the perceived or cognitive value of service based on their experience with the service delivered. Ghobadian, Speller and Jones (1994) stated that customers' expectations, service delivery process and service outcome have an impact on perceived service quality. Yoo and Park (2007)

found that employees, as an integral part of the service process, are a critical element in enhancing perceived service quality. Furthermore, Edvardsson (2005) pointed out that service quality perceptions are formed during the production, delivery and consumption process. The author concluded that customers' favorable and unfavorable experience, as well as their positive and negative emotions may have an important impact on perceived service quality. Similarly, O'Neill and Palmer (2003) have reported that customers' perceptions of service quality may, to a large extent, be influenced by the degree of their prior experience with a particular service.

Customer's Expectation

Customers' expectation is what the customers wish to receive from the services. Expectations are the results of prior experience with the company's products. Singh and Khanduja (2010) proposed that customers' expectation is formed by many uncontrollable factors which include previous experience with other companies, and their advertising, customers' psychological condition at the time of service delivery, customer background and values and the images of the purchased product. In addition, Zeithaml et al. (1990) stated that customer service expectation is built on complex considerations, including their own pre-purchase beliefs and other people's opinions. Similarly, Miller also stated that customers' expectation related to different levels of satisfaction. It may be based on previous product experiences, learning from advertisements and word-of-mouth communication.

The diversity of expectation definitions can be concluded that expectation is uncontrollable factors which including past experience, advertising, customers perception at the time of purchase, background, attitude and product's image. Furthermore, the influences of customer's expectation are pre-purchase beliefs, word of mouth communications, individual needs, customers' experiences, and other personal attitudes. Different customers have different expectation based on the customer's knowledge of a product or service. Studies supported that expectations precede satisfaction for instance: Turel and Serenko (2004) found in Canada that perceived expectations are positively correlated with customer satisfaction. Anderson, Fornell and Lehmann (1994), who conducted investigation on Swedish firms, argue that there is a positive and significant relationship between expectations and customer satisfaction.

Customer Perception

Perception is a way of forming impressions about oneself, other people and daily experience. It also serves as a screen or filter through which information passes before it has an effect on people. Even though it is subjective the quality or accuracy of a person's perceptions has a major impact on his or her responses to a given situation. According to Mitchel (1978: as cited in Mussie 2010) perceptions are those processes that shape and produce what one actually experiences. Since perceptions are influenced by many external and internal factors such as cultural, social, psychological and economic, the ways in which the customer perceives services are highly subjective. What a customer perceives can differ from objective reality. According to disconfirmation theory, the extent of satisfaction or dissatisfaction that a consumer has with a particular service encounter is determined by the difference between the customer expectations of performance and the actual perceived performance of the service (Oliver, 1996).

Any difference between them is referred to as disconfirmation. If the service experienced is better than expected, then positive disconfirmation or high levels of satisfaction will result. If, however, the service performance falls short of what was expected, then negative disconfirmation or dissatisfaction will result. Therefore, it is imperative to understand how consumers perceive the quality of the product offering, including the service element, and how these perceptions impact upon the consumer's ultimate purchase decision. Having understood the consumers' perception of quality the organization should be able to identify whether or not a gap exists between the customers' expectation and the manager in the development of appropriate managerial quality systems, which should maximize consumer satisfaction. The needs of survival and prosperity in the increasingly competitive marketplace are the main driving forces in the provision of superior quality services. According to Kotler and Keller (2006) successful companies add benefits to their offering that not only satisfy customers but surprise and delight them. Delighting customers is a matter of exceeding expectations.

Customer satisfaction

Most researchers agree that satisfaction is an attitude or evaluation that is formed by the customer comparing their pre-purchase expectations of what they would receive from the product to their subjective perceptions of the performance they actually did receive (Sriyam,

2010). According to Hansemark and Albinson (2004) as cited in Zekiri (2011) “satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals or desire”. Kotler and Keller (2006) defines satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's or service's perceived performance (or outcome) in relation to his or her expectations. Customer satisfaction is also defined as an "evaluation of the perceived discrepancy between prior expectations and the actual performance of the product" (Samuel, 2006). These definitions of customer satisfaction have in common that, if the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted. In conclusion, customer satisfaction is defined as a result of customer's evaluation to the consumption experience with the services. However, the customers have different levels of satisfaction as they have different attitudes and perceived performance from the product/service.

2.5 Importance of quality of service:

Achieve returns of material: this is the provision of services characterized by high quality than, their counterparts, or even their equality by reducing the errors in the work to the greatest extent possible, leading to reduced costs of providing the service, on the one hand, and retain customers and attract new customers, contributing to the growth of financial returns achieved.

Maintaining customer loyalty towards the organization of the service provided: because that would maintain the deal in the customer organization and attention to their wishes and requirements will contribute to increased loyalty towards this Organization.

Maintain the staff: it is working within the organization are the clients internal, so it is of interest to them through their development and training and acquire skills to help them improve the quality of the service, and that this interest felt working interest management them, which motivates them to provide their best and ensure that they belong to the region.

The quality of the service to show the honorable image of the organization provided for the service because it is the means of promotional and advertising for the important services they provide.

The quality of service management to stimulate interest in the development and improve the technology used and keep pace with this development, to ensure a high level of quality provided to customers.

Quality of the service is working to achieve the ultimate benefit of quality at the level of society as a whole, on the grounds that social utility of the quality of service would be reflected on the community.

Works to ensure quality of service and the continued survival of the organization. The fact, that quality means continuous improvement, which gives the organization Continuity and stability in this market.

The researcher conclude that high levels of service quality will lead to customer satisfaction and repeat purchase of the same restaurant, and to achieve customer satisfaction, of course, will lead to increased productivity and profit.

2.6 Service quality in banking

Service quality is gaining more importance in the banking industry and the value of improving service quality should be determined. Riadh, L., Ines, L., and Miguel, M., (2011) suggest that developing strong relationships between customers and financial institutions serve as incentives for customers to remain loyal and thus provide financial institutions with a source of differential advantage. Similarly, Kazi Omar Siddiqi (2010) finds that a centrally important aspect of a commercial customer's dealing with a bank is the quality of the long-term relationship that develops with the bank. LeBlanc, & Nguyen (1988) as cited in Kazi Omar Siddiqi (2010) focused on service quality in financial institutions and discussed 6 factors that explain perceived service quality,

(a) Degree of customer satisfaction

(b) Contract personnel

(c) Internal organization

(d) Physical environment and instruments

(e) Corporate image, and

(f) Personnel customer interaction during the service encounter, contribute to service quality

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Background of the Study Area

The main purpose of this research is to assess service quality of Wegagen Bank in wolkite town and its practice on customer satisfaction. Wegagen Bank is a privately-owned share company which started operations on June 11,1997 with a subscribed capital of birr 60 million and a paid-up capital of birr 30 million, has by now 2,154 shareholders and its total capital (including premium and reserves) reached birr 1.4 billion (April 30,2013).

The bank has opened its branch here in wolkite on September 2015 and started its operation. Its operating is provision of banking service to customer such as saving, loangrating, local transfer and foreign exchange, twolkie branch currently has 3000 saving account and about 20 employees.

The reason behind to its establishment are to provide efficient, competitive, diversified and profitable banking service to a continuous growing number of customers in a socially responsible manner supported by appropriate modern banking technology as well a qualified train and motivated team of management and employee imbued with highly professional and ethical standards.

3.2 Research design

Descriptive research sets out to describe and to interpret what is. It looks at individuals, groups, institutions, methods and materials in order to describe, compare, contrast, classify, analyzed and interpret the entities and the events that constitute the various fields of inquiry. It aims to describe the state of affairs as it exists (Abiy et al., 2009).

The researcher was used descriptive type of research which helps to used quantitative data analysis. This descriptive research helps to describe information at it occurs and it helps that to explain the studies in terms of the condition and also it is suitable for the availability of secondary data information sources. The intention of the paper is simply to describe the practice of service quality on customer satisfaction.

3.3. Target Population

The target population of this study would be customer those who receive service from the bank, employees who give service in the bank and manager of the bank who manage activities of the bank currently.

3.4 Source of data

There are two types' sources of data that the researcher would be used in the study, these are primary and secondary data. Primary data was gathering by the researcher himself. These data would be obtaining by means of questionnaires, which are use to get more information about the bank service quality on customer satisfaction, while secondary data would be obtain from different written materials available in the organization and different published books.

3. 5 Sample Size and Technique

Accordingly, the researcher uses simple random sampling In random sampling method of sampling, each unit included in the sample would have certain pre-assigned chance of inclusion in the sample. This sampling provides the better estimate of parameters in the studies in comparison to purposive sampling.

In this sampling to select customer and employees to represent all population of the study. The reason behind this techniques use is it is easy to analyzes and give equal chance for the respondent and also enable to collect relevant information about this subject matter regarding to researcher study.

3.6 Sample Size

This study selects some representative (samples) from total population to draw valuable conclusion about customer and use consensus for employees. The organization has 20 employees, 1 manager and 3000 total number of customers from organization source.

So, to keep accuracy of data study select 118 sample from total population specifically; the research use 97 of customer, 20 employs and 1 manager source organization.

For selecting samples from all the 3000-customer found in wegagen bank in wolkite branch currently, the following formula of Toro Yamane (1967) will used.

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

Where n= the sample size

N= Population size

e= Acceptable sampling error (10%) and 90% confidence level

$$n = \frac{3000}{1 + 3000(0.1)^2}$$

$$n = \frac{3000}{1 + 3000(0.01)}$$

$$n = \frac{3000}{1 + 30}$$

$$n = \frac{3000}{31}$$

$$n = 97$$

3.7 Data collection Tools

Data collection is the process of gathering data and information to address questions of paper. In order to conduct qualify research the pertinent data will collect. Accordingly, the researcher was used open ended and close ended type of questionnaire and Interviews so as to get desirable information. These questionnaires and Interviews would be address to manager, employees and customer of the company. In addition, the researcher was used secondary data sources such as published books and other research findings. Then data was analyzed by using descriptive data analysis that used simple tabulation and percentages. A simple tabulation involved values counting and number of respondents of customer and employees to a question and placement of them on frequently distribution.

3.8 Method of data analysis

This study was used quantitative and qualitative method of data analysis numerically using tables through frequency, Statistical Package for Social Science and percentage for tabulation. The researcher chooses quantitative data analysis because quantitative data analysis provides precise numerical information in consistent and reproducible ways. It also allows comparison of scale of developments in various circumstances. Quantitative data analysis is used in order to discover inherent facts to explore new facts and relatively quick and easy to understand by users of the study.

CHAPTER FOUR

4. Analysis, Presentation and Interpretation

4.1 Introduction

This chapter is deal with the result obtained from questioner filled by customers; employees and interviews asked to manager of wagagen bank wolkite branch . In order to conduct this research the researcher prepared and distributed 118 questionnaires for the customer 97 questioner is distributed from this 90 questioner collected or returned and 7 questioner is error because lack of knowledge, lack of enough time and lack of sufficient ideas did not fill up and returned the questioner on time .20 questionnaires are distributed to employee of the bank and all questionnaires are answered by employees. Also interview was conducted from the manager of the bank.

4.1 DEMOGRAPHIC COMPOSITION OF RESPONDENTS

Table 4.1:SEX OF RESPONDENTS

	Frequency	Percentage
Male	55	61.1%
Female	35	38.9%
Total	90	100%

Source: (questionnaire survey 2019)

As it can be seen in above table 4.1 below from the total number of respondents, male respondents accounts 55(61.1%) and 35(38.9%)are female. This indicate that Wegagen Bank has more male customers than female customers and knowing this fact may help the bank to design a strategy that bring women to the bank.

Table 4.2:AGE OF RESPONDENTS

	Frequency	Percent
18-25	23	25.6%
26-35	42	46.7%
36-50	18	20%
> 50	7	7.8%
Total	90	100%

Source: (questionnaire survey 2019)

With regarded to age distribution as one can infer from table 4.2 the bank has relationship with youngest age specially from age 18-35 that accounts 18-35 (72.3%) of the total respondents. This might be taken as an opportunity to the bank since they are expected to be long lasting customers

Table 4.3:RELATIONSHIP WITH THE BANK

		Frequency	Percent
SAVING HOLDER	AC.	49	54.4%
CURRENT HOLDER	AC.	23	25.6%
BORROWER		16	17.8%
INTERNATIONAL TRADE		2	2.2%
TOTAL		90	100%

Source: (questionnaire survey 2019)

As it is seen in above table 4.3 below more than half or 49(54.4%) of the total respondents has a relationship with the bank as saving account holder. And this implies that the bank has strong financial ground regarding to deposit mobilization since it is believed that saving deposit is sustainable for a longer period of time.

Table4.4: FREQUENCY OF VISITING THE BANK

Visiting	Frequency	Percent
Daily	2	2.2%
Weekly	12	13.3%
Twice in a month	23	25.6%
Once in a month	48	53.3%
More than a month	5	5.6%
Total	90	100%

Source: (questionnaire survey 2019)

As indicated in table 4.4 below the number of customers that visit the bank within once in a month accounts 48(53.3%) of the total respondents. This indicate that much of the customers are come to the bank frequently to get the service and they have a chance to see the progress of service delivery and to share a day to day obstacle that they faced during time of service delivery

Table 4.5: TIME OF RELATIONSHIP WITH THE BANK

Relation	Frequency	Percent
< 1year	28	31.1%
1-5 years	62	68.9%
6-10 years	-	-
>10 years	-	-
Total	90	100%

Source: (questionnaire survey 2019)

As explained on the above table 4.5 With regard to time of relationship with the bank much of the customers 62(68.9%) of the respondents were loyal to the bank from 1-5years . Thus these customers are expected to give a feedback to the policy makers of the bank about the service delivery based on their long time experience.

4.2 Analysis of a data

The SERVQUAL model proposed by Parasuraman et al., (1988), was used as the main guide for structured questionnaire where data was collected accurately on the customers' expectations and perceptions of service quality. The researcher used the SERVQUAL 5 dimensions (Tangibles, Reliability, Responsiveness, Assurance, and Empathy) which are subdivided into 22 statements, which were directed to measuring service quality in the bank.

Both expectations and perceptions are measured using a 5-point scale to rate their level of agreement or disagreement (1-strongly disagree and 5- strongly agree), on which the higher numbers indicate higher level of expectation or perceptions. Service quality scores are the difference between the perception and expectation scores (P-E). And the analyses are discussed below.

4.2.1 Tangibility Dimension

As shown in table 4.6 below the average gap score for tangibility is -0.13 which means that customers are not satisfied with the quality of service offered by tangibility dimension. Especially in the attractiveness of the back office.

Table 4.6 Tangibility Dimension

Dimension	Description	expectation mean score	perception mean score	gap score
Tangibility	Equipment's of the bank is always up to date.	3.61	3.37	-0.24
	Office of the bank is attractive.	3.59	3.41	-0.18
	Employees of the bank are well-dressed.	4.01	4.12	0.11
	The bank tools that help to perform the service are			
	attractive.	3.80	3.56	-0.24
	Total average	3.75	3.62	-0.13

Source: (questionnaire survey 2019)

Reliability is the ability to perform the promised service dependably and accurately (Parasuraman et al., 1988). That means the bank's service must be accomplished on time, every time, in the same manner and without errors. However, table 4.7 below show that the customers are not satisfied by this dimension and it shows the average gap score of -0.11.

Table 4.7 Reliability dimension

Dimension	Description	expectation mean score	perception mean score	gap score
Reliability	When the bank promises to perform the service within a Certain time it always does.	3.85	3.94	0.09
	The bank solves complaints or problems with great concern.	3.76	3.64	-0.12
	The bank deliver the service correctly at one go.	4.01	3.86	-0.15
	The bank delivers the service at the time agreed on.	4.13	3.89	-0.24
	The bank insists on error free records.	4.40	4.25	-0.15
Total average		4.03	3.92	-0.11

Source: (questionnaire survey 2019)

4.2.3 Responsiveness Dimension

Responsiveness is willingness to help customers and provide prompt service (Parasuraman et al., 1988). It is therefore very important to employees of the bank to help customers and provide quality service. The responsiveness dimension also has a score gap of -0.39 which means customers are satisfied by the attribute of this dimension. The narrow gap score is registered on employees' willingness to help customers and the employees of the bank have some gap with this regard.

Table 4.8 Responsiveness Dimension

Dimension	Description	expectation mean score	perception mean score	gap score
Responsiveness	Employees of the bank inform customers the exact service delivery time.	4.52	4.07	-0.45
	The bank provides fast service.	4.59	4.39	-0.20
	Employees of the bank are always willing to help customers	4.32	3.69	-0.63
	Employees of the bank never too busy to help customers.	3.89	3.61	-0.28
	Total average	4.33	3.94	-0.39

Source: (questionnaire survey 2019)

4.2.4 Assurance Dimension

Assurance dimension refers to knowledge and courtesy of employees and their ability to inspire trust and confidence (Parasuraman et al., 1988). It is thus essential to employees of the bank to have knowledge, skill, capacity and experience about service delivery.

According to table 4.9 the customer expectation is higher than what is actually in the bank and it has a gap score of -0.19. The assurance dimension shows that employees of the bank did not have abundant knowledge to entertain the customer questions. Thus the bank should give a capacity building training to its employees so as to narrow the gap.

Table 4.9 Assurance Dimension

Dimension	Description	Expectation mean score	Perception mean score	Gap score
Assurance	The behavior of employees in the bank impress customers with the reliability of service.	4.26	4.04	- 0.22
	The customers feels confident when they contact with Employees of the bank.	4.22	3.98	- 0.24
	Employees of the bank are always friendly and courteous.	4.04	3.91	- 0.13
	Employees of the bank have knowledge to answer Customers'' questions.	4.17	3.99	-0.18
	Total average	4.17	3.98	- 0.19

Source: (questionnaire survey 2019)

4.2.5 Empathy Dimension

Empathy represents care and individual attention the firm provides to its customers (Parasuraman et al., 1988). The bank should hence make customers feel like a family in order to become empathetic. Table 4.10 shows the result of Empathy dimension.

Table 4.10 Empathy Dimension

Dimension	Description	expectation mean score	perception mean score	gap score
Empathy	Employees of the bank gives attention to customers	4.17	4.07	-0.10
	Employees of the bank give personal attention to each customer	4.19	3.77	-0.42
	Employees of the bank understand the specific need of customer	4.19	3.69	-0.50
	Employees of the bank serve the interests of the customer	3.99	3.76	-0.23
	The bank opening hour is appropriate for all its customers.	3.90	3.78	-0.12
	Total average	4.08	3.81	-0.27

Source: (questionnaire survey 2019)

According to table 4.10 the average gap score for empathy dimension shows -0.27 which means customers are still is not satisfied by the service. As the table depict. With regard to the bank opening hour there is slight difference from expectation and more or less it is satisfy customers.

Table 4.11 The level of importance in servqual dimension

No	Dimension	Average of mean expectation	Rank	Average of mean perception	Rank	Gap score	Rank
1	Tangibles	3.75	5	3.62	5	-0.13	2
2	Reliability	4.03	4	3.92	3	-0.11	1
3	Responsiveness	4.33	1	3.94	2	-0.39	5
4	Assurance	4.17	2	3.98	1	-0.19	4
5	Empathy	4.08	3	3.81	4	-0.27	3

Source: (questionnaire survey 2019)

As above table 4.11 level of expectation and perception service quality ratio scores for all major dimensions such as Responsiveness, Assurance ,Empathy , Reliability and Tangibles

According to table 4.11the major services quality dimension such as Responsiveness, Assurance, Empathy and Tangibles are prioritized in order of their level of expectation.

However Assurance; Responsiveness, Empathy, Reliability, Empathy and Tangibles are prioritized in order of their level of perception.according to the quality of ratio scores. Reliability,Tangibles ,Empathy Assurance and Responsiveness.

4.3 Demographic related variables of employees

Table 4.12 Sex distribution of the respondent

No	Sex	N ^o of respondents	Percentage
	Male	17	85%
	Female	3	15%
	Total	20	100%

Source (questionnaire survey 2019)

According to the above table 4.12, 17(85%) of the respondents were male and 3(15%) of them were female. From this it can be concluded that the majority of the work force were male.

Table 4.13 age distribution of the respondent

The following question was about the age distribution of the employee which is decisive factor for the productivity of the organization.

Age of the Respondent

No	Age	N ^o of respondents	Percentage
2.	23-25	5	25%
	26-29	11	55%
	30-35	3	15%
	> 35	1	5%
	Total	20	100%

Source: (questionnaire survey 2019)

Accordingly the above table (4.13), shows the respondents were from 23-25 were 5(25%), from 26-29 were 11(55%), 30-35 were 3(15%) and above 35 were 1(5%). Hence, the majority of the respondents were in the age range of 26-29 which is highly crucial for the success of the organization. Then the company was advantageous as these were included in productivity age group.

Table 4.14

No	Question	Alternative	Frequency	Percentage
4	In what position are you serving this bank?	Customer services teller	7	35%
		Loan clerk	2	10%
		Customer officer	10	50%
		Manager	1	5%
		Total	20	100%

Source; (questionnaire survey 2019)

According to illustrated on the above table 4.14. 1(5%) manager serving,2 (10%) are Loan clerk,7(35%) are Customer services teller and 10 (50%) of the customer officer are viewed serve banking to be based on customer interest like tangible products and the knowledge of the customer is important to wards service banking

Table 4.15

As indicated in the table above 4.15, 20(100%) of the respondents said that, positive roles towards the satisfactions of customers. NO the company customer said that positive roles towards the satisfactions of customers.

Table 4.16

Is there relationship between service quality and customer satisfaction?	Frequency	Percentage
Yes	20	100%
No	-	-
Total	20	100%

Source; (questionnaire survey 2019)

As indicated in the table above,4.16 ; 20(100%) of the respondents said that, have relationship between service quality and customer satisfaction. NO the company customer said that, relationship between service quality and customer satisfaction

Table 4.17

Item	Scale	Frequency	Percentage
Customer complaints have significance for bank.	Strongly agree	5	25%
	Agree	8	40%
	Neutral	0	0
	Disagree	4	20%
	Strongly disagree	3	15%
	Total	20	100%

Source; (questionnaire survey 2019)

According to illustrated on the above table 4.17, out of 20 employees , 8(40%) of employees are agree on Customer complaints have significance for bank.5(25%) of employees are strongly agree Customer complaints have significance for bank,4(20%) of the employees are disagree Customer complaints have significance for bank,3(15%) of the employees are strongly disagree on Customer complaints have significance for bank and no neutral of the employees are Customer complaints have significance for bank.

Table 4.18

Item	Scale	Frequency	Percentage
Banks encourage customer to express their complaints.	Strongly agree	7	35%
	Agree	6	30%
	Neutral	0	0%
	Disagree	5	25%
	Strongly disagree	2	10%
	Total		20

Source; (questionnaire survey 2019)

According to explained on above table 4.18; out of 20 employees , 7(35%)of employees are strongly agree on Banks encourage customer to express their complaints,6(30%)of employees are agree on Banks encourage customer to express their complaints,5(25%)of employees are disagree on Banks encourage customer to express their complaints, 2 (10%)of employees are strongly dis agreed on Banks encourage customer to express their complaint and no neutral of employees are Banks encourage customer to express their complaints.

The Manager interview

According to the banks manager who has been serving the bank interview the overall satisfaction of customer with the service provide by the wagagen bank. The service delivered to customer could not disclosed but all customer with this bank always satisfied by excellence of service delivery, in addition to this the wagagen bank has been affected or determined by many factors like power on\off, failure of network, political issue, shortages of manpower besides this bank on the service quality dimensions is getting the highest perceive quality by customer this banks.loan grant time, core banking systems, top management highly qualified employees

However, both of the manager and the assistant manager informed the researcher that no market research has been conducted on service quality and customer satisfaction. This may imply that it is demanding to undertake survey services marketing particularly using the SERVQUAL standardized questionnaire so as to identify the existing gaps and address accordingly. In relation to this specific research undertaking, they confirmed that the potential outcomes might contribute to the successfulness of the bank based on the quality of the outcomes and acceptance of the same by the management.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

Summary

In this chapter, the researcher provides answers to the research questions by summarizing the findings from the analysis and discussion chapter. Service quality and customer satisfaction are very important concepts that companies must understand in order to remain competitive in business and hence grow. It is very important for companies to know how to measure these constructs from the consumers' perspective in order to better understand their needs and hence satisfy them. Service quality is considered very important because it leads to higher customer satisfaction, profitability, reduced cost, customer loyalty and retention. To this end the study aimed to assess the service quality and customer satisfaction of Wegagen bank ,a self-administered questionnaire was developed based on a SERVQUAL model that identified the influence of five dimensions (i.e. tangibility, responsibility, reliability, assurance and empathy).

5.1 CONCLUSIONS

In assessing the service quality and customer satisfaction of Wegagen bank the following conclusion are drawn based on the findings of the study.

- ❖ From the gap score carried out, customers have high expectation of service quality of Wegagen Bank and from out of the five dimensions responsiveness is the highest expectation score and customers are highly expect to feel confident when they contact with the employees of the bank.
- ❖ The overall perception service quality is low as expectations exceed perceptions meaning consumers desired more than what was offered to them. Especially the dimension scores the reliability and tangibility least result and customers are not satisfied by the appearance of physical facilities, equipment, personnel, and communication materials of Wegagen bank.

- ❖ Even if there is a negative gap score in all dimensions, among the five service quality dimension reliability is the most important dimension to the customer of Wegagen bank followed by tangibility empathy, assurance and responsiveness.
- ❖ As the result of a negative gap score between perception and expectation of service quality, it is clear that customers are not satisfied
- ❖ Generally, knowing how consumers perceive service quality and being able to measure service quality can benefit management of service organizations. Measuring service quality can help management provide reliable data that can be used to monitor and maintain improved service quality. Using the SERVQUAL model to assess service quality enables management to better understand the various dimensions and how they affect service quality and customer satisfaction. This will help them to identify those that have strengths and weaknesses and thereby make necessary improvements.

5.3 RECOMMENDATIONS

Based on the findings and conclusion of the study the following recommendations are forwarded

- ❖ The bank should focus in the appearance of physical facilities, equipment, personnel, and communication materials since the least customer perception is recorded in this attributes.

- ❖ The bank should give special attention to reliability and tangibility dimension since it is the first choice of its customer and help to perform the promised service regularly and accurately.

- ❖ The bank should work in collaboration with ethio-telecom so as to overcome the network problem.

- ❖ The bank should hire experienced information technology professionals to solve ATM related problems.

- ❖ Finally the bank should organized and give training to its employees so as to increase their capacity of delivering quality service and customer handling.

REFERENCE

- Ahmed, I., Nawaz, M., Usman, A., Shaukat, Z., Ahmad, N. And Iqbal, H. (2010). Impact of Service Quality on Customers Satisfaction: Empirical evidence from telecom sector of Pakistan. *Interdisciplinary Journal of Contemporary Research in Business*, 1(12), 98-113 Institute of Interdisciplinary Business Research.
- Andaleeb, S.S. & Conway, C. (2006). Customer satisfaction in the restaurant industry: an examination of the transaction-specific model. *Journal of Services Marketing*, 20(1), 3-11
- Cronin, J. J. Jr. & Taylor, S. A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing*. 56(July
- Dibb, S., Simkin, L., Pride, W. And Ferrel, O.C. *Marketing Concepts and Cases*, 4th edition, 2001
- Dibb, S., Simkin, L., Pride, W. And Ferrel, O.C. *Marketing Concepts and Cases*, 4th edition, 2001
- Grönroos, C. (1984): A service quality model and its marketing implications, *European Journal of Marketing* 18, pp. 36-43
- Gustafsson, A., Johnson, M.D. and Roos, I. (2005), “The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention”, *Journal of Marketing*, Vol. 69, October, pp. 210-8.
- Jeffrey Peel (2002) *CRM: Redefining Customer Relationship Management*. Digital Press Elsevier Science USA
- Juan, C. Fandos, R. Javier, S. Miguel, A. And Jaume, L. (2006) Customer perceived value in banking services. *International Journal of Bank Marketing* Vol. 24 No. 5, 2006.

- Keir, C and Mitchell, P. (1990), ``How to measure industrial service quality'', Industrial Marketing Digest, Winter, pp. 36-46.
- Kotler, P. & Keller, L.K. (2006). Marketing management (12th ed). Pearson Education, Inc., Upper Saddle River, New Jersey
- Kotler, P. And Armstrong, G, (2004), Principles of Marketing, 10th edition, Chapter 1, pp. 5-6, Pearson education, New Jersey
- Kumar G., Arun and Manjunath, S.J. (2012). Service Quality Impact on Customer Satisfaction – A Study of ICICI Bank in Mysore City. International Journal of Engineering and Management Research, 2, 1-4.
- Lee, H., Lee, Y. and Yoo, D. (2000), “The determinants of perceived service quality and its relationship with satisfaction”, The Journal of Services Marketing, Vol. 14 No. 3, pp. 217-34.
- Oliver, R.L. (1980), “A cognitive model of the antecedents and consequences of satisfaction decisions”, Journal of Marketing Research, Vol. 17, November, pp. 460-9
- Parasuraman, A., Zeithaml, Valarie A. and Berry, Leonard L. (1985). A Conceptual Model of Service Quality and its Implication for Future Research. Journal of marketing, 49, 41-50
- Parasuraman, A., Zeithaml, Valarie A. and Berry, Leonard L. (1988). SERVQUAL: A Multiple Item Scale for Measuring Consumer Perceptions of Service Quality. Journal of Retailing, 64, 1240.

- Zeithaml, V.A., Berry, L.L., and Parasuraman, A. (1996).The behavioral consequences of service quality. *Journal of Marketing*, 60, April, 31-46.

APPENDIX A

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MARKETING MANAGEMENT

Questionnaires to be filled by customers

Dear respondent,

The purpose of this questionnaire is to conduct a research regarding the quality service and customer satisfaction of Wegagen Bank wolkite branch for the partial fulfillment of degree in marketing management from wolkite University. Since your response is important to this research, I kindly request you to respond each question genuinely and timely. And I would like to confirm you that the information you provide does not affect you in any case and will be kept in secrete.

Note:

No need to write name

➤ *Give your answer by encircling or tick the box.*

Thank you in advance for your cooperation!!

Part I Respondent's Background Information

1. Gender Male Female

2. Age group 18-25 26-35 36-50 above 50

3. Your relationship with the bank as saving Account holder Current Account holder

Borrower International Business

4. Frequency of visiting the branch to get service daily weekly twice in a month

Once in a month

More than a month

5. How long since you establish relationship with the bank

Less than 1 year 1-5 years 6-10 years more than 10 year

Part II Research related questions

Expectation Questions

Please indicate the level of your agreement and disagreement with the following descriptions by encircling the appropriate answer based on the following ratings.

1= strongly disagree 2 = disagree 3= averagely agree 4= agree 5= strongly agree

Dimensions	No.	Descriptions	Rating Point
Tangibles	1	Equipment's of the bank must always be up to date.	1 2 3 4 5
	2	Office of the bank must be attractive.	1 2 3 4 5
	3	Employees of the bank must be well-dressed.	1 2 3 4 5
	4	The bank tools that help to perform the service must be attractive.	1 2 3 4 5
Reliability	5	If the bank promises to perform the service within a certain time it must always be kept.	1 2 3 4 5
	6	The bank must solve complaints or problems with great concern.	1 2 3 4 5
	7	The bank must deliver the service correctly.	1 2 3 4 5
	8	The bank must deliver the service at the time agreed on.	1 2 3 4 5
	9	The bank must insist on error free records.	1 2 3 4 5
Responsiveness	10	Employees of the bank must inform customers about the exact Service delivery time.	1 2 3 4 5
	11	It is realistic to expect immediate service delivery from the	1 2 3 4 5

		bank.						
	12	Employees of the bank must always be willing to help customers.	1	2	3	4	5	
	13	Employees of the bank should never be too busy to help customers.	1	2	3	4	5	
Assurance	14	The behavior of employees in the bank must impress customers with the reliability of service.	1	2	3	4	5	
	15	Customers must be feel confident when they contact employees of the bank.	1	2	3	4	5	
	16	Employees of the bank must always be friendly and courteous.	1	2	3	4	5	
	17	Employees of the bank must possess knowledge that help to answer Customer questions.	1	2	3	4	5	
Empathy	18	Employees of the bank are expected to pay attention to customers.	1	2	3	4	5	
	19	Employees of the bank are expected to pay attention to each Customer.	1	2	3	4	5	
	20	Employees of the bank are expected to understand the specific needs of customer	1	2	3	4	5	
	21	Employees of the bank are expected to serve only the interest of the Customer.	1	2	3	4	5	
	22	The bank opening hour is expected to be appropriate for all customers.	1	2	3	4	5	

Part III Research related questions

Perception Questions

Please indicate the level of your agreement and disagreement with the following descriptions by in encircling the appropriate answer based on the following ratings.

1= strongly disagree 2= disagree 3= averagely agree 4= agree 5= strongly agree

Dimensions	No.	Descriptions	Rating Point				
Tangibles	1	Equipment's of the bank is always up to date.	1	2	3	4	5
	2	Office of the bank is attractive.	1	2	3	4	5
	3	Employees of the bank are well-dressed.	1	2	3	4	5
	4	The bank tools that help to perform the service are attractive.	1	2	3	4	5
Reliability	5	When the bank promises to perform the service within a Certain time it always does.	1	2	3	4	5
	6	The bank solves complaints or problems with great concern.	1	2	3	4	5
	7	The bank deliver the service correctly at one go.	1	2	3	4	5
	8	The bank delivers the service at the time agreed on.	1	2	3	4	5
Responsiveness	9	The bank insists on error free records.	1	2	3	4	5
	10	Employees of the bank inform customers the exact service delivery time.	1	2	3	4	5
	11	The bank provides fast service.	1	2	3	4	5
	12	Employees of the bank are always willing to help customers.	1	2	3	4	5
Assurance	13	Employees of the bank never too busy to help customers.	1	2	3	4	5
	14	The behavior of employees in the bank impresses customers with the reliability of service.	1	2	3	4	5
	15	The customer feels confident when they contact with Employees of the bank.	1	2	3	4	5
	16	Employees of the bank are always friendly and courteous.	1	2	3	4	5
Empathy	17	Employees of the bank have knowledge to answer Customers'' questions.	1	2	3	4	5
	18	Employees of the bank give attention to customers.	1	2	3	4	5

19	Employees of the bank give personal attention to each Customer.	1	2	3	4	5
20	Employees of the bank understand the specific need of customer.	1	2	3	4	5
21	Employees of the bank servethe interests of the Customers.	1	2	3	4	5
22	The bank opening hour is appropriate for all its customers.	1	2	3	4	5

Questionnaire for Employees:

Dear Respondent,

My name is Adem Hamda. I am carrying out a Research Question entitled with

Assessing the practice of Service Quality on Customer Satisfaction at wagagen Banks, Wolkite

Branch for the graduation fulfillment of BA in Marketing Management at wolkite University.

For this purpose, I am kindly looking for your cooperation to share your moment of truth experience about the overall service rendering facets of this branch that are going to be used only for this study.

1. Sex: Male female

2. Age: 23-25 26- 29 30-35 above 35

How many years have you been serving this bank?

Below 2-year *3-year* *4 year* *above 4 year*

3. *In what position are you serving this bank?*

Customer services teller *lod* *erk* *cu* *er officer*
manager

4. Do you think that you have positive roles towards the satisfactions of customers?

Yes

No

5. Is there relationship between service quality and customer satisfaction?

Yes

No

6. Customer complaints have significance for bank. Strongly disagree dis-agree

Neutral

agree

strongly agree

7. Banks encourage customer to express their complaints.

Strongly disag

dis-agre

neutral

agree

Strongly agree

I. Manager Interviews

1. What is the overall satisfaction of customers with the service provide by wegagen Bank?

2. What are the major factors that affect or determine service quality in the wegegan Bank?

3. Which service quality dimension is getting the highest perceive quality by the customer of Wegagen Bank?

Appendix B

ወልቂጤ ዩኒቨርሲቲ

ተመራቂ ተማሪ

ለደንበኞች የተዘጋጀ መጠይቅ ውድ ደንበኞች

የዚህ መጠይቅ ዋና አላማ በወጋገን ባንክ ወልቂጤ ቅርንጫፍ የአገልግሎት አሰጣጥ ጥራት እና የደንበኞች እርካታ በተመለከተ መረጃ ለመሰብሰብ ሲሆን የጥናቱ አላማ ደግሞ በወልቂጤ ዩኒቨርሲቲ የማርኬቲንግ ማናጀመንት ትምህርት ክፍል ድግሪ ማሟያ የሚሆን የመመረቂያ ጽሁፍ ለማዘጋጀት ነው።

በመሆኑም እርሶ የሚሰጡት እውነተኛ ምላሽ ለጥናቱ መሳካት እጅግ ጠቃሚ በመሆኑ እያንዳንዱን ጥያቄ በትክክል እንዲመልሱ በአክብሮት እየጠየኩ የሚሰጡት መረጃ በምንም አይነት መልኩ እርሶን የማይጎዳና ሚስጥራዊነቱ የተጠበቀ መሆኑን በአክብሮት ሊረጋግጥ እወዳለሁ፡፡

ማስታወሻ

ስም መጥቀስ አያስፈልግም

ትክክለኛ ነው ብለው የሚያስቡትን ምላሽ በማክበብ/ጭረት (x) በመጠቀም ይመልሱ

ስለትብብርዎ በቅድሚያ አመሰግናለሁ!!

ክፍል አንድ መሠረታዊ መረጃዎች

ጾታ ወንድ ሴ

እድሜ ከ18-25 5 50 ከ50 >

ከባንኩ ጋር ያለዎት ግንኙነት በተንቀሳቃሽ ሂሳብ ባለቤት በቁጠባ ሒሳብ ባለቤት በተበዳሪነት

የውጪ ንግድ ከባንክ ጋር ያለው ግንኙነት በቁጠባ ሂሳብ በተንቀሳቃሽ ሂሳብ

የውጪ ንግድ በተበዳሪነት

ከባንኩ ቅርንጫፍ አገልግሎት ለማግኘት በምን ያህል ጊዜ ይመጣሉ

በየቀኑ በየሳምንቱ በሳምንት 1 ጊዜ በወር 1 ጊዜ

ከወጋገን ባንክ ጋር በደንበኝነት ለምን ያህል ጊዜ ቆይተዋል ከ<1 አመት ከ1 ዎት

ከ6-10 አመት 10 አመት

ክፍል ሁለት ከጥናቱ ጋር የተያያዙ ጥያቄዎች

በወጋገን ባንክ ወልቁጤ ቅርንጫፍ ሊኖር ይገባል ብለው የሚጠብቁትን የአገልግሎት ሁኔታ የሚመዝኑ ጥያቄዎች ቀርቦታል እባክዎን በመለኪያው መሰረት ትክክለኛ ነው ብለው የሚያምኑባትን መልስ የያዘውን ቁጥር በማክበብ መልስ ይስጡ

1. በጣም አልሰማማም 2. አልሰማማም 3. በመጠኑ እስማማለሁ 4. እስማማለሁ
5. በጣም እስማማለሁ

የጥራት መመዘኛ	ተ. ቁ	መግቢያ	መ-ሆኪያነጥብ				
			1	2	3	4	5
ተጨባጭነት	1	ባንኩ የሚሰራባቸው መሳሪያዎች ሁልጊዜ ዘመናዊ ሉሆኑ ይገባል.	1	2	3	4	5
	2	የባንኩ አቀማመጥ ሰቢ ሊሆን ይገባል	1	2	3	4	5
	3	የባንኩ ሰራተኞች በአለባባሳቸው ጥሩ እና ጽዱ መሆን ይገባቸዋል	1	2	3	4	5
	4	ባንኩ የሚሰራባቸው መሳሪያዎች ሁልጊዜ አይን የሚስቡ መሆን ይገባቸዋል	1	2	3	4	5
ታማኝነት	5	ባንኩ የገባውን ቃል ጠብቆ አገልግሎት መስጠት ይጠበቅበታል	1	2	3	4	5
	6	ባንኩ ማንኛውንም ችግር ና ቅሬታ በከፍተኛ ሃላፊነት ሉፈታ ይገባል	1	2	3	4	5
	7	ባንኩ ትክክል በሆነ መልኩ በአንድ ጊዜ አገልግሎት መስጠት ይጠበቅበታል	1	2	3	4	5
	8	ባንኩ አገልግሎቱን ቃል በገባው ጊዜ ሊፈጽም ይገባል	1	2	3	4	5
	9	ባንኩ የደንበኞችን መረጃ ያለ ስህተት ሊመዘግብ ይገባል	1	2	3	4	5
ተጠያቂነት	10	ባንኩ የአገልግሎት መስጫ ጊዜውን በትክክል ለደንበኞች ሊያሳውቅ ይገባል	1	2	3	4	5
	11	ባንኩ ሁል ጊዜ ቀልጣፋ የሆነ አገልግሎት እንዲሰጥ ይጠበቃል	1	2	3	4	5
	12	የባንኩ ሰራተኞች ሁልጊዜ ደንበኛን የመርዳት ፍላጎት ሉኖራቸው ይገባል	1	2	3	4	5
	13	የባንኩ ሰራተኞች ደንበኛን ለመርዳት የስራ ጫና ሊበዛባቸው አይገባም	1	2	3	4	5
እምነትማሳ ደር	14	የባንኩ ሰራተኞች በታማኝነት በማገልገል ደንበኞችን ማስደሰት ይኖርባቸዋል	1	2	3	4	5
	15	የባንኩ ሰራተኞች በደንበኞች እምነት የሚጣልባቸው ሊሆኑ ይገባል	1	2	3	4	5
	16	የባንኩ ሰራተኞች ትሁት እና ተግባቢ መሆን ይጠበቅባቸዋል	1	2	3	4	5
	17	የባንኩ ሰራተኞች የደንበኞችን ጥያቄ በአግባቡ ለመመለስ የሚያስችል እውቀት ሊኖራቸው ይገባል	1	2	3	4	5
በቅንነትማገልገል	18	የባንኩ ሰራተኞች ለደንበኞቻቸው ትኩረት ሊሰጡ ይገባል	1	2	3	4	5
	19	የባንኩ ሰራተኞች ለእንዳንዱ ደንበኛ ትኩረት ሊሰጡ ይገባል	1	2	3	4	5
	20	የባንኩ ሰራተኞች የደንበኞችን ፍላጎት ብቻ ማሟላት ይጠበቅባቸዋል	1	2	3	4	5

	21	የባንኩ የስራ መጀመሪያ ሰዓት ለሁሉም ደንበኞች አመቺ መሆን ይጠበቅበታል	1	2	3	4	5
--	----	---	---	---	---	---	---

ክፍል ሦስት ከጥናቱ ጋር የተያያዙ ጥያቄዎች

በወጋገን ባንክ አ.ማ አሁን ያለውን የአገልግሎት አሰጣጥ ሁኔታ የሚመዝኑ ጥያቄዎች ቀርቦአል እባክዎን በመለኪያው መሰረት ትክክለኛ ነው ብለው የሚያምኑበትን መልስ የያዘውን ቁጥር በማክበብ መልስ ይስጡ

1. በጣም አልስማማም 2. አልስማማም 3. በመጠኑ እስማማለሁ 4. እስማማለሁ 5. በጣም እስማማለሁ

የጥራት መመዘኛ	ተ.ቁ	መግቢያ	መሥሪያ				
			ጥ-1	2	3	4	5
ተጨባጭነት	1	ባንኩ የሚሰራባቸው መሳሪያዎች ሁልጊዜ ዘመናዊ ናቸው.	1	2	3	4	5
	2	የባንኩ አቀማመጥ ሳቢ ነው	1	2	3	4	5
	3	የባንኩ ሰራተኞች በአለባባሳቸው ጥሩ ና ጽዱ ናቸው	1	2	3	4	5
	4	ባንኩ የሚሰራባቸው መሳሪያዎች ለአይይ የሚስቡ ናቸው	1	2	3	4	5
ታማኝነት	5	ባንኩ የገባውን ቃል ጠብቆ አገልግሎት ይሰጣል	1	2	3	4	5
	6	ባንኩ ማንኛውንም ችግር እና ቅሬታ በከፍተኛ ሃላፊነት ይፈታል	1	2	3	4	5
	7	ባንኩ ትክክል በሆነ መልኩ በአንድ ጊዜ አገልግሎት ይሰጣል	1	2	3	4	5
	8	ባንኩ አገልግሎቱን ቃል በገባው ጊዜ ይፈጽማል	1	2	3	4	5
	9	ባንኩ የደንበኞችን መረጃ ያለ ስህተት ይመዘግባል	1	2	3	4	5
ተጠያቂነት	10	ባንኩ የአገልግሎት መስጫ ጊዜውን በትክክል ለደንበኞች አሳውቋል	1	2	3	4	5
	11	ባንኩ ሁልጊዜ ቀልጣፍ የሆነ አገልግሎት ይሰጣል	1	2	3	4	5
	12	የባንኩ ሰራተኞች ሁልጊዜ ደንበኛን የመርዳት ፍላጎት አላቸው					

	13	የባንኩ ሰራተኞች ደንበኛን ለመርዳት የስራ ጫና አለባቸው	1	2	3	4	5
እምነትማሳደር	14	የባንኩ ሰራተኞች በታማኝነት በማገልገል ደንበኞች ያስደስታሉ	1	2	3	4	5
	15	የባንኩ ሰራተኞች በደንበኞች እምነት የሚጣልባቸው ናቸው	1	2	3	4	5
	16	የባንኩ ሰራተኞች ትሁትና ተግባር ናቸው					
	17	የባንኩ ሰራተኞች የደንበኞችን ጥያቄ በአግባቡ ለመመለስ የሚያስችል	1	2	3	4	5
በቅንነትማገልገል	18	የባንኩ ሰራተኞች ለደንበኞች ትኩረት ይሰጣሉ	1	2	3	4	5
	19	የባንኩ ሰራተኞች ለእያንዳንዱ ደንበኛ ትኩረት ይሰጣሉ	1	2	3	4	5
	20	የባንኩ ሰራተኞች የደንበኞችን የተለየ ፍላጎት በመረዳት ያስተናግዳሉ	1	2	3	4	5
	21	የባንኩ ሰራተኞች የደንበኛው ፍላጎት ብቻ በማሟላት ያስተናግዳሉ	1	2	3	4	5
	22	የባንኩ የስራ መጀመሪያ ሰአት ለሁሉም ደንበኞች አመቺ ነው	1	2	3	4	5

