

***INVESTIGATION OF FACTORS AFFECTING CUSTOMER SATISFACTION
IN CASE OF DASHEN BANK IN WOLKITE BRANCH***



COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MARKETING MANNAGEMENT

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Abstract

This research was entitled with the use of investigation factors affecting customer satisfaction in case of Dashen bank in Wolkite brunch. Customer satisfaction can be effectively and efficiently use bank since customer satisfaction is the area of major concerns of organizations managements for both its long term survival and current profitability. As above statements, this research paper try to address the question how customer satisfaction is measured in the bank, beginning from background of the study, statement of the problem, objective and significance of the study with its scope and limitation of the study .It try to cover related literature reviews about customer service in relation with customer satisfaction. A part that can be explain all what has been done regarding research methodology and data analysis with its interpretation, finally research finding, conclusion and recommendation proposed for the research and reference materials used to a data.

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ACCRONYMS

ATM Automatic Teller Machine

CBE Commercial Bank of Ethiopia

LCs Letter of Credit

TARP Technical Assistance Research Problem

WAN Wide Area Network

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

Customer satisfaction is the extent to which service provide performance matches a user expectation, it is one of the most study areas in marketing, if the service performance falls a short of expectation the user is dissatisfied. If the performance matches exceed expectation the user is satisfied (Kotler p., 1996, 7th ed., p. 401).

Customer service is giving what we promise on time, it rates to everything a company does to satisfy its customers and to help realize the greatest possible value form the goods and service they are purchasing. It is the action company can take to demand value to the basic goods and service. It is whatever enhance customer satisfaction, customer satisfaction is providing quality service to many companies are aim for high satisfaction because customers who are just satisfy still find it easy to switch when a better after come along. Customer are motivate to remain as customer when they use the kind of service need and have the excellence experience moreover customers reduce risk, save time find reap social and other benefits by forming relationship with the company. Consequently satisfying customers is not an impossible task, in fact meeting and exceeding customer expectation may reap severally valuable benefits for the firm, positive matches generating from existing customers often translate into more new customers. Customers are often willing to pay more and stay with the firm that meets their needs than to take the risk associate with moving to a lower price service offering. (Hoffman K., 2000, 2nded).

Satisfaction and dissatisfaction information are important because understanding them leads to the right improvements that can create satisfied customers who reward the company with loyalty, repeat business, and positive referrals. Creating satisfied customers includes prompt and effective response and solutions to their needs and desires as well as building and maintaining good

relationships. A business can achieve success only by understanding and fulfilling the needs of customers.

1.2. Statement of the problem

Customer satisfaction has a vital impact on achieving the company objective. Investigation of the overall practices and problems of customer satisfaction within the organization would concern of the paper. Among the prevailing problem that are frequently raise in relation to the customer as well as overall service in the bank, Dashen bank do not provide adequate loan, customers are not fully aware in the banks service, customers do not return their loan timely, problem in collection of the loan, lack of professionals and working materials. To fill this gap, the study would be distribute questionnaire on the Dashen bank to solve the above listed problems and the general objective of this study is to increase customer satisfaction. All these are broken through the availability of credit for feasible projects but also other smaller activities by giving quality service and arranging internal structure of the bank. (Marsha and Abdlakha, 1990).

1.3. Objective of the study

1.3.1. General objective

The general objective of this study would be to investigation of factor affecting customer satisfaction in case of Dashen bank Wolkite branch.

1.3.2. Specific objective

- ✓ To identify the factors which affect customer satisfaction in Dashen bank,
- ✓ To identify levels of customer satisfaction in Dashen bank service,
- ✓ To identify the problems of customer satisfaction in Dashen bank.

1.4. Significance of the study

This research would provide some insight about service quality of Dashen bank of Wolkite branch and the satisfaction level of customers towards the bank service with respect to the various services that the bank rendered. It can also be a good indicator for managers to identify the gap between management's perception of service quality and that of their customers and taking actions to close the gaps. It is also intended to help the company management to consider the level of service quality as per the view point of customers so that based upon customers feedbacks the managers might to divert their attention to this valuable essential function of the business and to attract new potential customers and enable them retain the existing customers.

The study would be also the following importance:

- ✓ The findings of this research would help the bank's management to understand the role of good quality service.
- ✓ It provides literature for the bank industry under customer service quality.
- ✓ It helps to other researchers who want to conduct further study on the subject in the future.

1.5. Scope of the study

The study would particularly focus to investigate banks customer satisfaction specifically from the context of Dashen bank, Wolkite branch. The study would concentrate on customer satisfaction.

1.6. Limitation of the study

Although the research contains some reliable data on factors affecting customer satisfaction in case of Dashen bank in Wolkite branch. This paper would had the following limitation.

1. Shortage of time; the time period for collection of data from source is length and this possess time limit.

2. Shortage of financial resource the money spent for various activate is more

1.7. Organization of the paper

This paper is organized into three chapters.

Chapter one which is the introductory part includes background of the study, statement of the problem, objective of the study, significance of the study and scope of the study .

Chapter two presents various literature review regarding definition, features and other related issue.

Chapter three contains methodology of the study includes research design, sampling design, source of data, tools of data collection method, sample size and data analysis and interpretation.

Chapter four contains data Analysis and interpretation on with their presentation.

Chapter five contains findings, conclusion and recommendation.

CHAPTER TWO

2. RELATED LITERATURE REVIEW

2.1. History of banks in Ethiopia

Modern banking in Ethiopia is gain in 1905 with the bank of Abyssinia, a private company controlled by the bank of Egypt. In 1931 it was liquidated and replaced by the bank of Ethiopia which was the bank of issue until the Italian invasion of 1936. During the Italian occupation bank of Italia bank notes formed the legal tender, under the subsequent British occupation; Ethiopia was briefly a part of the east Africa currency board. In 1943, the state bank of Ethiopia was established, with two departments performing the separate function of an issuing bank and commercial bank.

In 1963 these function were formally separated and national bank of Ethiopia were formed and the central bank. Commercial bank of Ethiopia were formed in the period to 1974 several other financial institution emerged including the state owned.

The agriculture and industrial development bank /established largely to finance state owned enterprises. The saving and mortgage corporation of Ethiopia are. The imperial savings and home ownership public association.(<http://www.nbe.gov.et/history.htm/>)

2.2. Central bank and its role in the economy

The national bank of Ethiopia periodically makes available to the public several statistical publications on macroeconomic factor in Ethiopia. The inter bank money market is weak and few banks access the rediscount window. According to its website the function of the national bank of Ethiopia are as follow: coins, prints and issues the legal tender currency, and regulates the country money supply regulates the applicable interest rate and other cost of money charges. Formulating implements and follows u the countries exchange rate policy and manage administers the international reserve of the country.

Exercise and performs such other powers and activities as central banks customarily perform. The central bank has a monopoly on all foreign exchange transactions and supervises all foreign exchange payments and remittances. The currency the birr is not convertible. The government carefully monitors and controls its government and as a result, it trades in a very narrow range. The birr is widely considered to be overvalued particularly in light of Ethiopia's high inflation rate.

2.4. Service offered by the bank

Currently the bank renders four major services in its entire branch namely, credit facility, saving schemes international banking and fund transfer. Moreover, the banks provide the customers master card and visa cards, so that they can use internationally.

The bank provides a credit facility to its customers in different forms depending on their need and the nature of their business. They are to mention, some of the credit lines offered include overdraft facilities, term loans, letter of credit facility, merchandise loan and personnel loan.

The other service the bank renders is deposited services including demand deposit, saving deposit, youth saving deposit and time/fixed deposit. The bank also renders international banking services providing services like opening letters of credit, terms importers, holding of incoming LCS for exporters. Purchase of outward bills purchasing and selling of foreign currency denominated loans, receiving and transferring foreign currency payment by SWIFT and handling incoming and outgoing international letter of guarantee. (<http://www.dashenbanksc.com>).

Furthermore, the bank is currently offering fund transfer all over the country and international fund transfer, rendered in cooperation with western union.

Dashen bank has established account maintenance relationship with thirteen correspondent banks. Overall banking relationship is SWIFT has expanded to local banks in 55 cities and 44 countries.

2.5. Technology used in the bank

The bank uses various kinds of communication and computing technologies to carry out its day to day activities. The communication technologies range from telephone and fax to dial internet communication and very fast high speed broad band network.

Now the bank is under transition of changing the old system the new one for all branches. The change includes replacement of old hardware with modern competent one.

Wide area network (WAN) in other attractive features the banks technologies area banks can access their account form any other area bank in the country. (<http://www.nbe.gov.et/history.htm>)

2.6. Customer service

A customer is the most important person in a business we are dependent up on him a customer is not an interpretation of our work. He is a sole purpose of it. Customer does us a favor when he comes in doing him favor by waiting on. A customer a person who comes to us with his needs and wants it is our job to fill them.

A customer deserves the most courteous attention we can give him. He is a little blood of this and every business. Without him we would have to close our oars. Customer service is the provision of service to customers before, during and after purchase.

According to Turban et al., (2002) was customer service is a serious of activities designed to enhance the level of customer satisfaction, which is the feeling that product or service has meet the customer expectation. It is important various by products industry and customer detective or broken merchandise can be exchanged, often only with receipt and within specific time. ([http://www.en.wikipedia.org/wiki/customer service](http://www.en.wikipedia.org/wiki/customer%20service))

2.7. Understanding different customer attitude

The most basic objective of customer satisfaction surveying program is to generate valid and consistent customer feedback.

As it is determined what needs to be measured and how the data relate to loyalty and repurchase, it becomes important to examine the mind set of customers the instant they are required to make pre-purchase (repurchase) decision or recommendation, decision, surveying this decision leads to measures to customers loyalty. In general, the customers pre purchase mind et will talk into one of their categories. Rejection (will avoid purchasing it at all possible) acceptance (satisfied, but will shape for better deal), and preference.

This highly subjective system that customer themselves apply to their decisions is based on primary input from two sources.

The customers own experiences each time they experience a product all service, deciding whether that experience is great, neutral or terrible. These are known as “moments of truth”. The experiences of other customers...each time they hear something about a company, whether its create, neutral or terrible. This is known as “word of mouth”.

There is obviously a strong connection between these two points. An exceptional experience leads to strong word of mouth recommendation.

2.8. Improving service quality and productivity

Implementing marketing strategies to improve customer satisfaction with service can prove costly and disruptive for organization if the implication for operations and human resource has not been carefully thought through. Hence quality and productivity improvement strategies need to be considered jointly rather than in isolation.

In the early 1990“ **Swedish professor Evert Gambeson** observed that although service equality just is viewed in conjunction with semis productivity and profitability’s service quality had been widely researched but not service productivity.

According to Brad Gale, when he says that „value“ is simply quality, however, the customer defines it, offered at the right price, improving quality in the eyes of customer pay off the companies provide it.

Similarly, improving productivity is important to marketers for several reasons. First it helps to keep costs down. Lower costs either mean higher profits or the ability to hold down prices. Second, firms with low costs also generate higher margins, giving those firms the option of spending more than the competition in marketing activities third is the opportunity to secure the firm's long term future through investment in new service technologies and in research to create superior new services, improved features, and innovative delivery system. (Christopher L. (2004), Service marketing 5th edition)

2.9. Prospective on service quality

The word quality means different things to people according to the context, David Garvin identifies five perspectives on quality.

The transcendent view of quality is synonymous with innate excellence: a Marx of uncompromising standards and high achievement. This view point is often applied to the performing and visual arts. It argues that people learn to recognize quality only through the experience gained from repeated exposure. From the practical stand point however, suggesting that managers or customers will know quality when they see it is not every helpful.

The product base approach sees quality as precise and measurable variable. Difference in quality, in argues, reflect difference in the amount of an ingredient or attribute possessed by the product. User based definition: starts with the premise that quality lies in the eyes of the beholder. These definitions equate quality with maximum satisfaction.

The manufacturing based approach is supply based and is concerned primarily with engineering and manufacturing practices.

Value based definitions define: quality in terms of value and price, by considering the tradeoff between performances of quality, price comes to be defined as affordable excellence.

(Christopher L., 2004, service marketing, 5th edition)

2.10. Service delivery

Consumers are an integral part of the service process. Their participation may be active or passive, but they are always there if the customer is an active participant in the service factory, it is a clear that if the factory is changed, consumer behavior will have to be changed. Moreover, changes to the visible part of the service firm will be apparent to the consumer.

The manner in which “operational competitiveness” is embraced by various service firms can be described by four stages:

Stage 1: Available for service

Stage 2: Journey man

Stage 3: Distinctive competencies achieved

Stage 4: World class service deliver

Stage 1: Available for service

Operations for a firm with this level of competitiveness are viewed as a “necessary evil” operations are at best reactive to the needs of the rest of the organization and deliver the service as specified. As its missions, the operations department attempted primarily to avoid mistakes. Back office support is minimized to keep costs down. Technologies investment minimized, as is investment in training for front line personnel.

Management designs the skill out work done by these personnel and pays them the minimum wage whenever possible.

Stage 2: Journey man

This level of competitiveness is often provided by the drive of competition. It is no longer enough just to have operations that work. The firm must now seek feedback from its customers on the relative costs and perceived qualities of the service. At this part, the operation department become much more outward looking and often becomes interested in benchmarking. Technology

for firms at this stage tends to be justified based on the cost savings possible. The back office is has seen as a contributor to the service but tends to be treated as an internal service function.

Stage 3: distinctive competence achieved

By this stage, operations have reached a point where they continually excel, reinforced by the personal management function and systems that support the customer focus (see global service in action). By this time, the firm has mastered the core service and understands the complexity of changing such operations. The back office is now seen to be as available as the front of house personnel. Technology is no longer seen as a source of cost advantage along, but also as a way of enhancing the service to customers.

Stage 4: World class service delivery

To sustain this level of performance, operations not only have to continually excel but also become a fast learner and innovator. The back office, once seen as a second class citizen, not must be proactive develop its own capabilities and generate opportunities.

Technology is seen as a way to break the paradigm to do things competitors cannot do.

The work force itself must be a source of innovators not just operation sto achieve this, the front line supervisors must go beyond coaching to mentioning. As mentors, they need to be accountable for the personal development of the workforce so that employees can develop the skills necessary for them to innovate for the firm. Frequently, it is too easy to view the customer as construed: “if we could get rid of all these customers, we could run a good service operation. Such a negative perspective ignores a goblin opportunity.

Customers in a service operation can be used to help operations. Such a positive view, does however, require that operations personnel recognize the importance or their marketing counter parts. More importantly, such a view also requires that marketing personnel have an intimate knowledge of the operations system and its problems. It is not enough to purpose new products

that can be delivered through the system. The impact of such products on the whole system must be considered.(Thomson service marketing India Edition p. 132-35).

Define customer satisfaction

Customer satisfaction is the state of mind that customers are about a company when their expectations have been meeting or exceeded over the life time of the product or service. The achievement of customer satisfaction leads to a company loyalty and product repurchase. There are some important implications of these definitions.

Because customer satisfaction is subjective's non quantitative state, measurement, want be exact and will require sampling and statically analysis

Customer satisfaction measurement must be undertaken with an understanding of the gap between customer expectations and attribute performance perceptions.

There should be the connection between customer satisfaction measurement and bottom line results.

Each industry could add to this list according to the nature of the business and the specific relationship with the customer, customer satisfaction measurement variables will differ depending on what types of satisfaction is being researched.

Clearly defining and understanding customer satisfaction can help any Company identify opportunities for product and service innovation and serve as the basis for performance appraisal and reward system. It can also serve as the basis for customer satisfaction surveying program that can insure that quality improvement effort sere properly focused on issues that are most important to the customer. (http://www.enwikipedia.org/wiki/customer_satisfaction/)

2.11. Objectives of customer satisfaction surveying program

In addition to a clear statement defining customer satisfaction, any successful surveying program must have a clear set of objectives that on a meet, will lend to improved performance. The most basic objectives that should be meet by any surveying program include the following:

Understanding the expectation and requirements of any your customers

Determining how well your company and its competitors are satisfying these expectations developing service and product standards based on your findings .Examining trends over time in order to take action on time basis.

Careful consideration must be given to hit the organization hopes to accomplish, how the results will be disseminated to various parts of the organization and how the information will be used.

Conducting customer satisfaction surveying programs burden on the organization and its customer in terms of time and resource. There is no point in engaging in this work unless it has been thoughtfully designed so that only relevant and important information is gathered. This information must as; low the organization to take direct action. Nothing is more frustrating than having information that indicates a problem exists but fails to the specific cause.

2.11.1. Good customer service

Good customer service is a life blood of any business, you can offer promotions and slash prices to bring in as many new customers as you want, but unless you can get some of those customers to come back, your business won't be profitable long.

Good customer service is all about bringing customers back and about sending them away happy-happy enough to pass positive feedback about your business along to others, who may them try to the product or service you offer for them and in their turn repeat customers.

If you are a good sales person you can sell anything to anyone. But it will be your approach to customer service that determines whether or not you will ever be able to sell that person anything else. ([http://www.sabintocanda. about.com/bio](http://www.sabintocanda.about.com/bio))

2.11.2. Importance of customer satisfaction

The importance of customer satisfaction cannot be overstated without customers the service firm has no reason to exist.

Every service business needs to proactively define and measure customer satisfaction. It is native to wait for customers to complain in order to identify problems in service delivery system or to gauge the firm's progress in customer satisfaction based on the number of complaints received.

Consider the following figures gathered by the technical assistance research program (TARP).

The average business does not hear from 96 percent of its unhappy customers. For every complaint received 26 customers actually have the same problem.

The average person with a problem tells about 10 people, thirteen percent will tell more than 20. Customers who have their complaints satisfactorily resolved tell an average of five people about the treatment they received.

Complainers are more likely to do business with you again than non-complainers. 54-70 percent do not complain at all and 95 percent if handled quickly.

The TARP figure demonstrates that customers do not actively complain to service firms themselves; instead, customers value their dissatisfaction with their firm, by defecting to a competitor and with their mouth, by talking to your existing and potential customers exactly how they were mistreated by your firm. Based on the TARP figures, a firm that serves 100 customers per week and boasts a 90 percent customer satisfaction rating will be the object of thousands of negative stories by the end of a year. For example, if 10 dissatisfied customers per week tell 10 of their friends of the poor service.

Received by the end of the year (52 weeks) 5200 negative word-of-mouth communications will have been generated.

The TARP figures are not all bad news for the objectives of positive word-of-mouth communication. Although the positive stories can ultimately translate into customer loyalty and new customers, a firm should also learn from the TARP figures that complainants are the firm's friends. Complainants are a free source of market information and the complaints themselves should be viewed as opportunities for the firm to improve its delivery system, not as a source of irritation.

Normative deficit definitions: compares actual outcomes to those that are culturally acceptable.
Equity definition: compares gains in a social exchange if the gains are in equal the loser is dissatisfied.

Normative standard definition: expectations are based on what the consumer believes he/.she should relieve dissatisfaction occurs when the actual outcome is different for standard expectation. Procedural fairness definition: satisfaction is a function of the consumer being that he/she treated fairly.

Expectancy dis confirmation model: model proposing the comparing customer expectations to their perception leads customer to have their expectations confirmed or dis confirmed.
Confirmed expectations: customer expectations are that match customer perception. Dis confirmed expectations: customer expectations that don't match customer perception.

Negative dis confirmation: a none match because customer perception is lower than customer expectations.

Positive dis confirmation: a none match because customer perception exceeds customer expectations. (Thomason service marketing 3rd, p. 300-041)

2.11.3. Benefits of customer satisfaction

Although some may argue that customers are unreasonable at times, little evidence can be found of extravagant customer expectations. Consequently satisfying customers is into an impossible task. In fact meeting and exceeding customer expectations may reap several valuable benefits for the firm. Positive words of math generated from existing customers often translate into more new Customers. For example, consider the positive publicity generated for the firms listed in the top 10 most admired companies. Satisfied current customer often purchase more products more frequently and are less likely to competitors that are dissatisfied customers. Companies who command high customer satisfactory rating also seem to have the ability to instate themselves from competitive pressures, particularly price competition. Customers are often willing to pay more and stay with a firm that meets their needs then to take the risk associated with moving to a lower priced service offering. Finally, firms that pride themselves on their customer satisfaction

efforts generally provide better environments in which to work within these positive work environments, organizational cultures develop where employees are challenged to perform and rewarded for their efforts customer satisfaction survey's also provide several worthwhile benefits such survey's provide a formal means of customer feedback to the firm, which may identify existing and potential problems, satisfaction surveys also convey the message to customers that the firms cares about their wellbeing and values customer input concerning its operations. However, the replacement of customer feedback forms by some companies makes customers wonder if they really want the feedback (Thomson service marketing 2nd edition p. 866-07).

2.11.4. Measuring customer satisfaction

Measures of customer satisfaction are delivered via indirect and direct measures. Indirect measures of customer satisfaction include tracking and monitoring was records profits and customer complaints firms that rely solely on indirect measures are taking a passive approach to determining whether customer perceptions are meeting or exceeding customer expectations. More over if the average firm does not hear from 96% of its unhappy customers it is lowering a great many customer while waiting for the other 4 percent to speak their minds.

Direct measurements of satisfaction are generally obtained via customer satisfaction service, however today the least customer satisfaction service are not hundred among firms. For example the scales use to collect the data varies (e.g is point to 100 scales) question asked to reproduce very long goal to specific questions and ditch collection method vary (e.g. personal interview to self-administered questionnaires) (Hoffman K., 2001, 2nd edition, p. 299).

A five point scale which is typically labeled utilizing the following formed:

- Very dissatisfied
- Somewhat dissatisfied
- Neutral
- Somewhat satisfied
- Very satisfied

Firms utilize this format general combine the percentage of “somewhat satisfied and very satisfied responses to arrive of satisfaction rating. Similarly, firms that utilize also point scale with anchor points “very dissatisfied” and very satisfied” define customer satisfaction as the percentage of customers rating their satisfaction higher than 6. Although this approach provides more meaning to the satisfaction rating itself, still lacks the diagnostic power to indicate specific area of improvement, in other words regards of whether affirm uses a 100 point, 10 paid scales, the interpretive value of the information is restricted by its quantitative nature qualitative information is needed to high light specific areas of important. This is exactly the problem federal express encountered which it set up first customer satisfaction was measure on a 100 point scale and transaction success was defined as whether the package actually arrived the next day. Up on further qualitative examination, federal express determined that transaction success as defined by the customer was too much broader concepts (Thomson service marketing 3rd edition p. 307.

2.2. Understanding customer satisfaction rating

After a consultant conducted a customer satisfaction survey for regional engineering firm, the result related to upper management were that the firm commanded upper management wanted to know whether is present was “a good” satisfaction rating or not, to effectively utilize customer satisfaction rating, it is necessary to understand the factor that my influence customer responses. Despite the lack of standardization among satisfaction studies, they share on common characteristics. “Virtually all self-report of customer satisfaction processes a distribution I which a majority of the responses indicate the customers are satisfied and the distribution itself is negatively skewed.

Factors influencing customer satisfaction ratings

Satisfaction ratings may be influenced by numerous confiding factors that occur during the data collection process. The following section provides expeditions for inflated satisfaction result and reinforces the main that obtaining concurrent measurement of customer satisfaction is not an easily accomplished task.

Customer is genuinely satisfied

One possible reason for high satisfaction corral is simple the customer are satisfied with the good and service they typically purchase and consumer that why they buy these product form the firm in the first place; indicatively make good tense. If the majority of customers were neutral or dissatisfied, they would most likely direct to the competitive.

Customer retention

Customer retention are focusing the firms marketing efforts of towards the existing customer base. More specifically in contrast to seeing new customers, firms engaged in a customer retention effort work to satisfy existing customers with the intent of developing long term relationship between the firm and its carried client for the purpose for browning the business many example of successful customer retention efforts are based on the firm's ability to redefine its existing customer companies are challenged themselves, now more than ever before, to look at what the product really provides to their customer, understanding consumption uses of the product and the steps required by consumers to obtain the product often leads to ideal that a visits the firm in differentiating itself from its competition (Hoffman K. (2001) 2nd edition

The importance of customer retention

Customer retention has become increasingly important because of several changes in the marketing environment. Reason customer retention has become important to today; marketers are the increase in competition. A factor contributing to increase completion includes the relative partly and lack of differential advantage of goods and services in an up on marked.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Descriptions of the study areas

Dashen bank establishment in 2008 E.c November located south west SNNPR of Ethiopia in Wolkite town and it is from Addis Ababa by 150km to south west. Dashen bank coined its name from the highest peak in Ethiopia mount Dashen and aspires to be unparalleled in banking services. Headquartered in Addis Ababa the bank is among the biggest private banks in Ethiopia. It operate through network of more than 370 ATM branches ten dedicated forex bureaus 305 ATM and 812 plus points of scale (pos Machines) terminal spread across the length and breadth of the nations.

3.2. Research design

The type of research design that the researcher used are a descriptive type of research that describe or estimated the proportion of sample in a population. This type of research design help researchers make specific prediction and then help describing the characteristics of a certain groups.

3.3. Sampling Technique

The type of sampling design that was used a probability sampling techniques of simple random sampling. That was sample select such a way that every element in the population has equal chance of being selected.

3.4. Research approach

The research design for this study was both the quantitative and qualitative approach. The quantitative approach is deployed in terms of quantifying primary data in the form of descriptive analysis of tabulations. The qualitative approach is deployed to interpret and analyse data attempting to uncover the deeper meaning and significance of respondent's reflection.

3.5. Target population

The population of the study mainly focuses on the Dashen bank of Ethiopia, Wolkite branch. The target population of this study focus on customers of the bank in Wolkite branch only.

3.6. Source of data

The source of data used for the study was both primary and secondary sources. Primary data includes questionnaire distributed to customers. Secondary source includes the organization document, magazine and other assistant books from library are used for the research.

3.7. Sample size

The researcher would be used total number of customer 2100 and select 216 respondents by using the following formula to collect the essential data. In order to select a sample, the researcher would be used probability sampling design. From the probability sampling design the researcher would be used simple random sampling technique. The rational of using simple random sampling is to give equal chance for all respondents.

Given: At 95% confidence level the value of $Z= 1.96$ $P =$ the population proportion (assumed to be 0.50 since this would provide the maximum sample size).

$N = 2100$ which is population size $e = 0.05$ which is acceptable sample error

$$n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2 \cdot (N-1) + z^2 \cdot p \cdot q}$$

$$n = \frac{1.96^2(0.5)(0.5)(2100)}{0.05^2(2100-1)+1.96^2(0.5)(0.5)}$$

$$n = \frac{1.96^2(0.5)(0.5)(2100)}{0.05^2(2100-1)+1.96^2(0.5)(0.5)}$$

$$n = \frac{1.96^2(0.5)(0.5)(2100)}{0.05^2(2100-1)+1.96^2(0.5)(0.5)}$$

$$\text{Sample size } (n) = 216$$

3.8. Methods of data collection tools

The tool of data collection that the researcher uses to collect data is questionnaire method which is distributed to customer.

Self-administered questionnaire was designed to give freedom for respondent and structure personal interview was select to get plenty information

3.9. Data analysis and interpretation

To analysis the findings of the study the researcher would use tabulation and percentage. Using tabulation would help to describe and state the response of the respondents in detail based on their rate of answer.

CHAPTER FOUR

4. DATA ANALYSIS AND INTERPRETATION

This chapter focus on data presentation, analysis and interpretation of data collected from the respondents towards investigation of factors affecting banks customer satisfaction a case of Dashen bank in Wolkite branch. the researcher distributes 216 questionnaires for Dashen bank in Wolkite branch employees and customers and 208 out of 216 questionnaires were collected but the vest 8 has been not responded. the data are presented in a table form and it seems appropriate to interpret to each data.

4.1 Demographic profile of respondents

Table 4.1.1 Sex description

No	Sex	No of respondents	%
1	Male	120	57.9%
2	Female	88	42.3%
	Total	208	100

Source; *Compiled form questionnaires 2011*

From a table 4.1.1 we can understand that 57.9% of respondent are male and the remaining 42.3% are females. From this most of the Dashen banks customers are males more than females.

Table 4.1.2 Age of respondents

No	Age interval	No of respondents	%
1	20-30	122	58.6%
2	30-40	60	28.8 %
3	41-50	15	7.2%
4	>50	11	5.2%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

As shown in the table above 4.1.2 it is indicated that, the majority of the respondent 58.6% belongs to the age group 20-30 years, 28.8% respondent belongs to the age group of 30-40 years 7.2% respondent belongs to the age group of 41-50 years and the rest 5.2% respondent belongs to the age group of > 50 years are respondents. This shows most of the Dashen Bank employees and customers more than or majority respondents are young.

Table 4.1.3 Level of Education

No	Education status	No of respondents	%
1	Illiterates	35	16.8%
2	1-8 level	51	24.5%
3	10-12 level	75	36%
4	Certificate	20	9.6%
5	Diploma	12	5.7%
6	BA degree and above	15	7.2%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

The above table 4.1.3 show that majority of customers 36% are attend 10-12 level education, 24.5% are attend 1-8 level education, 16.8% are illiterates, 9.6% have certificate and the remaining 7.2% and 7.2% are first degree and diploma respectively. We can understand that most of the Dashen bank customers are secondary level of education and employees respondents are BA degree and above.

Table 4.1.4 Occupation of respondents

o	Item	No of respondents	%
1	Merchant	82	39.4%
2	Government employee	40	19.2%
3	Student	36	17.3%
4	Investor	5	2.4%
5	Other	45	21.6%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

The above table 4.1.4 shows that the occupation part of the merchant has the highest proportion from the total respondent by scoring 39.4% from the total respondents. the remaining units are close to each other in terms of number by taking 21.6% 19.3%, 17.3% and 2.4% are other, government employee, student and investor respectively. From study the dashen bank Wolkite branch users are Merchant and Government employees.

4.2 Service dimension

Table 4.2.1 Respondents opinion concerning location of the banks.

No	Response	No of respondents	%
1	More suitable	45	21.6%
2	Suitable	130	62.5%
3.	Not suitable	33	15.8%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

As we depict from the table indicated above 21.6% of respondents says that the geographical location of the bank is more suitable 62.5% of the respondents says that the geographical location the banks is suitable, 15.8% of the respondent are says that the geographical location of the bank is not suitable. From this we have understand that the bank place are suitable for most of employees and customers of the bank.

Table 4.2.2 Respondents view pertinent to banks technology adoption.

No	Degree of scale	No of respondents	%
1	Very high	55	26.4%
2	High	44	21.6%
3	Moderate	91	43.7%
4	Low	17	8.1%
5	Very low	-	-
	Total	208	100%

Source; Compiled form questionnaires 2011

From the above table 4.2.2 indicated above 43.7% of the respondents also states that the technological standard of the bank is moderate and the remaining 26.4%, 21.6% and 8.1% states that the modernization or technological use of the bank is high, very high and low respectively. Most of respondents for the dashen bank Wolkite branch are use modernized technology.

Table 4.2.3 Employees commitment to serve customer

No	Degree of response	No of respondents	%
1	Very high	49	23.5%
2	High	72	34.6%
3	Medium	72	34.6%
4	Low	15	7.2%
	Total	208	100%

Source; Compiled form questionnaires 2011

The above table 4.2.3 show that to integrate the process any organization needs employees who are empowered with the commitment to respond and trained in the skill to act for customers. As indicated 34.6% of the respondents said that the employees take high commitment and authority to take care of customers and also 34.6% of the respondents said that they take a moderate responsibility and commitment to take care of customers. The remaining 23.4% and 7.2% of the respondent says that very high and low respectively. An important part of arriving the bank for customers is empowering employees with the responsibility and authority to meet customers' needs an expectation. Empowerment simplifies and accelerates the problem solving process and focuses employees on preventing future problems, while continuously improving service quality from customer's perspective.

4.3 Customer expectation from the bank

Table 4.3.1 Customers before joining the bank

No	Item	No of respondents	%
1	Very good	62	29.8%
2	Good	84	40.3%
3	Moderate	53	25.4%
4	No response	9	4.2%
	Total	208	100%

Source; Compiled from questionnaires 2011

From the above table shows that 29.8% of the respondent had said that every good expectation from the bank before joining it on the other hand, 40.3% of the respondents has said good and 25.4% respondents had moderate and the remaining, 4.3% of the respondents have not give their response. This study result are majorly respondents good and very good to expectation from the bank before joining it.

Table 4.3.2 Customers after joining the bank

No	Item	No of respondents	%
1	Very good	59	28.3%
2	Good	91	43.7%
3	Moderate	47	22.5%
4	No response	11	5.2%
	Total	208	100%

Source; Compiled from questionnaires 2011

The above table 4.3.2 show that In terms of performance expectation 28.3% of the respondents said that the banks performance matches their expectation very high, they found that the banks actual performance not exceed their expectations, while 43.7% the respondents said that the performance matches their expectation high, they found that the bank actual performance equals to their to their expectations, 22.5% the respondent said that the banks performance equals to their expectations and 5.2% the respondents the response towards after joining the bank is doesn't know about the service of the bank.

Table 4.3.3 Fulfill customers need requirement without any felling

No	Item	No of respondents	%
1	Yes	149	71.6%
2	No	59	28.3%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

From table 4.3.3 the banks fulfillment of customers need requirement 71.6% of respondent stats that the banks fulfill my requirement, and the remaining are no respondents to the banks fulfillment of customers need request. This shows most of the customers are satisfied by the bank.

Table 4.3.4 Banks service during the current time

No	Item	No of respondents	%
1	Excellent	39	18.7%
2	Very Good	82	39.4%
3	Good	74	35.5%
4	Poor	13	6.2%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

The above table 4.3.4 show that Most of the respondents 35.5% replied that it is good 39.4% replied it is very good and 18.7% and 6.2% are excellent and poor respectively. Since most of them evaluate the current service given by the bank is very good, it is clear that customers are not fully satisfied. So the bank continued to improve its current service by applying different alternatives that can suit the bank.

Table 4.3.5 customers time take to get a service from the bank.

No	Item	No of respondents	%
1	Very long	29	13.9%
2	Long	47	22.5%
3	Medium	76	36.5%
4	Short	56	26.9%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

Form table 4.3.5 we can understand that 36.5% the respondent time to take a service is a medium 22.5% of the respondents to take a long time periods and the remaining 13.9% and 26.9% are very long time and take short time respectively. We have understand that most of the customer get a service form the bank is to take a time is as medium one, as a result the bank to improve their waiting time.

Table 4.3.6The working time of the bank related to customer opinion

No	Item	No of respondents	%
6	Excellent	44	21.1%
	Very good	80	38.4%
	Good	57	27.4%
	Poor	27	12.9%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

According to table 4.3.6, show that 27.4% of the respondents the working time of the bank is good, 38.4% of the respondent is very good and the remaining 21.1% and 12.9% are excellent and poor respectively. Most of the respondent states that the working time of the bank is essential for customers in appropriate to their needs.

Table 4.3.7 Method of expressing complains to the bank.

No	Item	No of respondents	%
1	Yes	98	47.1%
2	No	110	52.8%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

In the above table 4.3.7, show that 52.8% of the respondent identifies that a method of expressing are not agree by the customers and the remaining 47.1% of the respondents are stats that the bank to solve a customer’s complain. This result are the respondents are stats that less expression to solve the bank a customer’s complain.

4.4 Customer satisfaction

Table 4.4.1 Customer needs and wants

No	Response	No of respondents	%
1	Very good	42	20.1%
2	Good	93	44.7%
3.	Moderate	61	29.3%
4	Low	12	5.7%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

The above table 4.4.1 show that due attention is given to the needs and wants to customers. It is supported by 44.7% the respondents is high the reply moderate followed by 29.3% of the respondents who said that the level of attention is moderate it is the needs and wants of customers that argue any business organization to examine their performance whether it satisfies those needs and wants, 20.1% of the respondent said that the attention level is very high the remaining 5.7% of the respondent said that their attention level is low.

Table 4.4.2 Banks priority to customer satisfaction.

No	Response	No of respondents	%
1	Excellent	33	15.8%
2	Very good	88	42.3%
3	Good	72	34.6%
4	No response	15	7.2%
	Total	208	100%

Source;
*Compiled form
questionnaires
2011*

As shown in the table 4.4.2 above 15.8% of the respondent said the bank gives priority to customer satisfaction is excellent. This may imply that the bank has recognized that the satisfied customers is the ground source of business because he or she remains loyal to the service center, 42.3% the respondents said that it is very good, 34.6% the respondents said that the banks priority to customer satisfaction is good. The remaining 7.2% of the respondents said that it is not give answer customer satisfaction determines the banks success or failure. It is important to know how satisfied customers really area.

Table 4.4.3 Customer response about availability of complains giving staff.

No	Item	No of respondents	%
1	Yes	165	79.3%
2	No	43	20.3%
	Total	208	100%

Source; *Compiled form questionnaires 2011*

According to table 4.4.3, above 79.3% of the respondent pictured out that have staff or unit assigned to handle the complaint from the customers. these ideas not supported by only 20.6% of the respondent. A bank needs to actively search for dissatisfied customers, because these customers are real opportunities to improve customer service. Most customers don't complaint because they think complaint. this is because of the reason the customers have not awareness about where the assigned staff is located.

Table 4.4.4 Banks response to customer complaint

No	Item	No of respondents	%
1	Very quick	60	28.8%
2	Quick	112	53.8%
3	Moderate	27	12.9%
4	Slow	9	4.3%
5	No response	-	-
	Total	208	100%

Source; *Compiled form questionnaires 2011*

As shown in table 4.4.4 show that 53.8% of the respondents said that their response is quick and 28.8% of the respondent's response is very quick. 12.9% the respondent said that their response is moderate, 4.3% the respondents response is slow response from the banks and the remaining no responses. The concept implies that the bank is not give awareness about where the staff is located in order to give complaint. Hence, no solution to the problem raise any activity to be performed successfully, it has to be coordinates by a given unit person so that the predetermined goals needs to be attained.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

This research findings outline from the data analysis and interpretation parts. The major findings are as follows

The service of the bank is used by males than females. The age group of 20-30 is cover the largest proportion that is used the service of the bank. Majority of respondents are literate; therefore, it is safe to say that they can give reliable information. Merchants cover the largest proportion of occupation category while, government employee, student, others and investors use the rest. The educational level of the respondent was more of secondary education level.

The geographical location of banks is suitable to customers. The place of waiting before the customer getting the service is good. The employees of the bank take high responsibility and authority to take care of customer. The bank is strived to meet customer needs and wants. The firm is giving more priority to customer satisfaction.

5.2 Conclusion

The study was conducted on Dashen Banks in Wolkite branch entitled with investigation of factors affecting banks customer satisfaction. As it is stated in the analysis part 208 sample respondents were asked through questionnaire, so the conclusion is derived from the analysis. The bank gives first priorities to quality service and service control than customer morale staying on schedule and meeting customer needs.

In general the service of the bank is favorable by giving priority to customer satisfaction and customer expectation satisfy customer needs and wants, employees of the bank give priority to customers by giving quality service.

5.3 Recommendations

Based on the fact of the research result Dashen bank Wolkite branch should make some improvement to retain its customers as well as to increase its customer number by providing quality service. The following constructive suggestions and recommendations are made by the research.

- ❖ The bank better improve attention to customer complaints by giving awareness about where to locate the staff by using sign board.
- ❖ The employees of the bank better improve utilize the maximum participant to treat incoming customers and to take case of responsibility and authority in order to satisfy customer needs and wants.
- ❖ The bank better improve its loan service by minimizing bureaucracy and time spends. The management also should work harder in which the bank is losing ground.
- ❖ The location of the bank address to recommend at the center place like paisa, to be accessible and known.
- ❖ Additional services address to recommend introduced to maximize its current service level and market share. These are western union, VISA card tale banking and the like.
- ❖ The bank better improve increase the level of female users by different techniques, in order to control the overall service.

Understanding and meeting customer needs, staying on schedule and customer moral should also be evaluated carefully as of the bank's first priorities like quality service and service control.

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APPENDIX
UNIVERSITY OF WOLKITE
COLLAGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MARKETING MANAGEMENT

QUESTIONNAIRE

THIS QUESTIONNAIRE IS PREPARED BY MEKDES TSEGA FOR PARTIAL FULFILMENT OF BACHELOR OF ART DEGREE IN MARKETING MANAGEMENT COLLAGE OF BUSINESS AND ECONOMICS, MARKETING MANAGEMENT THIRD YEAR STUDENT'S. THE OBJECTIVE OF THIS QUESTIONNAIRE IS TO GATHER A GENERAL INFORMATION ABOUT BANKS CUSTOMER SATISFACTION IN CASE OF DASHEN BANK WOLKITE BRANCH.

YOUR HONEST ANDKIND RESPONSE CERTAINLY HAVE SIGNIFICANCE EFFECT ON THE RESULT OF THIS RESEARCH.

Direction. Put a tick mark in to circle for the answer you choose

✓ **Customer profile**

1. Sex

A. Male B. Female

2. Age

A. 20-30 B.30-40 C. 40-50 50

3. Level of education

A. illiterate B.1-8level C. 10-12 level D. certificate

E. diploma F. BA degree

4. Types of occupation

- A. government employ B. merchant C. student D. investor
 E. others

✓ **Service dimension**

- Is the geographical location of the bank is accessible for you?
 A. more suitable B. suitable C. not suitable
- How do you see the modernization of the service style of the bank?
 A. very high B. high C. medium D ver.
 y low
- How do you see the intention of employees to take responsibility and authority to take care of customers?
 A. very high B. high C. moderate D. very low

✓ **Customer expectation**

- How do you expect the bank service before you become a customer?
 A. very good B. good C. moderate D. no response
- How do you get the expected performance after going?
 A. very g B. good C. moderate D. no response
- Is the bank to fulfill the customers need requirement in advance complaining?
 A. yes B. no
- What is the bank service looks like during this time it?
 A. excellent B. very good C. Good D. poor try
- How much time take to get a services from the bank?
 A, very long B. long C, medium D, short
- Does the working time of the bank relate to your need or requirement?
 A. excellent B. very good C. good D. poor
- Do you know the method of expressing your complain to the bank?
 A. yes B. no

✓ **Customer satisfaction**

- How much the bank to meet customers' needs and wants?
 A. very good B. good C. moderate D. very low

2. How do you feel that the bank give priority to customer satisfaction?

A. excellent B. very good C. good D. no response

3. Is the bank has any assigned staff to handle customer satisfaction?

A. Yes B. No

4. How do you see the banks response to customer complaints?

A. very quick B. Quick C. Moderate D. slower. E. no response