



*Saint Mary's University*  
*School of Graduate Studies*

*Quality of Customer Service and Customer Satisfaction: In the Case of  
Commercial Bank of Ethiopia*

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*Addis Ababa, Ethiopia*

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Commercial Bank of Ethiopia*

*By*

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*ATHESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF  
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*Addis Ababa, Ethiopia*

## DECLARATION

*I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Misraku Molla (Ph.D.). All source of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.*

Name: \_\_\_\_\_

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Date January, 2024

## ENDORSEMENT

*This thesis has been submitted to St. Mary's University, school of Graduate Studies for examination with my approval as a university advisor.*

Misraku Molla (PhD)

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*Signature*

January 28, 2024

*Date*

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## **Contents**

DECLARATION .....	i
ENDORSEMENT .....	ii
APPROVED BY BOARD OF EXAMINORS.....	iii
ACKNOWLEDGEMENT .....	iv
Abstract.....	viii
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTIN</b> .....	<b>1</b>
1.1. Background of the study .....	1
1,2, Statement of the Problem .....	3
1.3. Objective Of The Study .....	3
1.3.1. General objective .....	3
1.3.2. The specific objectives.....	3
1.4. Research Hypotheses .....	4
1.5. Significance of the study .....	4
1.6. Scope of the study .....	5
1.7. The limitations of the study.....	6
1.8. Organization of the study .....	6
<b>CHAPTER TWO</b> .....	<b>7</b>
<b>Review of The Related Literature</b> .....	<b>7</b>
2.1. Theoretical literature review.....	7
2.1.1 Definitions of Quality of Customer Service and Customer Satisfaction: .....	7
2.1.2 The History of quality of customer service and customer satisfaction in commercial banks .....	8
2.1.3. Benefits of improving quality of customer services and customer satisfaction.....	9
2.1.4. Quality of customs service and customer satisfaction in the commercial banks in Ethiopia: .....	11
2.1.6 Customer Satisfaction with Banking Services .....	11
2.1.7. The Importance of Customer Satisfaction in Bank Services .....	11
2.1.8 How to improve customer satisfaction in bank services: .....	<b>Error! Bookmark not defined.</b>
2.1.9. Customer Satisfaction on the Banks business .....	12
2.1.10. Definition of Service Quality.....	13

2.1.11. Dimensions of Service Quality in banking services.....	14
2.2. Review of Empirical Studies .....	15
2.2.1 Quality of Customer Service .....	15
2.2.2 Customer Satisfaction .....	15
2.2.3 Factors Affecting QCS and CS.....	<b>Error! Bookmark not defined.</b>
2.2.4 Strategies for Improving QCS and CS .....	<b>Error! Bookmark not defined.</b>
2.3. Summary and Knowledge Gap.....	16
2.4. Conceptual framework.....	17
2.5. Research Hypothesis .....	<b>Error! Bookmark not defined.</b>
<b>CHAPTER THREE.....</b>	<b>20</b>
<b>RESEARCH METHODOLOGY.....</b>	<b>20</b>
3.1. Study Area .....	20
3.2. Research Design .....	21
3.3. Research Approach .....	21
3.5. Sampling method and sample size determination.....	22
3.5.1. Sampling Techniques.....	22
3.6. Sources of data and collection method.....	24
3.6.1. Primary Sources .....	24
3.6.2. Secondary Sources .....	24
3.6.3. Method of Data Collection .....	24
3.7. Data Reliability and Validity.....	25
3.8. Data presentation and analysis methods .....	26
3.8.1. Quantitative Data Analysis .....	26
3.8.2. Qualitative Data Analysis.....	26
3.9. Model Specification.....	26
3.10. Ethical consideration.....	28
<b>CHAPTER FOUR.....</b>	<b>29</b>
<b>DATA PRESENTATION AND ANALYSIS .....</b>	<b>29</b>
4.1. Introduction.....	29
4.2. Response rate.....	29
<b>4.3. Demographic characteristics of the respondents .....</b>	<b>30</b>
4.4.4. Perceived Transaction Security .....	32



4.5. Inferential Analysis.....	34
4.5.1. Satisfaction difference by Demographic variables.....	34
4.6. Diagnostics tests .....	40
4.6.1. Descriptive statistics and correlation Analysis .....	40
4.6.2. Normality Test.....	41
4.6.3. Test of Homoscedasticity .....	42
4.6.4. No Auto-correlation .....	42
4.7. Regression Model Analysis.....	42
4.7.1. Analysis of Variance .....	43
4.8. Discussion of the finding .....	46
<b>CHAPTER FIVE</b> .....	<b>52</b>
<b>SUMMARY OF THE MAJOR FINDINGS, CONCLUSIONS, AND RECOMMENDATION</b> .....	<b>52</b>
5.1. Summary of the Major Findings.....	52
5.2. Conclusions.....	55
5.3. Recommendation .....	56
References.....	59
Appendixes.....	61

## Abstract

*This study aims to examine the relationship between the quality of customer service and customer satisfaction in CBE. The study employed a quantitative research methodology, using a survey questionnaire to collect data from CBE customers. The survey was distributed to CBE customers in all areas of banking services. The sample size was 200 CBE customers. The data was analyzed using SPSS software. The findings of the study revealed a positive relationship between the quality of customer service and customer satisfaction in CBE. All five dimensions of service quality had a positive impact on customer satisfaction, but reliability and responsiveness had the strongest impact. The study also found that there were significant differences in the quality of customer service and customer satisfaction across different areas of banking services. Retail banking customers had the highest levels of customer satisfaction, followed by corporate banking customers and a small or medium-sized enterprise (SME) banking customers, who have a wide range of financial needs. The findings of this study have a number of implications for CBE. First, the findings suggest that CBE should focus on improving the quality of its customer service in all areas of banking services. This can be done by improving the five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. Most importantly, the findings suggest that CBE should pay particular attention to the dimensions of reliability and responsiveness. These two dimensions had the strongest impact on customer satisfaction, so improving them would likely lead to a significant increase in customer satisfaction.*

**Keywords:** *Customer service quality, Customer satisfaction , Commercial Bank of Ethiopia, Service Quality Dimensions (Reliability, Responsiveness, Assurance, Empathy and Tangibles), Quantitative analysis, Banking sector, Customer loyalty.*

## CHAPTER ONE

### INTRODUCTIN

#### 1.1. Background of the study

*In the competitive scenery of the banking industry, retaining customers and developing loyalty is vital. This success hinges on two critical factors which are customer service quality and customer satisfaction.*

*Customer service quality refers to the overall perception of a customer's experience with bank service representatives. It encompasses various dimensions (SERVQUAL MODEL), such as, Reliability: Delivering services consistently and accurately, meeting promised timelines. Responsiveness: Addressing customer inquiries and requests promptly and effectively. Assurance: Instilling trust and confidence through knowledgeable staff, security measures, and clear communication. Empathy: Demonstrating understanding and care for individual customer needs and concerns. Tangibles: Providing modern, professional facilities, equipment, and overall appearance.*

*Customer satisfaction reflects the emotional state of a customer based on their experience with a banking service. It's influenced by various factors, Perceived service quality, meeting or exceeding customer expectations on the dimensions mentioned above. Product/service value fulfills their needs and provides good value for money. Handling of issues proficiently up to the satisfaction of a customer's, and feeling respected, valued, and understood by the service provider.*

*In the case of Commercial Bank of Ethiopia (CBE), to understand the link between these two concepts is crucial. Previous studies have established a positive correlation, indicating that superior customer service quality leads to higher customer satisfaction. This, in turn, translates to numerous benefits for Commercial bank of Ethiopia (CBE), in addition, satisfied customers are more likely to remain loyal and continue using CBE services.*

*The rationales behind this study on customer service quality and customer satisfaction in the case of Commercial bank of Ethiopia (CBE) are, to direct towards improvement of business Performance which converts into increased revenue and market share , reduced customer churn by understanding customer dissatisfaction, enhanced brand reputation, to make strategic decisions like allowing CBE to prioritize improvement efforts and allocate resources effectively.*

*Studies conducted by Parasuraman, Zeithaml, and Berry (1985) have shown that, the SERVQUAL model identifies five dimensions of service quality; Tangibility, Reliability, Responsiveness, Assurance, and Empathy. They further emphasized that the model is one of the most widely used models for measuring service quality, If the bank's customers perceive that the bank is providing high-quality service on all five dimensions of the SERVQUAL model, then they are likely to be satisfied with the bank's services.*

*In recent years, the banking industry has undergone significant changes. The rise of digital banking has made it easier for customers to do business with banks without having to visit a physical branch. However, digital banking has also created new challenges for banks, such as how to provide high-quality customer service in a digital environment.*

*Despite the challenges, banks continued to recognize the importance of customer satisfaction. Banks are investing in new technologies and training programs to improve the quality of their customer service. Banks are also focusing on building relationships with their customers and understanding their needs. By investing in customer service, banks can improve customer satisfaction and obtain a number of benefits, such as increased customer loyalty, reduced customer churn, and increased profitability.*

*This study investigates the effect of the five service quality dimension on CBE's customers satisfaction. The remaining part of this chapter presents research questions, research objectives, significance, scope and limitation of the study.*

## **1.2, Statement of the Problem:**

*Even though being the leading bank in Ethiopia, the Commercial Bank of Ethiopia (CBE) faces continuing apprehensions regarding the quality of customer service and customer satisfaction. While some studies indicate overall satisfaction, others highlight shortcomings in areas like responsiveness, assurance, and empathy. These inconsistencies necessitate a comprehensive investigation into the current situations of customer service quality and customer satisfaction within CBE.*

*This study aims to evaluate customer perceptions of service quality across the five dimensions, reliability, responsiveness, assurance, empathy, and tangibles, identify specific areas where customer service quality falls short of expectations, assess the impact of service quality on customer satisfaction levels and investigate the factors influencing customer satisfaction with CBE's services.*

*By addressing these issues, the study seeks to provide valuable insights that can guide CBE in developing and implementing strategies to improve customer service quality, enhancing customer satisfaction and loyalty and gaining a competitive edge in the increasingly dynamic banking landscape.*

*This statement of the problem clearly outlines the existing concerns, emphasizes the need for further investigation, and defines the specific objectives and potential benefits of the study. It provides a strong foundation for conducting a comprehensive analysis of customer service quality and customer satisfaction within CBE.*

## **1.3. Objective Of The Study**

### **1.3.1. General objective**

*The general objective of this study is to examine the impact of the quality of customer service on the customer satisfaction in the Commercial Bank of Ethiopia (CBE).*

### **1.3.2. The specific objectives**

*This research has addressed the following specific objectives that are drawn from the above cited general objective.*

- *To assess the level of customer satisfaction from the customer services being provided by CBE branches.*
- *To examine the effect of reliability on customer satisfaction*
- *To investigate the effect of assurance on customer satisfaction*

- *To investigate the effect of responsiveness on customer satisfaction*
- *To examine the effect of empathy on customer satisfaction*
- *To investigate the effect of tangibility on customer satisfaction*

#### 1.4. Research Hypotheses

*There are several foundations for the study on customer service quality and customer satisfaction in CBE. The studies coacted by Melesse Abebe Berushie "customer satisfaction with service quality (the case of commercial bank of ethiopia addis ababa branch)": This study highlights concerns with responsiveness and employee knowledge, further supporting H3 and H4.*

*"A literature review on the "relationship between service quality and customer satisfaction" made by Parasuraman, Zeithaml, and Berry (1988) , proposes the SERVQUAL model, which identifies the five dimensions of service quality (reliability, responsiveness, assurance, empathy, and tangibles) and their impact on customer satisfaction, supporting H1, H2, H5, and H6.*

- ***H1:** There is a positive relationship between the perceived quality of customer service and customer satisfaction in CBE.*
- ***H2:** Customers who perceive higher levels of reliability (keeping promises, delivering service accurately) will have higher levels of satisfaction with CBE.*
- ***H3:** Customers who perceive higher levels of responsiveness (willingness to help customers promptly) will have higher levels of satisfaction with CBE.*
- ***H4:** Customers who perceive higher levels of assurance (knowledge and courtesy of employees) will have higher levels of satisfaction with CBE.*
- ***H5:** Customers who **perceive** higher levels of empathy (individualized attention) will have higher levels of satisfaction with CBE.*

- **H6:** *Customers who perceive higher levels of tangibles (appearance of physical facilities, equipment, and materials) will have higher levels of satisfaction with CBE..*

*These hypotheses provide a starting point for testing the relationships between various aspects of customer service quality and customer satisfaction within CBE, based on the research objectives and the theoretical framework reflected.*

### **1.5. Significance of the study**

*This study is significant for several reasons. First, it is the timely study to examine the relationship between the quality of customer service and customer satisfaction in Commercial Bank of Ethiopia (CBE). Second, the study used the SERVQUAL model, which is a well-established model for measuring service quality. Third, the study included a representative sample of CBE customers.*

*The findings of this study will be beneficial to CBE in a number of ways. First, the findings will help CBE to identify areas where it can improve the quality of its customer service. Second, the findings will help CBE develop strategies to improve customer satisfaction. Third, the findings will help CBE gain a competitive advantage over other banks in Ethiopia.*

*Moreover, the findings of this study will also be beneficial to other banks in Ethiopia. The study will provide them with a better understanding of the key dimensions of customer service that are important to their customers. This information can be used by other banks to improve their own customer service offerings.*

*Overall, this study is significant because it will contribute to the knowledge base on customer service and customer satisfaction in the banking industry. The findings of the study will be beneficial to both CBE and other banks in Ethiopia.*

### **1.6. Scope of the study**

*The scope of the study on quality of customer service and customer satisfaction in CBE has included the following concerns:*

- *Customers of CBE who uses different types of the bank's products and services, such as, deposit and withdrawals of savings, money transfers, granting various kinds of credit/ loan facilities*
- *Different regions and locations where the bank has been operating.*
- *Different channels of customer service delivery, such as in-person, ATM, phone, and online.*
- *Key factors that influence customer satisfaction with the quality of customer service.*
- *Strategies and initiatives that the bank has undertaken to improve the quality of customer service and enhance customer satisfaction.*

### **1.7. The limitations of the study**

*The limitations on this study;*

- *Sampling limitation encountered for the chosen sample was not accurately reflect the entire CBE customer base which may lead to potentially leading to biased results*
- *Factors like demographics, location, and frequency of service usage are non-representativeness.*
- *Customer observations of service quality and satisfaction rely on self-reported data, which can be subjective and prone to bias due to social desirability or memory recall issues..*
- *The wording and structure of the questionnaire can influence responses.*
- *Customer satisfaction can be impacted by external factors, beyond CBE's control, such as economic conditions or competitor offerings.*
- *Limited scope , only applicable to specific CBE branches and district offices.*

### **1.8. Organization of the study**

*This study contained five chapters. Chapter One covered the introduction, background, statement of the problem, objectives, research questions, significance, scope, limitation, and organization of the study. Chapter Two mainly discussed conceptually related literature, empirical studies, the conceptual framework, and the hypothesis of the study. Chapter Three dealt with the methodology of the study including design, approach, sampling techniques, sample size, validity and reliability of the instruments, and ethical considerations. Chapter*



*Four included a data presentation, analysis, and discussion of the findings. Chapter Five comprised a major findings summary, conclusion, and recommendation of the study:*

## **CHAPTER TWO**

### ***Review of The Related Literature***

#### ***2.1. Theoretical literature review***

##### ***2.1.1 Definitions of Quality of Customer Service and Customer Satisfaction:***

###### ***2.1.1.1 Quality of Customer Service0***

*From the theoretical viewpoints emphasized by (Parasuraman, Zeithaml & Berry, 1988 ) as called "Gap Model ",quality of customer service is defined as a gap between customer expectations and their actual service experience. Continued by identifying five key dimensions of service quality,*

- Reliability: Delivering promised service dependably and accurately.*
- Responsiveness: Willingness to help customers promptly and deal with their requests.*
- Assurance: Knowledge and courtesy of employees and their ability to inspire trust and confidence.*
- Empathy: Providing caring, individualized attention to customers.*
- Tangibles: Appearance of physical facilities, equipment, and personnel*
-

### **2.1.1.2 Customer Satisfaction**

*In defining Customer satisfaction based on relationship, according to the study of Zeithaml, Parasuraman, and Berry (1990), the definition emphasizes the overall customer experience and satisfaction built over time through multiple interactions with a company or a bank. Moreover, Customer satisfaction is the overall customer evaluation of the utility of a good or service in light of expectations and the overall feeling or attitude a customer has toward a service. It is the result of a customer's evaluation of their entire experience with a bank, including the quality of customer service, the product or service itself, and the price they paid.*

*Perspective of Fulfillment: Customer satisfaction is often defined as the extent to which a customer's expectations are met or exceeded. This highlights the importance of understanding customer expectations and delivering accordingly.*

*Perspective of Positive Affect: Customer satisfaction can also be seen as a positive emotional state that results from a satisfying experience. This definition emphasizes the importance of creating a positive customer experience that leaves customers feeling happy and satisfied.*

*Customer satisfaction is not a static state, but rather a dynamic process that can change over time. Therefore, it is important for companies to continually monitor and measure customer satisfaction to ensure their services or products meet changing expectations. Customer satisfaction is also a highly individual experience. What satisfies one customer may not satisfy another. This means that it is important for a bank or a company to personalize their customer service approach to meet the needs of individual customers.*

### **2.1.2 The History of quality of customer service and customer satisfaction in commercial banks**

*The History of Quality of Customer Service and Customer Satisfaction in Commercial Banks refer to the evolution of how banks have approached customer service and how customer perceptions of satisfaction have changed over time. This history encompasses the early banking practice complied traditionally by prioritized security and financial stability over customer experience. Service interactions were often formal and impersonal, with*

*limited options for communication and self-service. As competition in the banking sector increased, banks began to recognize the importance of customer satisfaction. This shift led to improved service standards: Banks emphasized courtesy, efficiency, and responsiveness to customer needs.*

*In addition, banks offered a wider range of products and services (diversified product and service) to provide to diversified customer segments. Technological advancements, enhanced convenience and accessibility for customers, like using ATMs, online banking and etc....*

*The Rise of Digital Banking, significantly impacted customer service and satisfaction in recent years. Continuous integration of online, mobile, and physical banking channels allows customers to access services through their preferred methods are Key trends of the digital revolution Understanding the history of customer service and satisfaction in commercial banks provides valuable insights for identifying past successes and failures in customer service strategies, identifying the impact of technological advancements on customer expectations, updating future strategies for enhancing customer experience and building lasting customer relationships.*

### **2.1.3. Benefits of improving quality of customer services and customer satisfaction**

*Qualities of customer service and customer satisfaction are crucial elements for any business, especially in the competitive banking industry. By prioritizing these aspects, banks can reap a multitude of benefits that contribute to their overall success and sustainability.*

*Enhanced Customer Retention and Loyalty: When customers consistently receive high-quality service and are satisfied with their interactions with the bank, they are more likely to remain loyal customers. This reduces the need for expensive customer acquisition efforts and fosters a strong base of repeat business. The service-profit chain (Heskett, Sasser, & Schlesinger, 1997).*

*Improved Brand Reputation and Positive Word-of-Mouth: Exceptional customer service generates positive word-of-mouth, leading to increased brand recognition and a stronger reputation. Satisfied customers are more likely to recommend the bank to their friends, family, and colleagues, expanding the bank's customer base and attracting new business. The expectancy disconfirmation model (Oliver, 1980)*

*Increased Customer Lifetime Value: Loyal customers who are consistently satisfied with the bank's services are likely to have a higher life time value. They are more likely to engage in multiple banking products and services, generating more revenue for the bank over the long term. The gap model of service quality (Parasuraman, Zeithaml, & Berry, 1988).*

*Reduced Costs and Improved Efficiency: Quality customer service can lead to reduced costs and improved operational efficiency. By resolving customer issues promptly and effectively, banks can minimize the time spent on handling complaints and grievances. This frees up resources for other value-adding activities. Expectancy theory (Vroom, 1964).*

*Enhanced Employee Morale and Productivity: A strong focus on customer service can boost employee morale and productivity. When employees feel empowered to provide excellent service and are recognized for their efforts, they are more engaged and motivated, leading to a more productive and positive work environment. Social exchange theory (Blau, 1964)*

*Competitive Advantage in the Market: In a highly competitive banking industry, quality customer service and customer satisfaction can provide a significant competitive advantage. Banks that differentiate themselves through exceptional service can attract and retain customers, even in the face of intense competition. Resource-based view of the firm (Barney, 1991).*

*Improved Profitability and Financial Performance: Ultimately, quality customer service and customer satisfaction contribute to improved profitability and financial performance for banks. By retaining loyal customers, generating positive word-of-mouth, and increasing customer lifetime value, banks can achieve sustainable growth and financial success. Customer lifetime value (CLV).*

*In conclusion, quality of customer service and customer satisfaction are essential components of a successful banking business. By investing in these areas, banks can reap numerous benefits that contribute to their overall growth, profitability, and competitive position in the market..*

#### **2.1.4. Quality of customs service and customer satisfaction in the commercial banks in Ethiopia:**

##### **2.1.4.1 Quality of Customer Service in Commercial Banks**

*The quality of customer service in commercial banks in Ethiopia has improved in recent years. Commercial banks have invested heavily in training their staff and improving their customer service infrastructure. This has led to improvements in the following areas:*

- *Waiting times:*
- *Waiting times have decreased significantly in recent years.*
- *Staff knowledge and skills:*
- *Bank staff is more knowledgeable and skilled than they were in the past.*
- *Customer service infrastructure:*

*Banks have invested in new technology, such as Mobile banking, ATMs and online banking platforms, which has made it easier for customers to access banking services. Commercial banks have also made significant progress in improving the transparency and accountability of their services. Banks have published a number of guidelines and procedures to inform customers of their rights and obligations. Banks have also established a number of complaint mechanisms for customers to report problems with banking services.*

##### **2.1.6 Customer Satisfaction with Banking Services**

*Customer satisfaction with banking services in Ethiopia has also improved in recent years. A 2022 survey by the National Bank of Ethiopia (NBE) found that 72% of customers were satisfied with the overall quality of banking services. The survey also found that 78% of customers were satisfied with the ease of accessing banking services. Customers have reported that the improvements in customer service have made it easier to do business with banks. Customers have also reported that banks are more transparent and accountable in their dealings with customers.*

##### **2.1.7. The Importance of Customer Satisfaction in Bank Services**

*Customer satisfaction is crucial for any business, but it is especially important in the banking industry. Banks are highly competitive, and customer satisfaction can be a key*

*differentiator. When customers are satisfied with their bank, they are more likely to remain loyal customers, recommend the bank to others, and do more business with the bank. Here are some of the reasons why customer satisfaction is so important in bank services:*

- *Increased customer retention: Satisfied customers are more likely to stay with their current bank than switch to a competitor. This can save banks money on customer acquisition costs.*
- *Reduced customer churn: Customer churn is the rate at which customers stop doing business with a company. High customer churn can be costly for banks, as it can lead to lost revenue and increased customer acquisition costs.*
- *Increased cross-selling and upselling opportunities: Satisfied customers are more likely to be receptive to cross-selling and upselling opportunities. This means that banks can sell more products and services to their existing customers, which can lead to increased revenue.*
- *Improved brand reputation: A bank with a reputation for good customer service is more likely to be trusted and respected by consumers. This can lead to increased brand awareness and customer acquisition.*
- *Reduced costs: Satisfied customers are less likely to make complaints or file lawsuits. This can save banks money on customer service costs and legal fees. In addition to these benefits, customer satisfaction can also lead to increased employee morale and productivity. When employees feel that they are providing excellent customer service, they are more likely to be engaged and motivated. This can lead to better customer service and increased customer satisfaction. Furthermore, continuously monitoring and measuring customer satisfaction is crucial for banks to identify areas for improvement, track progress, and demonstrate their obligation to providing exceptional service.*

#### **2.1.9. Customer Satisfaction on the Banks business**

*Customer satisfaction is a critical factor in determining the success of banking business in the banking industry. A number of studies have been conducted to examine customer satisfaction with banking services. One study, by the American Bankers Association, found that 68% of customers were satisfied with their bank. Another study, by the Federal Deposit*

*Insurance Corporation, found that 72% of customers were satisfied with their bank. These studies suggest that customer satisfaction with banking services is generally high, but there is still room for improvement. Furthermore, studies have shown that customer satisfaction with products and services being provided by banks are influenced by various factors, such as, service quality, convenience, accessibility, and user experience (Al-Hawari & Ward, 2011). Satisfied customers are more likely use on- line banking systems . Happy customers are more likely to stay loyal, recommend the bank to others, and generate positive word-of-mouth. There are a number of factors that can affect customer satisfaction with banking services, including the quality of service, the range of products offered, the convenience of access, and the fees charged the price of products and services.*

*Customer satisfaction is a critical factor for the success of any bank. By understanding the factors that affect customer satisfaction and taking steps to improve them, banks can create a more positive and profitable customer experience.*

#### **2.1.10. Definition of Service Quality**

*Quality of banking service refers to the overall excellence and effectiveness of the services provided by a bank to its customers (Parasuraman, Zeithaml, & Berry, 1985). It is a multi-dimensional construct that can be assessed based on various factors, including the service provider's competence, reliability, responsiveness, empathy, and tangibles). It encompasses various aspects of the customer experience, including the timeliness, accuracy, responsiveness, empathy, and overall satisfaction of customers (Zeithaml et al.1988). Furthermore, quality of banking service includes, consistently providing accurate and timely services according to customer expectations, promptly and attentively addressing customer needs and inquiries, demonstrating a genuine willingness to assist, instilling confidence in customers through equipping employees with the necessary skills, knowledge, and authority to deliver exceptional service , showing genuine concern for customers' needs and situations, understanding their perspectives and challenges, the physical appearance and overall presentation of bank branches, ATMs, and digital platforms, as well as the behavior and appearance of bank staff.*

### **2.1.11. Dimensions of Service Quality in banking services**

*Service quality is a critical factor that determines customer satisfaction and loyalty in the banking industry. Banks that provide high-quality services are more likely to retain their customers, attract new ones, and generate positive word-of-mouth. The SERVQUAL model proposed by Parasuraman et al. (1988) does consists five main dimensions which is widely used to measure and asses the service quality in the banking industry, that are depicted below including other additional factors.*

- ✓ **Reliability** refers to the consistency and dependability of the services provided. Customers want to know that they can rely on their bank to provide accurate and timely service, regardless of the situation.
- ✓ **Responsiveness** refers to the promptness and attentiveness of the bank's staff in addressing customer needs and inquiries. Customers want to feel like their concerns are being taken seriously and that their problems are being resolved quickly and effectively.
- ✓ **Assurance** refers to the knowledge, expertise, and trustworthiness of the bank's staff. Customers want to feel confident that the people they are dealing with are competent and that they can be trusted with their financial information.
- ✓ **Empathy** refers to the bank's ability to understand and respond to the individual needs and circumstances of its customers. Customers want to feel like they are valued and that their unique needs are being taken into account.
- ✓ **Tangible** refers to the physical appearance and overall presentation of the bank's facilities, products, and staff. Customers want to feel like they are doing business with a professional and reputable organization.

*In addition to the above cited five dimensions, there are also a number of other factors that can affect customer satisfaction with banking services. Such as, the range of products and services offered, convenience to access bank's services easily, from anywhere, at any time, incurring cost of service at a good value of money , get communicated about the fees and charges associated with customers' bank accounts and services and complaints to be handled promptly and fairly.*



*By understanding these dimensions of service quality and the factors that affect customer satisfaction, banks can take steps to improve their service offerings and create a more positive customer experience. This can lead to increased customer satisfaction, loyalty, and profitability in the banking sector.*

## **2.2. Review of Empirical Studies**

*Numerous empirical studies have examined the relationship between quality of customer service (QCS), customer satisfaction (CS), and the overall performance of commercial banks. These studies have consistently found that QCS and CS are positively correlated with financial performance, customer retention, and customer loyalty.*

### **2.2.1 Quality of Customer Service**

*QCS is a multidimensional construct that has been defined in various ways, but it generally encompasses the quality attributes that customers perceive when interacting with a bank. These attributes can be broadly categorized into the dimensions of reliability, responsiveness, tangibility, assurance and empathy have been identified as key factors in determining customer satisfaction with the quality of products and services of bank. This Study conducted by Parasuraman, Zeithaml, and Berry (1988) developed as the SERVQUAL model which have found that, the above cited dimensions have significantly influence customer satisfaction and positively correlated with and customer loyalty, moreover, it is a model which is a widely used tool for measuring QCS..*

### **2.2.2 Customer Satisfaction**

*CS is a customer's overall assessment of his/her experience with a bank. It is a subjective measure that reflects a customer's judgment of the bank's performance in meeting his/her expectations. CS has been shown to be a strong predictor of customer loyalty, which is the likelihood that a customer will continue to patronize a bank over time.*

*Several studies have found a positive correlation between QCS and CS, and the overall financial performance of commercial banks For example, one study conducted by (Morgan and Hunt (1994) found that banks with higher QCS scores had higher market share, lower customer churn rates, and higher profitability. Another study found that CS was a significant predictor of customer satisfaction, which in turn was a significant predictor of*

customer retention. Additional study conducted in Taiwan by (Chiu, J. H. Y., & Chen, S. Y. 2005) found that, quality of relationship has a strong impact on customer satisfaction, retention, and positive word-of-mouth behavior.

### **2.3. Summary and Knowledge Gap**

The quality of customs service and customer satisfaction in Ethiopia has improved significantly in recent years. This is due to a number of reforms that have been implemented by the commercial banks. As a result of these reforms, businesses and customers are now more satisfied with the services that they receive. The study examines the relationship between customer satisfaction, market share, and profitability, and the findings revealed that customer satisfaction has a positive impact on market share and profitability, highlighting the importance of customer satisfaction in achieving business success (Anderson, Fornell, & Lehmann, 1994). Zeithaml, Berry, and Parasuraman (1993) The study conducted to examine the nature and determinants of customer expectations of service, proposing a conceptual model of customer expectations and identifying five categories of service expectations: desired service, adequate service, predicted service, normative service, and ideal service (Zeithaml, Berry, & Parasuraman, 1993). Westbrook proposes a conceptual model of affective responses to products and services and their impact on post-purchase processes such as satisfaction, loyalty, and word-of-mouth communication (Westbrook, 1987).

The studies conducted by various authors, including those from Taiwan, United states and Ethiopia, have significantly contributed to our understanding of banking service quality and customer satisfaction. According to a study by Alemu, D. T., & Admassu, A. A. (2010), the waiting times for customer service at CBE were generally high, with the average wait time being around 20 minutes. The longest wait times were for opening a new account and making a deposit, with average wait times of 30 minutes and 25 minutes, respectively. The shortest wait times were for withdrawing cash and inquiring about an account balance, with average wait times of 10 minutes and 5 minutes, respectively.

Regarding knowledge gap is that, the study did not examine the impact of customer type on customer satisfaction and perceived service quality. Further research is needed to understand how these factors influence customer perceptions..

Furthermore, the study identified the five dimensions of SERVQUAL as important to customer satisfaction, but it did not investigate into the specific aspects of each dimension that are most important to Ethiopian bank customers. Further research is needed to identify the key factors that drive customer satisfaction in this context.

In addition, the study did not provide specific recommendations for improving customer satisfaction and perceived service quality in Ethiopian banks. Further research is needed to identify evidence-based strategies that can be implemented by Ethiopian banks to enhance customer experience..

In summary, The studies conducted by various authors from different countries have provided valuable insights into service quality and customer satisfaction. The study In particularly found that CBE is performing well in terms of customer satisfaction and perceived service quality. However, there are some areas where CBE can continue to improve to further enhance customer experience.

## 2.4. Conceptual framework

This study examines, Independent Variables, Service Quality ( Reliability, Responsiveness, Assurance, Empathy and Tangibles) , Mediator and Customer Satisfaction. Also examines Dependent Variable, Perceived Service Quality, Moderator and Customer Tenure. Control Variables are examined considering Socioeconomic Status (Age, income, education, and occupation), Bank Branch (Location and reputation of the branches)

The conceptual framework suggests that service quality influences customer satisfaction, which in turn influences perceived service quality. Customer tenure acts as a moderator, meaning that the relationship between service quality and perceived service quality is stronger among customers who have been with the bank for a longer period of time. Socioeconomic status and bank branch are also considered as control variables

### Visual Representation:

<b>Variable</b>	<b>Type</b>	<b>Description</b>
Service Quality	Independent	Comprises five dimensions: Reliability, Responsiveness,

		<i>Assurance, Empathy, and Tangibles.</i>
<i>Customer Satisfaction</i>	<i>Mediator</i>	<i>Represents customer's overall evaluation of the bank's service</i>
<i>Perceived Service Quality</i>	<i>Dependent</i>	<i>Refers to customer's perception of the bank's service quality.</i>
<i>Customer Tenure</i>	<i>Moderator</i>	<i>Length of time a customer has been with the bank</i>
<i>Socioeconomic Status</i>	<i>Control</i>	<i>Customer characteristics like age, income, education,</i>
<i>Bank Branch</i>	<i>Control</i>	<i>Characteristics of the bank branch like location and reputation.</i>

**Figure 2.1**

**Explanation to the above table, the framework proposes that**

- *The five dimensions of service quality (reliability, responsiveness, assurance, empathy, and tangibles) directly influence customer satisfaction (H1).*
- *Customer satisfaction, in turn, positively influences perceived service quality (H2). This suggests that satisfied customers are more likely to perceive the bank's service quality favorably.*
- *Customer tenure acts as a moderator, meaning the strength of the relationship between service quality and perceived service quality may be stronger for customers who have been with the bank for a longer period (H3). This suggests that long-term customers may have a more established perception of the bank's service quality, potentially influenced by their cumulative experiences.*
- *Socioeconomic status and bank branch characteristics are included as control variables to account for their potential influence on the other variables in the model. These variables may indirectly affect customer perceptions and satisfaction.*

**Independent Variables:**

- **Service Quality:**
  - *Reliability*

- *Responsiveness*
- *Assurance*
- *Empathy*
- *Tangibles*

**Mediator:**

- ***Customer Satisfaction***

**Dependent Variable:**

- ***Perceived Service Quality***

**Moderator:**

- ***Customer Tenure***

**Control Variables:**

- ***Socioeconomic Status:***
  - *Age*
  - *Income*
  - *Education*
- ***Bank Branch:***
  - *Location*
  - *Reputation*

**Relationships:**

*H1: Service quality positively influences customer satisfaction.*

*H2: Customer satisfaction positively influences perceived service quality.*

*H3: Customer tenure moderates the relationship between service quality and perceived service quality (stronger for longer tenures).*

*H4: Customer Satisfaction Positively influence, Individuals with higher income or education might have higher expectations, but age might be negatively related to satisfaction if older*

*customers have lower expectations or adapt more easily to service shortcomings. Similar to customer satisfaction, individuals with higher socioeconomic status might have higher standards and be more critical for Perceived Service Quality, through factors like branch location or demographics*

*H5: Customer Satisfaction Positively influence, Customers at branches with a good reputation or convenient location might be more satisfied due to easier access or perceived higher service standards. Similarly to customer satisfaction, branch characteristics might influence perceived service quality through factors like physical environment or staff behavior. Furthermore, branch characteristics might indirectly influence service quality through factors like resource allocation, staffing levels, or training opportunities.*

*This conceptual framework provides a visual representation of the proposed relationships between the variables in the study, aiding in understanding the research model.*

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

*This part of the research primarily presents the methodology that is employed in the paper. The research techniques & the reason for selecting the technique are discussed in detail. It fundamentally focused on the research design, population, and sampling, data source & collection method, the procedure of data collection & lastly the methods of data analysis.*

#### **3.1. Study Area**

*Commercial Bank of Ethiopia is the largest commercial bank in Ethiopia with branches throughout the country, including in Addis Ababa. There are 10 district offices found in Addis Ababa. The study area for this study is Bole district in Addis Ababa. The Bole district is one of the busiest commercial areas in Addis Ababa and is home to 50 commercial bank branches, including the selected commercial bank for this study. The district is known for its diverse population, ranging from business professionals to students and residents. The study focused on customers of the selected commercial bank who use the bank products and services in the district.*

*The study provided insights into the effect of bank services on customer satisfaction in the Commercial Bank of Ethiopia in Addis Ababa, bole district. The results of the study may be used by the bank to improve the quality of customer services provided to different kinds of customers and enhance customer satisfaction levels.*

### **3.2. Research Design**

*This study applied causal-comparative design. research design. Data is collected at a single point in time from a representative sample of CBE customers with in Addis Ababa. Additionally, a case study approach can be employed to focus on a specific three branches under bole district of CBE with a known service quality challenges and analyze customer and staff perspectives. A dual approach, encompassing both quantitative and qualitative dimensions. By concurrently gathering quantitative data through structured surveys, this study efficiently captured numerical insights related to these aspects. Simultaneously, the integration of qualitative data collection methods, such as open-ended questions and interviews, allowed the researcher to explore customer experiences and perceptions, enriching the researcher's understanding with contextual depth.*

*Moreover, the constraints of the time frame demand an efficient data collection strategy, and the Concurrent Design excels in this regard by enabling simultaneous data gathering without compromising on depth or quality. Finally, the subsequent integration of quantitative and qualitative data bolsters the credibility of the research findings through triangulation. In summary, the adoption of a Concurrent Design represents a scientifically justified and comprehensive approach, balancing efficiency and depth in the study's quest to investigate the impact of quality of customer services on customer satisfaction.*

### **3.3. Research Approach**

*The corresponding mixed method approach combines both qualitative and quantitative research approaches simultaneously in the same study (Creswell, J. W. (2017). Research design: Qualitative, quantitative, and mixed methods approach (4th ed.). Hence, this approach helped the researcher to gain a comprehensive understanding of the research questions. The quantitative research approach provided a numerical understanding of the quality of customer service, across various dimensions (e.g., reliability, responsiveness, assurance, empathy, tangibles) and measure customer satisfaction levels. Stratified random*

*sampling is used to select participants from the selected branch. and descriptive and , correlation analysis are used to examine the relationships between service quality dimensions and customer satisfaction. On the other hand, semi-structured interviews and focused groups of customers( (individuals v/s Corpoate) are conducted with a smaller sample of customers and CBE staff from the selected branches. This allowed for discovering customer experiences and staff perspectives on service quality and its impact on customer satisfaction This process ensured the tudy arrived at well –supported conclusions and provided a comprehensive understanding of the quality customer service’s impact on customer ssatisfaction.*

*The population of this study consists of the customers of selected Commercial Bank of Ethiopia branches in Addis Ababa, specifically within the Bole District. Under this district, various kind of banking services and products are provided to the number of customers at Bole branch with 62,618 customers. Bole Medihaialem branch with 35,675 customers and Edna mole branch 21,819 customers .Thus, the total population across the three branches is 120,112.*

### **3.5. Sampling method and sample size determination**

#### **3.5.1. Sampling Techniques**

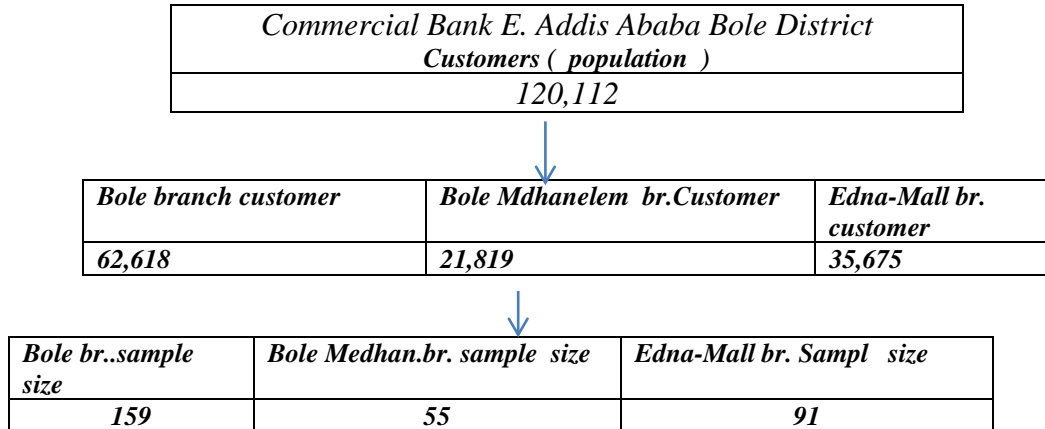
*The researcher employed a combination of purposive and stratified random sampling methods in this study. Accordingly, Stratified Random Sampling, divide the population into subgroups (strata) based on relevant characteristics (e.g., branch location, age group,Income and educational level) and randomly select samples from each stratum proportionally. This ensures representation within subgroups.*

*Purposive sampling entails a deliberate selection of specific units from the overall population to form a sample that adequately represents the entire population (Kothari, 2004). In this study, purposive sampling was specifically utilized for conducting interviews. As such, it employed select individuals who have firsthand experience of satisfaction and dissatisfaction with quality of banking services. Additionally, the study makes use of stratified random sampling techniques to select banks for inclusion in the sample. Under this approach, CBE was categorized public strata and is randomly chosen. Under CBE there are 10 districts and within these districts' stratum, Bole District is selected randomly.*



Under Bole District there are three branches and within these branches stratum, the Bole Medhanialelem branch, the Bole branch and Edna-Mall branch were randomly selected.

Figure 3.1 Sample strata



The diagram represents the population of all CBE customers in Bole district divided into three strata based on their primary branch usage.

The sample size is then allocated proportionally to each stratum, resulting in representative samples from each branch within the final study sample.

Source: Own survey /2023

### 3.5.2. Sample size determination and proportions

Following the above stratum, the researcher determined the sample size of the research calculated by using the Yamane formula with a 95% confidence level. Where  $n$  is the sample size,  $N$  is the population size, and  $e$  is the level of precision (Yamane, 1967).

$$n = 120,112 / (1 + 120,112 * 0.05^2)$$

$$n \approx 305$$

Thus, the researcher will select 305 samples from the selected three branches. The following proportional formula is used to calculate the number of samples that are selected from every selected the bank branch.

Proportion formula

The study applied a (Kothari, 2004) formula to determine the number of customers (in sample branches) within each stratum across three branches.

$$n(\text{Banks}) = (n(N \text{ Banks})) / ((\text{Total population of size } N))$$

- *Edna Mole Branch: (305) \* (35,675 / 120,112) ≈ 91 customers*
- *Bole Branch: (305) \* (62,618 / 120,112) ≈ 159 customers*
- *Bole Medihanialem Branch: (305) \* (21,819 / 120,112) ≈ 55 customers*

*Table 3.1 Proportional sample size summary*

<i>Selected Branches</i>	<i>Proportional sample size</i>
<i>Edna Mole Branch</i>	<i>91 customers</i>
<i>Bole Branch</i>	<i>159 customers</i>
<i>Bole Medihanialem branch</i>	<i>55 customers</i>
<b><i>Total sample size</i></b>	<b><i>305 customers</i></b>

*Source: Own survey/2023*

### **3.6. Sources of data and collection method**

#### **3.6.1. Primary Sources**

*The primary data was collected from the respondents of the study using interviews and questionnaires.*

#### **3.6.2. Secondary Sources**

*The secondary sources are used from journals, articles, and the thesis as an empirical literature review. These sources are used to develop questionnaires and discuss the findings of the study.*

#### **3.6.3. Method of Data Collection**

*The researcher used two major data instruments to gather data for this study. The first method of data collection was a questionnaire that contained close-ended and open-ended questions distributed to banking service users. The second data-gathering instrument was a*

*semi-structured interview conducted with 20 and above customers who were dissatisfied and satisfied during operation. This semi-structured interview provided a chance to make follow-up questions to analyze the issues in-depth and it helped to understand the existing customers' satisfaction and dissatisfaction.*

### **3.7. Data Reliability and Validity**

*A pilot study was undertaken to assess the reliability of the research instrument. The initial version of the instrument, developed in English, was administered to a specific sample comprising 20 respondents. These respondents were purposively selected from a diverse group of bank products and services users of CBE. Subsequently, the responses collected from the participants were coded and analyzed using SPSS software. During this analysis, any questionnaires displaying weaknesses or ambiguity were identified and removed from the dataset, contributing to the refinement of the research instrument. To do this Cronbach's alpha Values above .7 are considered acceptable,(Julie Pallant, 2011a).*

*Accessibility and availability of product and services*

*The above reliability results concerning the quality of customer services and customers satisfaction questionnaire confirmed the baseline to collect the main data. Thus, all Cronbach's alpha Values are above .7 and it was accepted. The result concerning the quality of customer service and customer satisfaction also performed the required reliability phases.*

*Perceived quality of customer service*

*Reliability Statistics*

<i>Reliability</i>	<i>0.624</i>	<i>7</i>
<i>Responsiveness</i>	<i>0.823</i>	<i>8</i>
<i>Assurance</i>	<i>0.829</i>	<i>7</i>
<i>Empathy</i>	<i>0.907</i>	<i>8</i>
<i>Tangibles</i>	<i>0.781</i>	<i>7</i>

*Source: Own survey /2023*

*Content Validity is a crucial method employed to evaluate whether a questionnaire comprehensively addresses all dimensions of the construct being measured. In this regard,*

*the researcher distributed pilot questionnaires to experts in the relevant field. These experts carefully reviewed the questionnaire to ascertain that it encompasses all pertinent topics. Furthermore, they assessed the wording of the items to confirm that it effectively measures the study's objectives while ensuring clarity in measurement. This careful process aided in enhancing the overall quality and relevance of the questionnaire.*

### **3.8. Data presentation and analysis methods**

#### **3.8.1. Quantitative Data Analysis**

*Quantitative data collected through questionnaires undergo thorough analysis using statistical software. Specifically, the data was compiled, cleaned, and processed using SPSS, Version 23. Statistical analysis is then employed to summarize the raw data, and the interpretation of the findings is conducted in parallel with the discussion of relevant literature. The presentation of the data is placed in the form of tables, charts, and figures while both descriptive and inferential statistics are utilized to perform a comprehensive analysis. The frequency, percentage, t-tests and ANOVA, regression analysis are used to analyze the quantitative data.*

#### **3.8.2. Qualitative Data Analysis**

*In alignment with our mixed research design, all objectives that are subjected to quantitative analysis also undergo qualitative analysis. Equal emphasis was placed on these objectives. Consequently, data collected from semi-structured interviews were transcribed and subjected to thorough interpretation. Responses from interviewees of similar characteristics or types were grouped together and analyzed systematically through thematic analysis. The findings from these qualitative interviews seamlessly integrated with the results from quantitative data analysis. This integration enabled the researcher to summarize and draw comprehensive conclusions that contribute to the final outcomes of the study.*

### **3.9. Model Specification**

*To examine the effect of service quality dimensions on customers satisfaction, the study used multiple linear regression model specified below.*

$$Y = R0X + R1X1 + R2X2 + R3X3 + A4X4 + T5X5 + \varepsilon$$

*Y* represents the dependent variable; customer satisfaction. *X1*, *X2* and *X3* represents the independent variable Quality of customer service; Reliability, Assurance, Responsiveness, Empathy, and Tangibility, respectively. *B0*, *B1*, *B2*, *B3*, and *B4* represent the parameters to be estimated while  $\varepsilon$  refers the usual error term.

- *These major independent variables had the following major measurements. The quality of customer service in relation with :*
- *Reliability: This refers to the ability of the branch to deliver the service dependably and accurately, this is measured by taking the percentage of transactions completed on time and without errors, customer wait times in queues, accuracy of information provided by staff and the percentage of complaints resolved within the set timeframe.*
- *Responsiveness: This refers to the willingness of staff to help customers and provide prompt service. This was measured by the customer perception of staff helpfulness and attentiveness, the speed of response to customer inquiries and requests and availability of staff during service hours.*
- *Assurance: This refers to the knowledge and courtesy of employees and their ability to convey trust and confidence. This is measured by the customer awareness of staff competence and professionalism, by friendliness and courtesy of staff interactions and by the security and safety of the branch environment.*
- *Empathy: This refers to the caring, enhanced attention to customers' needs. This was measured by the customer perception of staff listening and understanding their needs.*

*To examine the quality of customer service effect on customer satisfaction, variables are used and these variables are transformed into operational interface variables.*

*Customer satisfaction in terms of Perceived quality of products and services measured through Overall Satisfaction Score (OSAT) which measures the percentage of customers satisfied with their overall experience, Net Promoter Score (NPS) which measures by tracking the customer loyalty and willingness to recommend and Customer Delight which measures the emotional connection and joy customers experience with a product or service.*

*Regarding the specific customer satisfaction, the following terms were measured:*

- *Transaction Satisfaction (TSAT): Evaluates customer satisfaction with a specific transaction.*
- *Product/Service Satisfaction (PSS): Assesses customer satisfaction with a specific product or service.*
- *Attribute Satisfaction: Measured customer satisfaction with individual aspects of a product or service.*
- *Customer Retention Rate (CRR): Tracks the percentage of customers who remain with a business over time..*
- *Customer Churn Rate: Tracks the percentage of customers who stop using a service or product.. These variables are transformed to the Perceived quality of customer service.*

### **3.10. Ethical consideration**

*This study like other academic research abides by ethical issues, moral conduct, and commercial confidentiality to the bank's data and for the privacy of respondents. The questionnaire was designed in such a way that respondents do not have to write their names and reveal their personal information on the questionnaire. The responses are used only for academic purposes and are kept confidential.*

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### 4.1. Introduction

In this chapter, the data gathered through instruments are presented and analyzed accordingly. The data were gathered from customer and management bodies, and the analysis is consequently analyzed with their data presentations. The analysis was made based on the research objectives.

#### 4.2. Response rate

The total sample size from selected branches of the Commercial Bank of Ethiopia under Bole District was 305. Among 305 (100%) of the sample size 270 (90%) respondents appropriately filled the questionnaires and the rest 30 (13%) of the respondents encountered to filled appropriately and non-response. Of the total 30(respondents, 7 responded to incomplete questionnaires, and the rest 23 respondents did not respond questionnaire. From the total 159 sample size of the Bole Branch, 11 respondents were unable to replay the questionnaire. The questionnaire was distributed to Edna Mole branch , among 91 selected samples customers 4 respondents were unable to complete properly the questionnaire and 5 respondents took it. From the Bole Medihanialem branch among the elected 55 customers, 7 respondents were unable to finish properly, and 3 respondents took the questionnaire.

Table 4.1 Sample size frequency in each selected branch

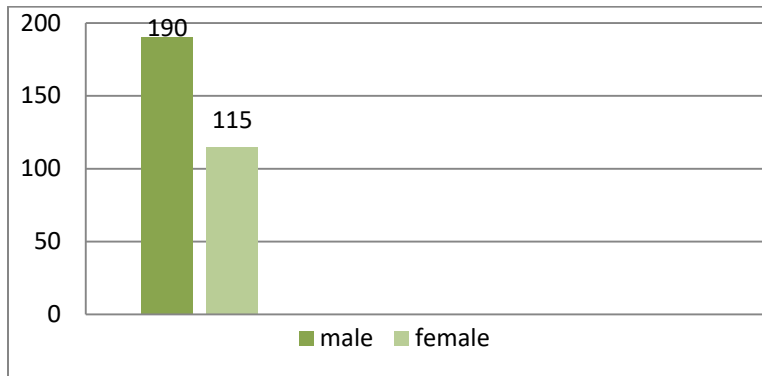
Name of branches	Sample size	Valid Frequency Percent	Valid Percent	Cumulative Percent.
Bole Branch	159	57.0	5.0	95.4
Edna Mole branch	91	24.8	60.0	6.2
Bole Medihanialem	55	18.20	35.0	5.4
Total	305	100	100	100

Source: Own survey /2023

Among the total sample size of 305, 159 (52.13%) of the respondents are from the CBE Bole Branch, 91(29.83%) are from the Edna Mole branch, 55(18.03%) are from the Bole Medhaniale branch

### 4.3. Demographic characteristics of the respondents

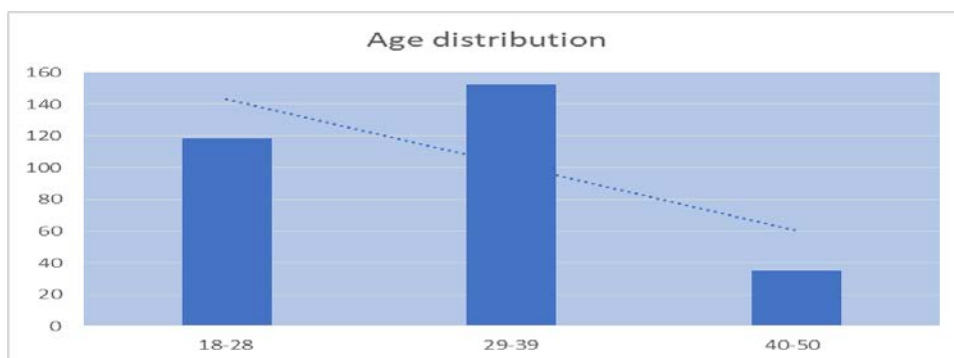
Figure 4.1 Sex of the respondents



Source: Own survey /2023

The above figure result revealed that 190 (62.3%) of the respondents are males and 115 (37.7%) of the respondents who participated in this study are females. The above figure result revealed that 190 (62.3%) of the respondents are males and 115 (37.7%) of the respondents who participated in this study are females.

Figure 4.2 Age of the respondents



Source: Own survey /2023



*The above figure result shows that 152 (49.8%) of the respondents' age found in the 29-39 years category, 118 (39.3%) of the respondents' age relied upon the 18-28 years age category, 35(10.8%) of the respondents' age found in 40-50 years and above.*

*In summary, all interviewees in Bole District expressed that while services are relatively accessible during regular hours on workdays, there are no significant challenges during lunchtime, weekends, and nights due to availability of electronic devices like ATM, online services and working with shifting hours.*

*The data pertaining to the services and products provides insights into customer satisfaction with various aspects of the quality of customer services experience. To begin, when assessing user-friendliness, 134 respondents (44.7%) expressed dissatisfaction, while 150 respondents (50%) showed their satisfaction. Nonetheless, 16 respondents (5.33%) adopt a neutral standpoint, reflecting a sense of neither strong approval nor disapproval of their satisfaction.*

*Regarding the button layout, which includes actions like withdrawing cash, money transfer, deposits ,opening an account and other services ,142 respondents (69.4%) expressed dissatisfaction, while 153 respondents (51%) were satisfied. Whereas, the rest 5 respondents that accounts of (1.7%) picked for a neutral stand. The evaluation of customization, which allows customers to personalize aspects of their Banking service and products experience, presents an interesting dynamic.*

*In the realm of error handling, where the ease of error communication and response to error messages is examined, 79 respondents (26.33%) express dissatisfaction, while 171 respondents (57%) indicate satisfaction. Moreover, 50 respondents (16.66%) take a more neutral stand, neither strongly favoring nor disfavoring the effectiveness of error-handling mechanisms. Evaluating navigation, or how easily customers can get through the bank's services and products being provided, 236 respondents (78.7%) expressed satisfaction, while 39 respondents (13%) expressed dissatisfaction. Meanwhile, 25 respondents (8.33%) maintain a more neutral position, indicating a state of neither clear endorsement nor disapproval..*

Lenegrew name changed "I've encountered some difficulties due to the queue of customers with inadequate number of front line bank officers. Even though, there are plenty of vacant windows there, Hence, it took customers a long stay in the queue. Such experiences can be frustrating and impact customer's satisfaction.

#### 4.4.4. Perceived Transaction Security

The data concerning the perceived security of customer's transactions reveals a various range of opinions among respondents. In terms of the confidentiality and security of entering the Personal Identification codes (passwords) when using online transactions like Mobile banking , CBE birr and ATM, 267 respondents (89%) expressed satisfaction, while 26 respondents (8.66%) indicated dissatisfaction. Interestingly, 7 respondents (2.33%) adopted a neutral position.

Evaluating the effectiveness of procedures and methods in verifying identity and preventing unauthorized access, 248 respondents (82.7%) expressed satisfaction, while 32 respondents (10.7%) conveyed dissatisfaction. Similarly, 20 respondents (6.7%) occupy a middle ground, neither strongly endorsing nor opposing this aspect, indicating a state of neutrality or reservation in their judgment.

Table 4.7 Transaction security of various services and products

<b>Functions</b>	<b>No. respondents</b>		
	<b>Satisfied</b>	<b>Dissatisfied</b>	<b>Neutral</b>
<i>Password confidentiality</i>	152 = 50.7%	112 = 37.33%	36 = 12%
<i>Data exchange</i>	169 = 56.33%	100 = 33.3%	31 = 10.33%
<i>Authorization</i>	230 = 76.7%	45 = 15%	25 = 8.33%
<i>Branch location and ATM access</i>	252 = 84%	40 = 13.3%	8 = 2.7%
<i>Accuracy and reliability of transaction confirmations.</i>	200 = 66.66%	80 = 26.7%	20 = 6.7%
<i>Contacting authorities in case of issues</i>	275 = 91.7%	16 = 5.33%	9 = 3%
<i>The bank's policies and procedures for detecting and preventing fraudulent transactions, and suspicious activities</i>	290 = 96.7%	7 = 2.33%	3 = 1%
<i>The presence of security personnel or guards and security devices.</i>	220 = 73.3%	50 = 16.7%	30 = 10%

*Source: Own survey /2023*

*When examining the physical security measures in place at ATM and Branches locations, 252 respondents (84%) expressed satisfaction, while 40 respondents (13.3%) reported dissatisfaction. Additionally, 8 respondents (2.7%) remain in a position of neutrality, neither distinctly favoring nor disfavoring these measures, suggesting a degree of neutrality or uncertainty in their perspective.*

*For the accuracy and reliability of transaction confirmations (receipts, on-screen messages), 200 respondents (66.66%) expressed satisfaction, while 80 respondents (26.7%) indicated dissatisfaction. In the meantime, 20 respondents (6.7%) maintain a middle-of-the-road stand, showing neither strong satisfaction nor dissatisfaction, signifying a sense of inconsistency or hesitation in their evaluation.*

*Moreover, regarding satisfaction in contacting the bank or authorities in case of issues, 275 respondents (91.7%) expressed satisfaction, while 16 respondents (5.33%) expressed dissatisfaction. In addition, 9 respondents (3%) adopt a more neutral stand, reflecting a degree of objectivity or neutrality in their perspective.*

*Evaluating the bank's policies and procedures for detecting and preventing fraudulent transactions and suspicious activities, 290 respondents (96.7%) expressed satisfaction, while 7 respondents (2.33%) reported dissatisfaction. Similarly, 3 respondents (1%) remain in neutrality, neither firmly endorsing nor opposing these policies, suggesting irrelevance.*

*In terms of the presence of security guards, and security devices in a branch and at ATM locations, 220 respondents (73.3%) expressed satisfaction, while 50 respondents (16.7%) conveyed dissatisfaction. Furthermore, 30 respondents (10%) take a more balanced position, not strongly endorsing or opposing the presence of security devices, suggesting a state of impartiality or uncertainty in their perspective.*

*Evaluating access control measures at ATM locations, such as card entry and PIN verification, 287 respondents (75.7%) expressed dissatisfaction, while 53 respondents (14.0%) reported satisfaction. Likewise, 39 respondents (10.3%) maintain a middle ground,*

neither strongly favoring nor disfavoring these measures, indicating a sense of ambivalence or objectivity in their assessment.

*Degusew name changed "CBE's efforts in educating customers about security are quite lacking, to be honest. I've received very minimal information from them about the security procedures. As a result, I'm not convinced that the security measures they have are effective. This certainly affects my overall satisfaction because I want to know that my financial security is safe when I enter in to branches and a place where ATMs are situated.*

*All Interviewees had a couple of instances where they noticed some suspicious individuals hanging around them while entering to branch, other online services and ATM , some locations, which are difficult to do transactions. It made them feel quite insecure about their transaction's security. They emphasize that CBE should take more proactive measures to ensure the physical security of their branches and ATM locations. It definitely affects their satisfaction with their services.*

## 4.5. Inferential Analysis

### 4.5.1. Satisfaction difference by Demographic variables

<b>Main factor</b>	<b>Factor level</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	<i>Male</i>	<i>156</i>	<i>51.1</i>
	<i>Female</i>	<i>149</i>	<i>49.3</i>
	<i>Total</i>	<i>305</i>	<i>100</i>
<b>Age</b>	<i>18 – 29 years</i>	<i>116</i>	<i>39.5</i>
	<i>30 - 40 years</i>	<i>139</i>	<i>45.5</i>
	<i>41-50 years</i>	<i>34</i>	<i>11.6</i>
	<i>Over 50 years</i>	<i>13</i>	<i>4.4</i>
	<i>missing</i>	<i>3</i>	<i>1</i>
	<i>Total</i>	<i>305</i>	<i>100</i>
<b>Educational qualification</b>	<i>High school</i>	<i>4</i>	<i>1.4</i>
	<i>Diploma</i>	<i>23</i>	<i>7.8</i>
	<i>Degree</i>	<i>196</i>	<i>66.7</i>
	<i>Master</i>	<i>57</i>	<i>19.4</i>
	<i>Above</i>	<i>25</i>	<i>8.2</i>
	<i>Total</i>	<i>305</i>	<i>100</i>

<i>How many years did you connect with CBE?</i>	<i>Less than 2 years</i>	<i>18</i>	<i>6.1</i>
	<i>2– 5 years</i>	<i>115</i>	<i>39.1</i>
	<i>6 – 10 years</i>	<i>135</i>	<i>45.9</i>
	<i>Above 10 years</i>	<i>37</i>	<i>12.13</i>
	<i>Total</i>	<i>305</i>	<i>100</i>

*The above table result reveals there is a customer satisfaction difference by sex. The mean difference between male and female respondents is significant at p-value is 9.86e-07, which is less than 0.05. This means that there is a statistically significant difference between the means of the two groups.*

*The p-value for Levene's test is 0.1894, which is greater than 0.05. This means that we can assume that the variances of the two groups are equal. The p-value for the t-test is 9.8595e-07, which is less than 0.05. This means that there is a statistically significant difference between the means of the two groups.*

*The above table result indicates there is a significant mean difference between all age groups except among 40- 50 and above age groups. Age groups 40- 50 and above haven't statistically significant satisfaction differences. The p-value (Sig . 0.2160) is greater than the typical significance threshold of 0.05. These age groups have no significant difference in satisfaction concerning quality, accessibility, usability interface, and perceived security of services. However, the mean difference between the "18-28" and "29-39" age groups is statistically significant ( $p < 0.05$ ). On average, the "18-28" age group significantly has lower satisfaction (mean difference of 0.09) compared to the "29-39" age group. Likewise, the mean difference between the "18-28" and "40-50 & above" age groups is statistically significant ( $p < 0.05$ ). On average, the "18-28" age group reports significantly lower satisfaction (mean difference of .000) compared to the "40-50" age group. The mean difference is significant at the 0.05 level.*

*The above result reveals that there is a mean difference between "18-28" and "50 and above" age groups with ( $p < 0.05$ ). On average, the "18-28" age group reports significantly lower satisfaction compared to the "50 and above" age group.*

*Among Age Group Comparison: 29-39 vs. 40-49, the mean difference between the "29-30" and "40-49" age groups indicates there is statistically significant ( $p < 0.05$ ). On average, the "29-39" age group has significantly lower satisfaction (mean difference of -0.32265) compared to the "40-49" age group. Similarly, there is a significant mean difference between the "29-30" and "50 and above" age groups with a ( $p < 0.05$ ). On average, the "29-30" age group reports significantly lower customer satisfaction, compared to the "50 and above" age group.*

*The table above result indicates that there is a statistically significant satisfaction difference by education status concerning service quality, accessibility, usability, and perceived security. Nevertheless, there is no significant difference in customer satisfaction between illiterate and grade1-12 respondents since the p-value is greater than 0.05.*

*The mean difference in the quality of customer service satisfaction between illiterate and college certificate respondents is -0.51460, with a p-value of 0.050. This p-value is less than 0.05, indicating that there is a statistically significant difference in satisfaction between these two groups. Thus, the illiterate group has lower satisfaction compared to college-certified respondents. The mean difference is significant at the 0.05 level.*

*The mean difference concerning customer satisfaction between illiterate and respondents with a first-degree and above education is -0.79170, with a very low p-value of 0.000. This highly significant p-value indicates a strong statistical difference in service satisfaction between these two groups. Hence, there is lower satisfaction among illiterate respondents compared to those who are certified first-degree and above.*

*The mean difference in quality of customer service and satisfaction between grade1-12 and college certificate respondents is -0.90731, with a very low p-value of 0.000. This highly significant p-value indicates a strong statistical difference in customer satisfaction between these two groups. On average, "College Certificate" respondents have lower customer service satisfaction compared to "Grade1-12" respondents.*

*The mean difference in customer satisfaction between grade1-12 and first-degree and above respondents is -1.18441, with a very low p-value of 0.000. The p-value indicates a strong*

statistical difference in customer satisfaction between these two groups. On average, first-degree and above respondents have lower satisfaction compared to grade1-12 respondents

The mean difference in customer satisfaction between college certificates and first-degree and above respondents is  $-.27710^*$ , with a  $p$ -value of 0.006. This indicates a statistically significant difference in customer satisfaction between these two groups. On average, first-degree and above respondents have higher customer satisfaction compared to college certificate respondents. Thus, college-certified respondents have lower customer satisfaction

#### 4.5.1.4. Satisfaction difference by income level

Respondents with incomes up to 5,000 birr have significantly lower customer satisfaction scores compared to those with incomes 5,001-10,000 birr, with a mean difference of  $-.93297^*$  ( $p < 0.001$ ). Those respondents who earn income up to 5,000 birr also have lower satisfaction compared to the 10,001-20,000 birr income group, with a mean difference of  $-.78703^*$  ( $p < 0.001$ ). Likewise, respondents who earn up to 5,000 income category have significantly lower customer satisfaction than those who earn more than 20,000, with a mean difference of  $-1.13862^*$  ( $p < 0.001$ ).

Respondents who earn "5,001-10,000 birr" haven't significantly different concerning customer satisfaction compared to those who earn "10,001-20,000 birr" incomes. The mean difference is approximately 0.146, and the difference is not statistically significant ( $p = 0.277$ ). For respondents who earn 5,001-10,000 and more than 20,000 birr monthly mean difference is approximately -0.206, and the  $p$ -value of .037 is less than 0.05 ( $p < 0.05$ ). Thus, respondents who earn more than 20,000 monthly have lower satisfaction compared to those who earn between 5,001-10,000 birr on monthly bases.

<i>Table 4.11 Satisfaction difference by income level</i>					
<i>Multiple Comparisons</i>					
<i>Dependent Variable: Customer Satisfaction</i>					
<i>Tukey HSD (Honesty Significant Dfference)</i>					

<i>Income level of</i>	<i>The income</i>	<i>Mean</i>	<i>Std.</i>	<i>Sig.</i>	<i>95% Confidence Interval</i>
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<i>the respondents</i>	<i>level of the respondents</i>	<i>Difference</i>	<i>Error</i>		<i>Lower Bound</i>	<i>Upper Bound</i>
<i>up to 5,000 birr</i>	<i>5,001-10,000 birr</i>	<i>-.93297*</i>	<i>.09942</i>	<i>.000</i>	<i>-1.1895</i>	<i>-.6764</i>
	<i>10,001-20,000 birr</i>	<i>-.78703*</i>	<i>.09908</i>	<i>.000</i>	<i>-1.0427</i>	<i>-.5313</i>
	<i>more than 20,000 birr</i>	<i>-1.13862*</i>	<i>.09510</i>	<i>.000</i>	<i>-1.3840</i>	<i>-.8932</i>
<i>5,001-10,000 birr</i>	<i>up to 5,000 birr</i>	<i>.93297*</i>	<i>.09942</i>	<i>.000</i>	<i>.6764</i>	<i>1.1895</i>
	<i>10,001-20,000 birr</i>	<i>.14594</i>	<i>.08131</i>	<i>.277</i>	<i>-.0639</i>	<i>.3558</i>
	<i>more than 20,000 birr</i>	<i>-.20565*</i>	<i>.07640</i>	<i>.037</i>	<i>-.4028</i>	<i>-.0085</i>
<i>10,001-20,000 birr</i>	<i>up to 5,000 birr</i>	<i>.78703*</i>	<i>.09908</i>	<i>.000</i>	<i>.5313</i>	<i>1.0427</i>
	<i>5,001-10,000 birr</i>	<i>-.14594</i>	<i>.08131</i>	<i>.277</i>	<i>-.3558</i>	<i>.0639</i>
	<i>more than 20,000 birr</i>	<i>-.35159*</i>	<i>.07597</i>	<i>.000</i>	<i>-.5476</i>	<i>-.1556</i>
<i>more than 20,000 birr</i>	<i>up to 5000 birr</i>	<i>1.13862*</i>	<i>.09510</i>	<i>.000</i>	<i>.8932</i>	<i>1.3840</i>
	<i>5,001-10,000 birr</i>	<i>.20565*</i>	<i>.07640</i>	<i>.037</i>	<i>.0085</i>	<i>.4028</i>
	<i>10,001-20,000 birr</i>	<i>.35159*</i>	<i>.07597</i>	<i>.000</i>	<i>.1556</i>	<i>.5476</i>

*The mean difference is significant at the 0.05 level.*

*Source: Own survey /2023*

*The mean difference of 0.35159 with a P- value of .000 indicates that, on average, respondents who earn the "10,001-20,000 Birr" monthly income group have service satisfaction than those who earn "more than 20,000 Birr" monthly income. The very small p-value confirms that this difference is statistically significant suggesting it's not due to chance.*

#### **4.5.1.5. Satisfaction difference by frequency of visiting branches and ATM sights**

*Respondents who use the branches on a daily basis have, on average, a significantly lower level of satisfaction (-0.89021) compared to those who use it on a weekly basis. This result*



is statistically significant ( $p < 0.05$ ), and a 95% confidence assured that the true difference in satisfaction scores falls between -1.2090 and -0.5715.

Respondents who use the branches on a daily basis have, on average, a significantly lower level of satisfaction (-0.90998) compared to those who use it on a monthly basis. This result is statistically significant ( $p < 0.05$ ), and a 95% confidence showed that the true difference in satisfaction scores falls between -1.2243 and -0.5957.

Respondents who use the branches on a daily basis have, on average, a significantly lower level of satisfaction (-1.37426) compared to those who use it rarely. This result is statistically significant ( $p < 0.05$ ), and a 95% confidence confirmed that the true difference in satisfaction scores falls between -1.8415 and -0.9070.

There is no statistically significant difference in satisfaction between respondents who use the branches on a weekly basis and those who use it on a monthly basis. The mean difference in satisfaction scores is 0.01977, and the result is not statistically significant ( $p = 0.992$ ).

Respondents who use the branches on a weekly basis have, on average, a significantly lower level of satisfaction (-0.48405) compared to those who use it rarely. This result is statistically significant ( $p < 0.05$ ), and a 95% confidence interval confirms that the true difference in satisfaction scores falls between -0.8721 and -0.0960.

Respondents who use the branches on a monthly basis have, on average, a significantly lower level of satisfaction (-0.46428) compared to those who use it rarely. This result is statistically significant ( $p < 0.05$ ), and a 95% confidence interval confirms that the true difference in satisfaction scores falls between -0.8487 and -0.0798.

<i>Table 4.12 Satisfaction difference by frequency of branches visiting</i>					
<i>Multiple Comparisons</i>					
<i>Dependent Variable: Customer Satisfaction</i>					
<i>Tukey HSD</i>					

<i>Branches</i>	<i>Branches</i>	<i>Mean</i>	<i>Std.</i>	<i>Sig.</i>	<i>95% Confidence Interval</i>
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visiting & Usage Frequency	visiting usage frequency	Difference	Error		Lower Bound	Upper Bound
Daily	Weekly	-.8902	.12352	.000	-1.2090	-.5715
	Monthly	-.90998	.12179	.000	-1.2243	-.5957
	Rarely	-1.37426	.18107	.000	-1.8415	-.9070
Weekly	Daily	.89021	.12352	.000	.5715	1.2090
	Monthly	-.01977	.06828	.992	-.1960	.1564
	Rarely	-.48405	.15039	.008	-.8721	-.0960
Monthly	Daily	.90998	.12179	.000	.5957	1.2243
	Weekly	.01977	.06828	.992	-.1564	.1960
	Rarely	-.46428	.14897	.011	-.8487	-.0798
Rarely	Daily	1.37426	.18107	.000	.9070	1.8415
	Weekly	.48405	.15039	.008	.0960	.8721
	Monthly	.46428	.14897	.011	.0798	.8487

The mean difference is significant at the 0.05 level.

Source: Own survey /2023

#### 4.6. Diagnostics tests

##### 4.6.1. Descriptive statistics and correlation Analysis

Table 4.13 Descriptive Statistics

	N	Skewness	Kurtosis	Statistic	Std. Error
	Statistic	Statistic	Std. Error		
Reliability	305	-.356	.101	-.276	.161
Assurance	305	-.583	.101	.036	.201
Responsiveness	305	-.356	.101	.111	.201
Empathy	305	-1.054	.101	1.868	.201
Tangables	305	-.448	.101	.156	.201

Valid N = 305

Source: Own survey /2023

According to Brown Acceptable values of skewness fall between  $-3$  and  $+3$ , and kurtosis is appropriate from a range of  $-10$  to  $+10$  (Brown, 2015). On the other hand, Bryne argued

that the data is considered to be normal if skewness is between -2 to +2 and kurtosis is between -7 to +7 (Byrne, 2013). Thus, according to the above two authors, the above result regarding skewness and kurtosis is acceptable and the data indicates normal distribution for regression analysis.

Table 4.14 Collinearity Statistics through VIF and Tolerance

	<i>Tolerance</i>	<i>VIF</i>
<i>Reliability</i>	.544	1.190
<i>Assurance</i>	.620	1.042
<i>Responsiveness</i>	.563	1.149
<i>Empathy</i>	.485	1.335
<i>Tangibles</i>	.432	1.186

Source: Own survey /2023

The study checks this with the Variance Inflation Factor (VIF) which calculates the influence of correlations among independent variables on the precision of regression estimates. VIF values above 10 would be a concern of multi-collinearity (J PALLANT, 2005). Thus, multicollinearity happens when there is a tolerance value of less than .10 and a VIF value of above 10. The result in the above table shows that the tolerance level of all independent variables is greater than .10 and the VIF value of all the independent variables is also less than 10. Thus, the assumption confirms there is no multicollinearity problem.

#### **4.6.2. Normality Test**

These tests were used to test whether the variables were symmetrically distributed and without outliers and that there was a linear relationship among the variables. A normality test is carried out to determine if the data set is well-modeled by a normal distribution. Those non-normally distributed variables are distributed with substantial outliers. They can be identified through visual inspection of histograms or frequency distributions. If the residuals are normally distributed, the histogram should be bell-shaped then the normality test is accepted.

The estimation of the multi-regression model requires continuous data with normal distribution. Thus, the above normality test result in the figure Histogram indicates the bell-shaped. Hence, the distribution of the data is normal to conduct regression analysis.

#### **4.6.3. Test of Homoscedasticity**

The result below shows the random displacement of scores that takes clustering or systematic patterns. The points are equally distributed above and below zero on the X-axis and to the left and right of zero on the Y-axis. Thus, the assumption of Homoscedasticity is met. In other words, Heteroscedasticity is designated when the residuals aren't evenly scattered around the line. Thus; by observing the figure above the residuals are randomly scattered around the horizontal and vertical lines and satisfy the homoscedasticity test. Normal P-P Plot points lie in a reasonably straight diagonal line from bottom left to top right. This would suggest no major deviations from normality (Julie Pallant, 2011b). Hence, conducting regression analysis is accepted.

#### **4.6.4. No Auto-correlation**

To determine the autocorrelation between observations Durbin-Watson test was used. The Durbin-Watson statistic ranges in value from 0 to 4. A value near 2 indicates non-autocorrelation; a value toward 0 indicates positive autocorrelation; a value toward 4 indicates negative autocorrelation (Field, 2005). With the Durbin Watson value of 1.941, which is very close to 2, it confirmed that the assumption of independent error has almost certainly met the requirement standard (Please refer to Model Summary).

#### **4.7. Regression Model Analysis**

In multiple regression analysis, independent variables are employed to make predictions about the dependent variable. As a result, a high multiple R-value signifies a strong correlation between the predicted and observed outcomes. The model summary table provides insights into the strength of the relationship between the independent variables and the dependent variable. Thus, multiple regression analysis is used to know how much the independent variables explain or influence the dependent variable. Thus, the following test was conducted to measure the effect of quality of services on customer satisfaction.

#### 4.7.1. Analysis of Variance

When assessing statistical significance, the *p*-value signifies the extent of the association between the independent variable and the dependent variable. If the obtained *p*-value is below the conventional threshold of 0.05, the model is deemed to be statistically significant in elucidating the connection between the independent and dependent variables. Otherwise, the model is regarded as non-significant in this context.

Table 4.15 Analysis of Variance through ANOVAa

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	114.246	3.21	28.561	370.348	.000b
Residual	23.211	300	.061		
Total	137.457	304.19	28.622		

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Perceived Transaction Security, Accessibility, and Availability, Usability of services, Quality customer service on core bank products & services

Source: Own survey /2023

Thus, the *F*-ratio under the ANOVA table tests shows that the independent variables statistically significantly predict the dependent variable,  $F(3.21, 300) = 370.348, p < 0.05$  (i.e., the regression model is a good fit of the data) or in another words an *F*-statistic that strongly rejected the null hypothesis of no explanatory power. In addition, all explanatory variables that are significant at .05 even at the .01 level have their predictable significance on customer satisfaction.

Table 4.16 Regression Model Summary

Model	R	Adjusted R Square	Std. Error of the Estimate	Change Statistics	Durbin-Watson	R Square Change	F Change	df1	df2	Sig. F Change
1	.733a	.668	.667	.22348	.668	370.348	300	3.21	.000	1.562

a. Predictors:

(Constant), Reliability, Assurance, Responsiveness, Empathy and Tangibles, on Quality of customer services and products.

b. Dependent Variable: Customer Satisfaction

The model summary presents the fitness of the regression model used to investigate Reliability, Assurance, Responsiveness, Empathy and Tangibles the quality of customer services & products of the bank, on the effect of customer satisfaction. The dependent variable customer satisfaction is explained by four independent variables. The R Square in the Model above indicates that .731. This reveals that the dependent variable, customer satisfaction 73.1% is explained by the independent variables. The rest 6.5 % of variables that affect customer satisfaction in selected commercial bank branches u Bole District are not identified by this study.

Table 4.17 Analysis of the Regression Coefficients, 1(Constant)

Model	Independent variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig. B
		B	Std. Error	Beta		
Regression	Reliability	.383	2.056	.275	.015	.001
	Assurance	.416	14.817	.339	.018	.000
	Responsiveness	.121	5.007	.101	.016	.000
	Empathy	.050	1.981	.049	.020	.000
	Tangibles	.517	15.195	.466	.024	.011

Source: Own survey /2023

The above regression Coefficients result indicates that Perceived Transaction security, Quality services o Core banking services and products. Reliability, assurance, responsiveness, empathy, and tangibles have the highest value on customer satisfaction with a P-value of .275, .339, .101, .049 and .466 respectively with a P-value of .001, .000, .000, .000, and .011. Thus, Tangibility is the highest contributor to customer satisfaction followed by the quality of services of core banking. Hence, customer satisfaction in terms of

the branches products and services is highly connected with security and core banking such as financial confidentiality, transactions encryption, authentication, physical security (security camera, guards and other devices) transaction confirmation, emergency response, fraud protection, security education, visibility, access control measures. On the other hand, the quality core banking functions such as processing times for withdrawal, processing times for transfer, processing times for balance check functions, correct dispensing of cash, accurate balance updates, ability to meet customer needs, transactions without errors, the time customers spend at the front windows/counters and cleanliness and maintenance. Followed by the location branches, the number of branches, service delivery time, availability of various denominations, availability of sufficient funds, easy accessibility for people with disabilities, availability of additional services, and availability of customer support. Lastly, customer satisfaction is also affected by user-friendliness, clarity of instructions.

Table 4.18 Hypotheses Result

$\beta$	P-value	Accepted/rejected
.383	$P=.000<.05$	Accepted
.416	$P=.000<.05$	Accepted
.121	$P=.000<.05$	Accepted
.050	$P=.011<.05$	Accepted
.517	$P=.000<.05$	Accepted

Source: Own survey /2023

- H1: There is a reliable ability to perform the promised service dependably and accurately in CBE, Bole district .383  $P=.000<.05$  Accepted
- H2: There is a responsive willingness to help customers and provide prompt service in CBE, Bole district .416  $P=.000<.05$  Accepted
- H3: There is sound Knowledge and courtesy of employees and their ability to convey trust and confidence in CBE, Bole district .121  $P=.000<.05$  Accepted
- H4: There is Understanding of Caring, individualized attention to customers' needs in CBE, Bole district .050  $P=.011<.05$  Accepted

- *H5: There are noticeable physical facilities, equipment, and appearance of personnel in CBE, Bole district .517 P=.000<.05 Accepted*

#### **4.8. Discussion of the finding**

*Quality of CBE's customer service and customer satisfaction discussion with previous studies ;*

##### ***Studies focusing on Customer Satisfaction:***

*Tsegay G. Berhe (2019): In "The Impact of Service Quality on Customer Satisfaction: The Case of Commercial Bank of Ethiopia Adigrat Branch," Berhe reported a positive correlation between service quality and customer satisfaction. Improved service quality, including prompt attention and responsiveness, led to higher levels of customer satisfaction.*

*Samuel Kibebew (2017): Kibebew's study "The Effect of Service Quality on Customer Satisfaction: A Comparative Analysis of Commercial Banks in Hawssassa District" compared CBE with other banks in the region. While service quality in CBE varied across branches, overall satisfaction remained lower compared to its competitors.*

##### ***Authors and Time:***

*As mentioned above, studies on CBE's customer service and customer satisfaction date back to at least 2018 (Kelil) and continue to be conducted (Beru, 2020). This indicates ongoing concerns and a need for improvement in CBE's service delivery.*

##### ***Overall:***

*Research suggests a mixed picture of CBE's customer service and customer satisfaction. While some improvements have been implemented, customer complaints regarding service quality and responsiveness persist. Addressing these issues and enhancing customer satisfaction remains crucial for CBE's long-term success.*

##### ***Further Exploration:***



*For a more comprehensive understanding, you can explore these studies in detail or search for further research published after 2020. Remember to consider the context and methodology of each study to critically evaluate their findings.*

*This study results in widespread customer dissatisfaction with banking services resounds strongly with various empirical studies in the field, as reported by authors such as Melesse Abebe Beru (2020): In a study titled "Customer Satisfaction with Service Quality (The Case of Commercial Bank of Ethiopia Addis Ababa Branch)," Beru found that customer satisfaction with CBE's services was below expectations. Respondents highlighted shortcomings in reliability, assurance, responsiveness, empathy, and tangibles .Tigist Kebede (2018): Kebede's study "Service Quality & Customer Satisfaction a case study in Banking Sector" also identified issues with CBE's service quality. Customers complained about network failures, long waiting times, system disturbances, and inconvenient location of ATMs. Kasim Kelil (2018): This research found that customers were dissatisfied with CBE's implementation of BPR (business process reengineering). Despite attempts to improve service delivery, issues like network failures, power interruptions, and limited accessibility of ATMs persisted.*

*The prevailing dissatisfaction with service quality, the emphasis these authors have placed on in reliability, assurance, responsiveness, empathy, and tangibles, as critical components in determining customer satisfaction. The current result, which underscores customer dissatisfaction with core functions,like withdrawal and deposits, balance inquiries and money transfers aligns closely with the findings of, Tigist Kebede (2018) who have identified the importance of these core functions in shaping customer satisfaction.*

*Furthermore, the interviewees' recurrent mention long waiting time and their unfavorable impact on satisfaction closely echoes the conclusions reached by Kasim Kelil (2018)), highlighting the insignificance of BPR as influential factors in customer satisfaction. These studies also recognize the key role of the service quality, reliability, and tangibility in affecting customer perceptions, a theme that resonates strongly with the interviewees' grievances regarding quality of customer service.*

*The studies by Kasim Kelil (2018)), and Tigist Kebede (2018 ) have drawn attention to mediating factors such as reliability, assurance, responsiveness, empathy, and tangibles which are intimately connected to customer satisfaction with quality of services. Customer dissatisfaction with processing times and core functions may, in turn, influence these mediating factors and subsequently impact overall satisfaction. .Moreover, the current study result underscores the importance of improving quality of customer service , which are well-supported by Dawit and Adem (2022) and Melese (2013) found that reliable service in CBE branches, such as timely Minimizing waiting times, accurate account statements, smooth transaction processing can significantly enhance customer happiness, and by Othman et al. (2020), who highlights the positive impact of extended operating hours and nearness of ATM locations and error-free documentation enhances customer satisfaction .*

*Positive and significant impact:*

*The current study's result regarding customers value security, knowledge, and courtesy from bank staff align closely with the insights from various empirical studies in the field, as presented by authors such as Ananth et al. (2010) suggests that trained and confident CBE employees offering secure banking environment contribute to customer satisfaction.*

*This study results reveal diverse opinions among respondents, particularly concerning the reliability, assurance, responsiveness, empathy, and tangibles. Dawit and Adem (2022): This study utilized a multiple regression model and reported standardized coefficients for each service quality dimension in the SERVQUAL framework. They found responsiveness to have the highest beta value (0.377), followed by empathy (0.261), assurance (0.193), and reliability (0.175). Tangebles had a non-significant effect. Melese (2013): This research also employed a regression model and identified similar trends. Responsiveness had the highest coefficient (0.421), followed by empathy (0.312) and assurance (0.287). Reliability (0.154) and tangibles (0.093) had weaker influences. where extended operating hours and proximity positively impact on customer satisfaction.*

**Reliability:**

*Customers expect consistent and accurate service delivery. Studies by Dawit and Adem (2022) and Melese (2013) found that reliable service in CBE branches, such as timely*

*transactions and error-free documentation, enhances customer satisfaction. By minimizing waiting times, providing an accurate account statements, smooth transaction processing.*

***Assurance:***

*Customers value security, knowledge, and courtesy from bank staff. Research by Ananth et al. (2010) suggests that trained and confident CBE employees offering secure banking environment contribute to customer satisfaction. By retaining knowledgeable staff, secure facilities, data protection measures, polite interactions.*

***Responsiveness:***

*It has the strongest positive impact providing prompt and helpful service ,which is a crucial element for customer satisfaction. Studies by Parasuraman et al. (1988) and Dawit and Adem (2022) highlight the importance of responsive CBE staff addressing customer needs quickly and efficiently, in such a way, providing timely problem resolution, accessible communication channels, and personalized attention.*

***Empathy***

*It has high impact on customer satisfaction. Understanding and caring for customer needs fosters loyalty. Research by Shanka (2012) and Navaratnaseel and Periyathampy (2014) emphasize the importance of CBE staff demonstrating empathy by listening actively and showing genuine concern for customers' problems, in such a way, providing personalized service, emotional intelligence from staff, proactive solutions to customer issues .*

***Tangibles:***

*It brings an impact of physical aspects like modern branch facilities , clean and comfortable environment, use of friendly technology. Dawit and Adem (2022) found a non-significant relationship between tangibles and satisfaction in CBE branches, suggesting other dimensions might be more crucial.*

*In conclusion, the current study results and interviewees' accounts underline the critical role SERVQUA framework in shaping customer satisfaction, closely mirroring the findings in the reviewed empirical studies. Geographical distribution, convenience, and the*

*provision of excellent services play significant roles in influencing customer perceptions, demonstrating the consistent impact of quality of customer's service and customer satisfaction in the banking industry, as emphasized by the authors of the above mentioned studies.*

*Overall, studies point to a collective influence of all five dimensions, with responsiveness and empathy emerging as the strongest drivers of customer satisfaction in CBE branches. However, the relative importance of each dimension varies depending on specific customer segments and their individual needs.*

*The results of this study regarding the Quality of customer service , shed light on various aspects of the bank's service and their impact on customer satisfaction, which closely align with insights from existing empirical studies in the field. The results show that a substantial proportion of respondents express satisfaction with results correlate with the dimensions of reliability, responsiveness, tangibility, and empathy, which have consistently been identified as key factors in determining customer satisfaction with quality of customer service, as reported by studies conducted in Ethiopia by Tigist Kebede (2018.)*

*Furthermore, the satisfaction expressed by respondents in various categories of services , as highlighted in the study Melese (2013). The challenges faced by interviewees, such as difficulty in waiting for long time in a queue, underline the significance of user-friendly technology and effective error-handling mechanisms in enhancing customer satisfaction, as evidenced in the empirical studies.*

*In conclusion, the current study results and the experiences shared by interviewees underscore the vital role of the five dimensions in shaping customer satisfaction with quality of the banking services. The results align with the consistent theme across empirical studies, emphasizing the dimensions of service quality, reliability, convenience, and functionality as critical factors influencing customer satisfaction with the quality services. The current study's results provide valuable insights into areas that need improvement and continuous monitoring the service quality strategies to provide prompt responses on customer needs and customer satisfaction.*

*In summary, this study's results and insights from respondents underscore the crucial role of perceived security in shaping customer satisfaction with the quality of banking services. These findings align with the consistent theme across empirical studies, emphasizing the significance quality of customer service in connection with the five dimensions and the overall customers experience as critical factors influencing customer satisfaction. The study offers valuable insights into areas that require attention and improvement to enhance customer satisfaction in the improvement quality of customer service in CBE.*

## CHAPTER FIVE

### SUMMARY OF THE MAJOR FINDINGS, CONCLUSIONS, AND RECOMMENDATION

#### 5.1. Summary of the Major Findings

*The findings of this study have a number of implications for banks and their customers. For banks, the findings suggest that they should focus on improving the quality of their customer service in all areas of banking services,*

#### ***Quality of customer service effect on customer satisfaction***

*The data analysis underscores substantial satisfaction and dissatisfaction among CBE customers' services, there is a positive and significant relationship between the quality of customer service and customer satisfaction in CBE branches..*

*Customer satisfaction with CBE's services varies across different areas of banking services, with retail banking customers having the highest levels of satisfaction, followed by corporate banking customers and SME( Small, Medium size Enterprises) banking customers. Critical variables contributing to dissatisfaction encompass processing times for withdrawals and transfers, deposits, opening of accounts and the ability to meet customer needs. Additionally, factors related to demographics and their alignment with quality of services play a notable role in satisfaction and dissatisfaction. For example, users in specific age groups, income levels, and frequency of branches visitation exhibit varying levels of satisfaction, highlighting the influence of demographics on quality perceptions and customers' satisfaction. These findings emphasize the importance of adapting quality of customer services to meet diverse demographic needs and preferences to enhance overall satisfaction.*

*The analyzed findings have showed significant effect on customer satisfaction among respondents in relation with the five dimensions,( Reliability ,Assurance, Responsiveness, Empathy, Tangebes) of quality of bank customers service.*

*Tangibles: brings an impact of physical aspects like modern branch facilities , clean and comfortable environment, use of friendly technology. Dawit and Adem (2022) found a non-*

significant relationship between tangibles and satisfaction in CBE branches, suggesting other dimensions might be more crucial.

### ***Reliability on quality of customer service has effect on customer satisfaction***

*The findings of this study regarding the reliability, customers expect consistent and accurate service delivery. In the aspects of the customers experience and their impact on customer satisfaction, substantial proportion of respondents expressed satisfaction with that of reliable service in the branches, such as timely transactions and error-free documentation, user-friendliness ,minimizing waiting times, providing an accurate account statements, smooth transaction processing are enhances customer satisfaction. The study's results align with the consistent theme across empirical studies, emphasizing the critical role of service quality, reliability, convenience, and in influencing customer satisfaction with banking services.*

### ***Assurance effect on customer satisfaction:***

*The study's findings on the assurance effect on customer satisfaction reveal a positive range of opinions among respondents, consistent with insights from prior empirical research. A significant portion of respondents expressed satisfaction with various aspects of services, knowledgeable employees offering secure banking environment/ secure facilities , data protection measures, polite interactions , identification & verification/Authentication, physical security devices and guards, encounters with suspicious individuals, poorly lit locations, further highlighting the vital role of improving the quality of service contributes a lot to enhance customer satisfaction.*

### ***Responsiveness effect on customer satisfaction***

*The study's findings on the responsiveness effect on customer satisfaction revealed a positive range of sentiments among respondents, consistent with insights from prior empirical research. A significant portion of respondents expressed satisfaction with various aspects of services, having the strongest positive impact providing prompt and helpful service. In highlighting the importance of responsiveness the branches' staff addressing customer needs quickly and efficiently, in such a way, providing timely problem resolution,*

*accessible communication channels, and personalized attention, are the crucial elements for enhancement of customer satisfaction.*

***Empathy effect on customer satisfaction:***

*The findings of this study regarding the empathy, customers expect consistent and accurate service delivery. In the aspects of the customers experience and their impact on customer satisfaction, Empathy, has high impact on customer satisfaction with understanding and caring for customer needs encourages loyalty. More emphasizing the importance of the branch employees in demonstrating empathy by listening actively and showing genuine concern for customers' problems, in such a way, personalized service, emotional intelligence from staff and proactive solutions to customer issues is provided.*

***Tangibles effect on customer satisfaction:***

*The study's findings on the tangibles effect on customer satisfaction revealed an impact of physical aspects like modern branch facilities, clean and comfortable environment, use of friendly technology. The finding of this study emphasized a significant relationship between tangibles and quality of customer service, which significantly enhance customer satisfaction in CBE branches. .*

*In summary, this study underscores the key role of the five dimensions in influencing customer satisfaction with quality of customer services and provides valuable understandings for enhancing customers' experiences.*

*In overall summary all the dimensions are the most dominant elements to improve the Quality of customer service. These factors play a key role in shaping the overall customers' experience and customer satisfaction. Additionally, the five dimensional parameters used to measure the quality of customer service have a positive impact on customer satisfaction, but reliability and responsiveness had the strongest impact . Lastly, the rest of dimensions have a notable but relatively smaller impact on customer satisfaction. These findings collectively provide a clear understanding of the primary determinants of customer satisfaction in the context of quality of customer services. These variables significantly influence the overall*



*satisfaction of bank customers, accounting for a substantial portion of the model's explanatory power, which amounts to 73.3%.*

## **5.2. Conclusions**

*The major findings of this study shed light on several critical factors influencing customer satisfaction with quality of customer services. The analysis of these findings has provided valuable insights into the areas where CBE benches are providing improved customers services / products to enhance the overall customers experience and customer satisfaction. In summary, the study identified major categories of findings, each contributing to a distinct aspect of customer satisfaction with quality of customer services.*

*First and foremost, the quality of rendering various bank services and products occurred as a crucial determinant of customer satisfaction. Customers articulated substantial satisfaction with key aspects of quality of customer services, such as service delivery times, retaining knowledgeable employee , addressing customer needs quickly and efficiently, providing timely problem resolution, accessible communication channels, and personalized attention,*

*These findings highlight the need for service providers to focus on improving quality of bank services to enhance customer satisfaction. Furthermore, the study revealed that demographic factors play a notable role in shaping quality perceptions and user pleasure, emphasizing the importance of appropriate services to meet various demographic needs and preferences.*

*Reliability and Responsiveness are found to be significantly impact on customer satisfaction. Many respondents expressed moderate with the quality of customer service. .*

*The identified key gaps which influencing customer satisfaction are ,satisfaction with modern branch facilities, clean and comfortable environment, use of friendly technology was widespread among respondents. The findings underscore the importance of improving the quality of customer service to meet customer expectations and enhance overall customer satisfaction..*

*In summary, the study found that the SERVQUAL model most influential factor in determining customer satisfaction, closely followed by the quality of customer service. All factors in this model contribute significantly to customer satisfaction, regardless of other factors a slightly lesser degree, and has relatively smaller impact. These findings collectively provide a clear understanding of the primary determinants of customer satisfaction in the context of quality of customer services. They highlight the areas where service provider branches should focus their efforts to improve customer satisfaction, ultimately leading to a retain more loyal customers. These factors collectively account for a substantial portion of the model's explanatory power, totaling 73%*

### **5.3. Recommendation**

#### ***To Improve Quality of customer satisfaction***

*Based on the findings and conclusion of the study, the researcher stated the following suggestion to the Commercial Bank of Ethiopia Bole District,*

*Focus on improving all five dimensions of service quality: the study suggests that all five dimensions of SERVQUAL (tangibles, reliability, responsiveness, assurance, and empathy) have a positive impact on customer satisfaction in CBE branches under the Dstrict. Therefore, it's important for CBE to focus on improving all five dimensions, not just focusing on areas where they may already be doing well.*

*Pay particular attention to reliability and responsiveness , for the study found that these two dimensions had the strongest impact on customer satisfaction. Therefore, the ditrict should prioritize initiatives that improve reliability and responsiveness, such as reducing waiting times, resolving customer issues promptly, and ensuring that staff are knowledgeable and competent.*

*Target SME banking customers for improvement the study also found that SME banking customers had the lowest levels of customer satisfaction. Therefore, CBE should focus its customer service improvement efforts on this segment of customers.*

*Invest in employee training and development: Providing excellent customer service requires well-trained and motivated employees. The district should invest in training programs that teach employees the importance of customer service, how to deliver excellent service, and how to build relationships with customers.*

*Gather ongoing customer feedback, which regularly collecting customer feedback through surveys, focus groups, and other methods is essential for understanding customer needs and expectations. This feedback can be used to identify areas for improvement and track progress over time.*

*Utilize technology to improve customer service which can be a valuable tool for improving customer service. CBE should explore ways to use technology, such as online services, mobile banking, to provide convenient and efficient service to customers.*

*Benchmark against other banks, CBE can learn from other banks that are providing excellent customer service. Benchmarking against other banks can help CBE identify best practices and identify areas where they can improve.*

*In addition, there are differences in customer satisfaction across different demographic groups.*

### ***Adapt Services to Demographics***

*To enhance customer satisfaction, the bank should recognize the influence of demographic factors on customers' satisfaction. The researcher recommends that the Commercial Bank of Ethiopia should fit its quality of customer services to meet the specific needs and preferences of different demographic groups, including age groups, income levels, and frequency of visiting branches.*

### ***Enhance Security Measures***

*To enhance customer confidence and satisfaction, the researcher suggests that the Commercial Bank of Ethiopia Bole District should strengthen its security measures. This should involve safeguarding passwords confidentiality, ensuring secure data exchange,*

*implementing strong identification and verification, enhancing physical security measures at branches and ATM locations.*

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## Appendixes

*Dear Participants*

*This questionnaire is aimed to collect data on the research title “Quality of customer service and Customer satisfaction, in the case of selected branches of Commercial Bank Ethiopia, Addis Ababa , Bole district. The study is conducted for the fulfillment of a Master of Science degree in Accounting and Finance. Thus, your response to the items of this questionnaire will remain confidential and the results will be used for academic purposes only. Hope you will be able to take the time and carefully complete this questionnaire. Thank you for your heartfelt cooperation and concern about the success of the study.*

*Part one: Demographic characteristics measurement*

*Please put the “○” sign on the appropriate choices that describe you.*

*I. Sex*

*A. Male      B. Female*

*II. Age*

*A. 18-28*

*B. 29-39*

*C. 40-49*

*D. 50 and above*

*III. Education status*

*A. Illiterate*

*B. Grade 1-12*

*C. College certificate*

*D. First degree and above*

*IV. Monthly Income Level in Ethiopian birr*

*A. Up to 5,000*

*B. 5,001 – 10,000*

*C. 10,001 – 20,000*

D. *More than 20,000*

*Part Two: Satisfaction Measures and*

*Please put the “ □ ” sign on your choices*

*Customer Questionnaire:*

*1. How often do you interact with bank employees to address your banking needs?*

- a) Daily*
- b) Weekly*
- c) Monthly*
- d) rarely)*

*2. When you seek assistance from bank employees, how satisfied are you with their responsiveness to your queries or concerns? (*

- a) Very satisfied*
- b) Somewhat satisfied*
- c) Neutral*
- d) Somewhat dissatisfied*
- e) Very dissatisfied)*

*3. How knowledgeable and experienced do you find bank employees when assisting you with your financial transactions?*

- a) Extremely knowledgeable*
- b) Very knowledgeable*
- c) Somewhat knowledgeable*
- d) Not very knowledgeable*
- e) Not knowledgeable at all*

*4. Have you experienced any significant delays or long waiting times while receiving customer service in the bank?*

- a) Yes, frequently*
- b) Yes, occasionally*
- c) No, rarely*
- d) Never)*

*5. How friendly and polite are bank employees during your interactions with them?*

- a) Very friendly and polite*



- b) *Somewhat friendly and polite*
- c) *Neutral*
- d) *Somewhat unfriendly and impolite*
- e) *Very unfriendly and impolite*

6. *Do you feel you receive personalized attention and assistance from bank employees that cater to your specific needs?*

- a) *Always*
- b) *Often*
- c) *Sometimes*
- d) *Rarely*
- e) *Never*

7. *How clear and effective is the information provided by bank employees when you ask questions or seek guidance?*

- a) *Very clear and effective*
- b) *Somewhat clear and effective*
- c) *Neutral*
- d) *Somewhat unclear and ineffective*
- e) *Very unclear and ineffective*

8. *Have you encountered any difficulty or issues while using the bank's digital or online banking services?*

- a) *Yes, frequently*
- b) *Yes, occasionally*
- c) *No, rarely*
- d) *Never*

9. *How efficient and accurate is the processing of your transactions by the bank?*

- a) *Very efficient and accurate*
- b) *Somewhat efficient and accurate*
- c) *Neutral*
- d) *Somewhat inefficient and inaccurate*
- e) *Very inefficient and inaccurate*

10. *Have you ever received proactive advice or recommendations from bank employees regarding financial products or services that might be relevant to your needs?*

- a) *Yes, often*
- b) *Yes, occasionally*

- c) *No, rarely*
- d) *Never*

11. *If you've needed to lodge a complaint with the bank, how satisfied were you with their complaint handling process?*

- a) *Very satisfied*
- b) *Somewhat satisfied*
- c) *Neutral*
- d) *Somewhat dissatisfied*
- e) *Very dissatisfied*

12. *How satisfied are you with the accessibility and availability of the bank's services, including branch locations and operating hours?*

- a) *Very satisfied*
- b) *Somewhat satisfied*
- c) *Neutral*
- d) *Somewhat dissatisfied*
- e) *Very dissatisfied*

13. *How confident are you in the security measures implemented by the bank to protect your financial information and transactions?*

- a) *Very confident*
- b) *Somewhat confident*
- c) *Neutral, Somewhat unsure*
- d) *Not confident at all*

14. *How effectively has the bank addressed any problems or issues you have encountered with their services?*

- a) *Very effectively*
- b) *Somewhat effectively*
- c) *Neutral, Somewhat ineffectively*
- d) *Very ineffectively*

15. *Have you been informed about new products or services offered by the bank that might be relevant to your needs?*

- a) *Yes, often*
- b) *Yes, occasionally*
- c) *No, rarely*
- d) *Never*

16. *How transparent are the fees, charges, and terms associated with the bank's services?*

- a) *Very transparent*
- b) *Somewhat transparent*
- c) *Neutral, Somewhat unclear*
- d) *Very unclear*

17. *Overall, how satisfied are you with the customer service provided by this bank?*

- a) *Very satisfied*
- b) *Somewhat satisfied*
- c) *Neutral*
- d) *Somewhat dissatisfied*
- e) *Very dissatisfied*

18. *Based on your customer service experience at this bank, would you be likely to recommend it to others?*

- a) *Very likely*
- b) *Somewhat likely*
- c) *Neutral*
- d) *Somewhat unlikely*
- e) *Very unlikely*

*Questioner for Bank experts*

*To what extent do you consider your branch customer service quality to be a crucial factor in the success of a commercial bank?*

- a) *Extremely important*
- b) *Very important*
- c) *Somewhat important*
- d) *Not very important*
- e) *Not important at all*

2. *In your opinion, what are the key elements that contribute to a positive customer service experience in a bank environment? (Please provide specific examples)*

3. *How would you rate the bank's training and development programs for employees regarding customer service skills and knowledge?*

- a) *Excellent*
- b) *Good*
- c) *Average*
- d) *Below average*

e) *Poor*

4. *Please describe the measures in place by the bank to ensure efficient and effective complaint handling procedures.*

5. *What methods does the bank utilize to assess and monitor customer satisfaction levels? (Please provide specific examples)*

6. *Explain any recent strategies or initiatives implemented by the bank to enhance the quality of customer service provided.*

7. *How important do you believe technological innovation is in improving customer service within the banking industry?*

a) *Extremely important*

b) *Very important*

c) *Somewhat important*

d) *Not very important*

e) *Not important at all*

8. *What are some of the major challenges or obstacles that banks face in consistently delivering high-quality customer service? (Please provide specific examples)*

9. *How does the bank ensure consistency in customer service delivery across various channels, such as branches,*

### *Part Three: Service Quality Measures*

*III. Please rate your satisfaction with the following quality of banking services and products.*

*1 (Very Satisfied) 2 (Satisfied) 3 (Neutral) 4 (Dissatisfied) 5 (Very Dissatisfied)*

*No. Quality of services/products provided measurement*

*(1 2 3 4 5)*

*1 Satisfaction with the service delivery times for opening of an account*

*2 Satisfaction with the service delivery times for deposit*

- 3 *Satisfaction with the service delivery times for withdrawal of money*
- 4 *Satisfaction with transfer of money*
- 5 *Satisfaction with accurate balance enquiries*
- 6 *Satisfaction with the capability of the branch staff members to meet your needs.*
- 7 *Satisfaction with processing transactions accuracy*
- 8 *Satisfaction with the time customers spend at the branch( service delivery time/SDT)*
- 9 *Satisfaction with the computer generated receipt obtained from the branch.*
- 10 *Rate your satisfaction with cleanliness and maintenance branches (like worn-out Furniture, seating arrangement of the staff and neatness of the offices,)*

*IV Please rate your satisfaction concerning the following basic accessibility and availability of*

*branches and ATMs'*

*1 (Very Satisfied) 2 (Satisfied) 3 (Neutral) 4 (Dissatisfied) 5 (Very Dissatisfied)*

*1 2 3 4 5*

- 1. Rate your satisfaction concerning the location of branches and ATMs*
- 2. Rate your satisfaction with the number of front functional windows at the counter branches*
- 3 Rate your satisfaction with availability duration or operational hours*
- 4. How satisfied are you with the availability of Customer Support?*

*V. Please rate your satisfaction concerning the usability electronica services'*

*1 (Very Satisfied) 2 (Satisfied) 3 (Neutral) 4 (Dissatisfied) 5 (Very Dissatisfied)*

*1 2 3 4 5*

*1. Rate your satisfaction concerning User-Friendliness (customers interact with and use the bank products easily)*

*2. Rate your satisfaction concerning Error Handling (easy error communication, understanding, and responding to error messages)*

*3. Please rate your satisfaction concerning the security of device Utilization*

*1.(Very Satisfied)    2 (Satisfied)    3 (Neutral)    4 (Dissatisfied)    5 (Very Dissatisfied)*

*1   2   3    4    5*

*1, How satisfied are you with the confidentiality and security of entering your password when using ATM and online transaction?*

*2. How satisfied are you with the security of data exchange between the branches customers during your transactions*

*3. How satisfied are you with the effectiveness of the methods in verifying your identity and preventing unauthorized access?*

*4. How satisfied are you with the physical security measures in place at branches and ATM locations*

*5. How satisfied are you with the accuracy and reliability of transaction confirmations like receipts, etc...?*

*6. How satisfied are you contacting the bank or authorities in case of issues branch?*

*7. How satisfied are you with the bank's policies and procedures for detecting and preventing fraudulent transactions, as well as the quality of communication in case of suspicious activities?*

*8. How satisfied are you with the security education provided by the bank, including tips and guidelines for safe ATM usage?*

*9. How satisfied are you with the visibility and presence of security devices around the branches and ATM location?*

*Interview guide questions for selected customers*

*Quality of services and products that have impact on customer satisfaction*

1. *Can you describe your recent experiences with banking services provided*
2. *by CBE branches? Specifically, how satisfied were you with the specific banking services ?*
3. *do you believe are most important for ensuring a positive customer experience? Are there any instances where you encountered issues or challenges related to these functions.*
4. *In your opinion, how do the quality and reliability of services influence your overall satisfaction with e bank services? Can you provide any examples of situations where these factors had a significant impact on your satisfaction?*

*Accessibility and availability of Banking systems ( like mobile Banking, ATM and others which effect customer satisfaction*

1. *How easily accessible are ATMs from your location in CBE, Bole District? Do you find that there are enough branches ATMs available to meet your banking needs? Please share any difficulties you have faced in accessing ATMs.*
2. *Have you ever encountered situations where ATMs were unavailable or out of service when you needed to use them? If so, how did this affect your overall satisfaction with CBE's ATM services?*
3. *Can you describe any improvements or changes you believe CBE could make to enhance the accessibility and availability of their core banking, and subsequently, improve customer satisfaction?*

1. *How user-friendly do you find the interfaces of mobile banking and ATMs in terms of navigation, screen layout, and instructions? Are there any specific features or aspects of the systems interface that you find particularly helpful or confusing?*

2. *Have you ever experienced difficulties or confusion while conducting transactions in the mobile banking and ATM of commercial Banks,s due to the interface design? Can you share any instances where the interface impacted your satisfaction with the service?*

3. *What suggestions do you have for improving the usability of system devises interfaces to enhance customer satisfaction? Are there any specific features or changes you would like to see in the banks' devises interface?*

*Perceived transaction security of devises being used by the bank services effect on customer satisfaction*

1. *How confident do you feel about the security of your transactions when using Banking systems? Have you ever had concerns about the safety of your financial information of transactions you made?*
2. *Have you received information or education from commercial banks regarding the security measures in place of transactions? Do you believe that these security measures are effective in ensuring the safety of your transactions?*
3. *Can you describe any experiences or instances where you felt particularly secure or insecure while using banking systems? How did this impact your overall satisfaction with the services provided by the Bank?*