Assessment of Service Quality: A survey study in Bank of Abyssinia Alula Abanega Branch, Mekelle, Ethiopia

Yassin Ibrahim[1], Adem Mohammed[2],

Habtom G/giorgis[3]
Department of Management, CBE
Mekelle University, Ethiopia
yassinibrahim2006@yahoo.com

Abstract- **This study is conducted to assess the service quality of Bank of Abyssinia Alula Abanega branch using SERVQUAL model dimensions. The data are obtained from both primary and secondary data sources. The primary data was collected with questionnaire distributed to a sample of 99 customers based on non-probability sampling method, convenience sampling. The secondary data sources are statistical reports and consolidated customers' opinion about the SERVQUAL dimensions. The survey data collected from respondents was analyzed using gap score and descriptive statistics for all dimensions of SERVQUAL model and finally the overall service quality level of the bank is determined. The findings from the overall service quality shows that the majority of respondents were dissatisfied with the service quality of the bank since the gap scores for all dimensions were negative (i.e. customers expectation is higher than their perception about the actual service of the bank). Finally, the result of this study implies that management of the bank should focus on understanding the needs, wants, perceptions, and preferences of customers and provide quality service to enhance the level of customer satisfaction. In addition the bank should develop technical as well as human skill of its frontline employees and tellers through continuous training schemes.**

Keywords- **SERVQAL, Service quality, Customer Satisfaction, Bank**

I. INTRODUCTION

Services were defined as: "Those economic activities that typically produce an intangible product such as education, entertainment, food and lodging, transportation, insurance, trade, government, financial, real estate, medical repair and maintenance like occupations" [1]. Unlike manufacturing and merchandizing businesses that supply tangible products, service organizations deliver intangibles.

Munusamy et al. [2] defined service quality as 'the difference between customer's expectations for the service encounter and the perceptions of the service received'. This definition shows that service quality is mainly influenced by customer's expectation. Stiff competition, increased awareness of customers, and variable demand needs continuous improvement from banks in the quality of service so that their customers stay loyal [3]. Thus, it is important that banks focus their endeavours to improve their service quality and delight their customers [4].

Service quality, referring to a customer's judgment about a bank's superiority, should be regarded as a source of competitive advantage in the retail banking, as it constitutes the major driver of customer satisfaction [5]. Therefore, ensuring service quality can have positive contribution towards maintaining the existing customers and attracting potential ones. Examination of the quality of the service delivered by banks in developing countries may result in empirical findings which are also important in other countries for the reason that banking is now becoming interrelated worldwide and differences will be minimized [6].

In Ethiopia continuous establishment of commercial banks leads to fierce competition in terms of maintaining the existing customers and attracting potential customers. In this market condition provision of quality customer service is mandatory to sustain profitability and growth of the banks. Service quality is an important dimension in determining the performance of service providers including banks, since their existence depends on the level quality of the service they render. Customer satisfaction and profitability of business organizations are highly dependent on excellence in the service quality.

Banks need to measure the quality of the service they provide to their customers in order to gauge their performance because their existence is highly dependent upon the service quality they provide. Service quality is important in analyzing the performance of bank branches. Excellence in service quality is a key to achieve customer satisfaction and profitability. Today, the increasing awareness among bank customers of their rights, changing demands and high competition requires constant progress in service quality from the bank for their customers to stay loyal.

Customers' preference of the bank service is significantly related to the quality of service, this quality is considered a major determinant of the bank's competitiveness beside other factors [7]. He extends that, quality represents a relative advantage which highly contributes to the success of the bank in this competitive market where the number of the banks is increasing.

Banks should deliver fast and reliable service to their depositors in order to generate substantial amount of deposit through customer satisfaction. In addition borrowers require the most possible shortest time to process their loan. They are also concerned with the amount approved to them. Foreign

banking customers demand shortest period of time to process their import transaction, too. In this regard the bank also required to give sufficient amount of foreign currency to its importers.

Even though maintaining quality of customer service in banking industry is mandatory, as per the preliminary study made with the branch manager of Bank of Abyssinia Alula Abanega Branch, there are so many internal as well as external factors which affect the quality of customer service negatively. As a result of the preliminary survey, the study tried to determine whether the existing customers are really enjoying these services or otherwise. In other words, the researchers are motivated to determine the level of service quality in bank of Abyssinia Alula Abanega Branch using the SERVQUAL model.

Service quality is important in analyzing the performance of bank branches; since their survival depends on their service quality levels they provide. Excellence in service quality is a key to achieve customer satisfaction and profitability. Today, the increasing awareness among bank customers of their rights, changing demands and high competition requires constant progress in service quality from the bank for their customers to stay loyal.

Customers' preference of the bank service is significantly related to the quality of service, this quality is considered a major determinant of the bank's competitiveness beside other factors. It represents a relative advantage which highly contributes to the success of the bank in this competitive market where the number of the banks is increasing [7].

Banks should deliver fast and reliable service to their depositors in order to generate substantial amount of deposit through customer satisfaction. In addition borrowers require the most possible shortest time to process their loan. They are also concerned with the amount approved to them. Finally foreign banking customers also demand shortest period of time to process their import transaction. In this regard the bank also required to give sufficient amount of foreign currency to its importers.

Even though maintaining quality of customer service in banking industry of Ethiopia is mandatory, as per the preliminary study made with the branch manager of Bank of Abyssinia Alula Abanega Branch so many internal as well as external factors affect the quality of customer service negatively.

In relation to the aforementioned preliminary study, the question is whether the existing customers are really enjoying these services or otherwise, what dimension of the bank service lead to customers' satisfaction and what dimension of the service quality influence the customer satisfaction?

It is therefore against the above compelling facts that, the researchers is motivated to conduct the study with the objective of assessing service quality using the SERVQUAL dimensions (Tangibles, Reliability, Responsiveness, Assurance, and Empathy) provided by Parasuraman et al [8] in Bank of Abyssinia Alula Abanega Branch. In other words the researchers wanted to determine the level of service quality in bank of Abyssinia Alula Abanega

II. OBJECTIVES OF THE STUDY

The main objective of the study is to assess the service quality of bank of Abyssinia Alula Abanega Branch using SERVQUAL model since service quality is a key factor towards customer satisfaction and profitability of the bank. Hence, the following specific objectives have been developed:

i. To understand expectation of customers about service quality of banks.
ii. To determine Customer expectations and Customer perceptions of the bank.

DATA AND METHODOLOGY

This study is an explanatory research type. Quantitative and qualitative strategies are the two main strategies used in research works. Quantitative strategy emphasizes quantification in the collection and analysis of data. In order to suit for the collection of the required information from a large sample and make the analysis easier, the researchers used a quantitative technique, specifically survey method, by incorporating a qualitative idea in a structured questionnaire. The researchers used this strategy because it is appropriate to answer the research questions. This strategy helped to measure the variables derived from the SERVQUAL model adequately and come out with fine differences between people in terms of assessing their perceptions about service quality. Thus information is gathered from a sample of customers via closed ended questionnaire. According to Zekmund [9] survey is defined as a research technique in which information is gathered from a sample of people by use of a questionnaire. Survey research is of a generalization approach and hence this study has investigated and generalized the assessment of service quality in Bank of Abyssinia Alula Abanega Branch.

A research design provides a framework for the collection and analysis of data. There are five different types of research designs: experimental design; cross-sectional or social survey design; longitudinal design; case study design; and comparative design.

Among the different designs, the researchers used Cross-sectional design; because as has been stated be [9] this type of research is commonly conducted to collect detail of existing phenomena with the intent of employing data to justify current conditions and whenever possible to draw valid general conclusions from the facts discovered and it has the benefits of quick, inexpensive, efficient, accurate, and flexible way of conducting the study.

The dimensions of the SERVQUAL model used for measuring service quality [9] are efficiently exploited when the researchers carried out this survey. To know how customers perceive service quality, it was appropriate to use self-completed questionnaires which give the respondents a chance to independently and anonymously give answers that reflect their expectations and perceptions.

Like Chaoprasert and Elsey [10], qualitative data is used to be analyzed using quantitative techniques to achieve the required objective of the study. This offer the highest chance of successful research, as it measure human response. It can also be achieved with the time scale of the project.

Both primary and secondary data were used to assess service quality from customers' perspective. Primary data were collected via questionnaire using a 5 point Likert scale evaluated by customers of Bank of Abyssinia Alula Abanega Branch. Moreover, to support the primary data, statistical reports have been used as secondary sources.

Sample size determination and sampling method

A non-probability sampling method called convenience sampling was used since it can enable the researchers to obtain fruitful information from customers who have enough knowledge about the service of the bank. Convenience sampling involves collecting information of members of the population that are near and readily available for research purpose.

The sample size of the study was determined based on the calculating method of Israel Glenn [11] which is reliable up to 90% and deviation factor is less than 0.1 (social scientists usually establish a cut-off point at 10% chance of sampling error).

n= where

n= Sample size unit or respondents

N= the population size

e= the level of precision/sampling error,

The total number of customers who are depositors, borrowers, foreign banking users, or money transfer users is 8243.

Therefore, n= 8243/1+8243 (0.10)2 = 99

Therefore, the sample that was considered for the study is 99 customers that are depositors, borrowers, foreign banking users, or money transfer users. To avoid sampling error, the researchers gathered the data on six days of the week, i.e. Monday through Saturday at different time interval between 8:00 am to 6:00 pm.

DATA COLLECTION METHODS AND INSTRUMENTS

The questionnaire used in this study was adopted from the work of Parasuraman et al. [9] in the version of SERVQUAL by considering only five dimensions namely, tangibles, reliability, responsiveness, assurance, and empathy. It comprised of three parts used to measure demographic characteristics, customers' expectations and customers' perceptions of service quality of the bank respectively.

Likert scale was used to obtain participants degree of agreement with a statement or set of statements. Respondents were asked to indicate their level of agreement with a given statement by way of an ordinal scale. The second and third part of the questionnaire evaluated the variables on 5 point Likert scale range from 5=strongly agree, 4=agree, 3=neutral, 2=disagree, 1=strongly disagree. Most of the questions in the questionnaire were adopted from Parasuraman et al. [9] with a little customization.

After data are collected in a manner that can enable the researchers to have concrete information to address the objectives of the study, it was edited, coded and entered in to a Statistical Package for Social Science (SPSS) version 16 for analysis.

The researchers used descriptive statistics mainly involving the mean, standard deviation, skewness and kurtosis in the data analysis.

Factor analysis was used to verify if there are some variables in the SERVQUAL model that are related. The other data analysis technique that was used in this study is reliability test. To check whether the items are standardized, Cronobach's alpha was used.

III. RESULTS AND DISCUSSIONS

Delivering quality service is one of the important elements that help an organization to survive and compete in the competitive working environment [12]. In today's banking environment customers demand better quality service.

In the subsequent section, the researchers would present briefly the background of banking industry in Ethiopia, profiles of Bank of Abyssinia, general background of the respondents and a detailed discussion of the research outcomes in relation to the specific objectives of the study.

PROFILE OF THE RESPONDENTS

In the scope of the survey, 99 questionnaires were distributed and collected with 100% response rate. The responses of the subjects are presented, analyzed, and interpreted using SPSS 16, reliability tests, factor analysis, and descriptive statistics such as Mean, Mode, Median, Skewness, and Kurtosis. This is achieved as a result of close follow-up of the data collectors in notifying the customers to fill the unanswered parts of the questionnaires.

Characteristics of respondents

Table 1: Demographic Characteristic of the Respondents

Variables	Fre-quency	Per cent	Cumulative Per cent
Sex of Respondents			
Male	53	53.5%	53.5%
Female	46	46.5%	100%
Age range of Respondents			
Less than 21	7	7.1%	7.1%
21-25	15	15.2%	22.3%
26-30	16	16.2%	38.5%
31-35	27	27.3%	65.8%
36-40	14	14.1%	79.9%
41-45	8	8.1%	88%
46-50	6	6%	94%
Greater than 50	6	6%	100%
Educational Level of Respondents			
Illiterate	2	2%	2%
Religious education	3	3.1%	5.1%
1-4	0	0%	5.1%
5-8	9	9.1%	14.2%
9-12	12	12.1%	26.3%
Certificate	7	7.1%	33.4%
Diploma	33	33.3%	66.7%
First degree and above	33	33.3%	100%

Source: Survey data, July 2013

The result shows that male and female respondents are 53.5% and 46.5% respectively.

With regard to the respondents age, large number of the respondents, 58.7% fall under the age of 21-35.27 (27.3%) of them were in the age category of 31-35 years, followed by 26-30 years old This implies that the bank has more middle aged customers that can stay with the bank for the coming several years.

Concerning educational status 66.6% of the total respondents have diploma and above. This indicates that as a result of expansion of governmental and nongovernmental educational institutions, number of educated citizens is increasing from time to time.

Table 2: Respondents Year of Relationship with the Bank

Year of Relationship with the Bank	Frequ ency	Per cent	Cumulative Per cent
Less than/ equal to 3 years	34	34.3%	34.3%
4-7 years	37	37.4%	71.7%
8-11 years	20	20.2%	91.9%
Above 11 years	8	8.1%	100%
Total	**99**	**100%**	

Source: Survey data, July 2013

With regard to year of respondents relationship with the bank, 37 (37.4%) of the total 99 respondents has within the range of 4-7 years relationship with the bank as customer. Followed by 34 (34.3%) respondents who stayed in the bank as customer for 3 or less than 3 years. 20.2% or 20 respondents are within 8-11 years of relationship. Finally, there are only 8 respondents for more than 11 years. The analysis indicates that 65.7% of the respondents are customers of the bank for at least 4 years. This means they have enough knowledge about the service of the bank.

Table 3: Type of Service used by Respondents

Type of Service used by Respondents	Frequ ency	Per cent	Cumulative Per cent
Deposit	59	59.6%	59.6%
Credit	7	7.1%	66.7%
Foreign	13	13.1%	79.8%
Transfer	3	3%	82.8%
Deposit and Credit	8	8.1%	90.9%
Deposit and Foreign	3	3%	93.9%
Deposit, Credit, and Foreign	2	2.1%	96%
Deposit, Credit, Foreign, Transfer	3	3%	99%
Deposit, Foreign, and Transfer	1	1%	100%
Total	**99**	**100%**	

Source: Survey data, July 2013

The analysis depicted that the lion share of the respondents, 59.6% are depositors that comprises demand deposits, saving deposits, special saving deposits, and time deposits.

RELIABILITY COEFFICIENT DISCUSSION

Reliability is a measure of how much of the variability in the observed scores actually represents variability in the underlying true score and it ranges from 0 to 1.

Table 4: Reliability Coefficient (Cronobach's alphas)

Dimensions	No. of Items	Cronbach's Alpha for Dimensions	Cronbach's Alpha if item deleted	Items
Tangibility	4	0.871	0.849	TA1
			0.821	TA2
			0.842	TA3
			0.829	TA4
Reliability	5	0.942	0.933	RL1
			0.927	RL2
			0.930	RL3
			0.922	RL4
			0.931	RL5
Responsiveness	4	0.939	0.913	RS1
			0.917	RS2
			0.917	RS3
			0.933	RS4
Assurance	4	0.947	0.928	AS1
			0.921	AS2
			0.929	AS3
			0.947	AS4
Empathy	5	0.954	0.944	EM1
			0.943	EM2
			0.936	EM3
			0.952	EM4
			0.941	EM5

Source: Survey data, July 2013

From table 4 it can be seen that all the items come up with a lower value of reliability when deleted, meaning these dimensions comprising of all items show a true measure of service quality. This result enhanced the internal and external validity of the study and reinforced the generalization of the results.

Validity of the Data (Factor Analysis)

Factor analysis is used mostly for data reduction reasons and is performed by examining the pattern of correlation between the observed measures [3]. As the number of dimensions is already known, the researchers use the Confirmatory Factor Analysis (CFA) that tests, according to DeCoster [4] whether a specified set of constructs is influencing responses in a predicted way.

Kaiser Meyer Olkin and Bartlett's Test of Sphericity

Kaiser Meyer Olkin (KMO) measure as indicator of how well suited the sample data are for analysis, and he recommended that the acceptable value should be greater than 0.5 Kaiser cited in Field [15].

Table 5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.926
Bartlett's Test of Sphericity	Approx. Chi-Square	2.747E3
	Df	231
	Sig.	.000

Source: Survey data, July 2013

The KMO's test varies between 0 and 1 and a value of 0 shows that the sum of partial correlation is large relative to the sum of correlations meaning factor analysis is likely to be irrelevant while a value close to 1, shows the patterns of correlation are relatively compact and factor analysis yield distinct and reliable factor [15]. Table 5 shows KMO's of 0.926, which indicates the factor analysis is relevant for the study since the value is closer to 1.

Rotated Component Matrix

Table 6: Rotated Component Matrix

	Component				
	1	2	3	4	5
AS1	.705				
AS2	.696				
AS3	.696				
EM1	.653				
RS4	.636				
AS4	.594				
EM3	.574				
EM5	.556				
TA4	.400				
TA1		.682			
RL1		.676			
RL2		.645			
RL5		.618			
RL4		.606			
RL3		.493			
RS1			.808		
RS2			.787		
RS3			.620		
EM4				.676	
EM2				.556	
TA3					.844
TA2					.575
Extraction Method: Principal Component Analysis Rotation Method: Varimax with Kaiser Normalization.					

Source: Survey data, July 2013

Table 6 shows the factor loading for each item in relation to the various factors. The values in the table show the weight and correlation each item has to a factor or component. All values below 0.4 are cut off from this table because they are not significant for analysis. From this table it can be realized that items from different dimensions are regrouped under the same factor.

Total Variance Explained

Table 7 denotes how much of the total data fit to the five factors and this is carried using variance. The total variance percentage accumulated in the five factors is 84.569% and the factor 1 carries 71.703% of the data indicating that most of the data fits in to that factor. The other four factors carry below 5% and show relatively low fit of data in the factor.

Table 7: Total variance explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sum of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	15.775	71.703	71.703	15.775	71.703	71.703	5.063
2	.956	4.346	76.050	.956	4.346	76.050	4.588
3	.800	3.637	79.687	.800	3.637	79.687	3.856
4	.569	2.587	82.274	.569	2.587	82.274	2.604
5	.505	2.295	84.569	.505	2.295	84.569	2.496
6	.474	2.155	86.724				
7	.432	1.965	88.689				
8	.365	1.659	90.348				
9	.324	1.474	91.822				
10	.286	1.300	93.122				
11	.241	1.098	94.220				
12	.219	.995	95.215				
13	.180	.817	96.031				
14	.173	.789	96.820				
15	.164	.745	97.565				
16	.133	.605	98.170				
17	.102	.464	98.633				
18	.088	.399	99.032				
19	.079	.357	99.389				
20	.055	.249	99.638				
21	.043	.193	99.831				
22	.037	.169	100.00				
Extraction Method: Principal Component Analysis.							

Source: Survey data, July 2013

Gap Score analysis for SERVQUAL Dimensions

SERVQUAL has two components such as customer expectations and Customer Perceptions. Customer Expectations are those that the customer expects as "should be" and "can be" type of services [16]. On the other hand perception related to what the customers perceive about the bank in relation to SERVQUAL dimensions. Expectation and perception were both measured using the 5-Point likert scale where by the higher numbers indicate higher level of expectation or perception. Based on the feedback of the respondents the researchers made the following analysis:

Tangibility

Evaluation of tangibles aspect of services quality, responses of the respondents in comparison to their expectation are shown in Table 8.

Table 8: Summary of Means of Gap Scores for Tangibles

Dimension	Statements	Expectation Score	Perception Score	Gap Score
Tangibility	TA1	4.4545	3.2828	-1.1717
	TA2	4.2727	3.7980	-0.4747
	TA3	4.4444	3.9798	-0.4646
	TA4	4.2929	3.5253	-0.7676

Source: Survey data, July 2013

As it is shown in Table 8, the average gap score for all tangible items shows negative value. In other words expectation of the customers is higher than their perception about the physical facilities, equipment and appearances of the employees of the bank.

The item with the highest expectation score was modern looking equipment (4.4545), followed by neat appearance of employees of the bank (4.4444). On the other hand the least expectation value is (4.2727) that represent visually appealing physical facilities. The item rated highest for actual service perceived were, the bank's neat appearing employees (3.9798) and the lowest perceived quality is for modern looking equipment (3.2828).

Based on the aforementioned results, the highest negative gap score is -1.1717 for modern looking equipment. This indicates that relatively the bank uses lesser modern looking equipment. On the contrary, the lowest gap score is 0.4646 for neat appearing employees. This means the employees of the bank are relatively neat.

Reliability

Reliability is the ability to perform the desired service dependably, accurately, and consistently [8]. All the five attributes of reliability dimension measure the level of expectation and perception of the bank service provision from the responses provided by sample customers to the five reliability attributes shown in Table 9.

Table 9: Summary of Means of Gap Scores for Reliability

Dimension	Statements	Expectation Score	Perception Score	Gap Score
Reliability	RL1	4.3535	3.4949	-0.8586
	RL2	4.4747	3.5455	-0.9292
	RL3	4.3030	3.6061	-0.6969
	RL4	4.2222	3.4949	-0.7273
	RL5	4.1616	3.5152	-0.6464

Source: Survey data, July 2013

The expectation score is approximately similar for the five reliability items (Greater than 4). Customers expect bank sincere interest in solving customer's problem (4.4747) followed by their expectation that, if banks promise to do something by a certain time, they do (4.3535). The lowest expectation score is for respondent's expectation of error free records of banks (4.1616). However, the difference between the highest and lowest expectation score value is only 0.3131.

Regarding Bank of Abyssinia Alula Abanega Branch customer's perception of the reliability items the highest score is given for bank performance the service right the first time (3.6061). However, the value is 0.6969 lower than their expectation of the same attribute. So the bank should give more emphasis in performing the service right for the first time. The lowest perception score is for performance of service by a certain and promised time (equally 3.4949). The result shows the bank should improve its service in doing things by certain and promised time.

All the attributes constitute negative value and the highest gap score is -0.9292 for sincere interest of the bank in solving customer's problem. So the bank should take corrective measures in solving customer's problem.

Responsiveness

Responsiveness refers to the willingness to provide prompt service and help customers [8]. It is all about prompt service delivery, helpful in meeting customers' needs, and responding to customers' requests. In short responsiveness related to willingness to help and respond customers need.

Table 10: Summary of Means of Gap Scores for Responsiveness

Dimension	Statements	Expectation Score	Perception Score	Gap Score
Responsiveness	RS1	4.3131	3.6263	-0.6868
	RS2	4.4949	3.5455	-0.9494
	RS3	4.4545	3.6667	-0.7878
	RS4	4.3333	3.5960	-0.7373

Source: Survey data, July 2013

As it is shown in the Table 10 the expectation scores for responsiveness dimension are approximately similar. The difference between the highest and lowest scores is only 0.1818. The highest score is 4.4949 for their expectation that employees of banks should give prompt service to customers. Their lowest expectation is for employees telling to customers exactly when services will be performed (4.3131).

The perception scores are also approximately similar for all attributes but lower than the expectation scores. The highest perception score is 3.6667 for willingness of bank's employees in helping customers. The bank needs to improve its service in helping customers since the gap between expectation and perception scores are higher. The lowest perception score goes to employees prompt service (3.5455). Since the gap score is also highest for this attribute (0.9494), the bank should give emphasis in provision of fast service to its customers. Like the gap scores for reliability, responsiveness dimension also shows higher gap scores. So the bank should take corrective measures to improve its service in providing fast service.

Assurance

According to Parasuraman et al [17] assurance is about courtesy, competence, credibility, and security. Courtesy is about politeness, respect, consideration, friendliness of contact personnel. Competence is connected to the knowledge and skills of contact personnel, operational support personnel that are needed for delivering the service. Credibility involves factors such as trustworthiness, believability and honesty. It means to the level the company has the customer's best interest at heart. Factors that affect the credibility are the company name, reputation, personal characteristics and the degree to which the hard sell is connected to interactions with customers. Security means freedom from danger, risk or doubt. Factors included are: physical safety, financial security and confidentiality.

Table 11: Summary of Means of Gap Scores for Assurance

Dimension	Statements	Expectation Score	Perception Score	Gap Score
Assurance	AS1	4.4040	3.6162	-0.7878
	AS2	4.3131	3.6364	-0.6767
	AS3	4.4848	3.5960	-0.8888
	AS4	4.2626	3.6364	-0.6262

Source: Survey data, July 2013

Table 11 shows the average gap score for assurance dimension of SERVQUAL. The highest expectation score is 4.4848 for employees of excellent banks should be consistently courteous with customers. This means the respondents expect that employees of excellent banks to be more courteous. The lowest expectation score goes to the knowledge of employees of banks to answer customers' questions (4.2626).

The perception score shows approximately similar value. The highest perception score is 3.6364 for both customers feeling of safeness in their transaction with the bank and knowledge of employees of the bank to answer customer's questions. The lowest perception score is for employee's consistently courteous behaviour with their customers.

The highest average gap score for assurance dimension is -0.8888 for the attribute of employee's courteous behaviour in serving their customer. As polite and courteous behaviour of front line employees will have greater impact in customer's retention, the bank should use different kinds of mechanisms to enhance skill of its employees so as to improve their courteous behaviour.

Empathy

According to Parasuraman et al [17] empathy is about easy access, good communication and understanding the customer. Easy access is connected to the approachability which means for example if the operating hours are convenient, the location of the facilities are convenient, the waiting times are short and also easy access by telephone. Good communication is about keeping the customer informed in a language they can understand and also listen to the customer. Understanding the customer is about making an effort to understand the customer which involves learning about specific requirements, providing individualized attention and recognizing also the regular customer.

Table 12: Summary of Means of Gap Scores for Empathy

Dimension	Statements	Expectation Score	Perception Score	Gap Score
Empathy	EM1	4.2727	3.5556	-0.7171
	EM2	4.2121	3.5758	-0.6363
	EM3	4.1010	3.5859	-0.5151
	EM4	4.1212	3.5657	-0.5555
	EM5	4.1414	3.5657	-0.5757

Source: Survey data, July 2013

From Table 12, it has been observed that the highest expectation score is in bank's individual attention to their customers (4.2727). Excellent banks will give individual attention to their customers.

The perception scores are approximately similar for all empathy attributes. The highest perception score is 3.5859 for the settlement that, the bank has employees who give customers personal attention. The lowest perception score is for the item is 3.5556 that shows relatively the bank gives lesser individual attention to its customers. Considering the five attributes of empathy dimension, relatively the bank has employees who give personal attention to its customers.

Total Gap Score analysis for SERVQUAL Dimensions

Table 13, shows the average gap scores for all attributes of each SERVQUAL dimensions. In addition the table shows the average gap expectation, perception, and gap score of all SERVQAL dimensions.

Table 13: Total Gap Score

Dimensions	Expectation Score	Perception Score	Gap Score
Tangibility	4.3661	3.6465	-0.7196
Reliability	4.3030	3.5313	-0.7717
Responsiveness	4.3990	3.6086	-0.7903
Assurance	4.3661	3.6213	-0.7449
Empathy	4.1697	3.5697	-0.5999
Average of all Dimensions	4.3208	3.5955	-0.7253

Source: Survey data, July 2013

As it is examined above, the overall expectation on a scale of 1 to 5 is 4.3208. This is high and implies that customers expect a lot from the bank. However, the perception score is only 3.5955, that is (-0.7253) lower than the expectation score. This gap score shows poor service provision of the bank. Looking the individual dimensions customers expect a lot from the responsiveness dimension with a score of 4.3990. The bank therefore has to pay a lot of attention to the attributes of Responsiveness dimension such as provision of prompt service, enhancing employee's willingness to help customers and respond their request, telling customers when service will be performed. Tangibility and Assurance dimensions have the next highest scores, (4.3661). This means customers are also sensitive for physical facilities and modern looking equipments of the bank and with courteous behaviour of employees. Generally expectations are fairly high since they are all above 4 out of 5. The customers' expectations across the five dimensions are rated at 4.3208 on a scale of 1 to 5 which is an indication that customers expect very high dimensions.

IV. CONCLUSIONS AND WAY FORWARD

CONCLUSIONS

Based on the assessment made by the researchers, in relation to customers actual perception of service of the bank and their expectation about the provision of the service and hereby evaluating the overall service quality, the researchers concluded the following summarized points.

From the gap score analysis carried out, it was found that, the overall service quality is low as perceived by customers in the bank and hence there is low customer satisfaction. Customers have higher expectation than what they actually receive from the bank even though the difference is not too wide. To answer the research questions which are; how customers perceive service quality and are customers satisfied with service offered by the bank, the gap score analysis carried out provided answers to these questions. The overall service quality is low as expectations exceed perceptions meaning customers desire more than what was offered to them.

As a result of this gap, it is clear that customers are not satisfied. Evaluating the perceptions and expectations of customers, it can be seen that no dimension of service quality brings customers satisfaction.

Looking the individual dimensions customers expect a lot from the responsiveness dimension. The bank therefore has to pay a lot of attention to the attributes of Responsiveness dimension: provision of prompt service, enhancing employee's willingness to help customers and respond their request, telling customers when service will be performed. Tangibility and Assurance dimensions have the same scores (The next highest scores). This means customers are also sensitive for Physical facilities and modern looking equipments of the bank and with courteous behaviour of bank employees. Generally expectations are fairly high. The customers' expectations across the five dimensions are rated at 4.3208 on a scale of 1 to 5 which is an indication that customers expect very high from the bank.

WAY FORWARD

On the basis of the findings and conclusions reached the following recommendations are forwarded to the management of Bank of Abyssinia Alula Abanega branch to possibly improve the service delivery in a way that boosts customers' satisfaction.

The bank needs to give more attention in improving the appearance of its physical facilities and equipments through continuous assessment and replacement of its furniture, office equipments, computers, and other physical facilities. Besides, the branch should ensure whether the appearance of its employees is in line with the bank standard since customers' expectation is higher from good appearance of physical as well as human resources.

Secondly, the bank employees should be imparted with a knowledge and skill that would enable them to accomplish their activities in the desired way. In this regard manager of the bank should recommend extensive customer-relation training programs for all frontlines and tellers. The training sessions may create the ability to perform the desired service dependably, accurately, and consistently.

The bank must devote considerable efforts toward the quality of its service. It can most productively assign relational customers to employees, based on their inclination to consider the long term relationship with customers. In other words the bank should establish a sustainable relationship with customers through continuous communication with them about the service quality.

It is pertinent that all the components in a service quality program be strictly followed and implemented effectively. Managers should evaluate the service performance and the level of its quality; this will allow the bank to measure the service quality from the eyes of customers and can determine their satisfaction level. By doing so, it can maintain its customers and be able to attract a wide range of customers.

Managers of the bank should consistently measure and improve the level of customer satisfaction using the SERVQUAL model in order to maintain competitive position of the bank in the market since SERVQUAL model is still the effective model to measure customer satisfaction in commercial banks.

For customers to remain satisfied, everyone in the bank has to take the responsibility for helping customers, by setting high standards based on SERVQUAL model.

REFERENCES

1. Heizer, J. and Render, B. (1999), Operations Management, 5th ed., Prentice-Hall, Upper Saddle River, NJ.
2. Munusamy et al. (2010). "Service quality delivery and its impact on customer satisfaction in the banking sector in Malaysia" pp. 398-404.
3. Kheng et al. (2010). "The impact of service quality on customer loyalty" International Journal of Marketing, Vol. 2 No. 2, pp. 57-65.
4. Radomir et al. (2010). "Improving bank quality dimensions to increase customer satisfaction", Vol. 1 No. 1. pp 126-148.
5. Culiberg, B. & Rojsek, I. (2010). "Identifying service quality dimensions as antecedents to customer satisfaction in retail banking" Economic and Business Review, Vol. 12 No. 3, pp 151-166.
6. Angur et al. (1999). "Service quality in the banking industry: an assessment in a developing economy", International Journal of Marketing, pp. 116-123.
7. Mualla, D. (2011). "Measuring quality of bank services in Jordan: Gap analysis" International Journal of Business and Social Science Vol. 2 No. 1, pp. 51-58.
8. Parasuraman et. al. (1988). "SERVQUAL: A multiple scale for measuring consumer perceptions of service quality", Vol. 64 No.1.
9. Zekmund, W. (2003), "Business Research Methods", 7th edition, Thomson learning, South Western, USA.
10. Chaoprasert, C. & Elsey, B. (2004). "Service quality improvement in Thai Retail Banking and its management implications" ABAC Journal Vol. 24 No. 1, pp. 47 – 66.
11. Israel, D. (1992). "Sample size determination" University of Florida, pp. 1-5.
12. Belachew Y. (2012). "An Assessment of the Quality of Service Delivery and its effect on Customer Satisfaction", Mekelle University college of Business and Economics.
13. Daniel, N. & Berinyuy, P. (2010). "Using the SERVQUAL model to assess service quality and customer satisfaction".
14. DeCoster J., & Claypool H., (2004), "Data analysis in SPSS".
15. Field, A. (2000). "Discovering Statistics Using SPSS for Windows", London- Thousand Oaks- New Delhi: Sage publications. , Vol. 6 No. 2 pp. 35
16. Naik et al. (2010). "Service Quality (SERVQUAL) and its effect on customer satisfaction in retailing", Vol. 16 No. 2.
17. Parasuraman et. al. (1985). "A conceptual Model of service quality and its implications for future research", Vol. 49 pp. 41-50.

