



Service Quality Dimension effect on Customer Satisfaction: A case study of banking Industry in Ethiopia

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Abstract

This study investigated the influence of service quality dimensions on customer satisfaction: empirical evidence from banking Industry in Ethiopia. Descriptive research design method was used to address the intended research question using 384 usable sample. The findings indicated that service reliability has significant influence on customer satisfaction with bank services. Whereas, service assurance; tangibility; empathy of service responsiveness had a significant and positive influence on customer satisfaction. The study recommended that banks should continue to pay more attention to service reliability and Tangibility by providing efficient services to their customers as well as focuses on the physical facilities, modernity of equipment and appearance of the personnel. The study also recommended that banks should invest more on their service quality dimensions especially being empathetic to their customers. Also, workers should be very attentive to their customers in order to increase customers' satisfaction.

Keywords: Customer Satisfaction, Reliability; Service Quality, Tangibility

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1. Introduction

In today's constantly changing business environment, providing superior quality through adequate and strong focus on customers is one of key factor for enabling firms to gain lasting competitive advantage in winning the market (Chiara, 2007). For this, now a day's marketers trying to focus more on continues monitoring and evaluation of service quality, involving various innovative offerings and service developments which have a direct influence on customers service experience. From the studies carried out in many countries, factors like service quality and perceived value are the key constructs affecting customer satisfaction with Banks. For example, studies by Ojo (2010), in the banking industry showed that a positive relationship exists between service quality and customer satisfaction.

Studies dealing with the relationship between satisfaction and a service quality have shown that a higher level of service quality leads to a higher level of customer satisfaction (Pollack, 2008). On the other hand, some studies could not show a strong relationship between the service quality and the customer satisfaction (Lovreta et al., 2010) and in relation to the quality of a product, it is more difficult for customers to measure the quality of service, due to the intangibility nature. Therefore, the authors do not give consent regarding the definition of service quality.

Mengi (2009) indicated that responsiveness and assurance are more significant for determining customer satisfaction in service sectors., Arasli et.al, (2005) found that reliability had the highest impact on customer satisfaction. Similarly Lau et al., 2013, Saghier, and Nathan, 2013 assured that it did matter for maintaining customer satisfaction to invest on service quality. Despite it did not well articulated in less developing counties like Ethiopia.

Currently most banks in Ethiopia are negatively affected by the network failure and system interruption which results for delay in service delivery time; as a result customers are sometimes forced to stay long time in the premises of the bank. As we know the CBO has showed rapid improvement since the Implementation of BPR. But still there is customer compliant in network failure; power interruptions and low accessibility of ATM machines are still seen in the branches of CBO(Ayenew, 2014).

As many researchers come up with different conclusions about the effect of service quality dimensions on customer satisfaction. The varying findings from different studies suggest that a gap still exist in the application of this theory as propounded by (Anetoh, Okafor, Ewuzie,

Okeke, & ISSN). Moreover, satisfaction of the customers cannot be determined at one time period because at one time customers might be fully satisfied and at another time the reverse is true, it is measured at current situation. This shows difficulty to generalize the finding of previous research to this year. Because of technological advancement perception and of customers are changing from time to time (Tesfaye, 2017).

These contradictory arguments and varying findings from different parts of the world and in different sectors of the economy especially in the banking sector on the causal nature of this theory suggests that further empirical justification is needed since the controversy has not been resolved. Therefore, the research problem that necessitated this study is on further testing of this theory that service quality drives customer satisfaction in banking sector. Regrettably, it appears that only a few studies abound in the subject matter in CBO; thus, the study focused on the dimensions of service quality from the consumer's perspective through assessing their perceptions of service quality.

2. Literature Review

2.1. Introduction

Quality is an indescribable and indistinct construct that is characterized by its intangibility, heterogeneity, perishability and inseparability nature (Parasuraman et al., 2015). Service quality is defined as the overall assessment of a service by the customers (Eshghi, Roy & Ganguli, 2018) or it is the dimension to which a service meets a customer's needs or expectations (Asubonteng, McCleary, & Swan, 2016). Most services are difficult to measure, counted, inventoried, tested and verified (Chang & Lin, 2016). Parasuraman et al. (2015) developed the service quality dimensions and propounded a framework for the measurement of service quality. The five dimensions are reliability, assurance, tangibility, empathy and responsiveness. The intangible nature of services entails that firms find it difficult to understand how consumers perceive their services.

The heterogeneous nature of services varies from producer to producer, consumer to consumer and this makes its consistency difficult during service delivery. The perishability of service entails that once it is performed, it is difficult to be stored or inventoried. Irrefutably, the production and consumption of many services are inseparable. Banks should understand that customers tend to be more loyal if they provide greater value than their competitors (Dawes & Swailes, 2019). Hence, banks can only earn high profits if they are able to position themselves better than competitors in the competitive market (Davies et al.,

2015). Therefore, banks supposed to focus on service quality as a core competitive strategy (Chaoprasert & Elsey, 2014).

2.2. Reliability of Service

Reliability entails the ability to perform the promised service dependably and accurately or delivering on its promises (Zeithaml et al., 2016). This dimension of service quality according to (Parasuraman et al., 2015) focus on how the service provider is able to provide service to the customer as promised, being dependable in handling customer's service problems, performs service very well, provide service at promised time and keep customers informed about when services will be performed. Shing et. al. (2018) also defined reliability as the ability to perform the promised service dependably and accurately. It is one of the predictors of service quality. The reliability quality dimension refers to how companies are performing and completing their promised services. Reliability of service is very important because it creates a firsthand impression about the service offered by the service providers. Interestingly, every customer wants to know if his/her provider is reliable and also fulfils the set requirements with satisfaction (Gunarathne, 2014).

2.3. Assurance of Service

Service assurance entails the knowledge and courtesy of employees and their ability to convey trust and confidence to their customers. Its parameters include competence, courtesy, credibility and security. Andaleeb and Conway (2016) noted that assurance is very important in the medical and healthcare industry. It is also an important dimension that customers used as criteria in assessing a bank or its operation. Service assurance encompasses employee competence to perform the service, politeness and respect for the customer, effective communication with the customer. Hence, the trust and confidence is seen in the workers who connect the customer to the bank (Zeithaml et al., 2016). Service assurance answers the questions on whether the employees are skilled enough in order to gain the trust and confidence of the customers. However, if the customers are not comfortable with the employees, there is great chance that the customers will not come back to do further business transaction with the company (Gunarathne, 2014).

2.4. Tangibility of Service

It covers the physical facilities of the service provider, the appearance of personnel, the cleanliness of equipment used to provide the service. In addition, tangibilizing the intangibles is used by firms to convey image, cues and signal quality (Zeithamal et al, 2016). Tangibles is the physical facilities and evidence provided by the service provider, the appearance of

personnel, materials associated to the service. It includes the credit and debit registers, cheque books, and other physical evidence. It also involves the equipment used to provide the service. Tangibles are used by firms to convey image and signal quality (Zeithaml, Berry, & Parasuraman, 2016).

Service tangibility involves the appearance of physical facilities, modernity of the equipment used in service delivery, neatness of the personnel and communication materials. The physical surroundings connotes tangible cue. This assessment dimension also can extend to the conduct of other customers in the service. In addition, the tangible service quality dimension refers to the appearance of the physical surroundings and facilities, equipment, personnel and the way of communication. In other words, the service tangibility is about creating first hand impressions that make customers to return to the bank in the future and also patronize it (Gunarathne, 2014).

2.5. Empathy of Service

Empathy of service entails caring and provision of individualized attention to bank customers by bank personnel or workers (Zeithaml et al., 2016). Service empathy entails the provision of caring, individualized attention to customers. The empathy service quality dimension refers to how companies care and give individualised attention to their customers, to make the customers feel extra cherished and also special. Service empathy consist of the following properties namely: care, approachability, sensitivity, adequate attention and also effort to understand the customer's needs or aspirations. It also entails caring and provision of individualised attention to customers by personnel of the firm (Zeithaml et al., 2016). Compassionate firms should try to know their customers preferences. Notwithstanding that small scale enterprises through the provision of customised services to clients appear to be in a better position to achieve empathy than large firms (Iddrisua, Noonib, Fiankoc & Mensahd, 2015). Nevertheless, if the customers feel they get individualised and quality attention, there is a very big chance that they will return to the company and do business there again (Gunarathne, 2014).

2.6. Responsiveness of Service

Responsiveness of service concentrates on the willingness and readiness of employees to provide service to their customers (Parasuraman et al., 2015). This dimension is concerned with dealing with their customers' requests, questions and complaints promptly and attentively. Furthermore, the responsiveness of service refers to the willingness of the company to help its customers in providing them with good, quality and fast service.

However, a firm is known to be responsive when it communicates to its customers. Thus, companies supposed to see responsiveness from the customer point of view rather than the company's perspective (Zeithaml et al., 2016). Moreso, service responsiveness is the willingness to help bank customers and to provide prompt service to them. Keeping customers waiting for no clear reason creates unnecessary negative perceptions about the company or firm. In addition, service responsiveness means the readiness of employees to provide services effectively (Parasuraman et al., 2015).

2.7. Customer Satisfaction

Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's performance in relation to its expectations (Kotler, 2013). Customer satisfaction is seen as a key differentiator which is a key ingredient of business strategy. It is a fact that satisfied customers are key to long-term business success (Zeithaml et al., 2016). Customer satisfaction means individual's feeling of pleasure resulting from comparing the perceived performance or outcome in relation to the expectation (Brandy & Robertson, 2011). Dash and Mahaptra (2020) maintained that satisfaction depends on service quality. Customer's perception of service and quality of product will determine the success of the product or service in the market.

It can be argued that if the service quality exceeds the expectations of customers then satisfaction will be high. Conversely, if service quality falls short of customer expectations, the level of customer satisfaction will be low. Satisfied customers are more likely to recommend friends and relatives to a particular service provider. It is the degree to which customer expectations of a product or service are met or exceeded. Furthermore, customer satisfaction means that the customers' needs are met, product and services are satisfactory, and customers' experiences are positive (Gitomer, 2018). The customers who are unsatisfied with the services offered will cease to have long run relationships with the firm (Wu, 2011). Thus, customer satisfaction is the level of a person's perceived performance in relation to his/her own expectation. In addition, Gremler and Brown (2019) maintained that loyal customers recommend the service or product and that the number of recommendations increases with the amount of time of the relationship with the company.

2.8. Conceptual framework of the study

Drawing from the literature reviewed, the proposed conceptual framework in Figure 1 has been developed. The conceptual framework is a representation of the constructs and their

relationships with one another. The five dimensions of service quality are the predictor constructs, while customer satisfaction is the outcome variable.

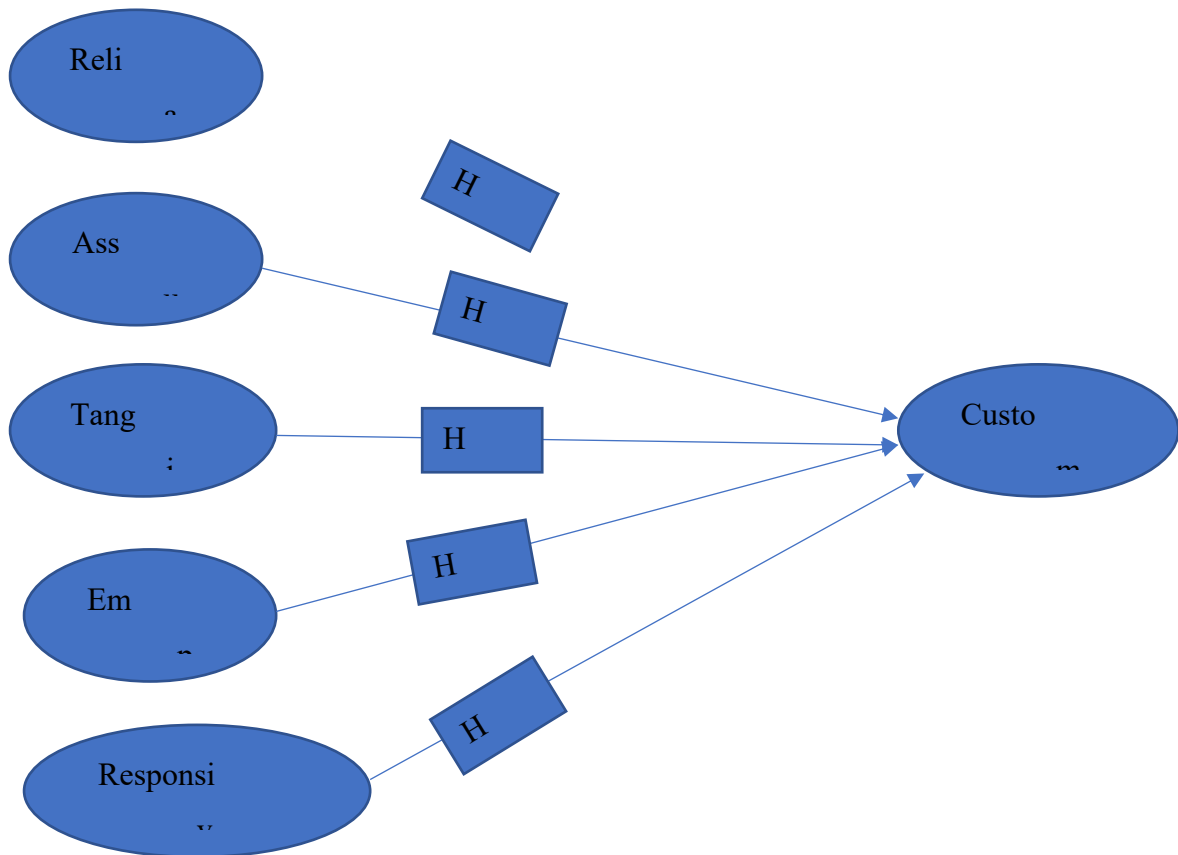


Fig. 1. Proposed conceptual framework

3. Material and Method

3.1. Research design

This paper used the quantitative research approach to get the picture of customer's perceived service quality offered by private banks with respect to five dimensions of SERVQUAL model. In collecting the essential data to address the stated objective by employing questionnaire.

3.2. Population, Sample Size and Sampling Technique

Customers of private bank branches in the Dire Dawa District who have an Active bank account constituted the study population. In the district branches, there are 593000 Active

bank accounts. Using DIY Sample Size computation, 384 individuals were selected from the overall population of 5, 93,000. Methods of data analysis

Multiple regression analysis is applied for the inferential analysis in order to draw conclusions. The decision rule established by the researcher is to accept the null hypothesis if the P-value is larger than the 5% significant level used as a standard and reject the null hypothesis if the P-value is less than the 0.05 significant level stipulated. The collected data was analyzed with stata 14.2. The multiple regression model is stated as follows:

$$CS1 = \beta_0 + \beta_{REL1} + \beta_{ASS1} + \beta_{TAN1} + \beta_{EMP1} + \beta_{RES1} + \varepsilon$$

CS1 = Consumer satisfaction

REL1 = Service reliability

ASS1 = Service assurance

TAN1 = Service tangibility

EMP1 = Service empathy

RES1 = Service responsiveness

ε = Stochastic error term

β = the regression coefficient of each of the parameters used in the study.

4. Result and Discussion

4.1. Introduction

The researcher distributed 384 copies of the questionnaire to the respondents, 384 copies were properly filled and returned valid for analyses. The demography of the respondents was presented on table 1 while the respondents' responses concerning the study variables were presented on tables 2 to 7 accordingly for easy of analysis, comprehension and understanding.

4.2. Descriptive analysis

Table 4.1. Indicated among the total distributed questionnaire, the largest groups 279 (72.66%) of the respondents were found to be male; largest groups 182(47.40) of the respondents were found to be in the age category of 20-30 years, 267(69.53%) of the respondents are married. The result also indicated 52(13.54%) of the respondents were had Certificate or Diploma, 70(18.23%). Of the respondents. 319(83.07%) of the respondent

were used the bank from 1-5 Years and 263(68.49%) of the customers uses the bank 1-4 times per month.

Table 1: Respondents' Demography

Gender	Freq.	Percent	Cum.
Female	105	27.34	27.34
Male	279	72.66	100.00
Total	384	100.00	
Age	Freq.	Percent	Cum.
20-30	182	47.40	47.40
30-40	126	32.81	80.21
40-50	60	15.63	95.83
Above 50	16	4.17	100.00
Total	384	100.00	
Marital Status	Freq.	Percent	Cum.
Divorced	2	0.52	0.52
Married	267	69.53	70.05
Single	115	29.95	100.00
Total	384	100.00	

Source: Stata Computation Output, 2022.

4.3. Correlation analysis

Table 2. Shows the correlation analysis result which revealed the relationships among the study variables. The table 3 reveals an absolute correlation value of 0.587(p-value 0.000) for Empathy of Service which shows a strong positive significant relationship between Empathy of Service and customer satisfaction. This implies that Empathy of Service has direct and strong relationship with customer satisfaction. It also shows that Reliability, assurance, tangibility, and responsiveness have positive relationship with customer satisfaction. Thus, from this result confirmed that there is a positive and significant relationship between service quality dimension and customer satisfaction. The finding is Suresh (2016); Tariq (2013); Meron (2015) and Betelehem (2015).

Table 2: Correlations Analysis of the Study Variables

Variables	1)	2)	3)	4)	5)	6)
(1) CS1	1.000					
(2) REL1	.435*	.000				
(3) ASS1	.379*	.286*	.000			
(4) TAN1	.374*	.450*	.334*	1.000		
(5) EMP1	.587*	.530*	.345*	.362*	.000	
(6) RES1	.568*	.526*	.385*	.384*	.587*	.000

*** p<0.01, ** p<0.05, * p<0.1

Source: Stata Computation Output, 2022.

Regression analysis

Assumptions of Multiple Linear Regression

Assumption:1 You should have **independence of observations** (i.e., **independence of residuals**), which we can check in Stata using the Durbin-Watson statistic.

The Durbin Watson statistic is a test statistic used in statistics to detect autocorrelation in the residuals from a regression analysis. The Durbin Watson statistic will always assume a value between 0 and 4. A value of DW = 2 indicates that there is no autocorrelation. When the value is below 2, it indicates a positive autocorrelation, and a value higher than 2 indicates a negative serial correlation. If DW > Upper critical value: There is no statistical evidence that the data is negatively correlated.

Table 3: Checking Independence of Residuals Using Durbin Watson

Logcs	Coef.	St.Err.	-value	p-value	[95% Conf	Interval]
REL1	.003	.002	1.66	.097	-.001	.006
ASS1	.004	.002	2.23	.027	0	.008
TAN1	.003	.002	1.75	.08	0	.006
EMP1	.013	.002	6.48	0	.009	.017
RES1	.01	.002	4.46	0	.006	.015
Constant	1.152	.148	7.77	0	.861	1.444
Mean dependent var	3.178	SD dependent var	1.563			
R-squared	0.421	Number of obs	384			
F-test	55.019	Prob > F	0.000			
Akaike crit.(AIC)	1233.887	lian crit.(BIC)	1257.591			

*** p<.01, ** p<.05, * p<.1

Durbin-Watson d-statistic (6, 384) = 1.703491

Source: Stata Computation Output, 2022.

As we have seen from the above table 9 The Durbin-Watson test for the presence or absence of autocorrelation result of 1.703491 reveals an absence of auto-correlation among the

explanatory parameters in the regression model. This implies that no two variables are the same or that no two variables were highly correlated.

Assumption 2: There needs to be a linear relationship between the dependent variable and each of your independent variables. The linearity test is one of the assumption tests in linear regression using the ordinary least square (OLS) method. The objective of the linearity test is to determine whether the distribution of the data of the dependent variable and the independent variable forms a linear line pattern or not?

The linearity assumption must be fulfilled because the regression used is linear regression. In the linearity assumption test in linear regression, you test the distribution of the data between the dependent variable and the independent variable.

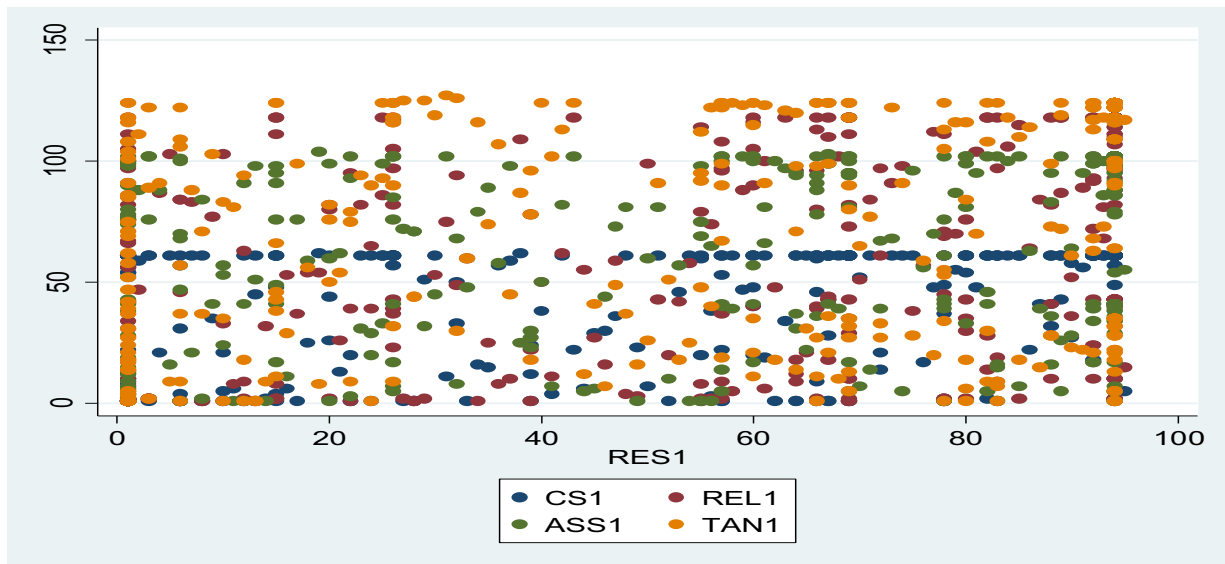


Fig. 2. Cheking Relationship between Dependent Variable and The Independent Variable
Source: Stata Computation Output, 2022.

As we have seen from the figure 2 above the results of the linearity test using a scatter plot, we can conclude that the regression model has fulfilled the linearity assumption. Therefore, it is correct that we choose to use linear regression.

Assumption 3: Your data needs to show homoscedasticity, which is where the variances along the line of best fit remain similar as you move along the line.

Table 4: Homoscedasticity of Variance

Cameron & Trivedi's decomposition of IM-test χ^2	df	p	Dimension	VIF	1/VIF
140.810	20	0.000	RES1	1.789	.559
14.010	5	0.016	EMP1	1.741	.574
2.750	1	0.097	REL1	1.67	.599
157.570	26	0.000	TAN1	1.361	.735
			ASS1	1.253	.798
			Mean	1.563	.

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity

Ho: Constant variance

Variables: fitted values of logcs

$\chi^2(1) = 122.77$

Prob > $\chi^2 = 0.0000$

Source: Stata Computation Output, 2022.

The first test on heteroscedasticity given by mist is th White's test and the second one given by hettest is the Breusch-pagan test. Both test the null hypothesis that the variance of the residuals is homogenous. Therefore, if the P-value is very small, we would have to reject the hypothesis and accept the alternative hypothesis that the value is not homogenous. So in this case, the evidence is against the null hypothesis that the variance is homogenous.

Assumption:4 Your data must not show **multicollinearity**, which occurs when you have two or more independent variables that are highly correlated with each other. We can check this assumption in Stata through an inspection of correlation coefficients and Tolerance/VIF values. Multicollinearity Test As a rule of thumb, if the VIF of a variable exceeds 10, there will be a serious multicollinearity problem.

The above table 4 indicates that the VIF values for all variables are below 10. Hence, the multi collinearity assumption is fulfilled in this study

Assumption:5 There should be **no significant outliers, high leverage points or highly influential points**, which represent observations in your data set that are in some way unusual. These can have a very negative effect on the regression equation that is used to predict the value of the dependent variable based on the independent variables.

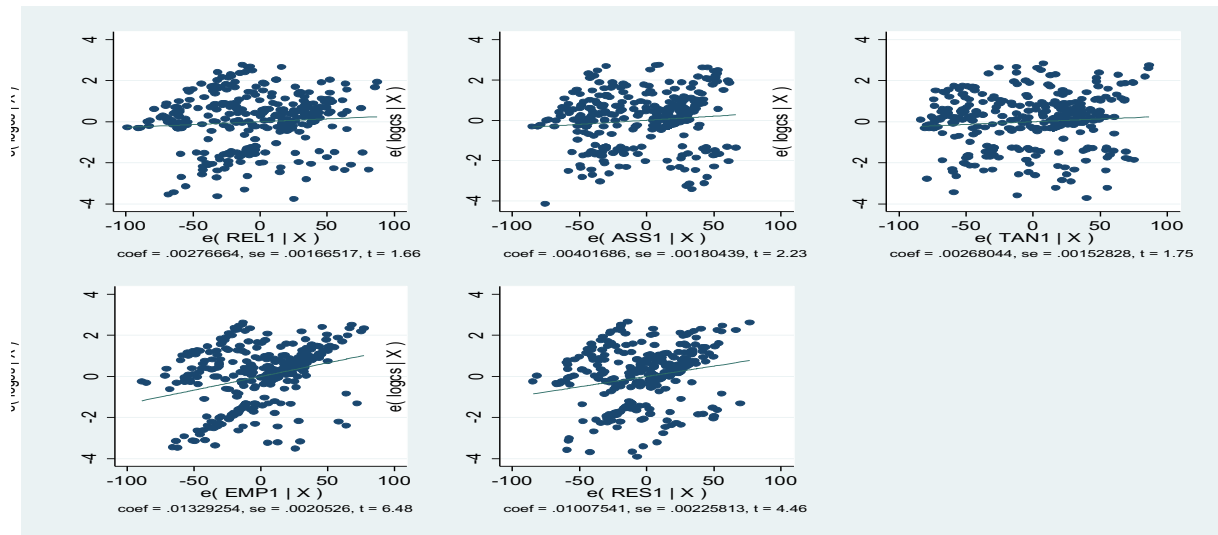


Fig. 3. Outliers, high leverage points or highly influential points Test

Source: Stata Computation Output, 2022.

As we have seen from the fig. 3 we can say that outliers exist because some points are outed above +2 and under -2 if there is no outlier the points are stayed between -2 and +2 but not as that much effect the data. Probability value between 10-20% indicates a very small influence, while 20-50% indicates moderate to high influence on the fitted regression so as we have seen from the figure 3 10-20% outliers exist and which indicates a very small influence.

Assumption:6 The residuals (errors) should be approximately normally distributed, which we can check in Stata skewness kurtosis test for normality.

Table 5: Residuals skewness kurtosis test for normality

Variable	Obs	Pr(Skewness)	Pr(Kurtosi)	adj_chi2(2)	Prob>chi2
r	384	0.002	0.105	10.990	0.004

Source: Stata Computation Output, 2022

As we have seen from the table 5 the number of observations is 384 and the probability of skewness which is 0.0020 implying that skewness is asymptotically normally distributed (p-value of skewness>0.05). Similarly, pr(kurtosis) indicates that kurtosis is also asymptotically distributed (p-value of kurtosis>0.05). Finally, chi(2) is 10.99 which is greater than 0.05 implying its significance at a 5% level. Consequently, the null hypothesis cannot be rejected. Therefore, according to the skewness test for normality, residuals show normal distribution.

Table 6: Multiple Regression Model Summary

CS1	Coef.	St.Err.	t-value	p-value	[95% Conf Interval]	Sig
REL1	.022	.026	0.84	.4	-.029 .072	
ASS1	.077	.028	2.75	.006	.022 .132	***
TAN1	.049	.024	2.06	.04	.002 .095	**
EMP1	.209	.032	6.59	0	.147 .271	***
RES1	.183	.035	5.26	0	.115 .252	***
Constant	10.363	2.292	4.52	0	5.855 14.87	***
Mean dependent var	43.651		SD dependent var	24.678		
R-squared	0.446		Number of obs	384		
F-test	60.770		Prob > F	0.000		
Akaike crit. (AIC)	3336.364		Bayesian crit. (BIC)	3360.068		

*** $p < .01$, ** $p < .05$, * $p < .1$

a. Predictors: (Constant), REL1, ASS1, TAN1, EMP1, RES1

b. Dependent Variable: Customer Satisfaction

Source: Stata Computation Output, 2022.

Table 6 indicates that the regression model (R) has a value of 0.223 which shows a strong positive relationship between the independent and dependent variables of this study. The R squared (R²) value of 0.446 (44.6%) ie the coefficient of determination (measure of goodness of fit of the regression model) implies that about 44.6% of the variations on the dependent variable (customer satisfaction) were explained by the variations in the independent variables (service quality dimensions). Thus, the remaining 55.4% would be accounted for by other factors / variables not included in the regression model used in this study as they have been taken care of by the stochastic error term. The adjusted R² value of 0.4456 implies that about 44.56% of the variations in the dependent variable (customer satisfaction) were explained by the variations in the independent variables (service quality dimensions) after adjustments were made.

Table 7: Multiple Regression ANOVA

Source	Partial SS	df	MS	F	Prob>F
Model	228068.95	295	773.11509	13.12	0.0000
REL1	47005.601	117	401.75727	6.82	0.0000
ASS1	23191.964	67	346.14872	5.88	0.0000
TAN1	16858.155	60	280.96924	4.77	0.0000
EMP1	6327.2872	30	210.90957	3.58	0.0000
RES1	6884.5901	21	327.83762	5.56	0.0000
Residual	5184.2867	88	58.912349		
Total	233253.24	383	609.01629		

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), REL, ASS, TAN, EMP, RES Source:

Source: Stata Computation Output, 2022

Table 7 shows the F-statistics value of 13.12(P-value 0.000) which indicates that the regression model is good, fit and statistically significant in explaining the influences of the explanatory variables (service quality dimensions) on the dependent variable (customer satisfaction). This implies that the overall regression model is strong and good and that the model fit well with the data. The result shows that the model has successfully explained the overall significance of the explanatory parameters used in the regression model. Thus, the above result satisfied the benchmark of f-statistic of absolute value of 1, for it to be significant, good and fit.

Table 8: Multiple Regression Coefficients Result

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. regress CS1 REL1 ASS1 TAN1 EMP1 RES1,beta
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Source	SS	df	MS	Number of obs	=	384
Model	103943.825	5	20788.765	F(5, 378)	=	60.77
Residual	129309.415	378	342.088399	Prob > F	=	0.0000
				R-squared	=	0.4456
				Adj R-squared	=	0.4383
Total	233253.24	383	609.016291	Root MSE	=	18.496

CS1	Coef.	Std. Err.	t	P> t	Beta
REL1	.0216705	.0257267	0.84	0.400	.0416827
ASS1	.0767566	.0278776	2.75	0.006	.1180116
TAN1	.0486851	.0236118	2.06	0.040	.0921072
EMP1	.2089052	.0317124	6.59	0.000	.3328744
RES1	.1833682	.0348879	5.26	0.000	.269242
_cons	10.36282	2.292447	4.52	0.000	.

Source: Stata Computation Output, 2022.

Table 8 depicts the standardized coefficient (β) that measures the individual influence of the independent variables to variations on the dependent variable. Table 8 indicates that service reliability, service assurance and tangibility have positive and significant influences on customer satisfaction. In addition, empathy of service and responsiveness of service have significant and positive influence on customer satisfaction with bank services. The result shows that Empathy of services plays a crucial role in influencing satisfaction while reliability is the least based on the coefficient result as shown on table 8.

the t-statistic measures the individual statistical significance of each of the explanatory variables used in the regression model. Table 8 reveals that the t-statistic absolute values for service reliability, assurance, tangibility, empathy and responsiveness are; 0.84, 2.75, 2.06, 6.59, and 5.26 respectively. In addition, their corresponding P-values are as follows: 0.400, 0.006, 0.040, 0.000 and 0.000 respectively. This implies that service assurance, tangibility, empathy and responsiveness are all significant at 5% (0.05) level of significance and also, they have significantly contributed to customer satisfaction and we don't have enough evidence to say that reliability of service is significant influence on customer satisfaction.

HA1: Reliability of service has a significant influence on customer satisfaction

Based on the result on table 8, the absolute value of t-statistic for reliability is 0.84 with a p-value of 0.400. Since 0.400 is greater than 5% (0.05) the stipulated level of significance for this study, the decision is that null hypothesis (HO1) is accepted and the alternative hypothesis (HA1) rejected. The conclusion is that reliability of service has no significant influence on customer satisfaction.

HA2: Assurance of service has a significant influence on customer satisfaction.

Based on result on table 8 shows that the absolute value of t-statistic for assurance is 2.75 with a p value of 0.006. Since 0.006 is less than 5% (0.05) the stipulated level of significance for this study, the decision is that null hypothesis (HO2) is rejected and the alternative hypothesis (HA2) accepted. The conclusion is that assurance of service has a significant influence on customer satisfaction.

HA3: Tangibility of service has a significant influence on customer satisfaction.

Based on the result on table 8, the absolute value of t-statistic for tangibility is 2.06 with a p-value of 0.040. Since 0.040 is less than 5% (0.05) the stipulated level of significance for this study, the decision is that null hypothesis (HO3) is rejected and the alternative hypothesis (HA3) accepted. The conclusion is that tangibility of service has a significant influence on customer satisfaction.

HA4: Empathy of service has a significant influence on customer satisfaction.

The result on table 8 revealed that the absolute value of t-statistic for empathy is 6.59 with a p-value of 0.000. Since 0.000 is less than 5% (0.05) the level of significance for this study, the decision is that null hypothesis (HO4) is rejected and the alternative hypothesis (HA4) accepted. The conclusion is that empathy of service has a significant influence on customer satisfaction.

HA5: Responsiveness of service has a significant influence on customer satisfaction.

Based on the result on table 8, the absolute value of t-statistic for responsiveness is 5.26 with a p-value of 0.000. Since 0.000 is less than 5% (0.05) the stipulated level of significance for this study, the decision is that null hypothesis (HO5) is rejected and the alternative hypothesis (HA5) accepted. The conclusion is that responsiveness of service has a significant influence on customer satisfaction with bank services in Haramaya, Afrankallo, Babile, Harar and Weltasis Branches.

5. Discussion of Findings

The main goal of the study is to find out how different aspects of service quality affect how happy customers are. The study found that service reliability doesn't make a big difference in how happy customers are. This study's result is similar to what Moala (2018), Mburu (2013), and Shing et al. (2012) found: that the reliability dimension doesn't have a big effect on customer satisfaction. On the other hand, what we found in our study goes against what (Negi, 2009; Mohsin & Lockyer, 2010). The assurance of service has a big and positive effect on how happy customers are. This means that the assurance of service has a big and positive effect on how happy customers are.

The results of this study agree with those of Douglas and Connor (2003), Dash and Patra (2014), and Ahmed et al. (2010), which all found that the assurance of service has a big effect on how happy customers are. On the other hand, our study's results don't match the results of (Moala, 2018; Mburu, 2013 and Shing et al., 2012). Also, tangibility has a big and positive effect on how satisfied customers are. This means that being able to touch something has had a big and positive effect on customer satisfaction. This goes against what Moala (2018) and Shing et al. (2012) found, but it's in line with what Shafiq et al. (2013), Mburu (2013), and Dash & Patra (2014) found, which is that the tangibility of a service has a positive and significant effect on how happy customers are with banking services. Also, empathy has a big and positive effect on how satisfied customers are. This means that empathy has a big effect on how happy a customer is.

Tan et al. (2014) and Shafiq et al. (2013) also found that the empathy dimension has a positive and significant effect on customer satisfaction in banks. This finding backs up those findings. Customer satisfaction is also affected positively and significantly by how quickly service is given. This means that the speed of service has had a big and positive effect on how happy customers are. The result is in line with what Shafiq et al. (2013) and Dash & Patra (2014) found, which is that responsiveness has a strong and positive effect on customer satisfaction. On the other hand, the result of our study goes against what Mburu (2013) and Shing et al. (2012) found, which was that responsiveness doesn't have a big effect on customer satisfaction.

5.1. Conclusion and Recommendations

This study has provided a comprehensive understanding of the relationship between service quality and customer satisfaction, thereby providing support for the underlying theory. This

study's findings indicate that the dimensions of service quality are significant predictors and potentiators of customer satisfaction. This study concludes that the employed model is a valuable instrument for evaluating service quality dimensions in the banking industry. The results indicate that service dependability has no significant effect on customer satisfaction. Customer satisfaction is significantly and positively influenced by service assurance. The tangible nature of a service has a substantial and positive effect on customer satisfaction. Customer satisfaction is significantly and positively influenced by service empathy.

Responsiveness of service has a considerable and positive influence on customer satisfaction. Based on the finding, the study indicates that banks have to pay more attention to reliability issues such as delivering prompt and efficient service to their customers as well as being truthful in offering services to their customers. Bank personnel are instructed to enhance their behaviors notably on the element of being polite so as to continue to rebuild customers' faith. Banks should endeavor to win customers' confidence by offering enough security of transaction back up of vital data files and alternate means of processing information. They should also ensure adequate connectivity and power base that would help them serve consumers faster and more conveniently. The banks should ensure that at no time shall service cease as a result of network difficulty. Banks should guarantee that their physical environment and amenities are kept clean in order to boost the satisfaction of the clients towards the banks. Bank management should invest more on their service quality especially as it concerns being empathetic to their clients. This should be done by staff being particularly attentive to their consumers in order to boost customers' pleasure. Bank staff should be willing to support their clients and provide information to their consumers as this would increase the responsiveness of the banks and as well improve their customers' satisfaction levels.

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Conflict of Interest

The author declares that there is **no conflict of interest** concerning the publication of this article. This research was conducted independently, and no external financial or personal interests influenced the design, analysis, or findings of the study.

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