



CUSTOMER SATISFACTION TOWARDS BANKING SERVICES – A STUDY IN HAWASSA CITY ADMINISTRATION, SNNP REGION, ETHIOPIA

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Abstract

The study was undertaken to analyze the customers' satisfaction towards banking services between the branches of Cooperative Bank of Oromia and Oromia International Bank in Hawassa City. Both qualitative and quantitative sources of data were used. The study was heavily dependent on primary data which was collected from the customers of selected banks. By adopting probability proportionate to size sampling technique, 149 customers were selected of which 33 were from CBO and 116 were from OIB. The study findings show that there are significant differences on the demographic, socio and economic characteristics between customers of CBO and OIB. Customers of CBO were found to be satisfied with the personnel, types of products, operating hours whereas customers of OIB were found to be satisfied with the cost of products and services and access to service. Both bank customers were found to be satisfied with credibility of their banks and the ability of their banks to satisfy their future needs. However, dissatisfaction among both customers were found with respect to modern looking equipment, handling problems related with daily transactions, waiting time to complete the transactions and maintenance of hygiene by the banks. The result of the regression model shows that factors such as age, occupation and personnel of the bank were found to have positive significant influence on customer satisfaction towards banking services in the case of CBO. Whereas, variables such as age, education, duration of using banking services and image were found to have positive significant influence on customer satisfaction towards banking services in the case of OIB.

Key Words: *Customers, Satisfaction, Banking services, Product, Personnel*

BACKGROUND OF THE STUDY

"Customer satisfaction is measured at the individual level, but it is almost always reported at an aggregate level. It can be, and often is, measured along various dimensions. A hotel, for example, might ask customers to rate their experience with its front desk and check-in service, with the room, with the amenities in the room, with the restaurants, and so on. Customer satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals."

In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses. "Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty. "Customer satisfaction data are among the most frequently collected indicators of market perceptions. Customer service is the provision of service to customers before, during and after a purchase.

According to Turban et al. (2002), "Customer service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation." Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviours such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's services (.

STATEMENT OF THE PROBLEM

AJB Institute of Quality Management, (2012) states, if your customers are not satisfied, he or she will stop doing business with you. All the things you do to achieve quality and provide excellent service are unimportant if you



do not work to satisfy the customer. Customer satisfaction is the customer's perception that his or her expectations have been met or surpassed. Satisfied respondents buy more, and more, and more often. Currently, Ethiopian banking sector, tries to give high attention for customer satisfaction, and as the researcher found information through interview with the branch manager of CBO (2014), most of the bank customers are complaining about the service they obtain from the bank. This complaint might come from lack of fast service delivery time, approaches of lending services, low deposit interest rate of banks, or lack of getting easily those core ,tangible, augmented banking services of banks.

It was observed from the report of Marketing & Public Relation Department of OIB (2013), not all but most customers continuously complain over poor customer service, unsatisfactory new product development, less innovation, long process/bureaucratic way of getting some products such as loan, international banking service, import and export letter of credit, branches location, insufficient information on products of the Bank, employees inability to quickly adopt to the new technology (e.g. core banking system), poor parking services at the respective bank branches and the like. Keeping this in view, the study was aimed at assessing the level of customer satisfaction towards the banking services in CBO and OIB Hawassa branches as the available literature shows that there are very few comparative studies conducted in the context of Ethiopia related to banks. Further this research was also throwing light on analyzing the factors that influence customer satisfaction towards banking services of the selected branches.

LITERATURE REVIEW

Belay Deribe and Ebisa Deribe (2012) analyzed customer satisfaction on banking services of Commercial Bank of Ethiopia in Jimma. The findings of the study reveal that there are a number of problems hindering the smooth delivery of the banking services. The network problem for instance is the major obstacle in the check clearing operations. Besides, in the loan operations the delays of the loan approval is the major problem. In the electronic banking services, customers responded that the benefits they obtained are limited.

Mesay Sata Shanka (2012) analyzed the Bank Service Quality, Customer Satisfaction and Loyalty in Ethiopian Banking Sector. He found that there is a positive correlation between the dimensions of service quality and customer satisfaction. The results of the regression test showed that offering quality service have positive impact on overall customer satisfaction. The research proves that empathy and responsiveness plays the most important role in customer satisfaction level followed by tangibility, assurance, and finally the bank reliability. The research findings also indicate offering high quality service increase customer satisfaction, which in turn leads to high level of customer commitment and loyalty.

OBJECTIVES OF THE STUDY

1. To study the demographic, socio and economic characteristics of the customers
2. To assess the level of satisfaction of customers towards the banking services and
3. To analyze the factors influencing customers satisfaction towards banking services.

HYPOTHESIS OF THE STUDY

Ho: Customer satisfaction is not influenced by age, education, occupation, duration & frequency of using bank services, personnel, product, image, service and access.

H1: Customer satisfaction is influenced by age, education, occupation, duration & frequency of using bank services, personnel, product, image, service and access.

MATERIALS AND METHODS

Data Types and Sources

The study was heavily depending upon primary data type and sources, since the study intends to make a comparative analysis of customer satisfaction towards banking services. Both quantitative and qualitative data types were included in this research.



Sampling Technique

The study adopted multi stage sampling procedure to select relevant sample customers. As a first stage, Hawassa City Administration was selected purposively since the city is growing by leaps and bounds in terms of education, health, infrastructure and services sectors. Second, Cooperative Bank of Oromia Branch, Hawassa and Oromia International Bank Branch, Hawassa were selected purposively since these branches are of recent origin in Hawassa City, understanding the customers satisfaction was no doubt boost up the banks to devise strategies to fall in line with the needs and wants of customers in the near future. Out of 4,100 customers, only individual customers numbering 3,200 of both banks are taken into account for sample determination while, these regular customers are able to give unbiased information since they know the bank services and easy to get the needed data from individuals.

Sample Size Determination

To determine the sample size, Yamane formula was used. Yamane (1967) provides a simplified formula to determine the sample size for proportions.

Table 1: Sample frame

Customers	Customer Type	(N)	Sample size
CBO	Regular	700	700/3200*149=33
OIB	Regular	2,500	2500/3200*149=116
Total		3,200	149

Source: Reports of OIB and CBO, 2013

Yamane (1967) sample size determination calculation

$$n = \frac{N}{1 + Ne^2} = \frac{3,200}{1 + 3,200(0.08)^2} = \frac{3,200}{1 + 17.408} = \frac{3,200}{18.408} = 173.84 \approx 174$$

The determined sample size was distributed by adopting probability proportionate to size sampling (PPS) technique.

Data Collection Instruments and Methods

The primary data were collected from the sample customers of both banks by using a questionnaire which includes both open and closed ended questions. The questionnaire was developed in English and translated into Amharic for ease of data collection. Before distributing the questionnaire among the sample customers, a preliminary test was conducted among 10% of them, which was made two times and gain some feedbacks needed to add and omit certain questions. Based on the result of pretest, all the questionnaires were distributed to the sampled customers of both banks.

Method of data Analysis

Descriptive statistics such as frequency table and percentage were used to analyze the demographic, socio and economic characteristics and level of customer satisfaction while inferential statistics namely multiple linear regression analysis was used to assess factors influencing customer satisfaction towards banking services. .

RESULTS AND DISCUSSION

Demographic, socio and economic characteristics of the customers

Table 2: Gender, age and marital status of the customers

CBO			OIB		
Variables	Frequency	Percent	Variables	Frequency	Percent
Gender					
Male	18	54.5	Male	80	69.0
Female	15	45.5	Female	36	31.0
Total	33	100.0		116	100.0
Age (in Range)					



18-28	08	24.2	18-28	26	22.4
29-38	15	45.5	29-38	59	50.9
39-48	08	24.2	39-48	28	24.1
49-58	02	06.1	49-58	01	00.9
Above 58	-	-	Above 58	02	01.7
Total	33	100.0	Total	116	100.0

Source: Field survey, 2014

Perusal of table 2 reveals that as much as 69% of OIB customers were male whereas it was 54.5% in the case of CBO customers. However, the percentage of female customers (45.5%) was found to be more in CBO than that of OIB (31%). This finding is consistent with the inference of Belay Deribie and Ebisa Deribie (2012). Thus, it may be inferred that male customers are found more in OIB whereas female customers are found more in CBO.

As far as age is concerned, the survey result indicates that 45.5 percent of CBO customers are in the age category of 29-38 while it was 50.9 percent in the case of OIB customers. In addition to this customers with the age category of 18-28 are 24.2 percent in CBO and 22.4 percent in OIB. CBO customers of 24.2 percent are under the age category of 39-48 and insignificant response was found in the case of OIB. Similarly, respondents' under age above 58 was found to be insignificant in OIB whereas none found in this category from CBO. Thus, it may be stated that although there are age differences between customers of both banks, they are engaged with the customers of productive age group. This finding is in conformity with the inferences of Mesay Sata (2012) and Doddaraju (2013).

Table 3: Marital status and educational level of the customers

CBO			OIB		
Variables	Frequency	Percent	Variables	Frequency	Percent
Marital status					
Single	15	45.5	Single	62	53.4
Married	15	45.5	Married	54	46.6
Widowed	-	-	Widowed	-	-
Divorced	03	09.1	Divorced	-	-
Total	33	100.0	Total	116	100.0
Educational level					
PhD	01	03.0	PhD	01	00.9
Masters	02	06.1	Masters	06	05.2
Degree	14	42.4	Degree	46	39.7
Diploma	08	24.2	Diploma	30	25.9
Certificate	01	03.0	Certificate	06	05.2
Twelve completed	06	18.2	Twelve completed	15	12.9
Below 12 grade	01	03.0	Below 12 grade	12	10.3
Total	33	100	Total	116	100.0

Source: Field survey, 2014

Table 3 indicates that more than half (53.4%) of the respondents of OIB are single while it was (45.5%) in the case of CBO. On the other hand, (46.6%) of customers were married in OIB and (45.5%) of customers were married in CBO and divorced percentage was insignificant in the case of CBO and none in OIB. Hence, it may be stated that customers of single status is found to be more in OIB. However, this finding is contrary to the inference of Belay Deribie and Ebisa Deribie (2012) as they found most of the customers were married.

Regarding educational level, the survey result reveals that (42.4%) of CBO customers were degree holders, whereas, it was (39.7%) in the case of OIB. On the other hand, (25.9 %) of OIB customers were diploma holders and it was (24.2%) in the case of CBO customers. As low as (18.2%) of CBO customers were twelve grade completed whereas, it was (12.9%) in the case of OIB customers. Only (10.3%) of OIB customers were found to



be below grade twelve and none found in CBO. It is quite interesting to note that none found in the category of illiterate and hence it may be stated that customers of both the banks were found to be literate who might have thought of having the habit of saving. Mesay Sata (2012) also found that most of the customers studied were literates. However, Belay Deribie and Ebisa Deribie (2012) found very few illiterate customers in their study.

Table 4: Family type, occupation and monthly income of the customers

CBO			OIB		
Variables	Frequency	percent	Variables	Frequency	percent
Family type					
Joint Family	16	48.5	Joint Family	78	67.2
Nuclear family	17	51.5	Nuclear family	38	32.8
Total	33	100.0	Total	116	100.0
Occupation					
Govt. servant	03	09.1	Govt. servant	11	9.5
Pvt. sector employee	08	24.2	Pvt. sector employee	24	20.7
Retired employee	01	3.0	Retired employee	05	4.3
Housewife	06	18.2	Housewife	31	26.7
Businessman	15	45.5	Businessman	44	37.9
Professional	-	-	Professional	01	0.9
Total	33	100.0	Total	116	100.0
Monthly Income (in Birr)					
Below 2000	08	24.2	Below 2000	32	27.6
2001-4000	15	45.5	2001-4000	35	30.2
4001-6000	07	21.2	4001-6000	29	25.0
Above 6000	03	09.1	Above 6000	20	17.2
Total	33	100.0	Total	116	100.0

Source: Field survey, 2014

Table 4 shows that (67.2%) of OIB customers were found to be under joint family type whereas it was (48.5%) in the case of CBO customers. However, (51.5%) of CBO customers were found under nuclear family while it was (32.8%) in the case of OIB. Thus it may be inferred that customers belonging to both joint and nuclear family were found to have the habit of saving.

As far as occupation is concerned, the result of the survey shows that (45.5%) of CBO customers were businessman whereas, it was (37.9%) in the case of OIB. It is quite interesting to note that (26.7%) OIB customers were housewife and it was (18.2%) in the case of CBO. Other significant occupational group was found to be private sector employees. Accordingly (24.2%) of CBO customers were private sector employees and it was (20.7%) in the case of OIB. Thus, it may be noted that businessmen, house wife and private sector employees are found to be the prominent customers of both banks. Other occupational groups such as government employees, retired employees and professionals were found to be insignificant. The reason for this could be due to the fact that these groups might have association with government bodies and hence they could have regular saving accounts with nationalized Commercial Bank of Ethiopia.

A cursory look at the table 4 reveals that 27.6 percent of OIB customers' monthly income was found to be below Birr.2000 whereas it was 24.2 percent in the case CBO customers. However, the customers' whose monthly income ranged between Birr 2000-4000 was found more (45.5%) in CBO than that of OIB customers (30.2%). Similarly, monthly income of the customers' beyond Birr. 6000 was found to be more (17.2%) in OIB than that of CBO (9.1%). Thus it may be stated that most of the customers of both bank belongs to low income and middle income groups and customers belonging to high income group was found to be insignificant.



Table 5: Duration and Frequency of using the banking services

CBO			OIB		
Variables	Frequency	Percent	Variables	Frequency	Percent
Duration of using banking services					
Less than 1 year	13	39.4	Less than 1 year	29	25.0
1-3 years	20	60.6	1-3 years	74	63.8
Above 3 years	-	-	Above 3 years	13	11.2
Total	33	100.0	Total	116	100.0
Frequency of using banking services					
Daily	15	45.5	Daily	35	30.2
Weekly	06	18.2	Weekly	23	19.8
Fortnightly	07	21.2	Fortnightly	39	33.6
Once in three weeks	02	06.1	Once in three weeks	17	14.7
Monthly	03	09.1	Monthly	02	01.7
Total	33	100.0	Total	116	100.0

Source: Field survey, 2014

Perusal of table 5 indicates that more than half (63.8%) of OIB customers were between 1 and 3 years duration of using banking services whereas it was 60.6% in the case of CBO. However, (39.4%) CBO customers have been using the bank service less than a year whereas it was 25 % in the case of OIB. Further (11.2%) of OIB customers are using the banking services more than three years and none found in CBO in this regard. Therefore, it may be inferred that customers of OIB bank were found to have using the banking services more than three years as compared to the customers of CBO.

As far as frequency of using banking services, the survey result reveals that (45.5%) of CBO customers are using the banking service daily while it was (30.2%) in the case of OIB customers. Further, it is to be noted that (33.3%) of OIB customers are using the banking services once in fortnight whereas (21.2%) are noted in the case of CBO. Customers using the banking services on weekly basis were found to be (19.8%) in OIB whereas it was (18.2%) in the case of CBO. However, (14.7%) of OIB customers are using the bank services once in three weeks and it was found to be insignificant percentage in the case of CBO.

Therefore, it may be observed that there are significant differences between customers of both the banks with respect to frequency of using the banking services. However, Measy Sata (2012) in his study inferred that most of the customers were found to be using the banking services once in a month.

Level of Satisfaction of customers

Table 6: Level of satisfaction of customers towards banking services

Statements	CBO			OIB		
	Low (%)	Medium (%)	High (%)	Low (%)	Medium (%)	High (%)
Personnel						
Employees' timelines in providing services in the bank	33.3	18.2	48.5	37.1	17.2	45.7
Responsiveness of the bank employees.	39.4	09.1	51.5	39.7	12.1	48.3
Willingness of employees to help customers	21.2	15.2	63.6	38.8	19.8	41.4
Courteous of bank employees	21.2	03.0	75.8	42.2	06.0	51.7
Products						
Products and services (deposits and loans) that offered by my bank	36.4	33.3	30.3	43.1	22.4	34.5
Cost of product and services (interest on	39.4	27.3	33.3	37.0	20.7	42.2



deposits and loans) provided by my bank						
Image						
Bank credibility to its customers	33.3	18.2	48.5	32.8	9.5	57.8
Modern looking equipment (technology advancement)	39.4	24.2	36.3	38.8	22.4	38.8
Ability to satisfy the future needs of the customers	36.4	24.2	39.4	23.3	20.7	56.0
Service						
Handling problems related to transactions	54.5	21.2	24.2	43.1	24.1	32.7
Operating hours of the bank	06.1	36.4	57.6	59.5	28.4	12.1
The waiting time in completing the transactions	54.5	21.2	24.2	34.5	13.8	51.7
Access						
Location of the bank is convenient	72.7	18.2	09.1	11.2	12.9	75.8
Maintains hygiene	51.5	21.2	27.3	40.5	17.2	42.2
Overall Satisfaction	21.2	33.3	45.4	25.0	29.3	45.7

Source: Field survey, 2014

As depicted in table 6, the survey result indicates that customers of CBO were found to have high level of satisfaction with the personnel in terms of responsiveness, willingness to help customers and courteous whereas OIB customers were found to have high level of satisfaction with the personnel only in terms of courteous. As regards products, 34.5% percent of OIB customers were found to have high level of satisfaction while it was 30.3% in the case of CBO customers. However, 27.3% of CBO customers were found to have medium level of satisfaction with the cost of products and services whereas, it was only 20.3% in the case of OIB customers. Nearly half percent of customers of both banks were found to have high level of satisfaction with the bank credibility while nearly 40% of customers of both banks were found to have low level of satisfaction towards modern looking equipment. With regard to service, CBO customers were found to have high level of satisfaction with the operating hours whereas it was found to be insignificant in the case of OIB customers. Nonetheless, OIB customers were found to have high level of satisfaction with the location of the bank whereas it was found to be insignificant in the case of CBO customers. Nearly, 46% of customers of both banks were found to be highly satisfied with the overall banking services.

FACTORS INFLUENCING CUSTOMER SATISFACTION TOWARDS BANKING SERVICES

The study includes dependent and independent variables such as: age, education, occupation, duration, frequency, personnel, product, image, service and access as the dimension for customers' satisfaction.

Table 7: Regression model: Factors influencing customer satisfaction

CBO coefficients ^a			OIB coefficients ^a		
Model	Unstandardized Coefficients	Sig.	Model	Unstandardized Coefficients	Sig.
(Constant)	-.477	.013	(Constant)	.937	.720
Age	1.127	.000***	Age	2.281	.012**
Education	.010	.877	Education	1.503	.000***
Occupation	1.038	.000***	Occupation	-.354	.043
Duration	-1.155	.000***	Duration	2.128	.005**
Frequency	-.085	.093	Frequency	.367	.079
Personnel	.071	.000***	Personnel	-.034	.716
Product	.080	.132	Product	-.193	.238
Image	.022	.533	Image	.383	.032**



Service	-.085	.022**	Service	-.402	.013**
Access	.060	.171	Access	.028	.828

Note: *** denotes 1% significance level; ** denotes 5% significance level

Un standardized Coefficients of constant for CBO (-.477) indicates that all independent variables are highly necessary for explaining the customers satisfaction level where as in the case of OIB Dependent variable can be explained by itself, even if the independent variables are not exists.

The results of regression model reveals that the coefficient value for the variable **Age** (1.127) of CBO respondents which indicates that there is a significant relationship between age and level of satisfaction While, the coefficient value for age (2.281) of OIB respondents indicates that there is a significant relationship between age and level of satisfaction. As it was observed from the frequency table, most of the respondents of both banks were found to be middle and young age category who are matured enough which could have helped them to realize satisfaction towards banking services.

The coefficient of value for **Educational level** (0.010) of CBO respondents shows statistically not significant which implies education as a variable doesn't influence customer satisfaction in the case of CBO while, as to OIB respondents, the model output shows that, (1.503) there is a positive significant relationship between education and customers satisfaction.

The coefficient value for **Occupation** (1.038) of CBO respondents output shows that customers' occupation has a positive significant influence on their level of satisfaction. However, in the case of OIB the variable occupation doesn't have influence on the satisfaction as the model output shows insignificant value of (-.354).

The coefficient value for **Duration** (-1.155) of CBO respondents output shows negative significant relationship which implies that as duration of using banking services increases the level of customer satisfaction decreases. In contrast, the coefficient value for OIB respondents have (2.128) which indicate that the duration of using banking services has a positive significant influence on the customer satisfaction.

The coefficient value for **Frequency** of using banking services has no significant value for customers of both banks and hence it may be stated that frequency of using banking services is not a factor to influence level of satisfaction of customers of both Banks .

The coefficient value for **Personnel** (0.071) of CBO respondents output indicates that the level of customer satisfaction was influenced by the factor personnel. Whenever, the service efficacy of personnel of the bank increases, it has a positive influence on customers' satisfaction. Snehalkumar H Mistry (2013) found that having a good personnel will help to implement empathetic approach to the customers they serve as well as to the bank. However, the variable personnel do not have any influence on the satisfaction level of respondents in the case of OIB. Thus it may be stated that personnel of Cooperative Bank of Oromia were found to be so effective in proving the needy services to the customers as compared to that of OIB personnel.

The coefficient value for **Product** has no significant value and it may be stated that the product of both banks do not have influence over the customers satisfaction level.

Even though, this variable was hypothesized by the researcher to have an effect which could be positive or negative.

The coefficient value for **Image** (0.383) of OIB indicates positive significant influence on customers' satisfaction level and hence it may be inferred that having a good image of a bank has a positive influence over bank customers. Wiiliam & Susana (2011) in their study also found that customers are highly satisfied with the bank that gives good assurance or promise as it relates with bank's image. However, image as a variable doesn't have significant influence on the satisfaction level of CBO customers.



The coefficient value for **Service** (-.085) CBO & (-.402) OIB indicates negative significant influence on the customer satisfaction level. This result is also consistent with the results of descriptive analysis as it was found that services of both banks are not up to the expectations of the customers. Mesay Sata Shanka (2012) analyzed in his study offering quality service have positive impact on over customer satisfaction. The result of the regression implied that, both banks of customers are negatively influenced by the services they got from these two banks.

The coefficient value for **Access** has no significant value in both banks even if there are complaints regarding the location and banks hygiene of both banks in the descriptive analysis part especially in CBO case.

CONCLUSION

As regards to gender, male respondents are found more in OIB whereas female respondents are found more in CBO. Although there are age differences between respondents of both banks, they are engaged with the respondents of productive age group (Young and middle age group). Nearly half percent of respondents of both banks were found to be single; nonetheless the percentage of single was found to be more in OIB. None found in the category of illiterate in both banks and hence respondents of both the banks were found to be literate who might have thought of having the habit of saving. Respondents belonging to both joint and nuclear family were found to have the habit of saving. Businessmen, house wife and private sector employees are found to be the prominent respondents of both banks. Respondents of both bank belongs to low income and middle income groups and respondents belonging to high income group was found to be insignificant. Respondents of OIB bank were found using the banking services more than three years as compared to the respondents of CBO. There are significant differences between respondents of both the banks with respect to frequency of using the banking services.

Timeliness of employees in providing banking service was found to be comparatively better in CBO. Respondents of CBO were found to be satisfied as compared to that of OIB respondents with respect to responsiveness of the employees. Most of CBO respondents are found to be satisfied than OIB respondents with the employees' willingness to help respondents. CBO respondents are found to be more satisfied with the courteous of the bank employees than OIB respondents. CBO respondents were found to be satisfied as compared to that of OIB with respect to products of the banks. OIB respondents are found to have better satisfaction with the cost of products and services as compared to that of CBO respondents. Both bank respondents were found to be satisfied with the credibility of their banks. More than one third of the respondents of both the banks were found to be dissatisfied with the modern looking equipment. Both bank respondents are found to be satisfied by their bank abilities to satisfy their future needs. Both bank respondents were found dissatisfied with the handling problems related with daily transactions although there are percentage differences. CBO respondents are found to be more satisfied than OIB with regard to operating hours of the bank. However, respondents of both banks were found to be dissatisfied with the service waiting time. OIB respondents are found more satisfied than CBO with regard to access to service. Around half percent of respondents of both banks were dissatisfied with the hygiene of the banks. Both bank respondents were found to be equally satisfied with the overall bank services.

The result of regression model reveals that factors such as age, occupation and personnel of the bank were found to have significant positive influence on customer satisfaction towards banking services in the case of CBO. However, variables such as duration of using banking services and services do have negative significant influence on the CBO customers' satisfaction. Whereas, variables such as age, education, duration of using banking services and image were found to have significant positive influence on customer satisfaction towards banking services in the case of OIB. It is beyond the expectation that all other institutional variables do not have significant influence on the OIB customers' satisfaction excepting service that too shows negative significant influence.

RECOMMENDATIONS

Based on the findings and conclusion, the following workable recommendations are forwarded to maximize the customer satisfaction.

1. Personnel of both banks need to be trained and oriented towards customer relationship management which may bring successful outcome among employees to enriching the quality of services in line with the demands of customers.



2. Electronic banking services such as ATM, Mobile banking, Internet banking need to be introduced in both banks in collaboration with the Ethiopia Telecommunication Corporation which could help them to provide speedy services to customers which in turn maximize their satisfaction.
3. OIB in particular need to revisit their lending policies (interest on loan) and service charges on augmented services in order to retain the existing customers and also to attract the prospective customers.
4. Serious attention has to be given on redressing the grievances of customers in relation to banking transactions as they are the backbone for the success of service providing organizations.
5. The management of both banks needs to improve service quality in areas of handling problems related to the bank services.
6. Waiting time to complete the banking transactions need to be reduced by both banks by installing sophisticated and advanced technology.

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