

**An Internship Report**  
**on**  
**Service Quality Delivery and Its Impact on**  
**Customer Satisfaction in the Banking Sector**  
**in Nepal, Siddhartha Bank Limited**  
**(Anamnagar, Kathmandu)**

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**Submitted to**  
Nobel College  
Faculty of Management (BBA)

*In the partial fulfillment of the requirement for the degree of*  
**Bachelor of Business Administration (BBA)**

May, 2017

**Pokhara University**  
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This is to certify that the Internship Report

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Entitled:

**Service Quality Delivery and Its Impact on Customer  
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**Submitted By:**

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BBA 7<sup>th</sup> semester

Symbol number: 14031008

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Submitted towards partial fulfillment of the requirement for the degree of **Bachelor of Business Administration (BBA)**

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3.	Mr. DD Pathak	Supervisor		

**Pokhara University**  
**Faculty of Management**  
**Nobel College**

**Declaration**

I hereby declare that the work reported in this report on “Service Quality Delivery and Its Impact on Customer Satisfaction in the Banking Sector in Nepal, Siddhartha Bank Ltd.” submitted to Nobel College, Pokhara University is done in the form of partial requirement for the degree of **Bachelor of Business Administration (BBA)** under the supervision of Mr. DD Pathak, Lecture of management faculty of Nobel College.

.....

Signature

Name: Sakib Akatar Rain

Date: May 10, 2017

## **Acknowledgement**

First of all, I would like to thank my almighty Allah for the grace in accomplishing my internship report within the time.

I would like to express my gratitude to my academic coordinator Mr. Babu Kaji Shrestha, from the core of my heart for his kind support, guidance, constructive, supervision, instruction, and advice and for motivating me to do this report.

I would like to express my gratitude to my academic supervisor Mr. DD Pathak, from the core of my heart for his kind support, guidance, constructive, supervision, instruction, and advice and for motivating me to do this report.

I would like to thank Mr. Kailash Karki (Branch Manager) and Mrs. Sharmista Karjee (Operational In charge) of Anamnagar Branch of Siddhartha Bank Ltd who helped me a lot to complete my internship report by providing the various data about the banking activities.

I am also grateful to Ms. Subeksha Gurung and Nutan Ojha (Training Assistants) of Anamnagar Branch of Siddhartha Bank Ltd who helped me a lot to complete my internship report by convincing the customer to fill up the questionnaire and providing various data about the banking activities.

Finally, I would like to thank everyone at Siddhartha Bank Ltd who provided me with ideas and invaluable experience of the corporate culture.

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## **Abbreviations**

ATM	:	Automated Teller Machine
B	:	Beta
BBA	:	Bachelor of Business Administration
BM	:	Branch Manager
CSD	:	Customer Service Department
DF	:	Degree of freedom
Et al.	:	All other authors
FY	:	Fiscal Year
Govt	:	Government
i.e.	:	That is
ICC	:	Interclass Correlation
IT	:	Information Technology
LCL	:	Lower Control Limit
Ltd	:	Limited
MBA	:	Master in Business Administration
Mt	:	Mount
NRB	:	Nepal Rastra Bank
OI	:	Operational In charge
P	:	Page
PU	:	Pokhara University
P-value:	:	Probability Value
Rs	:	Rupees
SBL	:	Siddhartha Bank Limited
Sig	:	Significance
Std	:	Standard
SWOT:	:	Strength, Weakness, Opportunities and Threats
T	:	Test
UCL	:	Upper Control Limit

## **Executive Summary**

As a partial fulfillment of Bachelors degree of BBA, the university has assigned every students of BBA to conduct an internship report regard to an organization that can be of financing or non-financing organizations. So far as to conduct an internship report I have selected a Bank named Siddhartha Bank Ltd

The main objective of this study is it is partial fulfillment of the requirement for the degree of Bachelor of Business Administration (BBA) as prescribed by Pokhara University. The general objective of the study is to access the theoretical knowledge in practical one. But the specific objective is to analyze service quality delivery and its impact on customer satisfaction in the banking sector and to identify critical areas of service quality delivery. Similarly, identify the strength, weakness, opportunities, and threats of the proposed organization.

The Bank desires to be one of the leading banks of the industry by fulfilling the interest of the stakeholders and also aims to provide total customer satisfaction by way of offering innovative products and by developing and retaining highly motivated and committed staff. It directs all its efforts to move ahead with increased profits. It has its branches in many areas inside and outside the valley and have further planning to expand it.

In my report I have introduced the Siddhartha Bank Ltd and dedicated the first phase for its introduction and general background of this study to conduct this study. The second phase of the report is reviewed of literature and made theoretical framework. The third phase of the report defined research design and methodology then after analyzed the data which has collected from Questionnaire. In the fourth phase, I have found the result and discussion. Finally, in the fifth phase I have done summary, conclusion, critical observation and suggestions for future use are included.

According to SERVQUAL Model the dimensions of service quality such as tangible, reliability, responsiveness, assurance, and empathy have been used for find the relationship between customer satisfactions. On the basis of major findings the all dimensions of service quality have positive relationship with customer satisfaction.

# **Chapter 1**

## **Introduction**

### **1.1 Introduction**

Nepal adopted the multi-university concept in 1983. The idea of Pokhara University (PU) was conceived in 1986; however, it was established only in 1997 under the Pokhara University Act, 1997. Pokhara University has adopted Semester system. All Bachelor's degrees are of four years course extended in eight semester and Master's degrees are of two years extended in four semesters. M. Phil & MBA degree is of one and half years extended in three semesters. There are Four Faculties such as: Faculty of Science and Technology, Faculty of Management Studies, Faculty of Humanities and Social Sciences and Faculty of Health Sciences. Pokhara University is located in Lekhnath Municipality of Kaski district, thirteen kilometer east to the heart of the Pokhara city. It has already built its academic complex in the serene and scenic location of seven lake city, Lekhnath, in the lap of the beautiful Himalayan range and peaks such as Mt. Machhapuchhre and Mt. Annapurna. In addition, Begnas lake and Rupa lake are walking distance of its academic complex and central office. (Source: [www.pu.edu.np](http://www.pu.edu.np) ).

Nobel College was established in 2001 AD as an extension of the Nobel Academy that had already acquired an enviable reputation for the quality of its education at junior and higher secondary levels. The College, affiliated to Pokhara University, provides a value based education at the bachelor level. Nobel College is located in Sinamangal; Kathmandu. Nobel College is commitment to the provision of the quality education relevant for Nepal's future managers, entrepreneurs, IT specialists, and health professional. The undergraduate level instruction offered by the college is designed specifically to meet such a need. Nobel College is successfully implementing several programs a at the bachelor's level in the fields of Business Administration, Computer Information System, Health Care Management, Public Health, Nursing, Medical Laboratory Technology, Medical Biochemistry, and Medical Microbiology in affiliation with Pokhara University (Source: [www.nobelcollege.edu.np](http://www.nobelcollege.edu.np) ).

The students of BBA under Management faculty are required to carry out an Internship Report for the partial fulfillment of the Bachelor. In 7<sup>th</sup> semester of Bachelor of Business Administration (BBA) program, the Pokhara University has

kept a subject of 3 credit hours known as an Internship Report. It helps to blend the theoretical knowledge with practical experience. It is an individual subject and graded as individually and separately. Internship Report explores the skill and abilities of management students. Pokhara University undertakes the Internship Report assignment to BBA students. Students are required to submit their report based on a work of particular organization for their evaluation. So Internee would like to conduct Internship Report in Siddhartha Bank Ltd, Anamnagar, (Kathmandu) (Source: Sakib, 2016).

## **1.2 Background of the Study**

Without any doubt, service quality is very important component in any business related activity. This is especially so, to marketer a customer's evaluation of service quality and the resulting level of satisfaction are perceived to affect bottom line measures of business success (Iacobucci et al., 1994). Customer expectations are beliefs about a service that serve as standards against which service performance is judged (Zrithaml et al., 1993); which customer thinks a service provider should offer, rather than on what might be on offer (Parasuram et al., 1988). To some, service quality can also be defined as the difference between customer's expectations for the service encounter and the perceptions of the service received. According to the service quality theory (Oliver, 1980), it is predicted that customers will judge that quality as 'low' if performance does not meet their expectations and quality as 'high' when performance exceeds expectations (Source: [www.academia.edu](http://www.academia.edu) ).

Customer satisfaction is actually a term most widely used in the business and commerce industry. It is a business term explaining about a measurement of the kind of products and services provided by a company to meet its customer's expectation. To some, this may be seen as the company's key performance indicator (KPI). It is well established that satisfied customers are key to long-term business success (Kristensen et al., 1992; Zeithami et al., 1996; McColl-Kennedy and Scheider, 2000). It also defined as a global issue that affects all organizations, regardless of its size, whether profit or non-profit, local or multi-national. Companies that have a more satisfied customer base also experience higher economic returns (Aaker and Jacobsson, 1994; Bolton, 1998; Yeung et al., 2002). Consequently, higher customer satisfaction leads to greater customer loyalty (Yi, 1991; Anderson and Sullivan, 1993 Boulding et

al., 1993) which in turn leads to higher future revenue (Fornell, 1992; Bolton, 1998).  
(Source: [www.academia.edu](http://www.academia.edu) ).

Nepal bank Ltd. is the first modern bank of Nepal. It is taken as the milestone of modern banking of the country. Nepal bank marks the beginning of a new era in the history of the modern banking in Nepal. This was established in 1937 A.D. Nepal Bank has been inaugurated by King Tribhuvan Bir Bikram Shah Dev on 30th Kartik 1994 B.S. Nepal bank was established as a semi government bank with the authorized capital of Rs.10 million and the paid -up capital of Rs. 892 thousand. Hence, the Nepal Rastra Bank Act 1955 was formulated, which was approved by Nepal Government accordingly, the Nepal Rastra Bank was established in 1956 A.D. as the central bank of Nepal. Nepal Rastra Bank makes various guidelines for the banking sector of the country. Rastriya Banijya Bank was established in 1965 A.D. as the second commercial bank of Nepal. Today, the banking sector is more liberalized and modernized and systematic managed. There are various types of bank working in modern banking system in Nepal. It includes central, development, commercial, financial, co-operative and Micro Credit (Grameen) banks. Technology is changing day by day. And changed technology affects the traditional method of the service of bank. The NRB will classify the institutions into “A” “B” “C” “D” groups on the basis of the minimum paid-up capital and provide the suitable license to the bank or financial institution. Group ‘A’ is for commercial bank, ‘B’ for the development bank, ‘C’ for the financial institution and ‘D’ for the Micro Finance Development Banks. Generally banks in Nepal are opened 9 am to 3 pm Sunday to Thursday and 9 am to 1 am on Friday. But nowadays most of banks in Kathmandu are opened throughout the week. There are 32 commercial banks, 79 development banks, 79 financial companies, 18 micro credit (Grameen) development banks and 16 saving and credit co-operation (licensed by Nepal Rastra Bank) are established so far in Nepal. The bank with the largest network in Nepal is The Nepal Bank Ltd. These commercial banks and financial institutions have played significant roles in creating banking habit among the people, widening area and business communities and the government in various ways (Source: [www.linkedin.com](http://www.linkedin.com) ).

Siddhartha Bank Limited (SBL) is one of the largest private commercial bank in Nepal. Siddhartha Bank Limited was founded in 2002 and is headquartered in Kathmandu, Nepal. The bank is an ‘A’ class commercial bank licensed by Nepal

Rastra Bank and has 62 branches all across the nation with its head office in Hattisar, Kamaladi, (Kathmandu) which provides entire commercial banking services. The bank's shares are publicly traded as an 'A' category company in the Nepal Stock Exchange. Siddhartha Bank Limited provides various banking products and services for individuals and institutions in Nepal. It offers fixed deposits, savings deposits, and current and call accounts; consumer loans, such as home, auto, personal, and education loans, as well as loans against fixed deposit receipt; SME loans; and corporate loans, including working capital loans, term loans, import loans, bills discounting under issuance letters of credit, export loans, consortium financing, bills purchased, and bridge gap loans. The company also provides treasury and correspondent banking services, comprising money market, foreign exchange, and bullion and equity trading services; mutual funds; bancassurance; safe deposit lockers; trade finance services consisting of import, export, and bank guarantee services; card services; SMS alert services; and Internet and mobile banking services. In addition, it offers remittance services; utility bill payments; securities services; and investment banking services (Source: [www.siddharthabank.com](http://www.siddharthabank.com) ).

### **1.3 Statement of the Problem**

“To what extent do the tangible, reliability, responsiveness, assurance and empathy affect the customer satisfaction in Banking Sectors of Nepal, Siddhartha Bank Ltd.?”

This study, at the same time provides a brief review of some of the relevant approaches that have been used for the measurement of customer satisfaction. It then discusses different views that have been developed in relation to the transferability of satisfaction measures across industries and outlines the research questions addressed in this investigation. “One of the main problems faced by consumers when it comes to banking is issue of the banking hours being too rigid and not flexible.”

Usually, most banks operating hours are from Sunday to Thursday –begins operation from 9.30 - 6.00pm. Prior to this, banks used to operate services beginning from 10 am in the morning and ending at 4 pm from Sundays to Thursday, but due to consumer demand, the trend changed, with the banks beginning services an hour earlier. Despite the practice of beginning services half-an-hour earlier, some banks that are positioned in shopping malls and department stores will still have to open for service at 10 am, as the shopping malls and department stores open up for business.



Besides the banking hours, “Other issue consumers also are facing in queuing up at some banks.”

Standing in line for a long time at the banks is non-productive and a sheer waste of time. As such, most banks now have developed a way to address consumer problems. A suggestion box placed at the foyer or entrance of the bank or a well-conducted survey is a good start to learn about consumer needs.

For the purpose of this Study, feedbacks from the survey revealed the reasons that led to customer satisfaction. It was demonstrated that in order to maintain the grip on customer, many banks have now set up suggestion and complaint avenues such as hotlines, 24-hour call services and online services. At a glance, the issues in relative to consumer banking have seen some changes in the past decade, specifically: (Source: Munusamy, and, et al., 2010)

- The economy crisis during the 90s’
- The wake of the bank mergers
- The change in banks’ operation hours
- The introduction of the telephone banking
- The rapid growing of the internet banking

#### **1.4 Objectives of the Study**

The main objective of this study has been to applied theoretical knowledge into practical life; therefore, specific objectives of this study have been given bellow:

1. To gain knowledge about communication and interpersonal skills.
2. To know behavior of banking customer and employees.
3. To analyze its impact on customer satisfaction in the banking sector.
4. To identify critical areas of service quality delivery.

#### **1.5 Scopes of the Study**

The internship proposal has helped in studying in the following areas:

- i. Organization: The findings and results of the study will help in many service organizations such as Banks, Colleges, and Hospital etc.
- ii. Business: The findings and results of the study will help in business such as sole trading concern or partnership firm.

- iii. Student: The findings and results of the study will help to the students. The student will take many things from this result.
- iv. College: The findings and results of the study will help in many college or university.
- v. Society: The findings and results of the study will help to the society.

### **1.6 Limitations of the Study**

The following limitations have occurred while conducting the research is listed as follows:

- i. The independent variables has not covered all quality things
- ii. The research result has not found exact data or situation
- iii. The only one branch of the bank has not said exact result
- iv. The internship duration has not identified all things
- v. The sample size has not represented the population size

### **1.7 Organization of the Study**

Internee has been written short introduction of the study in first chapter. Similarly, the Internee has been reviewed of literature and theoretical framework in Second chapter. In the third chapter, the Internee has been defined research design and methodology. In the fourth chapter, Internee has been collected data through the questionnaire and found the result and discussion. In the last fifth chapter, the Internee has been presented the summary and conclusion.

### **1.8 Comparative Gantt chart**

A Gantt chart is a type of bar chart, devised by Henry Gantt in the 1910s that illustrate a project schedule. Gantt charts illustrate the start and finish dates of the terminal elements and summary elements of a project.

### Pre Gantt chart

Activity/Time	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Internship Duration								
Proposal Final								
Chapter 1								
Chapter 2								
Chapter 3								
Chapter 4								
Chapter 5								

Figure 1: Pre Gantt chart

### Post Gantt chart

Activity/Time	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Internship Duration								
Proposal Final								
Chapter 1								
Chapter 2								
Chapter 3								
Chapter 4								
Chapter 5								

Figure 2: Post Gantt chart

## **Chapter 2**

### **Review of Literature and Theoretical Framework**

#### **2.1 Review of Literature**

A literature review is a text of a scholarly paper, which includes the current knowledge including substantive findings, as well as theoretical and methodological contribution to a particular topic. Literature reviews is the secondary sources, and do not report new or original experiment work. This chapter deals with service delivery quality and its impact on customer satisfaction in Nepalese Banking Industry.

#### **Customer Satisfaction**

Before proceeding further, it is best that one fully understands the definition of the phrase ‘Customer Satisfaction’. The phrase does not only express a happy customer, but rather complex than that. Customer satisfaction is actually a term most widely used in the business and commerce industry. It is a business term explaining about a measurement of the kind of products and services provided by a company to meet its customer’s expectation. To some, this may be seen as the company’s key performance indicator (KPI). In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. There is a substantial body of empirical literature that establishes the benefits of customer satisfaction for firms. It is well established that satisfied customers are key to long-term business success (Kristensen et al., 1992; Zeithami et al., 1996; McColl-Kennedy and Scheider, 2000). It also defined as a global issue that affects all organizations, regardless of its size, whether profit or non-profit, local or multi-national. Companies that have a more satisfied customer base also experience higher economic returns (aker and Jacobsson, 1994; Bolton, 1998; Yeung et al., 2002). Consequently, higher customer satisfaction leads to greater customer loyalty (Yi, 1991; Anderson and Sullivan, 1993 Boulding et al., 1993) which in turn leads to higher future revenue (Fornell, 1992; Bolton, 1998). For that matter, many market leaders are found to be highly superior-customer-service orientated. They have been rewarded with high revenue and customer retention as well. For that matter, organizations in the same market sector are compelled to assess the quality of the services that they provide in order to attract and retain their customers. Apparently, many researchers conceptualize customer satisfaction as an

individual's feeling of pleasure (or disappointment) resulting from comparing the perceived performance or outcome in relation to the expectation (Oliver, 1981; Brandy and Robertson, 2001; Lovelock, Patterson and Walker, 2001). There are two general conceptualizations of satisfaction here, namely, the transaction-specific satisfaction and the cumulative satisfaction (Boulding et al., 1993; Jones and Suh, 2000; Yi and La, 2004). Transaction-specific satisfaction is the customer's very own evaluation of his or her experience and reaction towards a particular service encounter (Cronii and Taylor, 1992; Boshoff and Gray, 2004). This reaction is expressed by the customer who experiences a product or service for the first time. Meanwhile, cumulative satisfaction refers to the customer's overall evaluation of the consumption experience to date (Johnson, Anderson and Fornell, 1995); an own accumulation of contacts with services provided them from day-to-day. It is from this accumulation that customers establish a personal standard which is used to gauge service quality. However, in general, it is agreed that customer satisfaction measurement is a post-consumption assessment by the user, about the products or services gained (Churchill and Surprenant, 1982; Yuksel and Rimmington, 1988).

### **Service Quality**

Without any doubt, service quality is very important component in any business related activity. This is especially so, to marketer a customer's evaluation of service quality and the resulting level of satisfaction are perceived to affect bottom line measures of business success (Iacobucci et al., 1994). Customer expectations are beliefs about a service that serve as standards against which service performance is judged (Zrithaml et al., 1993); which customer thinks a service provider should offer, rather than on what might be on offer (Parasuram et al., 1988). To some, service quality can also be defined as the difference between customer's expectations for the service encounter and the perceptions of the service received. According to the service quality theory (Oliver, 1980), it is predicted that customers will judge that quality as `low` if performance does not meet their expectations and quality as `high` when performance exceeds expectations. Closing this gap might require toning down the expectations or heightening the perception of what has actually been received by the customer (Parasuraman et al., 1985). According to Gronroos (1982), perceived quality of a given service is the result of an evaluation process since consumers often

make comparison between the services they expect with perceptions of the services that they receive. He concluded that the quality of service is dependent on two variables: Expected service and Perceived service. Quality spells superiority or excellence (Taylor and Baker, 1994) (Zeithaml, 1988), or, as the consumer's overall impression of the relative inferiority / superiority of the organization and its services (Bitner and Hubbert, 1994; Keiningham et al., 1994-95). Consumer behavioural intentions are also influenced by the standards of service quality (Bitner, 1990; Cronin and Taylor, 1992, 1994; Choi et al., 2004).

The SERVQUAL model, one of the most commonly used models to measure the service quality, was used in this research. The conceptual foundation for the SERVQUAL scale was derived from the work of a handful of researchers who have examined the meaning of service quality and from a comprehensive qualitative research study that defined service quality and illuminated the dimensions along which consumers perceive and evaluate service quality. Much of the discussion about service quality measurement have been revolved around the concept of dimensions of service quality where dimensions refer to a set of attributes which consumers use in evaluating the quality of service provided (Asubonteng, McCleary and Swan, 1996). Exploratory research conducted by Parasuraman, Zeithaml and Berry (1985) revealed that the criteria used by consumers in assessing service quality fit into 10 potentially overlapping dimensions. These dimensions were reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer and tangibles. These 10 dimensions served as the basic structure of the service quality domain from which items are derived for the SERVQUAL scale. After few years they identified five principal dimensions that customers use to judge service quality i.e., reliability (consistency of performance and dependability, performing the right service at the right time), responsiveness (willingness or readiness to provide service), assurance (The knowledge and courtesy of employees as well as their ability to convey trust and confidence), empathy (The provision of caring, individualized attention to customers) and tangibles (The appearance of physical facilities, equipment, personnel, and communication materials) (Zeithaml, Parasuraman and Berry, 1990; Brensinger and Lambert, 1990; Crompton and MacKay, 1989; Lassar, Manolis and Winsor, 2000).

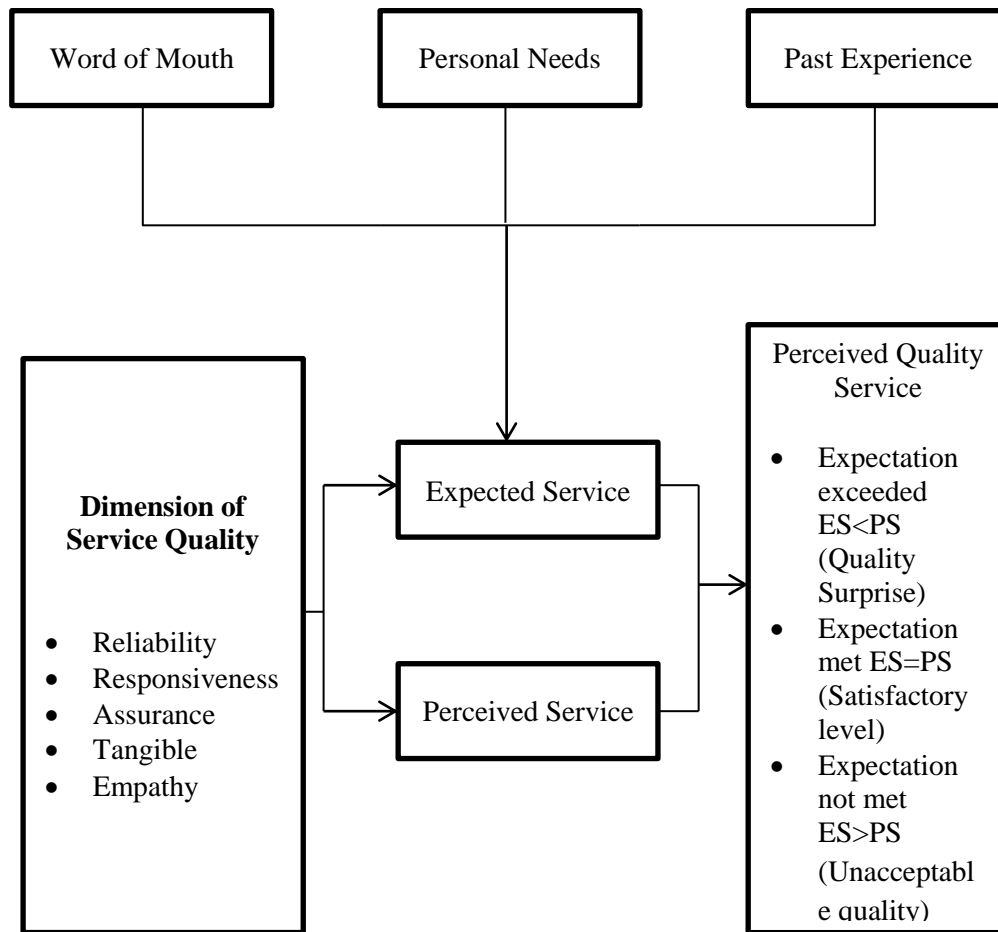


Figure 3: Perceived Service Quality (Source: Parasuraman et al., 1985)

Further, Parasuraman, Zeithaml and Berry (1985) argued that service quality can be defined as the difference between predicted or expected service (customer expectations) and perceived service (customer perceptions). When expectations are exceeded, service is perceived to be exceptional quality and also to be a pleasant surprise. When expectations are not met, however, service quality deemed to be unacceptable. When expectations are confirmed by perceived service, quality is satisfactory. As shown in figure 2.1, these expectations are based on several sources including word of mouth, personal needs and past experience. The original five dimensions consisted of 22 pairs of Likert scale statements in order to measure service quality (Cronin and Taylor, 1992). Each statement appeared twice; once to measure the customer expectation and the other to measure the level of service as perceived by the customers. A five point scale ranging from “Strongly agree” (5) to “Strongly disagree” (1) accompanied each statement. The gap score for each statement was calculated as the perception score minus the expectation score. Finally, gap scores were aggregated to give an overall gap score for each dimension.

## **Customer Satisfaction in Retail Banking**

Customer satisfaction and service quality are inter-related. The higher the service quality, the higher is the customer satisfaction. Many agree that in the banking sector, there are no recognized standard scales to measure the perceived quality of a bank service. Thus, competitive advantage through high quality service is an increasingly important weapon to survive. Measuring service quality seems to pose difficulties to service providers because of the unique characteristics of services: intangibility, heterogeneity, inseparability and perishability (Bateson, 1985). Because of these complexities, various measuring models have been developed for measuring perceptions of service quality (Gro'nroos, 1983; 1990; Parasuraman et al., 1985; 1988; 1991; Stafford, 1996; Bahia and Nantel, 2000; Aldlaigan and Buttle, 2002). The SERVQUAL model of Parasuraman et al. (1988) proposes a five-dimensional construct of perceived service quality: tangibles; reliability; responsiveness; assurance; and empathy – with items reflecting both expectations and perceived performance. Service quality has become an important research topic because of its apparent relationship to costs (Crosby, 1979), profitability (Buzzell and Gale, 1987; Rust and Zahorik, 1993; Zahorik and Rust, 1992), customer satisfaction (Bolton and Drew, 1991; Boulding et al., 1993), customer retention (Reichheld and Sasser, 1990), and positive word of mouth. There are many research instruments developed to measure the perceived service quality. Among such general instruments, the most popular being the SERVQUAL model, a well-known scale developed by Parasuraman et al. SERVQUAL has been widely acknowledged and applied in various services setting for variety of industries in the past decade. Examples include: health care setting, dental school patient clinic, business school placement centre, tire store, actual care hospital, large retail chains, banking, pest control, dry cleaning, and fast food restaurants (Babakus and Mangold, 1988; Babok and Garg, 1985; Bower et al., 1994; Carman, 1990; Cronin and Tayler, 1992; Teas, 1993). According to Nyeck, Morales, Ladhari, and Pons (2002), the SERVQUAL measuring tool “remains as the most complete attempt to conceptualize and measure service quality” (p. 101). Word has it that it has quite a number of benefits. Incidentally, the SERVQUAL measuring tool's main benefit is its ability that allows researchers to examine numerous service industries such as; healthcare, banking, financial services, and education (Nyeck, Morales, Ladhari, & Pons, 2002). The fact that SERVQUAL has critics does not



render the measuring tool moot. Rather, the criticism received concerning SERVQUAL measuring tool may have more to do with how researchers use the tool. Nyeck, Morales, Ladhari, and Pons (2002) reviewed 40 articles that made use of the SERVQUAL measuring tool and discovered “that few researchers concern themselves with the validation of the measuring tool” (p. 106). Originally, SERVQUAL formulated by Parasuraman et al. (1985) showcased ten various components. Later in 1988, these ten components were collapsed into five different dimensions. They are:-

- Assurance
- Reliability
- Tangibles
- Empathy
- Responsiveness

## **2.2 Theoretical Framework**

A theoretical framework guides your research, determining what things you will measure, and what statistical relationships you will look for. A group of related ideas that provides guidance to a research project or business endeavors. The following figure shows the relationship between dependent variable and independent variables as:

## Independent Variables (SERVQUAL)

## Dependent Variable

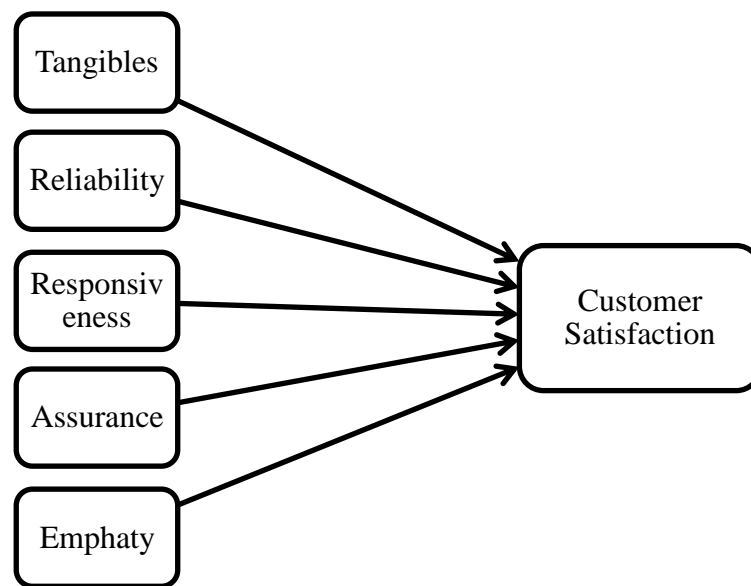


Figure 4: Theoretical Framework

### 2.2.1 Variable Description

Variable may refer to a logical set of attributes. It is a characteristic, number, or quantity that increases or decreases over time, or takes different value in different situations.

**Dependent Variable:** A dependent variable is a variable whose value depends upon independent variables

**Customer Satisfaction:** Thomassen (2003, p. 69) defines customer satisfaction as follows: “the perception of the customer as a result of consciously or unconsciously comparing his experiences with his expectations”. Kotler & Keller (2008, p. 80) build on this definition, stating that customer satisfaction is determined by “the degree to which someone is happy or disappointed with the observed performance of a product in relation to his or her expectations”. Performance that is below expectations leads to a dissatisfied customer, while performance that satisfies expectations produces satisfied customers. Expectations being exceeded leads to a “very satisfied or even pleasantly surprised customer.” (Kotler & Keller, 2003, p. 80).

**Independent Variables:** An independent variable is a variable that is manipulated to determine the value of dependent variables

**Tangibles:** Tangibles encompass the appearance of the company representatives, facilities, materials, and equipment.

**Reliability:** Reliability is about the accuracy and timeliness in the service provided.

**Responsiveness:** Responsiveness is the timely reaction towards the customers' needs.

**Assurance:** Assurance (including competence, courtesy, credibility and security), the Knowledge and courtesy of employees and their ability to inspire trust and confidence.

**Empathy:** Empathy (including access, communication, understanding the customer). The Caring and individualized attention that the firm provides to its customers.

### **2.3 Statement of Hypothesis**

A hypothesis statement is typically an educated guess as to the relationship between factors, and serves as the basis for an experiment to test whether the relationship holds true.

**Research Question**

“What is the relationship between service quality delivery dimension and customer satisfaction?”

The following hypothesis has been designed based on above research question and different assumptions for this study are:

H1: Tangibles has positive relationship with customer satisfaction.

H2: Reliability has positive relationship with customer satisfaction.

H3: Responsiveness has positive relationship with customer satisfaction.

H4: Assurance has positive relationship with customer satisfaction.

H5: Empathy has positive relationship with customer satisfaction.

## **Chapter 3**

### **Research Design and Methodology**

#### **3.1 Research Design**

Research design is one of the methods of collecting data. Research design describes about the framework or a guideline that should be followed while conducting research activities. There are different types of research design used in research such as exploratory, analytical, descriptive, etc.

Internee has been used the following types of research design as:

**Descriptive research:** It means a research design that is developed with the aim of studying the subject of research in detail and explains the facts and characteristics related to research problem.

**Analytical research:** It is a specific type of research that involves critical thinking skills and evaluation of facts and information.

#### **3.2 Sample and Sampling**

Sample is the units that are collected from the statistical population. Similarly, sampling refers to the process of selecting the sample (individual, group etc.) based on the nature and necessity of research is known as sampling.

Internee has been used following sample size and sampling method as:

**Simple random sampling method under probability sampling method:** Simple random sampling is used sampling frame can be developed and researchers need to generalize the findings of the research in population.

**Sample Size:** The sample size has been taken around 30 respondents.

The methodology has been employed in obtaining information about customer satisfaction in banking via a survey conduct at a sample of the general consumer population. The survey questionnaire has designed and distributed to target respondent randomly. Targeted respondents have the general public who has at the legal age to hold a Savings and/or Current Account in Siddhartha Banks Ltd in Nepal. The sample size has been taken around 30 respondents.

### 3.3 Data Collection

Data collection is the process of gathering the information from different sources such as primary (includes Interviews, Questionnaires, and Observations) and secondary sources (includes Internet, Magazine, Organizational Past Documents, Computerized database etc.) of data collection.

**Primary Source:** Primary data is the data collected by the researcher themselves i.e. Questionnaire, Interview, and observation action research. Internee has been used Questionnaire method to collect the data. The Questionnaire has been shown at appendix.

Description of Questionnaire:

The survey questionnaire has been conducted via face to face interviews plus questionnaire, so as to ensure that the survey encompasses a certain geographical area. For an easy understanding and reading, the questionnaire has been designed into two parts.

- The first part (Section “A”) of the questionnaire will be taking consideration in the demographic factor of the respondents.
- The second part (Section “B”) of the questionnaire will require the respondent to rate the satisfaction level of the bank they will have chosen or attached with into a five pre-defined level scale (**Likert Type Scale**) - “Strongly Disagree (1)”, “Disagree (2)”, “Neutral (3)”, “Agree (4)” and “Strongly Agree (5)”.

**Secondary Sources:** It refers to data that was collected by someone or somewhere other than user. The following sources have been used of data collection are listed as bellows:

- Internet
- Organizational Past Documents
- Organizational Website etc.

All data collected are fed into the Statistical Package for the Social Sciences (SPSS) and Microsoft Excel for analysis. It has been imperative that all information collate has strictly for the Term Study research purpose only. Likewise, all information and the identity of the respondent have been strictly confidential and have not to be disclosed to any party in any manner.

### **3.4 Data Presentation**

The graphically or symbolically representation of data to understand and communicate easily is known as data presentation. In other words, data presentation is the method by which people summarize, organize and communicate information using a variety of graphical tools, such as diagrams, distribution charts, histograms and graphs.

Internee has been presented the data by the help of pie chart, table, bar diagram and line chart.

### **3.5 Data Analysis**

Data analysis is the process of analyzing the collected data by using data processing procedure as editing, coding, classification, tabulation, presenting the data in a graphical form, and finally summarizing the data. Data are analyzed using various tools such as statistical, mathematical, financial, accounting etc. to draw the conclusions is called data analysis. Most of researcher use statistical tools for analysis of data.

Internee has been analyzed the following things as:

#### **3.5.1 Descriptive Analysis**

Descriptive Statistics are numbers that are used to summarize and describe data. Descriptive Statistics are just descriptive. They do not involve generalization beyond the data at hand. It (includes frequency distribution and mean, median, mode, range, variation, standard deviation, interquartile range, percentile etc.).

##### **3.5.1.1 Frequency Distribution for Demographic Profile**

A frequency distribution is a table that displays the frequency of various outcomes in a sample. Each entry in the table contains the frequency or count of the occurrences of values within a particular group or interval, and in this way, the table summarizes the distribution of values in the sample. It includes some basic information of respondents such as age, gender, qualification, occupation, and monthly income.

### 3.5.1.1.1 Status of Age of the respondents

Table 1: Status of Age of Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 20 years	3	10.0	10.0	10.0
20 to 30 years	16	53.3	53.3	63.3
More than 30 years	11	36.7	36.7	100.0
Total	30	100.0	100.0	

This table illustrates the status of 3 categorical age groups of the respondents (less than 20 years, 20 to 30 years, and more than 30 years) in terms of frequency and percent.

Overall, the higher number of respondents is 20 to 30 years compared to other categorical age group.

According to table, in terms of percent, the higher number of respondents is 20 to 30 years age group represents the more than 50% i.e. 53.3% of the total respondents. The percent of respondents under the more than 30 years age group is higher than less than 20 years age group (about 37% and exactly 10% respectively).

In conclusion we can see that the higher majority of the respondents are under the 20 to 30 years and more than 30 years age group.

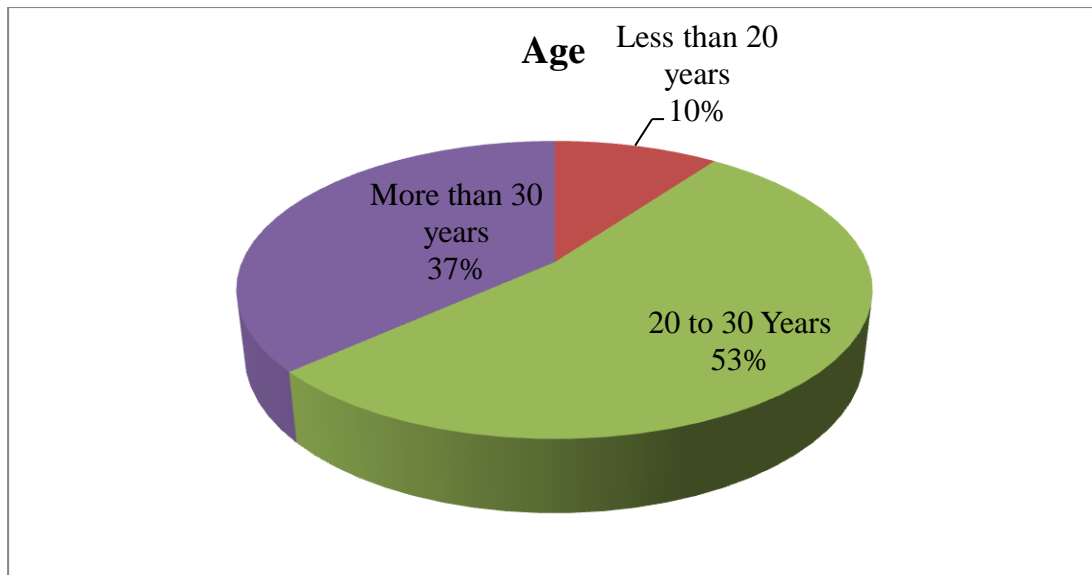


Figure 5: Status of Age of Respondent

This pie chart compares the status of 3 categorical age groups of the respondents (less than 20 years, 20 to 30 years, and more than 30 years) in terms of percent.

Overall, the higher percentage of respondents is 20 to 30 years compared to other categorical age group.

According to pie chart, the higher percentage of respondents is 20 to 30 years age group represents 53% of the total respondents. The percentage of respondents under the more than 30 years age group is higher than less than 20 years age group (37% and 10% respectively).

In conclusion we can see that the higher majority of the respondents are under the 20 to 30 years and more than 30 years age group.

#### 3.5.1.1.2 Status of Gender of the respondents

Table 2: Status of Gender of Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	25	83.3	83.3	83.3
Female	5	16.7	16.7	100.0
Total	30	100.0	100.0	



This table illustrates the status of gender of the respondents in terms of frequency and percent.

Overall, the higher number of respondents is male rather than female.

According to table, the status of gender of the respondents in terms of frequency there is the highest number of respondents is male rather than female i.e. the total number of male and female of the respondents are 25 and 5 respectively.

In terms of percentage the total male and female is about 83% and 17% of total respondents respectively.

In conclusion we can see the higher majority of the respondents are male.

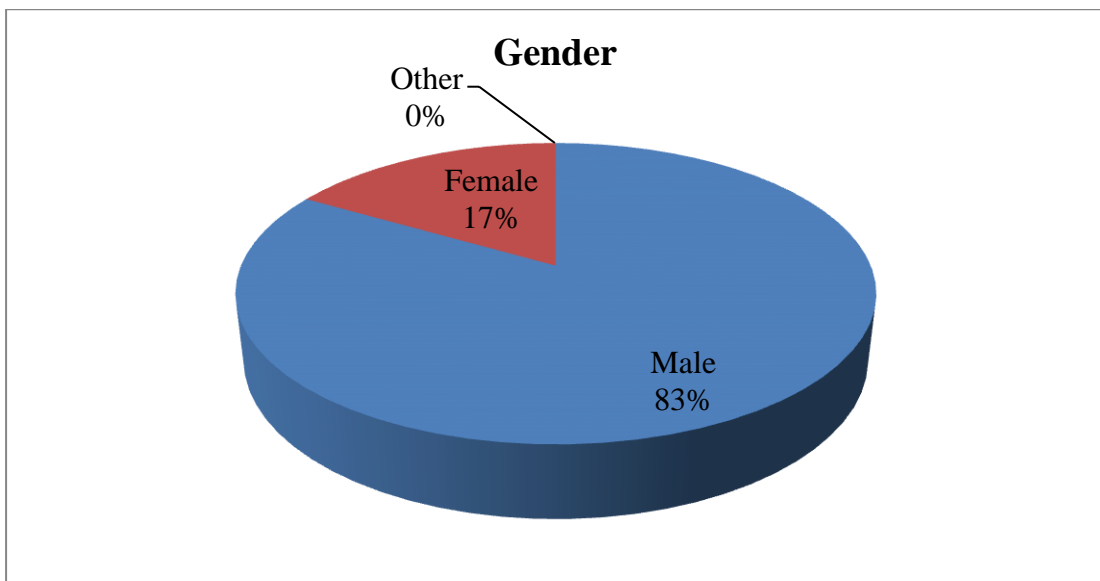


Figure 6: Status of Gender of Respondent

This pie chart shows the status of gender of the respondents in terms of percentage.

Overall, the higher percentage of respondents is male rather than female and others.

According to chart, the status of gender of the respondents in terms of percentage there is the highest percentage of respondents is male rather than female i.e. 83% and 17% of the total respondents are male and female respectively. And there are no any respondents who belonged from other gender.

In conclusion we can see the higher majority of the respondents are male.

### 3.5.1.1.3 Status of Qualification of the respondents

Table 3: Status of Qualification of Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Intermediate level	5	16.7	16.7	16.7
Bachelor level	15	50.0	50.0	66.7
Master level	10	33.3	33.3	100.0
Total	30	100.0	100.0	

This table illustrates the status of qualification of the respondents in terms of frequency and percent.

Overall, the higher number of respondents is bachelor level.

According to table, the status of qualification of the respondents in terms of frequency there is the highest number of respondents is bachelor level rather than master level and intermediate level i.e. the total number of bachelor level, master level and intermediate level respondents are 15, 10 and 5 respectively.

In terms of percentage the total bachelor level respondents are exactly 50% of the total respondents. Similarly, master level and intermediate level respondents are about 33% and 17% of total respondents respectively.

In conclusion we can see that the higher majority of the respondents are bachelor and master level.

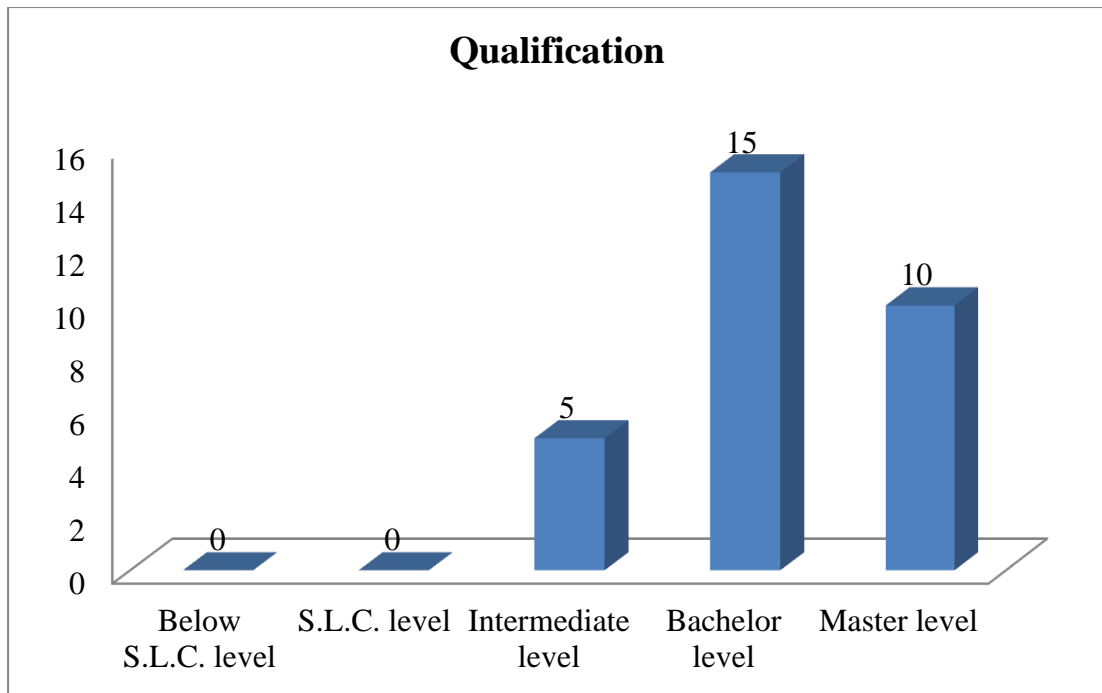


Figure 7: Status of Qualification of Respondent

This bar graph shows the status of qualification of the respondents in terms of frequency.

Overall, the higher number of respondents is bachelor level.

According to graph, there is the highest number of respondents is bachelor level rather than master level, intermediate level, S.L.C. level, and below S.L.C. level. There are no any respondents are S.L.C. level and below S.L.C. level. On the basis of comparison with remaining last three qualifications i.e. intermediate, bachelor, and master level. There are more respondents are bachelor level i.e. the total number of bachelor level respondents are 15 rather than others. But the numbers of respondents of master level is greater than intermediate level i.e. (10 and 5 respectively).

In conclusion we can see that the higher majority of the respondents are bachelor and master level.

#### 3.5.1.1.4 Status of Occupation of the respondents

Table 4: Status of Occupation of Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Govt. Service	1	3.3	3.3	3.3
Private Service	15	50.0	50.0	53.3
Valid Business	6	20.0	20.0	73.3
Other	8	26.7	26.7	100.0
Total	30	100.0	100.0	

This table illustrates the status of occupations of the respondents in terms of frequency and percent.

Overall, the higher number of respondents is private service.

According to table, the status of occupation of the respondents in terms of frequency there is the highest number of respondents is private service rather than govt. service, business and other i.e. the total number of private service, govt. service, business and other respondents are 15, 1, 6 and 8 respectively.

In terms of percentage the total private service respondents are exactly 50% of the total respondents. Similarly, govt. service and other respondents are about 3% and 27% of total respondents respectively. And there are exactly 20% of the total respondents are business.

In conclusion we can see that the higher majority of the respondents are private sector and other.

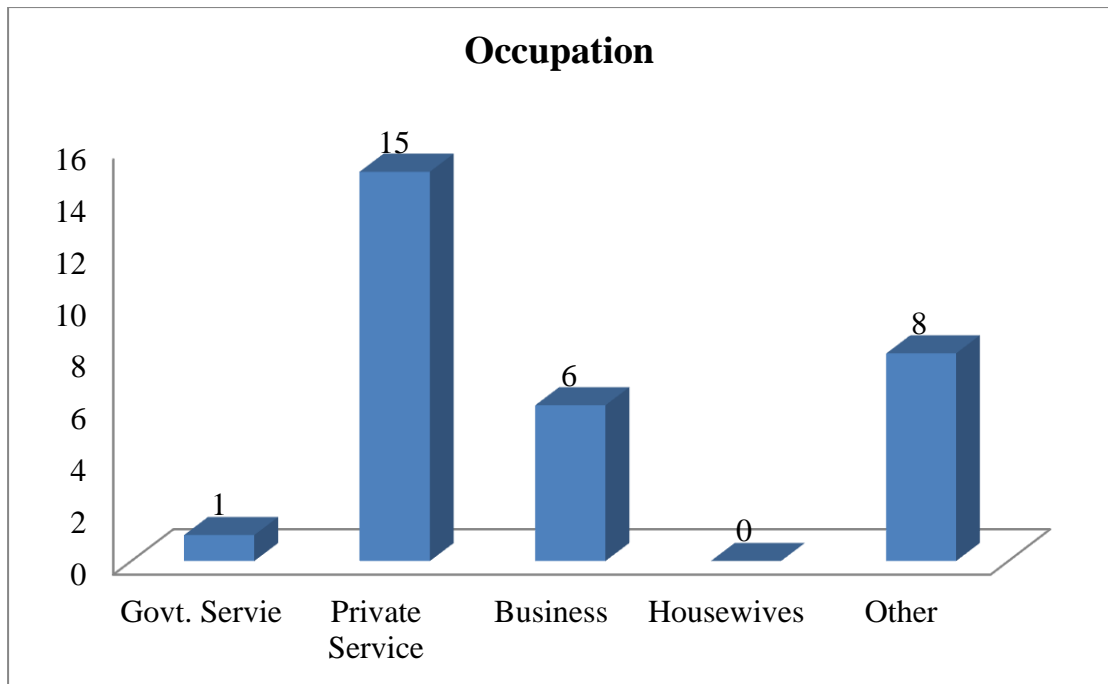


Figure 8: Status of Occupation of Respondent

This bar graph shows the status of occupations of the respondents in terms of frequency.

Overall, the higher number of respondents is private sector.

According to graph, there is the highest number of respondents is private sector rather than govt. service, business, housewives and other. There are no any respondents are housewives. On the basis of comparison, the remaining four occupations (i.e. govt. service, private service, business, and others) there are more respondents are private service i.e. the total number of private service respondents are 15 rather than others. But the numbers of respondents of other is greater than remaining last two occupations i.e. govt. service and business.

In conclusion we can see that the higher majority of the respondents are private sector and other.

### 3.5.1.1.5 Status of Monthly Income of the respondents

Table 5: Status of Monthly Income of Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than Rs. 20K	13	43.3	43.3	43.3
Rs. 20 to 40K	10	33.3	33.3	76.7
Valid Rs. 40 to 80K	5	16.7	16.7	93.3
More than Rs. 80K	2	6.7	6.7	100.0
Total	30	100.0	100.0	

This table illustrates the status of monthly income of the respondents in terms of frequency and percent.

Overall, the higher number of respondents is less than Rs. 20K.

According to table, the status of monthly income of the respondents in terms of frequency there is the highest number of respondents is less than Rs. 20K rather than Rs. 20 to 40K, Rs. 40 to 80K and more than Rs. 80K i.e. the total number of less than Rs. 20K, Rs. 20 to 40K, Rs. 40 to 80K and more than Rs. 80K respondents are 13, 10, 5 and 2 respectively.

In terms of percentage the total less than Rs. 20K respondents are about 43% of the total respondents. And on the basis of comparison for last three range of monthly income, there is the higher percentage of Rs. 20 to 40K i.e. 33% of the total respondents rather than Rs. 40 to 80K and more than Rs. 80K i.e. about 17% and 7% of total respondents respectively.

In conclusion we can see that the higher majority of the respondents are less than Rs. 20K and Rs. 20 to 40K.

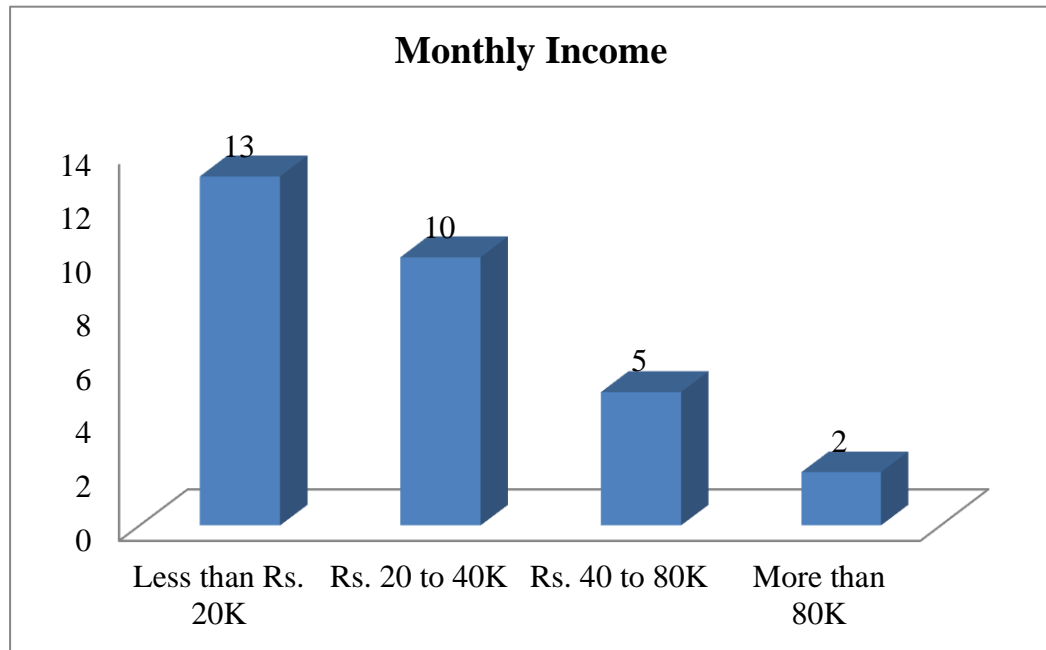


Figure 9: Status of Monthly Income of Respondent

This bar graph shows the status of monthly income of the respondents in terms of frequency.

Overall, the higher number of respondents is less than Rs. 20K.

According to graph, there is the highest number of respondents is less than Rs.20K rather than Rs. 20 to 40K, Rs. 40 to 80K and more than Rs. 80K. This graph shows the increasing the number of respondents with respect to decreasing the range of monthly income. So the higher numbers of the respondents are less than Rs. 20K and Rs. 20 to 40K i.e. the total number of the respondents are 13 and 10 respectively with compared to Rs. 40 to 80K and more than Rs. 80K i.e. the total numbers of the respondents are 5 and 2 respectively.

In conclusion we can see that the higher majority of the respondents are less than Rs. 20K and Rs. 20 to 40K.

### 3.5.1.1.6 Status of respondents according to Age Gender Cross Table

Table 6: Age\*Gender Cross Tabulation

		Gender		Total
		Male	Female	
Age	Less than 20 years	3	0	3
	20 to 30 years	13	3	16
	More than 30 years	9	2	11
Total		25	5	30

This table illustrates the status of the respondents according to combination of age and gender cross table in terms of frequency.

Overall, the higher number of respondents is male with 20 to 30 years age group.

According to table, the higher status of gender of the respondents is male while the status of age is 20 to 30 years age group. In terms of frequency there are total numbers of male are 13 with 20 to 30 years age group. On the basis of comparison for remaining two age groups i.e. less than 20 years and more than 30 years age groups the again the higher majority of the respondents are male rather than female. In terms of frequency the numbers of males are 9 and 3 in more than 30 years and less than 20 years respectively. The higher numbers of females are 3 with 20 to 30 years age group. On the basis of remaining two age groups i.e. less than 20 years and more than 30 years age groups there is more numbers of females are 2 with more than 30 years rather than less than 20 years age group.

In conclusion we can see that the higher majority of the respondents are male with 20 to 30 years age group. On the basis of male there are 13 males with 20 to 30 years age group. Similarly, on the basis of female there are 2 females with more than 30 years.



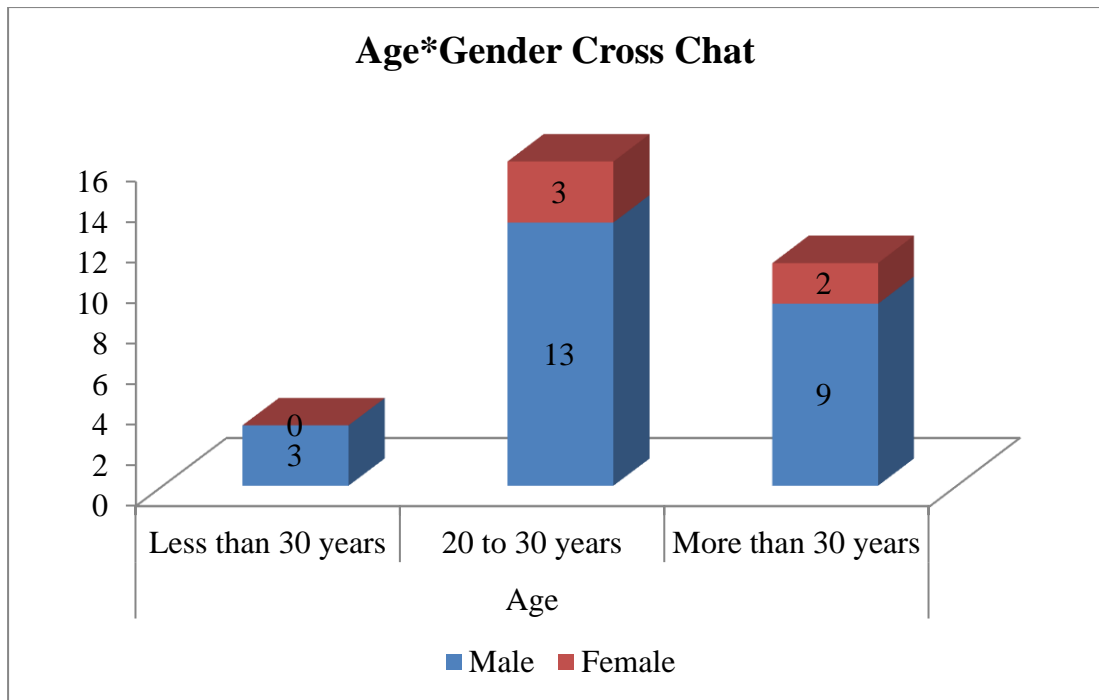


Figure 10: Age\*Gender Cross Chart

This bar graph illustrates the status of the respondents according to combination of age and gender cross table in terms of frequency. The below level (blue color) of the pole in the graph represents the male score and opposed to female.

Overall, the higher number of respondents is male with 20 to 30 years age group.

According to graph, the higher status of gender of the respondents is male while the status of age is 20 to 30 years age group. In terms of frequency there are total numbers of male are 13 with 20 to 30 years age group. On the basis of comparison for remaining two age groups i.e. less than 20 years and more than 30 years age groups the again the higher majority of the respondents are male rather than female. In terms of frequency the numbers of males are 9 and 3 in more than 30 years and less than 20 years respectively. The higher numbers of females are 3 with 20 to 30 years age group. On the basis of remaining two age groups i.e. less than 20 years and more than 30 years age groups there is more numbers of females are 2 with more than 30 years rather than less than 20 years age group.

In conclusion we can see that the higher majority of the respondents are male with 20 to 30 years age group. On the basis of male there are 13 males with 20 to 30 years age group. Similarly, on the basis of female there are 2 females with more than 30 years.

### 3.5.1.2 Dimensions wise Frequency Distribution

It includes some dimensions of questions statements such tangible, reliability, responsiveness, assurance, empathy, and customer satisfaction. These dimensions are directly or indirectly affect the service quality delivery.

#### 3.5.1.2.1 Status of Tangible Dimension

Table 7: Status of Tangible Dimension

Dimension	Scale Point	Frequency	Percentage
Tangible	Strongly Disagree	2	6.67
	Disagree	5	16.67
	Neutral	2	6.67
	Agree	19	63.33
	Strongly Agree	2	6.67
	Total	30	100.00

This table illustrates the status of tangible dimension of the service quality in terms of frequency and percentage.

Overall, the higher numbers of respondents who have been shown the agree perception towards the tangible dimension of service quality.

According to table, the status of tangible dimension in terms of frequency there are the highest numbers of respondents who have been shown the agree perception rather than strongly disagree, disagree, neutral, and strongly agree towards the tangible dimension of service quality i.e. the total numbers of respondents who have shown the agree, strongly disagree, disagree, neutral, and strongly agree perception are 19, 2, 5, 2 and 2 respectively. And there are the equal numbers of the respondents who have been shown the same numbers of respondents in these perceptions categories such as strongly disagree, neutral, and strongly agree i.e. (2 in each categories). In terms of percentage the total numbers of respondents who have been shown the agree perception towards the tangible dimension of service quality i.e. about 63% of the total respondents' who have been shown the agree perception. And on the basis of comparison for last four respondents' perception category, there are 17% of the total respondents' perception who have been shown the disagree perception towards the tangible dimension of service quality rather than strongly disagree, neutral, and

strongly agree perception categories i.e. about 7% of total respondents' perception respectively in each categories. That is there are the equal percentage of the respondents who have been shown the same numbers of respondents in these perceptions categories such as strongly disagree, neutral, and strongly agree i.e. (7% of total respondents in each categories).

In conclusion we can see that the higher majority of the respondents who have been shown agree and disagree perceptions respectively towards the tangible dimension of service quality.

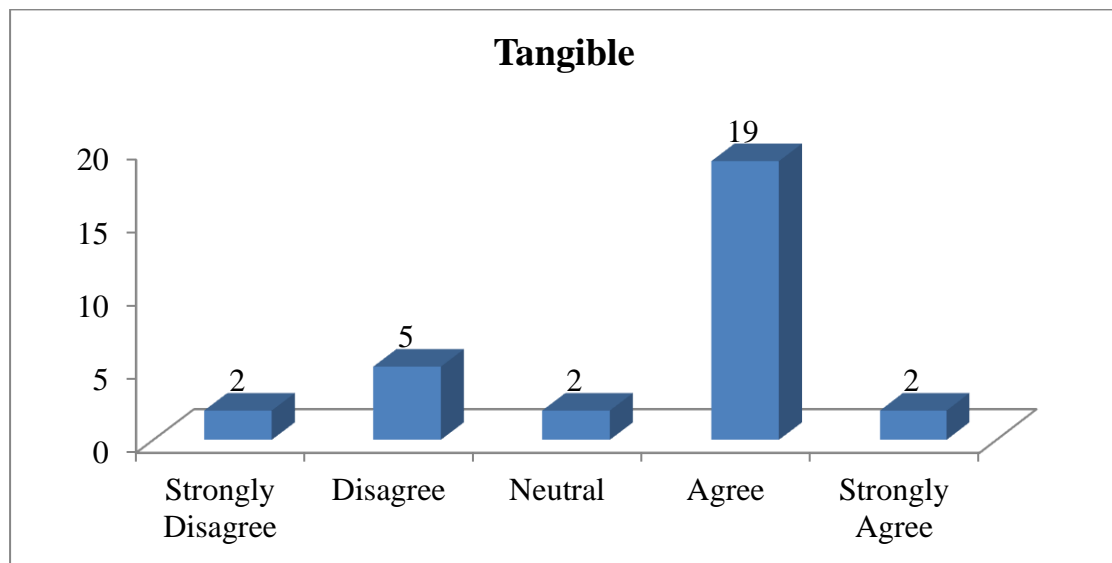


Figure 11: Status of Tangible Dimension

This bar graph chart illustrates the status of tangible dimension of the service quality in terms of numbers of respondents (frequency).

Overall, the higher number of respondents who have been shown the agree perception towards the tangible dimension of service quality.

According to chart, the status of tangible dimension in terms of frequency there are the highest numbers of respondents who have been shown the agree perception rather than strongly disagree, disagree, neutral, and strongly agree towards the tangible dimension of service quality i.e. the total numbers of respondents who have shown the agree, strongly disagree, disagree, neutral, and strongly agree perception are 19, 2, 5, 2 and 2 respectively. And there are the numbers of the respondents who have been shown the same numbers of respondents in these perceptions categories such as strongly disagree, neutral, and strongly agree i.e. (2 in each categories).

In conclusion we can see that the higher majority of the respondents' perception are agreed and disagreed on tangible dimension of service quality.

### 3.5.1.2.2 Status of Reliability Dimension

Table 8: Status of Reliability Dimension

Dimension	Scale Point	Frequency	Percentage
Reliability	Strongly Disagree	3	10.00
	Disagree	2	6.67
	Neutral	8	26.67
	Agree	14	46.67
	Strongly Agree	3	10.00
	Total	30	100.00

This table illustrates the status of reliability dimension of the service quality in terms of frequency and percentage.

Overall, the higher numbers of respondents who have been shown agree perception towards reliability dimension of service quality.

According to table, the status of reliability dimension in terms of frequency there are the highest numbers of respondents who have been shown the agree perception rather than strongly disagree, disagree, neutral, and strongly agree towards the reliability dimension of service quality i.e. the total numbers of respondents who have shown the agree, strongly disagree, disagree, neutral, and strongly agree perception are 14, 3, 2, 8 and 3 respectively. In terms of percentage the total numbers of respondents who have been shown the agree perception towards the reliability dimension of service quality i.e. about 47% of the total respondents' who have been shown the agree perception. And on the basis of comparison for last four respondents' perception category, there are 27% of the total respondents' perception who have been shown the neutral perception towards the reliability dimension of service quality rather than strongly disagree, disagree and strongly agree perception categories (i.e. exactly 10%, about 7%, and 10% respectively). But the percentages of respondents have been shown same or equal percentages of respondents in strongly disagree and strongly agree perception categories (i.e. exactly 10% of total respondents' perceptions in each category).

In conclusion we can see that the higher majority of the respondents who have been shown agree and neutral perception respectively towards the reliability dimension of service quality.

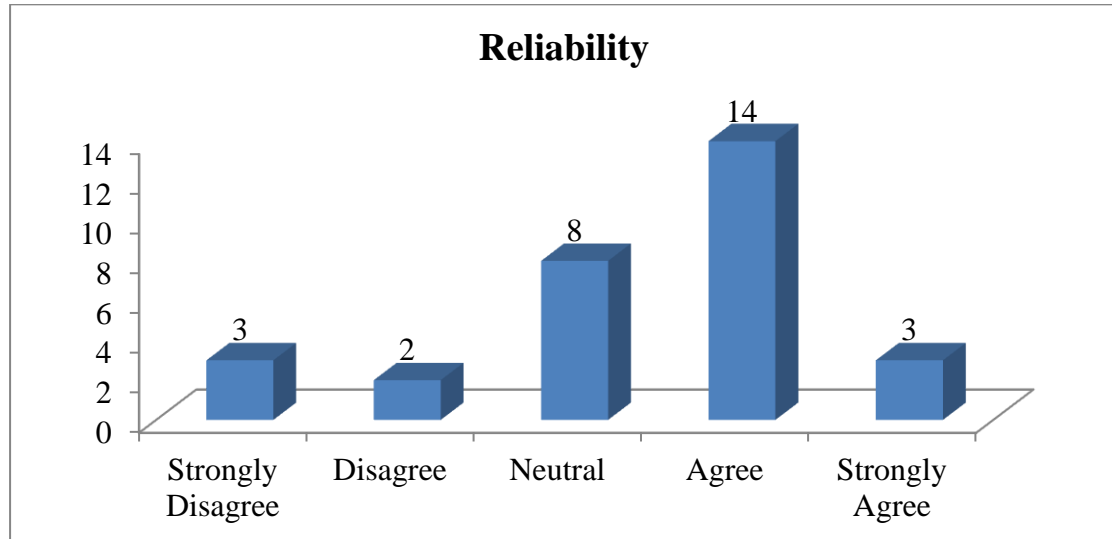


Figure 12: Status of Reliability Dimension

This bar graph chart illustrates the status of reliability dimension of the service quality in terms of frequency.

Overall, the higher numbers of respondents who have been shown the agree perception towards the reliability dimension of service quality.

According to table, the status of reliability dimension in terms of frequency there are the highest numbers of respondents who have been shown the agree perception rather than strongly disagree, disagree, neutral, and strongly agree towards the reliability dimension of service quality i.e. the total numbers of respondents who have been shown the agree, strongly disagree, disagree, neutral, and strongly agree perception are 14, 3, 2, 8 and 3 respectively. But the numbers of respondents have been shown same or equal numbers of respondents in strongly disagree and strongly agree perception categories (i.e. 3 respondents in each category).

In conclusion we can see that the higher majority of the respondents who have been shown agree and neutral perception respectively towards the reliability dimension of service quality.

### 3.5.1.2.3 Status of Responsiveness Dimension

Table 9: Status of Responsiveness Dimension

Dimension	Scale Point	Frequency	Percentage
Responsiveness	Strongly Disagree	3	10.00
	Disagree	5	16.67
	Neutral	6	20.00
	Agree	12	40.00
	Strongly Agree	4	13.33
	Total	30	100.00

This table illustrates the status of responsiveness dimension of the service quality in terms of frequency and percentage.

Overall, the higher numbers of respondents who have been shown agree perception towards responsiveness dimension of service quality.

According to table, the status of responsiveness dimension in terms of frequency there are the highest numbers of respondents who have been shown the agree perception rather than strongly disagree, disagree, neutral, and strongly agree towards the responsiveness dimension of service quality i.e. the total numbers of respondents who have shown the agree, strongly disagree, disagree, neutral, and strongly agree perception are 12, 3, 5, 6 and 4 respectively. In terms of percentage the total numbers of respondents who have been shown the agree perception towards the responsiveness dimension of service quality i.e. about 40% of the total respondents' who have been shown the agree perception. And on the basis of comparison for last four respondents' perception category, there are 20% of the total respondents' perception who have been shown the neutral perception towards the responsiveness dimension of service quality rather than strongly disagree, neutral, and strongly agree perception categories (i.e. exactly 10%, about 17% and about 13% of total respondents' perceptions respectively).

In conclusion we can see that the higher majority of the respondents who have been shown agree and neutral perception respectively towards the responsiveness dimension of service quality.

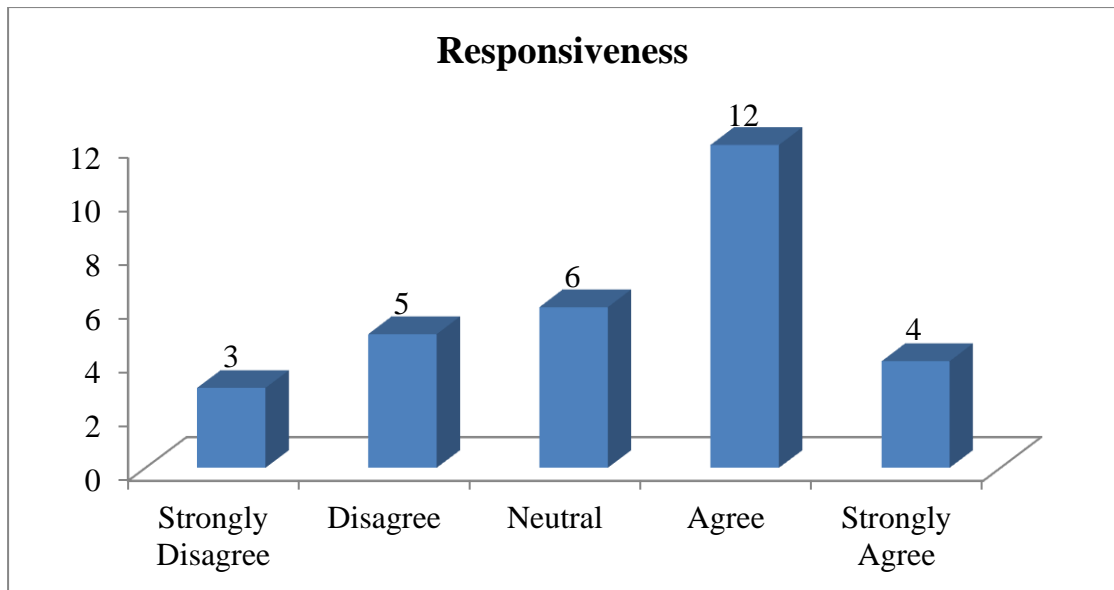


Figure 13: Status of Responsiveness Dimension

This bar graph chart illustrates the status of responsiveness dimension of the service quality in terms of frequency.

Overall, the higher numbers of respondents who have been shown the agree perception towards the responsiveness dimension of service quality.

According to chart, the status of responsiveness dimension in terms of frequency there are the highest numbers of respondents who have been shown the agree perception rather than strongly disagree, disagree, neutral, and strongly agree towards the responsiveness dimension of service quality i.e. the total numbers of respondents who have been shown the agree, strongly disagree, disagree, neutral, and strongly agree perception are 12, 3, 5, 6 and 4 respectively.

In conclusion we can see that the higher majority of the respondents who have been shown agree and neutral perception respectively towards the responsiveness dimension of service quality.

#### 3.5.1.2.4 Status of Assurance Dimension

Table 10: Status of Assurance Dimension

Dimension	Scale Point	Frequency	Percentage
Assurance	Strongly Disagree	2	6.67
	Disagree	4	13.33
	Neutral	3	10.00
	Agree	17	56.67
	Strongly Agree	4	13.33
	Total	30	100.00

This table illustrates the status of assurance dimension of the service quality in terms of frequency and percentage.

Overall, the higher numbers of respondents who have been shown agree perception towards assurance dimension of service quality.

According to table, the status of assurance dimension in terms of frequency there are the highest numbers of respondents who have been shown the agree perception rather than strongly disagree, disagree, neutral, and strongly agree towards the assurance dimension of service quality i.e. the total numbers of respondents who have shown the agree, strongly disagree, disagree, neutral, and strongly agree perception are 17, 2, 4, 3 and 4 respectively. The equal numbers of the respondents who have been shown the same numbers of respondents in these perceptions categories such as disagree and strongly agree i.e. (the numbers of respondents are 4 in each categories). In terms of percentage the total numbers of respondents who have been shown the agree perception towards the assurance dimension of service quality i.e. about 57% of the total respondents' who have been shown the agree perception. The percentages of respondents have been shown same or equal percentages in disagree and strongly agree perception categories (i.e. about 13% of total respondents' perceptions in each category). Similarly, on the basis of comparison for last two respondents' perception category, there are the higher percentages of respondents' perception category is neutral rather than strongly disagree i.e. exactly 10% and about 7% of the total respondents' perception categories respectively.



In conclusion we can see that the higher majority of the respondents who have been shown agree and neutral perception respectively towards the assurance dimension of service quality.

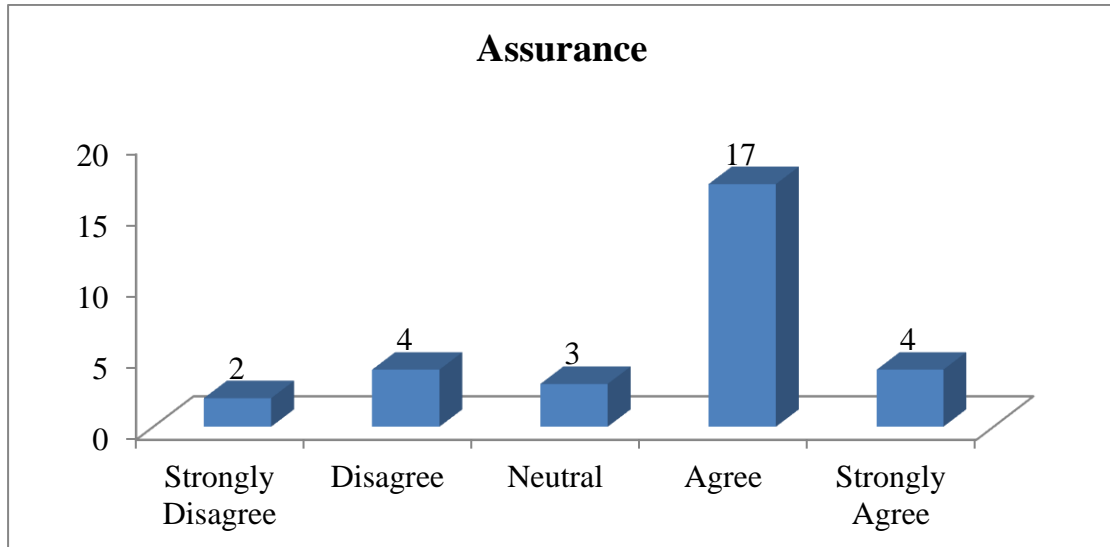


Figure 14: Status of Assurance Dimension

This bar graph chart illustrates the status of assurance dimension of the service quality in terms of frequency.

Overall, the higher numbers of respondents who have been shown the agree perception towards the assurance dimension of service quality.

According to chart, the status of assurance dimension in terms of frequency there are the highest numbers of respondents who have been shown the agree perception rather than strongly disagree, disagree, neutral, and strongly agree towards the assurance dimension of service quality i.e. the total numbers of respondents who have been shown the agree, strongly disagree, disagree, neutral, and strongly agree perception are 17, 2, 4, 3 and 4 respectively. The equal numbers of the respondents who have been shown the same numbers of respondents in these perceptions categories such as disagree and strongly agree i.e. (the numbers of respondents are 4 in each categories).

In conclusion we can see that the higher majority of the respondents who have been shown agree and neutral perception respectively towards the assurance dimension of service quality.

### 3.5.1.2.5 Status of Empathy Dimension

Table 11: Status of Empathy Dimension

Dimension	Scale Point	Frequency	Percentage
Empathy	Strongly Disagree	2	6.67
	Disagree	6	20.00
	Neutral	6	20.00
	Agree	11	36.67
	Strongly Agree	5	16.67
	Total	30	100.00

This table illustrates the status of empathy dimension of the service quality in terms of frequency and percentage.

Overall, the higher number of respondents who have been shown the agree perception towards the empathy dimension of service quality.

According to table, the status of empathy dimension in terms of frequency there are the highest numbers of respondents who have been shown the agree perception rather than strongly disagree, disagree, neutral, and strongly agree towards the empathy dimension of service quality i.e. the total numbers of respondents who have been shown the agree, strongly disagree, disagree, neutral, and strongly agree perception are 19, 2, 5, 2 and 2 respectively. The equal numbers of the respondents who have been shown the same numbers of respondents in these perceptions categories such as disagree and neutral i.e. (the numbers of respondents are 6 in each categories). In terms of percentage the total numbers of respondents who have been shown the agree perception towards the empathy dimension of service quality i.e. about 37% of the total respondents' who have been shown the agree perception. The percentages of respondents have been shown same or equal percentages in disagree and strongly agree perception categories (i.e. exactly 20% of total respondents' perceptions in each category). Similarly, on the basis of comparison for last two respondents' perception category, there are the higher percentages of respondents' perception category is strongly agree rather than strongly disagree i.e. exactly 17% and about 7% of the total respondents' perception categories respectively.

In conclusion we can see that the higher majority of the respondents who have been shown agree and strongly agree perceptions respectively towards the empathy dimension of service quality.

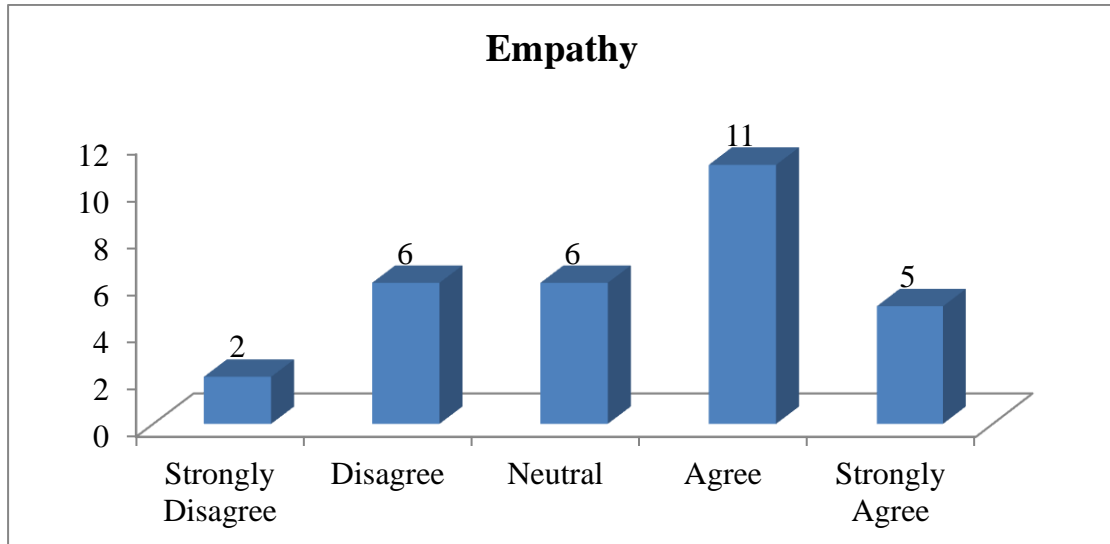


Figure 15: Status of Empathy Dimension

This bar graph chart illustrates the status of empathy dimension of the service quality in terms of frequency.

Overall, the higher numbers of respondents who have been shown the agree perception towards the empathy dimension of service quality.

According to chart, the status of empathy dimension in terms of frequency there are the highest numbers of respondents who have been shown the agree perception rather than strongly disagree, disagree, neutral, and strongly agree towards the empathy dimension of service quality i.e. the total numbers of respondents who have been shown the agree, strongly disagree, disagree, neutral, and strongly agree perception are 19, 2, 5, 2 and 2 respectively. The equal numbers of the respondents who have been shown the same numbers of respondents in these perceptions categories such as disagree and neutral i.e. (the numbers of respondents are 6 in each categories).

In conclusion we can see that the higher majority of the respondents who have been shown agree and strongly agree perceptions respectively towards the empathy dimension of service quality.

### 3.5.1.2.6 Status of Customer Satisfaction Dimension

Table 12: Status of Customer Satisfaction Dimension

Dimension	Scale Point	Frequency	Percentage
Customer Satisfaction	Strongly Disagree	1	3.33
	Disagree	5	16.67
	Neutral	12	40.00
	Agree	10	33.33
	Strongly Agree	2	6.67
	Total	30	100.00

This table illustrates the status of customer satisfaction dimension of the service quality in terms of frequency and percentage.

Overall, the higher number of respondents who have been shown the neutral perception towards the customer satisfaction dimension of service quality.

According to chart, the status of customer satisfaction dimension in terms of frequency there are the highest numbers of respondents who have been shown the neutral perception rather than strongly disagree, disagree, agree, and strongly agree towards the customer satisfaction dimension of service quality i.e. the total numbers of respondents who have been shown the neutral, strongly disagree, disagree, agree, and strongly agree perception are 12, 1, 5, 10 and 2 respectively. In terms of percentage the total numbers of respondents who have been shown the neutral perception towards the customer satisfaction dimension of service quality i.e. about 40% of the total respondents' who have been shown the agree perception. And on the basis of comparison for last four respondents' perception category, there are about 33% of the total respondents' perception who have been shown the agree perception towards the customer satisfaction dimension of service quality rather than strongly disagree, disagree, and strongly agree perception categories (i.e. about 3%, 17% and 7% of total respondents' perception respectively).

In conclusion we can see that the higher majority of the respondents who have been shown neutral and agree perceptions respectively towards the customer satisfaction dimension of service quality.

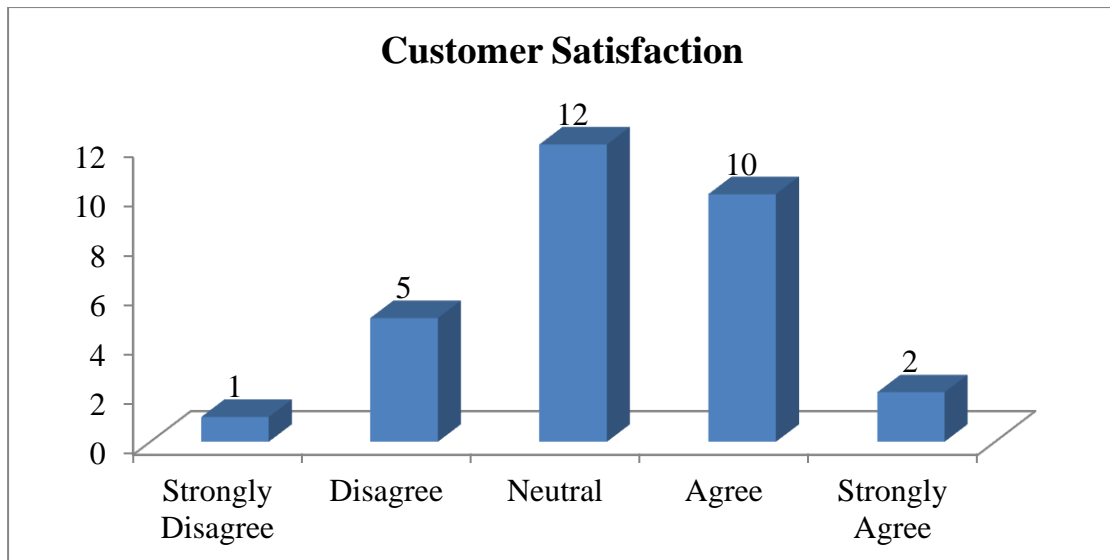


Figure 16: Status of Customer Satisfaction Dimension

This bar graph chart illustrates the status of customer satisfaction dimension of the service quality in terms of frequency.

Overall, the higher numbers of respondents who have been shown neutral perception towards the customer satisfaction dimension of service quality.

According to chart, the status of customer satisfaction dimension in terms of frequency there are the highest numbers of respondents who have been shown the neutral perception rather than strongly disagree, disagree, agree, and strongly agree towards the customer satisfaction dimension of service quality i.e. the total numbers of respondents who have been shown the neutral, strongly disagree, disagree, agree, and strongly agree perception are 12, 1, 5, 10 and 2 respectively.

In conclusion we can see that the higher majority of the respondents who have been shown neutral and agree perceptions respectively towards the customer satisfaction dimension of service quality.

### 3.5.1.3 Perceptions of Respondents

Table 13: Perception of Respondents

Perceptions	No. of Respondents	Percentage
Strongly Disagree	0	0.00
Disagree	7	23.33
Neutral	6	20.00
Agree	15	50.00
Strongly Agree	2	6.67
Total	30	100.00

This table illustrate the perception of respondents in terms of number of respondents (frequency) and percentage in conclusion basis.

Overall, the higher numbers of respondents have been shown agree perception toward the banking activities related to service quality delivery.

According to table, the status of perception of respondents in terms of frequency there is the highest numbers of respondents have been shown agree perception rather than strongly disagree, disagree, neutral and strongly agree perception in terms of frequency i.e. the total number of respondents who have been shown agree, strongly disagree, disagree, neutral, and strongly agree perceptions are 15, 0, 7, 6 and 2 respectively towards the banking activities related to service quality.

In terms of percentage the total numbers of the respondents who have been shown the agree perception who are exactly 50% of the total numbers of respondents. And there are no any respondents who have been shown exactly strongly disagreed perception. Similarly, on the basis of comparison for last three respondents' perception category, there is the higher percentage of disagree perception category respondents i.e. about 23% of the total numbers of respondents rather than neutral and strongly agree perception category respondents i.e. exactly 20% and about 7% of total numbers of respondents respectively towards the banking activities related to service quality.

In conclusion we can see that the higher numbers of the respondents who have been shown agree and disagree perceptions towards the banking activities related to service quality.

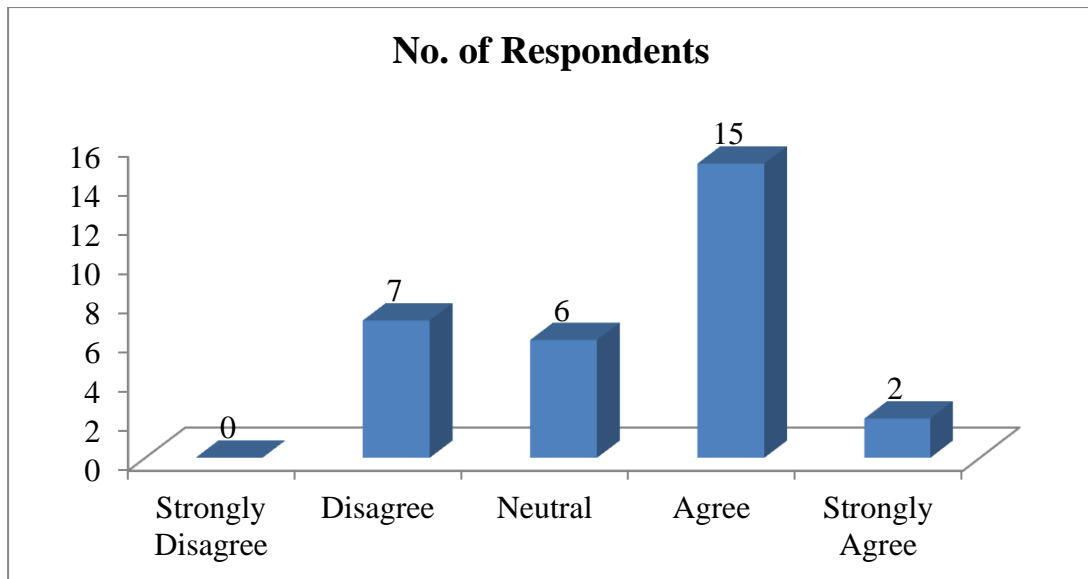


Figure 17: Perception of Respondents

This bar graph chart illustrate the perception of respondents in terms of number of respondents (frequency) in conclusion basis.

Overall, the higher numbers of respondents have been shown agree perception toward the banking activities related to service quality delivery.

According to chart, the status of perception of respondents in terms of frequency there is the highest numbers of respondents have been shown agree perception rather than strongly disagree, disagree, neutral and strongly agree perception in terms of frequency i.e. the total number of respondents who have been shown agreed, strongly disagreed, disagreed, neutral, and strongly agreed perceptions are 15, 0, 7, 6 and 2 respectively towards the banking activities related to service quality. There are no any respondents who have been shown exactly strongly disagreed perception. Similarly, on the basis of comparison for last three respondents' perception category, there is the higher numbers of disagree perception category respondents are 7 rather than neutral and strongly agree perception category respondents i.e. 6 and 2 respectively.

In conclusion we can see that the higher numbers of the respondents who have been shown agree and disagree perceptions towards the banking activities related to service quality.

#### 3.5.1.4. Descriptive Statistics of Demographic Profile

Table 14: Descriptive Statistics of Demographic Profile

	N	Minimum	Maximum	Mean	Std. Deviation
Age	30	1	3	2.27	.640
Gender	30	1	2	1.17	.379
Qualification	30	3	5	4.17	.699
Occupation	30	1	5	2.97	1.326
Monthly Income	30	1	4	1.87	.937
Valid N (list wise)	30				

This table shows that, descriptive statistics of demographic profile. The table includes all the factors of demographic profile which are used in this questionnaire paper. This table explained the descriptive statistics (includes total numbers of sample size, minimum scale point, maximum scale point, mean value for scale point, and the standard deviation scale point).

Overall, the higher minimum, maximum, mean, and standard deviation value of demographic factors represents the qualification factors of the respondents.

In this table, first column represents the total number of the respondents. The second and third column represents the range of the respondents' criteria from minimum to maximum. And the fourth column represents the average score point of the different criteria of the respondents which shows the overall results in a conclusion basis. For example, the mean value of the age is 2.27 i.e. 2 that means the many respondents are 20 to 30 years. Similarly, the mean value of the gender is 1.17 i.e. 1 that means the many respondents are male. And the mean value of qualification, occupation, and monthly income are 4.17 i.e. 4, 2.97 i.e. 3, and 1.87 i.e. 2 respectively that means many respondents are bachelor level qualification, business occupation, and Rs. 20 to 40K monthly income. And the last fifth column represents the variation in different criteria (Standard Deviation). For example, the lowest standard deviation is .379 for gender that means the very few respondents are female. Similarly, the highest



standard deviation is 1.326 for occupation that means some respondents are private sectors or other occupation.

In conclusion we can see in comparison basis with above all criteria it concluded that the many respondents who belong to qualification i.e. Bachelor level respondents who consumed the banking services.

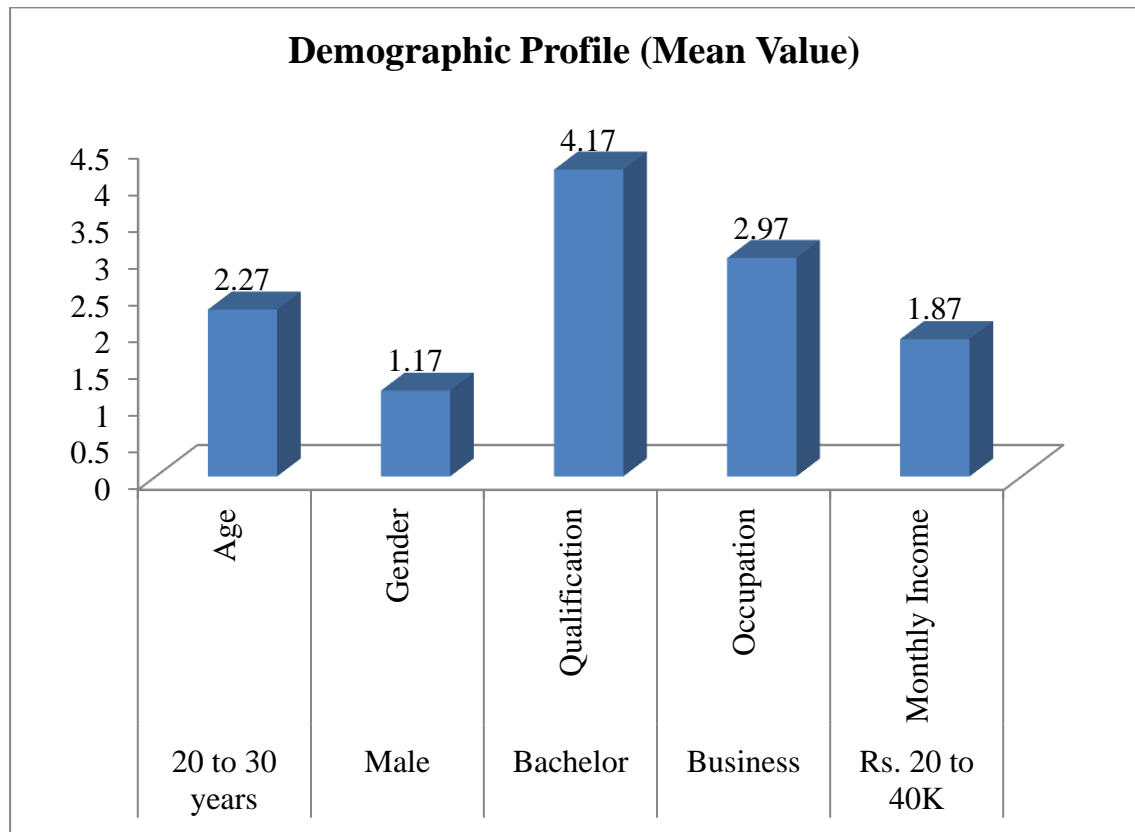


Figure 18: Descriptive Statistics of Demographic Profile

This bar graph shows that, descriptive statistics of demographic profile. The graph includes all the factors of demographic profile which are used in this questionnaire paper. This graph explained the descriptive statistics for mean value of scale point.

Overall, the higher mean value of demographic factors represents the Qualification of the respondents.

According to chart, the higher mean value of demographic factors is qualification i.e. 4.17 of total scale point rather than others which represents the bachelor level respondents. The remaining four last factors of demographic such as age, gender, occupation and monthly income have shown the mean value are 2.27, 1.17, 2.97 and 1.87 respectively. These represent the 20 to 30 years respondents, male respondents,

private service and nearly closer to business respondents, and Rs. 20 to 40 monthly incomes respondents respectively.

In conclusion we can see in comparison basis with above all criteria it concluded that the many respondents who belong to qualification i.e. Bachelor level respondents who consumed the banking services.

### 3.5.1.5. Descriptive Statistic of all Dimensions of Service Quality

Table 15: Descriptive Statistics of all Dimensions of Service Quality

	N	Minimum	Maximum	Mean	Std. Deviation
Tangible	30	1.25	5.00	3.4478	.97817
Reliability	30	1.00	5.00	3.2867	1.02545
Responsiveness	30	1.00	5.00	3.2444	1.15531
Assurance	30	1.00	5.00	3.4222	1.06785
Empathy	30	1.00	5.00	3.2361	1.09991
Customer Satisfaction	30	1.60	4.40	3.2267	.79435
Valid N (list wise)	30				

This table shows that, descriptive statistics of all dimensions of Service Quality. The table includes all the dimensions or variables or factors of service quality which are used in this reports of theoretical framework. This table explained the descriptive statistics (includes total numbers of sample size, minimum scale point, maximum scale point, mean value for scale point, and the standard deviation scale point).

Overall, the higher mean value of all the dimensions or variables or factors of service quality represents the tangible dimension of variable or factor of the service quality.

This table shows that, descriptive statistics of all dimension. In this table, first column represents the total number of the respondents. The second and third column represents the range of the respondents' perception score from minimum to maximum. And the fourth column represents the average score point of the different perception score of the respondents which shows the overall results in a conclusion basis. For example, the mean value of the tangible is 3.4478 i.e. 3 that means the many respondents are neutral with the statements. Similarly, the mean value of the

reliability, responsiveness, assurance, empathy and customer satisfaction are 3.2867, 3.2444, 3.4222, 3.2361 and 3.2267 respectively i.e. 3 that means the many respondents are neutral. And the last fifth column represents the variation in different perception (Standard Deviation). For example, the lowest standard deviation is .79435 for customer satisfaction that means the very few respondents are agree with the statements. Similarly, the highest standard deviation is 1.15531 for responsiveness that means some respondents are agree with the statements.

In conclusion we can see in comparison basis with above all criteria it concluded that the tangible and assurance dimension is in good position rather than others. Because these two dimension's mean value is greater than overall average value (line of minimum level of satisfaction). Similarly, the rest dimension is in bad position because their mean value is below from overall mean value.

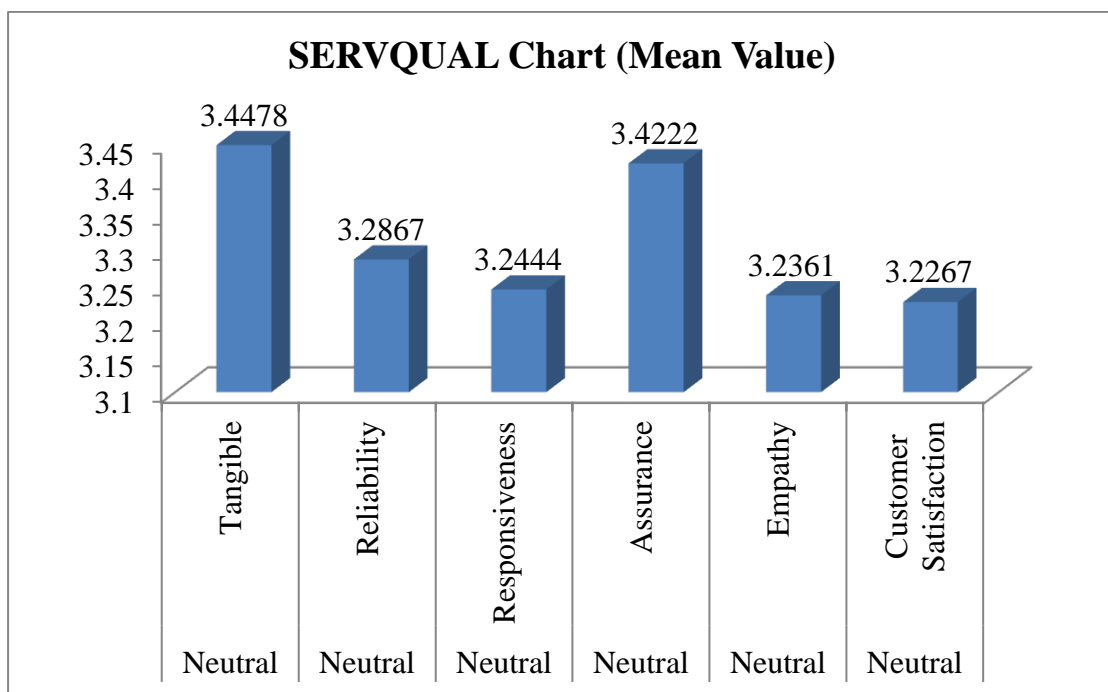


Figure 19: SERVQUAL Chat (Mean Value)

This bar graph shows that, descriptive statistics of all dimensions of Service Quality or SERVQUAL chart on the basis of mean values. The table includes all the dimensions or variables or factors of service quality which are used in this reports of theoretical framework. This graph explained the descriptive for mean value of scale point.

Overall, the higher mean value of all the dimensions or variables or factors of service quality represents the tangible dimension or variable or factor of the service quality.

In this graph, the respondents have been shown the neutral perception in each dimensions of service quality. The higher mean value of service quality variable is tangible i.e. 3.4478 rather than others. This represents the good position of service quality. The remaining five last dimensions or factors of service quality such as reliability, responsiveness, assurance, empathy and customer satisfaction have shown the mean value are 3.2867, 3.2444, 3.4222, 3.2361 and 3.2267 respectively. These represent the bad position, bad position, good position, bad position and bad position respectively of service quality.

In conclusion we can see in comparison basis with above all criteria it concluded that the many physical evidences of the bank such as equipment, pamphlets, documents, infrastructure, uniforms, employees etc. related to tangible dimension of service quality is good. Similarly, the employees of the bank are also good because the Knowledge and courtesy of employees and their ability to inspire trust and confidence related to assurance dimension of service quality.

#### **3.5.1.6 Control Chart for all Variables**

A graphic that depicts whether sampled products or processes are meeting their intended specifications and, if not, the degree by which they vary from those specifications. Analyzing the pattern of variance depicted by a quality control chart can help determine if defects are occurring randomly or systematically.

Different types of quality control charts, such as X-bar chart (Mean chart), S chart (Standard deviation chart), Np (probability charts) charts are used depending on the type of data that needs to be analyzed. A quality control chart can also be univariate or multivariate, meaning that it can show whether a product or process deviates from one or from more than one desired result.

Good quality control helps companies meet consumer demands for better products or services.

Here,

$$\text{Overall Mean} = 3.31065$$

$$\text{S.D.} = 0.098814$$

$$UCL = \bar{X} + (3\sigma)$$

$$UCL = \bar{X} - (3\sigma)$$

Table 16: Data for Control Chart

	Mean	Overall Mean	UCL	LCL
Tangible	3.4478	3.31065	3.6070934	3.0142066
Reliability	3.2867	3.31065	3.6070934	3.0142066
Responsiveness	3.2444	3.31065	3.6070934	3.0142066
Assurance	3.4222	3.31065	3.6070934	3.0142066
Empathy	3.2361	3.31065	3.6070934	3.0142066
Customer Satisfaction	3.2267	3.31065	3.6070934	3.0142066

This table shows the data for control charts. This table includes the mean value of each dimensions of service quality, overall mean value of service quality, value of upper control limit, and lower control limit.

Overall, the higher mean shows the value of tangible and assurance dimension of service quality because that values is greater than overall mean value.

In this table, the first column represents the mean value of the all dimensions of service quality. The second, third and fourth column represents calculation table which has calculated by the help of above formula. The overall mean column represents the minimum level of satisfaction. Similarly, the UCL and LCL column represents the higher satisfaction level and higher dissatisfaction level respectively.

In conclusion we can see in comparison basis with above all criteria it concluded that the tangible and assurance dimension is in good position rather than others. Because these two dimension's mean value is greater than overall average value (line of minimum level of satisfaction). Similarly, the rest dimension is in bad position because their mean value is below from overall mean value.

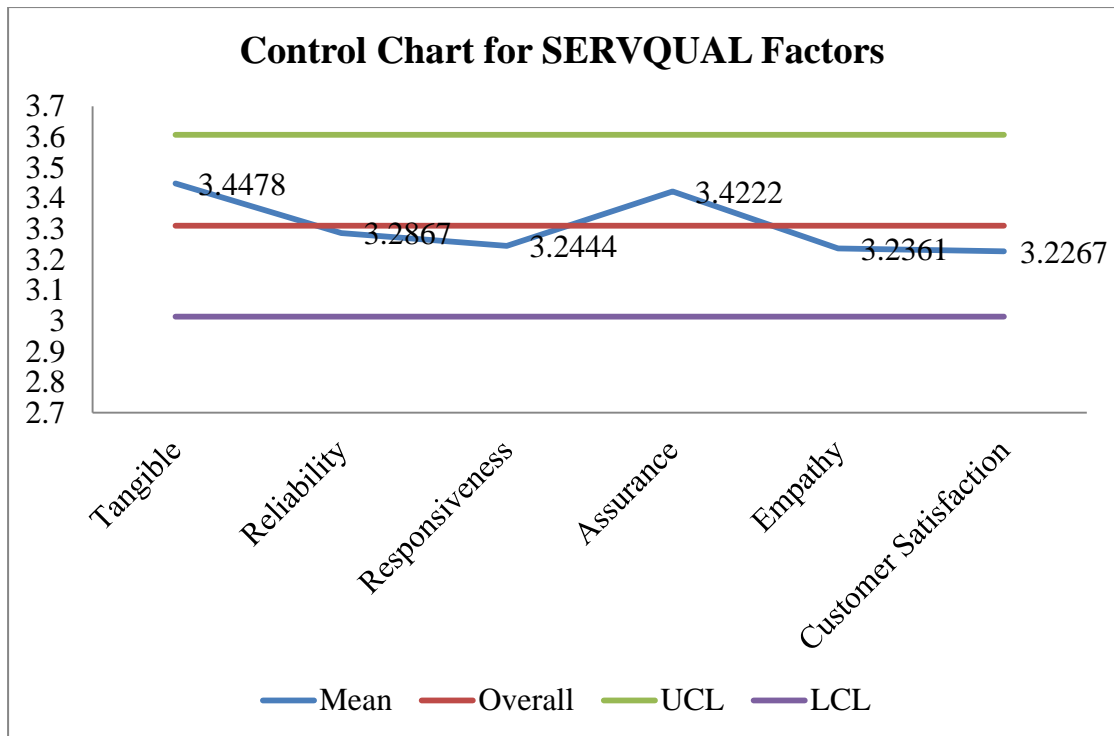


Figure 20: Control Chart for SERVQUAL Factors

This table shows the control charts for SERVQUAL factors. This chart includes the mean value of each dimensions of service quality (blue line), overall mean value of service quality (red line), value of upper control limit (green line), and lower control limit (bringer color line).

Overall, the higher mean shows the value of tangible and assurance dimension of service quality because that values is greater than overall mean value.

In this chart, the highest mean is for tangible while lowest mean for Customer Satisfaction. And the middle line represents that the overall mean value which shows the minimum level of satisfaction.

In conclusion we can see in comparison basis with above all criteria it concluded that the tangible and assurance dimension is in good position (i.e. in the area of satisfaction level) rather than others. Because these two dimension's mean value is greater than overall mean value (i.e. line of minimum level of satisfaction). Similarly, the rest dimension is in bad position (i.e. in the area of dissatisfaction level) because their mean value is below from overall mean value.

### **3.5.2 Inferential Statistics**

Inferential Statistics is used to try to infer from the sample data what the population might think or it is used to make judgments of the probability that an observed difference between groups is a dependable one or one that might have happened by chance in this study. Inferential Statistics (includes first estimation: Confidence interval, linear regression, correlation and second hypothesis testing: z-test, t-test, ANOVA and chi-square test).

#### **3.5.2.1 Reliability Analysis**

Reliability refers to the extent to which a scale produces consistent results, if the measurements are repeated a number of times. The analysis on reliability is called reliability analysis. Reliability analysis is determined by obtaining the proportion of systematic variation in a scale, which can be done by determining the association between the scores obtained from different administrations of the scale. Thus, if the association in reliability analysis is high, the scale yields consistent results and is therefore reliable.

**Internal Consistency Reliability:** In reliability analysis, internal consistency is used to measure the reliability of a summated scale where several items are summed to form a total score. This measure of reliability in reliability analysis focuses on the internal consistency of the set of items forming the scale.

Cronbach's alpha is the most common measure of internal consistency ("reliability"). It is most commonly used when you have multiple Likert questions in a survey/questionnaire that form a scale and you wish to determine if the scale is reliable. If you are concerned with inter-rater reliability, we also have a guide on using Cohen's ( $\kappa$ ) kappa that you might find useful.

The following figure represents that the condition of Cronbach's alpha whether internal consistency should be accepted or rejected (Anida, 2016).

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Figure 21: Cronbach's Alpha Table

This figure is about the Cronbach's alpha range table and their interpretation. This figure is a guideline figure that the Internee has been used for rating or defining the data and their status of reliability.

#### 3.5.2.1.1 Reliability Statistics

Table 17: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.892	.896	6

This table represents the reliability statistics of all dimensions or variables or factors of the service quality. This table includes the Cronbach's alpha, Cronbach's alpha based on standardized items and numbers of items.

From above table, we can see that Cronbach's alpha is .892 for 6 numbers of items includes both variables of service quality.

In above table it concluded that the Cronbach's alpha is greater than .7 according to figure 20 which indicates a high level of internal consistency i.e. good for our scale with this specific sample.



### 3.5.2.1.2 Item-Total Statistics

Table 18: Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Tangible	16.4161	16.633	.883	.834	.847
Reliability	16.5772	17.683	.684	.588	.877
Responsiveness	16.6194	17.512	.598	.450	.894
Assurance	16.4417	16.694	.779	.746	.862
Empathy	16.6278	16.910	.720	.637	.872
Customer Satisfaction	16.6372	19.421	.654	.468	.884

This table shows that Item-Total Statistics. In this table, the first two columns (Scale Mean If Item Deleted) and (Scale Variance If Item Deleted) of the next table generally aren't all that useful. The third column is the correlation between a particular item and the sum of the rest of the items. This tells us how well a particular item "goes with" the rest of the items.

In the output above, the best item appears to be Tangible, with an item-total correlation of  $r = .883$ . The lowest item appears to be Customer Satisfaction, with an item-total correlation of  $r = .654$ . If the number close to zero then we should consider removing the item from your scale because it is not measuring the same thing as the rest of the items.

In the last column (Cronbach's Alpha if Item Deleted), this is very important column. It estimates what the Cronbach's alpha would be if we got rid of a particular item. For example, at the very top of this column, the number is .847. That means that the Cronbach's alpha of this scale would drop from .892 to .847 if we got rid of that item. Because a higher alpha indicates more reliability, it would be a bad idea to get rid of the first item. In fact, if we look down the "Alpha if item deleted" column, we will see that none of the value is greater than the current alpha of the whole scale: .892. This means that we don't need to drop any items.

In above table it concluded that the more reliable data of responsiveness dimension because the highest Cronbach's alpha rather than others.

### 3.5.2.2 Correlation Analysis

The correlation is one of the most common and most useful statistics. A correlation is a single number that describes the degree of relationship between two variables. Correlation is a statistical technique that can show whether and how strongly pairs of variables are related.

The main result of a correlation is called the correlation coefficient (or " $r$ "). It ranges from  $-1.0$  to  $+1.0$ . The closer  $r$  is to  $+1$  or  $-1$ , the more closely the two variables are related. If  $r$  is close to  $0$ , it means there is no relationship between the variables. If  $r$  is positive, it means that as one variable gets larger the other gets larger. If  $r$  is negative it means that as one gets larger, the other gets smaller (often called an "inverse" correlation). The value of  $r$  is always between  $+1$  and  $-1$ . To interpret its value, see which of the following values your correlation  $r$  is closest to:

Table 19: Correlation Range Table

Range	Condition of Relationship
Exactly $-1$	A perfect downhill (negative) linear relationship
$-0.70$	A strong downhill (negative) linear relationship
$-0.50$	A moderate downhill (negative) relationship
$-0.30$	A weak downhill (negative) linear relationship
$0$	No linear relationship
$+0.30$	A weak uphill (positive) linear relationship
$+0.50$	A moderate uphill (positive) relationship
$+0.70$	A strong uphill (positive) linear relationship
Exactly $+1$	A perfect uphill (positive) linear relationship

This table is about the correlation range table. This table is a guideline table that the Internee has been used for rating or defining their relationship between the variables.

Table 20: Correlation Analysis Table

Dependent Variable Independent Variables	Customer Satisfaction
Tangible	.601
Reliability	.489
Responsiveness	.456
Assurance	.532
Empathy	.635
Customer Satisfaction	1.000

This table illustrates that the correlation analysis table. This table represents the relationship between independent variables (dimensions of service quality) and dependent variable (customer satisfaction).

Overall, the higher correlation coefficient value is .635. This represents the empathy dimension of service quality.

In this table the all independent variable have positive relationship with dependent variable. The correlation coefficient of tangible, reliability, responsiveness, assurance and empathy are .601, .489, .456, .532 and .635 respectively. The tangible, assurance and empathy dimensions of service quality correlation coefficient values are .601, .532 and .635 respectively which represents “A moderate uphill (positive) relationship” with customer satisfaction because that values is greater than .50. Similarly, the reliability and responsiveness dimensions of service quality correlation coefficient value is .489 and .456 respectively which represents “A weak uphill (positive) relationship” with customer satisfaction because that values is less than .50. In conclusion we can see the all dimensions of service quality have positive relationship with customer satisfaction. But the empathy has highest positive relationship with customer satisfactions.

Table 21: Correlations and Simple Regression Table

		Tangible	Reliability	Responsiveness	Assurance	Empathy	Customer Satisfaction
Tangible	Pearson Correlation	1	.725**	.581**	.834**	.744**	.601**
	Sig. (2-tailed)		.000	.001	.000	.000	.000
	N	30	30	30	30	30	30
Reliability	Pearson Correlation	.725**	1	.529**	.516**	.560**	.489**
	Sig. (2-tailed)	.000		.003	.004	.001	.006
	N	30	30	30	30	30	30
Responsiveness	Pearson Correlation	.581**	.529**	1	.581**	.374*	.456*
	Sig. (2-tailed)	.001	.003		.001	.042	.011
	N	30	30	30	30	30	30
Assurance	Pearson Correlation	.834**	.516**	.581**	1	.677**	.532**
	Sig. (2-tailed)	.000	.004	.001		.000	.002
	N	30	30	30	30	30	30
Empathy	Pearson Correlation	.744**	.560**	.374*	.677**	1	.635**
	Sig. (2-tailed)	.000	.001	.042	.000		.000
	N	30	30	30	30	30	30
Customer Satisfaction	Pearson Correlation	.601**	.489**	.456*	.532**	.635**	1
	Sig. (2-tailed)	.000	.006	.011	.002	.000	
	N	30	30	30	30	30	30

\*\*. Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

This table shows that correlation and simple regression values for the all variables of service quality. This table includes the Interclass Pearson Correlation (ICC) coefficient value, regression p-value at both 1% and 5% of level of significant (2-tailed test). The one star represents the 5% of level of significant with 2-tailed test. Similarly, double star represents the 1% of level of significant with 2-tailed test.

Overall, the according to above table in terms of correlation coefficient value, the highest interclass coefficient value is .834 which represents “A strong uphill (positive) linear relationship” between assurance and tangible while the lowest interclass coefficient value is .374 which represents “A weak uphill (positive) linear relationship” between empathy and responsiveness. According to simple regression analysis, in terms of p-value at 5% i.e. 0.05 level of significant, the highest interclass p-value is .042 which represents a relationship between empathy and responsiveness which the lowest interclass p-value is .000 which represents a relationship between reliability and tangible, assurance and tangible, empathy and tangible, customer satisfaction and tangible, empathy and assurance and customer satisfaction and empathy.

And remaining all the interclass correlation coefficient value represents the positive relationship among the variables. Similarly all the remaining interclass p-value represents the significantly relationship among the variables. Because all the p-values are less than level of significant at 0.05 (two tailed). Thus all the independent variables have significance relationship with customer satisfaction.

In conclusion the above table it concluded that there are positive relationships among the variables. A strong uphill (positive) linear relationship between assurance and tangible while a weak uphill (positive) relationship between empathy and responsiveness. It has also concluded that the all the independent variables have significance relationship with customer satisfaction and thus the all alternative hypothesis should be accepted according to simple regression analysis (table 21).

### 3.5.2.3 Multiple Regression Analysis

Regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables (or 'predictors').

A correlation analysis can only tell whether or not a strong relationship exists between two variables. From this we still do not know the exact shape of the relationship between the two variables. A regression analysis provides more information about the slope of the relationship. So, for deeper understanding of the relationship of team effectiveness and employee's job performance regression analysis was conducted.

Multiple regression analysis was conducted first, in order to identify relationships between the various independent and dependent variables. Multiple regression analysis can avoid premature focus on a single predictor and non-optimal combinations of predictors. Additionally, multiple regression analysis allows for the development of a more sophisticated model of the relationships of variables, where simple linear regression analysis may provide results that may be misleading, due to the complexity of the interactions of multiple independent variables. Based on the results of the multiple regression analysis, simple linear regression analysis was used to further refine the models of independent and dependent variables.

Regression models involve the following variables:

The unknown parameters, denoted as  $\beta$ , which may represent a scalar or a vector.

The independent variables  $X$

The dependent variable  $Y$

The multiple linear regression models for the study are:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e_i$$

Where,

$\hat{Y}$  = Dependent variable (Customer Satisfaction)

$\alpha$  = Intercept (Constant)

$X_1$  = Tangible

$X_2$  = Reliability

$X_3$  = Responsiveness

$X_4$  = Assurance

$X_5$  = Empathy

$e_i$  = Error Term (Residual Value)

Table 22: Regression Summary Output (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.684 <sup>a</sup>	.468	.357	.63701	.468	4.219	5	24	.007

a. Predictors: (Constant), Empathy, Responsiveness, Reliability, Assurance, Tangible

b. Dependent Variable: Customer Satisfaction

Table 23: ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	8.560	5	1.712	4.219	.007 <sup>b</sup>
Residual	9.739	24	.406		
Total	18.299	29			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Empathy, Responsiveness, Reliability, Assurance, Tangible

Table 24: Regression Coefficient Table

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	1.295	.463	2.795	.010
	Tangible	.123	.296	.416	.681
	Reliability	.031	.180	.174	.864
	Responsiveness	.137	.135	1.011	.322
	Assurance	-.025	.220	-.113	.911
	Empathy	.323	.166	1.948	.063

**On the basis of regression summary output (model summary) or table 21**

This table shows the situation of correlation on the basis of joint all the independent variable (R), variation of R ( $R^2$ ), variation of R after adjusting the degree of freedom (adjusted  $R^2$ ) and standard error of estimate.

The R represents the total or jointly correlation between the independent variables (predictors) and dependent variable (customer satisfaction). Here the value of R is .684 that means a moderate uphill (positive) relationship between all independent variables (predictors) and dependent variable (customer satisfaction) and closer to .70 according to table 19. Similarly,  $R^2$  represents the variation in the dependents variables on the basis of before adjustment of degree of freedom. Here, the value of  $R^2$  is .468 i.e. 46.8% means of the total variation in the dependent variable (customer satisfaction), 46.8% is due to the variation in the independent variables (predictors).

The adjusted  $R^2$  represents the variation in the dependent variable on the basis of after adjustment of total degree of freedom. Here the value of adjusted  $R^2$  is .357 i.e. 35.7% means of the total variation in the dependent variable (customer satisfaction), 35.7% is due to the variation in the independent variables (predictors) after adjusting the degree of freedom. The value of std. error of the estimate is .63701 means the 95% of the residual falls within ( $2 \times .63701$ ) = 1.27402 of the fitted regression line.

In conclusion the above table it concluded that the value of R and  $R^2$  are 68.4% and 46.8% respectively that means a moderate uphill (positive) relationship between all independent variables (predictors) and dependent variable (customer satisfaction) and closer to .70 according to table 19 and of the total variation in the dependent variable (customer satisfaction), 46.8% is due to the variation in the independent variables (predictors) respectively.

**On the basis of ANOVA or table 22**

This table shows the situation of relationship jointly on the basis of sig. that is p-value.

The value of sig. or the p-value for our independent variables (predictors) is .007. Thus there is significance relationship between the independent variables (predictors) and dependent variable (customer satisfaction). Since the p-value (.007) is less than at 5 % level of significance or alpha value (.05) i.e. (.007 < .05).

In conclusion the above table it concluded that the joint effect of all the independent variable (predictors) has significance relationship with dependent variable (customer



satisfaction). Since the p-value is less than level of significance i.e. (.007<.05) thus the all alternative hypothesis should be accepted according to ANOVA table (table 22).

### **On the basis of regression coefficient or table 23**

This table shows the situation of the relationship individually on the basis of sig. that p-value and the beta (B) values for linear equation. The each beta (B) values are positive for our all independent variables (predictors) except the independent variable assurance. The beta (B) values indicates that the effect in the dependent variable (customer satisfaction) due to the values of independent variables when the any changes (i.e. either increase or decrease the value by one units) in the independent variables (predictors).

Here all the independents variables (predictors) are not significance with dependent variable (customer satisfaction). Since the p-value of each independent variables (predictors) is greater than the value of 5% level of significance.

The higher p-value of independent variable (reliability) is .864 while the lower p-value of independent variable (empathy) is .063. Both and all rest independent variables (predictors) have no significance relationship with the dependent variable (customer satisfaction).

In conclusion the all independent variable (predictors) have no significance relationship with the dependent variable (customer satisfaction) individually. Since their all p-values is greater than level of significance. Thus the all alternative hypothesis should be rejected according to regression coefficient table (table 23).

### **For estimated multiple regression equation**

Therefore, the estimated multiple regression equation for 5 independent variables such as Customer Satisfaction, Tangible, Reliability, Responsiveness, and Assurance is:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e_i$$

Substituting the values of regression coefficient for each predictor variables from the generated table, the best fitting regression equation for these data will be:

$$\hat{Y} = 1.295 + 0.123X_1 + 0.031X_2 + 0.137X_3 - 0.025X_4 + 0.323X_5 + e_i$$

From above regression equation, we can see that, there are positive and negative relationship between dependent and independent variables.

### **3.5.2.3.1 Interpretation of variables**

#### **Customer Satisfaction**

The intercept for customer satisfaction is 1.295. This indicates that if the all independent variables are equal to 0, then customer satisfaction score value indicates by 1.295.

#### **Tangible**

The coefficient for tangible is 0.123. This means that if Tangible (X1) differed by one unit (and X2, X3, X4, X5 did not differ) Y will differ by 0.123 (B1) units, on average.

#### **Reliability**

The coefficient for reliability is 0.031. This means that if Reliability (X2) differed by one unit (and X1, X3, X4, X5 did not differ) Y will differ by 0.031 (B2) units, on average.

#### **Responsiveness**

The coefficient for responsiveness is 0.137. This means that if Responsiveness (X3) differed by one unit (and X1, X2, X4, X5 did not differ) Y will differ by 0.137 (B3) units, on average.

#### **Assurance**

The coefficient for assurance is -0.025. This means that if Assurance (X4) differed by one unit (and X1, X2, X3, X5 did not differ) Y will differ by -0.025 (B4) units, on average.

#### **Empathy**

The coefficient for empathy is 0.323. This means that if Empathy (X5) differed by one unit (and X1, X2, X3, X4 did not differ) Y will differ by 0.323 (B5) units, on average.

#### 3.5.2.4 SWOT Analysis

SWOT Analysis identifies and analyses the main internal and external factors which influence the future direction and success of a business. It comprises strengths and weaknesses which are the internal factors and opportunities and threats which are the external factors that affect the organization. Such analysis helps managers in strategic planning.

**Strengths:** It refers to a good or beneficial quality or attribute of a person or thing. It is one of the internal environment factors of the organization or company. It shows the situation inside the organization or company. It also shows the factors that tend to be in the present.

**Weakness:** The state or condition of lacking strength is known as weakness. It is also one of the internal environment factors of the organization or company. It shows the situation inside the organization or company. It also shows the factors that tend to be in the present.

**Opportunities:** A set of circumstances that makes it possible to do something is known as opportunity. It is one of the external environment factors of the organization or company. It shows the situation outside the organization or company. It also shows the factors that tend to be in the future.

**Threats:** It refers to a statement of an intention to inflict pain, injury, damage, or other hostile action on someone in retribution for something done or not done. It is also one of the external environment factors of the organization or company. It shows the situation outside the organization or company. It also shows the factors that tend to be in the future.

#### SWOT matrix (2x2 matrix using internal/external categories)

Here is a typical extension of the basic SWOT analysis grid into a useful 'action based' 2 x 2 SWOT matrix. Here the 2x2 matrix model automatically suggests actions for issues arising from the SWOT analysis, according to four different categories:

Table 25: 2 X 2 SWOT Matrix Analysis

<b>Strength (Internal)</b>	<b>Weakness (Internal)</b>
<ul style="list-style-type: none"> <li>• Bank Operating Hour is very good (Tangible)</li> <li>• Diversified product and services provided to customers (Tangible)</li> <li>• Adequate number of branches all over Nepal (Tangible)</li> <li>• Dedicated, experienced and well trained employees (Assurance)</li> <li>• Machine technology service provided to its customers (Assurance)</li> </ul>	<ul style="list-style-type: none"> <li>• Product and services delivery time is high by human reliability (Reliability)</li> <li>• High work load (Reliability)</li> <li>• Unity of command (Reliability)</li> <li>• Employees spent more time for respond the customers (Responsiveness)</li> <li>• Employee has not maintain and improve their empathy skills (Empathy)</li> </ul>
<b>Opportunities (External)</b>	<b>Threats (External)</b>
<ul style="list-style-type: none"> <li>• It can provide better training to their employees to be able to adept themselves with the new technology</li> <li>• It can further increase its spread with the provision of new schemes</li> <li>• It can establish links with the foreign banks to provide extra facilities</li> <li>• It can come up with new innovative products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Political problems ongoing in the country</li> <li>• Lack of stable government</li> <li>• Rapid growth in internet technology</li> <li>• Various rules and regulations imposed by the governments/NRB</li> <li>• Highly informed customers pose a challenge for the bank to provide better service</li> </ul>

## **Chapter 4**

### **Result and Discussion**

This chapter describes about the various results and discusses of the analyzed data on the basis of predicted hypothesis.

#### **4.1 Hypothesis Testing Result from Correlation Analysis table**

The following results of hypothesis testing based on correlation analysis are as follows:

H1: Tangibles has positive relationship with customer satisfaction

The correlation analysis shows that there is positive relationship between tangible and customer satisfaction. Because of the correlation coefficient of tangible variable is .601. It indicates that the tangible is a moderate uphill (positive) relationship with customer satisfaction and closer to .70 according to table 19. Hence H1 is accepted.

H2: Reliability has positive relationship with customer satisfaction.

The correlation analysis shows that there is positive relationship between reliability and customer satisfaction. Because of the correlation coefficient of reliability variable is .489. It indicates that the reliability is a moderate uphill (positive) relationship with customer satisfaction and closer to .50 according to table 19. Hence H2 is accepted.

H3: Responsiveness has positive relationship with customer satisfaction.

The correlation analysis shows that there is positive relationship between responsiveness and customer satisfaction. Because of the correlation coefficient of responsiveness variable is .456. It indicates that the responsiveness is a moderate uphill (positive) relationship with customer satisfaction and closer to .50 according to table 19. Hence H3 is accepted.

H4: Assurance has positive relationship with customer satisfaction.

The correlation analysis shows that there is positive relationship between assurance and customer satisfaction. Because of the correlation coefficient of assurance variable is .532. It indicates that the assurance is a moderate uphill (positive) relationship with customer satisfaction and closer to .70 according to table 19. Hence H4 is accepted.

H5: Empathy has positive relationship with customer satisfaction.

The correlation analysis shows that there is positive relationship between empathy and customer satisfaction. Because of the correlation coefficient of empathy variable is .635. It indicates that the empathy is a moderate uphill (positive) relationship with customer satisfaction and closer to .70 according to table 19. Hence H5 is accepted.

#### **4.2 Hypothesis testing from Multiple Regression analysis table**

The P value is defined as the probability under the assumption of no effect or no difference (null hypothesis), of obtaining a result equal to or more extreme than what was actually observed. If the P-value is less than (or equal to)  $\alpha$ , then the null hypothesis is rejected in favor of the alternative hypothesis. And, if the P-value is greater than  $\alpha$ , then the null hypothesis is accepted.

The following results of hypothesis testing based on regression analysis are as follows:

##### **Tangible**

For independent variable Tangible ( $X_1$ ) has  $\beta_1=0.123$  with p-value 0.681. A p-value of 0.681 is 68.1%. This means there is a 68.1% chance your results could be random (i.e. happened by chance). That's high. The p-value falls in the acceptance zone thus there is not significant relationship between independent variable ( $X_1$ ) and dependent variable (Customer Satisfaction). According to level of significance at 5% with two tailed test, the p-value is greater than level of significance i.e. ( $0.681 > 0.05$ ). Thus the alternative hypothesis (H1) is rejected.

##### **Reliability**

For independent variable Reliability ( $X_2$ ) has  $\beta_1=0.031$  with p-value 0.864. A p-value of 0.864 is 86.4%. This means there is 86.4% chance your results could be random (i.e. happened by chance). That's very high. The p-value falls in the acceptance zone thus there is not significant relationship between independent variable ( $X_2$ ) and dependent variable (Customer Satisfaction). According to level of significance at 5% with two tailed test, the p-value is greater than level of significance i.e. ( $0.864 > 0.05$ ). Thus the alternative hypothesis (H2) is rejected.

##### **Responsiveness**

For independent variable Responsiveness ( $X_3$ ) has  $\beta_1=0.137$  with p-value 0.322. A p-value of 0.322 is 32.2%. This means there is a 32.2% chance your results could be random (i.e. happened by chance). That's low. The p-value falls in the acceptance zone thus there is not significant relationship between independent variable ( $X_3$ ) and dependent variable (Customer Satisfaction). According to level of significance at 5% with two tailed test, the p-value is greater than level of significance i.e. ( $0.322>0.05$ ). Thus the alternative hypothesis ( $H_3$ ) is rejected.

### **Assurance**

For independent variable Assurance ( $X_4$ ) has  $\beta_1= -0.025$  with p-value 0.911. A p-value of 0.911 is 91.1%. This means there is a 91.1% chance your results could be random (i.e. happened by chance). That's very high. The p-value falls in the acceptance zone thus there is not significant relationship between independent variable ( $X_4$ ) and dependent variable (Customer Satisfaction). According to level of significance at 5% with two tailed test, the p-value is greater than level of significance i.e. ( $0.911>0.05$ ). Thus the alternative hypothesis ( $H_4$ ) is rejected.

### **Empathy**

For independent variable Empathy ( $X_5$ ) has  $\beta_1=0.323$  with p-value 0.063. A p-value of 0.063 is 6.3%. This means there is a 6.3% chance your results could be random (i.e. happened by chance). That's very low. The p-value falls in the acceptance zone thus there is not significant relationship between independent variable ( $X_5$ ) and dependent variable (Customer Satisfaction). According to level of significance at 5% with two tailed test, the p-value is greater than level of significance i.e. ( $0.063>0.05$ ). Thus the alternative hypothesis ( $H_5$ ) is rejected.

## **Chapter 5**

### **Summary and Discussion**

#### **5.1 Summary**

This study has been analyzed on “Service Delivery Quality and Its Impact on Customer Satisfaction in Banking Sector of Nepal, Siddhartha Bank Ltd.” The problems has been identifies that “To what extent do the tangible, reliability, responsiveness, assurance and empathy affect the customer satisfaction in Banking Sectors of Nepal, Siddhartha Bank Ltd.?” The main objective of this study has been to applied theoretical knowledge into practical life.

The research question has been used for this study is that “What is the relationship between service quality delivery dimensions and customer satisfaction?” The SERVQUAL model or tools has been used to state the hypothesis based on theoretical framework. The hypothesis is stated by showing there is positive relationship between service quality dimension and customer satisfaction.

The descriptive and analytical research design has been used for this study. There are total 30 number of respondent are taken in the form of sample size by using simple random sampling method. The data has been collected from both sources of data collection i.e. primary and secondary. The questionnaire tool under the primary source of data collection has been used to collect the main data of this study and the other data has been collected from internet sites, annual reports, organizational past documents, etc. under the secondary source of data collection. The data has been presented through the use of various tools of data presentation such as charts, table, bar graph, line chart, etc. There are basically three things has been analyzed for this study such as descriptive statistics (frequency distribution of demographic profile of respondents, descriptive statistics), inferential statistics (reliability, correlation, multiple regression analysis) and SWOT analysis.

The results of this study are according to correlation analysis there is positive relationship between all service quality delivery dimension and customer satisfaction. Similarly, according to multiple regression analysis, there is no significance relationship between independent variable (predictors) and dependent variable (customer satisfaction). According to reliability analysis, there is high level of internal consistency i.e. good for our scale with this specific sample because the Cronbach's alpha is .892 which is greater than .7. According to SWOT analysis, the many



problems are found that in three dimensions of service delivery quality such as reliability, responsiveness, and empathy.

## **5.2 Major Findings**

On the basis of above analysis (includes demographic profiles of respondents' status analysis, service quality dimensions or variables' status analysis, correlation analysis regression analysis, and SWOT analysis) the following major findings have been concluded as:

- Out of 30 copies of survey forms distributed, 30 responded. The mode of communication has been used via face to face interview which yielded a total respond rate of 100%.
- The higher majority of the respondents are under the 20 to 30 years and more than 30 years age group.
- The higher majority of the respondents are male.
- The higher majority of the respondents are bachelor and master level.
- The higher majority of the respondents are private sector and other.
- The higher majority of the respondents are less than Rs. 20K and Rs. 20 to 40K.
- The higher majority of the respondents are male with 20 to 30 years age group. On the basis of male there are 13 males with 20 to 30 years age group. Similarly, on the basis of female there are 2 females with more than 30 years.
- The higher majorities of the respondents who have been shown agree and disagree perceptions respectively towards the tangible dimension of service quality.
- The higher majority of the respondents who have been shown agree and neutral perception respectively towards the reliability dimension of service quality.
- Higher majority of the respondents who have been shown agree and neutral perception respectively towards the responsiveness dimension of service quality.
- The higher majority of the respondents who have been shown agree and neutral perception respectively towards the assurance dimension of service quality.
- Higher majority of the respondents who have been shown agree and strongly agree perceptions respectively towards the empathy dimension of service quality.

- The higher majority of the respondents who have been shown neutral and agree perceptions respectively towards the customer satisfaction dimension of service quality.
- The higher numbers of the respondents who have been shown agree and disagree perceptions towards the banking activities related to service quality.
- The many respondents who belong to qualification i.e. Bachelor level respondents who consumed the banking services.
- The tangible and assurance dimension is in good position rather than others. Because these two dimension's mean value is greater than overall average value (line of minimum level of satisfaction). Similarly, the rest dimension is in bad position because their mean value is below from overall mean value.
- Cronbach's alpha is .892 for 6 numbers of items includes both variables of service quality.
- The more reliable data of responsiveness dimension because the highest Cronbach's alpha rather than others.
- The all dimensions of service quality have positive relationship with customer satisfaction. But the empathy has highest positive relationship with customer satisfactions.
- A strong uphill (positive) linear relationship between assurance and tangible while a weak uphill (positive relationship between empathy and responsiveness. It has also concluded that the all the independent variables have significance relationship with customer satisfaction and thus the all alternative hypothesis should be accepted according to simple regression analysis (table 21)
- The value of R and  $R^2$  are 68.4% and 46.8% respectively that means a moderate uphill (positive) relationship between all independent variables (predictors) and dependent variable (customer satisfaction) and closer to .70 according to table 19 and of the total variation in the dependent variable (customer satisfaction), 46.8% is due to the variation in the independent variables (predictors) respectively.
- The joint effect of all the independent variable (predictors) has significance relationship with dependent variable (customer satisfaction). Since the p-value is less than level of significance i.e. (.007<.05) thus the all alternative hypothesis should be accepted according to ANOVA table (table 22).

- The all independent variable (predictors) have no significance relationship with the dependent variable (customer satisfaction) individually. Since their all p-values is greater than level of significance. Thus the all alternative hypothesis should be rejected according to regression coefficient table (table 23).
- Bank operating hour is very good (tangible) and product and services delivery time is high by human reliability (reliability)
- Tangible is a moderate uphill (positive) relationship with customer satisfaction and closer to .70 according to table 19. Hence H1 is accepted.
- Reliability is a moderate uphill (positive) relationship with customer satisfaction and closer to .50 according to table 19. Hence H2 is accepted.
- It indicates that the responsiveness is a moderate uphill (positive) relationship with customer satisfaction and closer to .50 according to table 19. Hence H3 is accepted.
- The assurance is a moderate uphill (positive) relationship with customer satisfaction and closer to .70 according to table 19. Hence H4 is accepted
- That the empathy is a moderate uphill (positive) relationship with customer satisfaction and closer to .70 according to table 19. Hence H5 is accepted.
- According to simple regression analysis coefficient table (table 21) the all p-values are less than 5% level of significance with two tailed test thus the all alternative hypothesis are accepted.
- According to multiple regression analysis coefficient table (table 23) the all p-values are greater than 5% level of significance with two tailed test thus the all alternative hypothesis are rejected.

### **5.3 Conclusion**

The following conclusions can be presented by using all dimension of service quality according to SERVQUAL model is explained as bellows:

#### **Tangible**

Tangibles encompass the appearance of the company representatives, facilities, material, and equipment. Our study shows that it has positive correlation and not significant with customer satisfaction. As a result, the Siddhartha Bank Ltd has convenient business hours, various material associate with services and the bank's physical facilities are visually appealing. The machines are used to help the banks to provide faster and better services to

their customers. Internet banking is spread all over national wide like wild fire, it promise 24/7 non-stop service, customers are able to settle many matters without leaving their home or office, including pay bills, check account balance, inter-bank transferred and others. Siddhartha Bank Ltd is taking steps to improve this manner to retain and capture more customers.

### **Reliability**

Reliability is about the accuracy and timeliness in the service provided. Responses to our study, There is positive relationship between reliability and customer satisfaction but it does not have any significant impact on customer satisfaction. The bank promises to do something by a certain time, it done, when the customers have a problem, the bank shown a sincere interest in solving it, the bank performed the services right the first time, the bank keeps customers informed about when services has been performed. Similarly, the Siddhartha Bank Ltd has also been used various online and offline banking services such as internet banking, mobile banking, SMS alert, etc. to minimize the service delivery time and provide the services when the bank promises to do something. However the SBL has not satisfied the customers through the use of machine technology or human services. Thus the SBL should maintain and improve machine technology as well as employees trainings to retain, keep and satisfy customers.

### **Responsiveness**

Responsiveness is the timely reaction towards the customers' needs. Responses to our study suggest that responsiveness has positive relationship but no significant effects on customer satisfaction. We can conclude that responsiveness is a need in providing quality service, but not a must. This result also shows that the Siddhartha Bank's employee's. Similarly, the employees of the SBL are always willing to help the customers. However, the employees have not been given the prompt services to the customers and behavior of employees in terms of responses is not well because the employees consumed more time to respond the customer request. So the SBL should provide the better training to the employees about the responsiveness that how to respond quickly and related activities etc. to retain, keep and satisfy customers.

### **Assurance**

Based on finding, our study shows that Assurance has positive correlation and not significant with customer satisfaction. Assurance mean is of being safe, the responses state that the customers feels assurance is being important as part of the service quality that has been included. The study shows that the behavior and knowledge of employees in SBL are good for the customers. Similarly, the customers feel safe in their transaction through the SBL services such as internet banking, mobile banking or face to face banking, the customers feel confidence in the SBL's products and services. So SBL is taking step to retain, keep and satisfy the customers.

### **Empathy**

The results of the study suggest that there is positive relationship between empathy and customer satisfaction and not significant effect. This result shows that the empathy dimension of service quality is very weak because the various reasons such as SBL's employees do not understand the specific needs of the customers, the bank does not give customer individual attention, the bank has not customers best interest at heart etc. So the SBL should maintain and improve the empathy skill to make personal contact, and it is still very important in direct marketing and satisfies the customers.

### **5.4 Critical Observation**

As a Marketing Manager in SBL, it is pertinent that all the components in a service delivery quality program be strictly followed and implemented effectively. Tangible, Reliability, Responsiveness, Assurance, and Customer Satisfaction are all equally important. But in the current situation of SBL the Marketing Manager should be maintain the main three dimensions (Critical area of service quality) such as Reliability, Responsiveness, and Empathy to retain and better satisfy the customers. Also the manager should focus on their weaknesses which has Internee been mentioned in the table of SWOT analysis. Also the manager should focus on control chart of the SERVQUAL factors because that chart indicates that the level customer satisfaction. Marketing Managers should not only focus on the bank's objective of profits and gains, but must also look into the needs of the customers as well. As a matter of fact, the Marketing Manager should recommend extensive customer-relations training programs for all the frontlines and tellers. The marketing manager should also recommend apply the strategies in all elements of service quality by together not by isolate to increase the customer satisfaction. In this way it would

fortify the bank's core competency in customer satisfaction in the retail banking. Managers from various banks should continuously measure and improve the level of customer satisfaction using the SERVQUAL model in order to maintain competitive in the market place. Market perception and customer perception can change rapidly from time to time, for example from long queue in the desk last time till now the internet banking, perhaps there will be a new trend in the near future.

### **5.5 Suggestion for Future Research**

- This study suggest that the future research should be required to find the more valid result of a bank about service delivery quality by taking all branches of bank.
- This study also suggest that to find the more valid result of industry the homogeneous types of organizations (banks) may be used to investigate for future study.
- The research always says that the data is more reliable and valid when the sample size represents the population size. So further study the samples size of respondents should be taken more than 30.
- The internship period (around 2 months) is not excess. To future research the time period should be greater than internship period to collect and analyze the data to find the relationship between customer satisfaction and service quality.
- Further investigation is required to find the factors of service deliver quality through the review of literature.

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# Appendix

## A QUESTIONNAIRE

ON

### SERVICE QUALITY DELIVERY AND ITS IMPACT ON CUSTOMER SATISFACTION IN THE BANKING SECTOR OF NEPAL, SIDDHARTHA BANK LTD

Dear Sir/Madam,

This internship is undertaken in partial fulfillment of the requirement for my BBA degree. I am interested in studying and analyzing the “service quality delivery and its impact on customer satisfaction in the banking sector of Nepal, Siddhartha Bank Ltd “. You have been selected to be a responded for my study. There is no right or wrong answer to any of the questions.

I would like to ensure that the responses of all respondents will remain strictly confidential and no individual responses will be reflected since the analysis will be bared an aggregate information. If you have any questions, contact me via phone no. 9807603828.

#### Section “A”

##### Demographic Profile

**Respondent’s Name (Optional):** .....

**Age:**

Less than 20 years ☐      20 to 30 years ☐      More than 30 years ☐

**Gender:**

Male ☐      Female ☐      Other ☐

**Qualification:**

Below S.L.C. level ☐      S.L.C. level ☐      Intermediate level ☐      Bachelor. Level ☐      Master level ☐

**Occupation:**

Govt. Service ☐      Private Service ☐      Business ☐      Housewives ☐      Other ☐

**Monthly Income:**

Less than Rs. 20K ☐      Rs. 20 to 40K ☐      Rs. 40 to 80K ☐      More than 80K ☐

#### 1. Please indicate your level of agreement as tick mark (✓) in connection with the following factors:

The following statements relate to your feelings about the Siddhartha Bank Ltd you have chosen. Please show the extent to which you believe this bank has the feature described in the statement. Here, we are interested in a number from 1 to 5 that shows your perceptions about the bank.

You should rank each statement as follows:

Strongly Disagree (SD) = 1, Disagree (D) = 2, Neutral (N) = 3, Agree (A) = 4, Strongly Agree (SA) = 5

#### Section “B”

##### Questions Statement

Dimension	Statement	1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
Tangible	1. The bank has modern looking equipment.					
	2. The bank's physical facilities are visually appealing.					
	3. The bank's employees appear neat.					
	4. Materials associated with the service (such as pamphlets or statements) are visually appealing at the bank.					
	5. The bank has convenient business hours.					
Reliability	6. When the bank promises to do something by a certain time, it does so.					
	7. When you have a problem, the bank shows a sincere interest in solving it.					
	8. The bank performs the service right the first time.					
	9. The bank provides its service at the time it promises to do so.					
	10. The bank keeps customer informed about when services will be performed.					
Responsiveness	11. Employees in the bank give you prompt service.					
	12. Employees in the bank are always willing to help you.					
	13. Employees in the bank are never too busy to respond to your request.					
Assurance	14. The behavior of employees in the bank instills confidence in you.					
	15. You feel safe in your transactions with the bank.					
	16. Employees in the bank are consistently courteous with you.					
	17. Employees in the bank have the knowledge to answer your questions.					
Empathy	18. The bank gives you individual attention.					
	19. The bank has employees who give you individual attention.					
	20. The bank has your best interests at heart.					
	21. Employees of the bank understand your specific needs.					

Customer Satisfaction	22. Interest rates of deposit schemes of this bank are good.					
	23. Interest rates of loan of this bank are reasonable.					
	24. The bank provides better product and services to the customers.					
	25. The delivery time for products and services of this bank are low.					
	26. The bank minimizes the queue problems.					

**Thank you for your time and valuable input.**