

Service Quality Perspectives and Customer Satisfaction in Commercial Banks Working in Jordan

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Abstract

The aim of this research was to examine the level of service quality as perceived by customers of commercial bank working in Jordan and its effect on customer satisfaction. Service quality measure is based on modified version of SERVQUAL as proposed by Parasuraman et al. (1988), which involve five dimensions of Service quality, namely Reliability, Responsiveness, Empathy, Assurance, and Tangibles. Customer satisfaction was measured by a nine item adapted from Walfried et al. (2000), 260 questionnaires were distributed randomly to customers of commercial banks branches located (thirteen commercial banks in Jordan) in IRBID (Acuity of Jordan). Multiple regression analysis was employed to test the impact of service quality on customer satisfaction. The results of this study indicated that service quality is an important antecedent of customer satisfaction. It is apparent from the present study that managers and decision makers in Jordanian commercial banks to seek and improve the elements of service quality that make the most significant contributions on customer satisfaction.

Keywords: Service quality, customer satisfaction, commercial bank, Jordan

1. Introduction

Quality is such an important issue that it is considered a really significant concept in our real life. It is regarded as a strategic organizational weapon. And the pressing need of developing service organizations and upgrading their services necessitates the measuring of service quality. This assists in checking the quality progress and providing bases for improving it. As a result of economic changes throughout history, the concept of 'quality' has changed. 'Quality' comes from the Latin word 'Qualitas', which refers to the nature of a person or the nature of an object. In the past Quality meant accuracy and perfection (Al-Dararkah, 2002).

2. Literature Review

2.1. Service Quality

Crosby (1981) defined Quality as consistency with fixed specifications and this agrees with Karim's definition (1996), who defined Quality as anything that accords with the characteristics of the product to meet the external clients' needs. In addition, the product quality differs from that of a service as the earlier is tangible, whereas the latter is intangible. Service is also defined differently. The American Society for Marketing, for example, defines service as activities or benefits that are offered for sale, or that are offered for being related to a particular product. Kotler (2003), defined service as 'any behaviour or act based on a contact between two parties: the provider and the receiver, and the essence of this reciprocal process is intangible. Hakesver (2000) looked at service as a set of economic activities that provide time, location form and psychological benefits. Beer (2003) defined service as a set of characteristics and overall properties of the service which aim to satisfy the clients and meet their needs. Mohamed & Shirley (2009) emphasized that banks have to care about the quality of their services since this quality is considered the essence or core of strategic competition. Walfried, et. al. (2000) defined service as a set of characteristics that meet the clients' needs, strengthen the links between the organization and them, and enhance the clients' value as well.

Huseyin, et. Al. (2005) believes that good knowledge of the characteristics and advantages of service quality on the part of banks do contribute for their success and their persistence in the international banking competitive environment. From these definitions we conclude that the quality of banking service is an integrative assessment of the services offered to the external client, for clients are considered to be independent individuals with various requirements on the basis of which services are provided, based on certain specification. This requires that banks have to carefully select creative employees with high qualifications and capabilities.

Parasurama Zeltham, I & Berry that there exist ten criteria and dimensions through which service quality can be assessed:

- Reliability: the ability of an organization to accurately achieve its services in the proper time and according to the promises it has made to its clients.
- Responsiveness: the tendency and willingness of service providers to help clients and satisfy their needs, immediately reply to their inquiries, and solve their problems as quickly as possible.
- Competence: having adequate skills and knowledge that enable the employees to perform their jobs properly.
- Accessibility: providing easy access to a service in terms of location and through services provided via the telephone, the internet, or any other means of communication.
- Courtesy: treating clients respectfully in a polite friendly manner, understanding their feelings, and answering their phone calls gently.
- Communication: this occurs through gentlemanly listening to the client conveying information to them clearly and facilitating external communication with workers.
- Credibility: this can be achieved through full trust and confidence in the service provider as well as his honesty and straight forwardness.
- Security: this depends on whether the service is free from risks and hazards, defects or doubts so that it provides bodily safety, financial security as well as privacy.
- Understanding/ knowing the customer: this can be made achievable through the ability to pinpoint the customers' needs as well as understanding their individual problems.
- Tangibility: this includes physical aspects connected with service such as instruments and equipment, persons, physical facilities like buildings and nice decoration and other observable service facilities.

The above-mentioned ten dimensions have been integrated into only five ones. Researchers agreed on the fact that these dimensions are appropriate ones which help reveal the customers'

expectations and perception. This new model is called 'Servqual'. This compound word consists of the two words 'Service' and 'Quality', these five dimensions include:

1. Tangibility: this includes physical facilities, equipment, and the physical appearance of on employee.
2. Reliability: this refers to the ability to provide the exact required service according to given specifications and conditions.
3. Responsiveness: the inclination and willingness of the employees to serve customers quickly and properly.
4. Assurance: feelings of trust and confidence in dealing with the organization. This reflects the workers' knowledge and experience and their ability to build selfconfidence as well as confidence in the customers themselves.
5. Empathy: understanding the customers' personal needs, taking care of them individually and showing them all sorts of sympathy and affection, looking at them as close friends and distinguished clients.

Al-Allaq & Al-Ta'ii see that tangibility, reliability and responsiveness are constant dimensions, whereas; the criterion of 'Assurance' includes courtesy, reliability and security. As for as 'Empathy' is concerned, it includes elements like providing service in terms of place, time, communication, and to what extent the service provider understands the beneficiary. Gronroos, however, believes that tangibility, assurance and empathy can be classified as being functional dimensions of service quality, while responsiveness and reliability can be classified as being technical dimensions.

There are two major approaches to creating and deciding on a model to measure service quality: the directional approach, a concept which is connected with satisfaction but not equivalent to it, and connected with the customers' perceptions of the actual performance of the service provided.

This approach supports the fact that satisfaction is a psychological state prior to giving judgment on the quality of service.

Service quality as perceived by customers definitely indicates what is left of their previous perception of the service quality and the level of their satisfaction with the current performance of the service. This means that satisfaction is an intermediary factor between the previous perceptions of the service quality and the present perception of it. Accordingly, and within this general framework, customers can assess the service actual quality provided to them (Mualla, 1997). Hence, the customer's satisfaction with the actual performance level of service has a further impact on the formation of the customers' perceptions of service quality. And one the service is purchased again, satisfaction becomes a major approach to the process of assessing service quality (Mualla, 1998). This study depends on this very approach – the measurement of actual performance – which is termed 'SERVPERE' (Joseph, et. al., 1992).

The other approach, called the Gap Approach, or 'SERVQUAL' model developed by (Parasuraman, et. al.1988) is based on the customers' expectations of the service level and their perceptions of the actual service performance level. So the axis of this model is represented by the gap between the customers' perceptions of the actual service performance level and their expectations of the service quality. This gap, in turn, depends on the nature, design and provision of this service.

The major objective of 'SERVQUAL' model is to clarify the series of gap which affect the beneficiary's perception of service quality; that is, the four previously mentioned gaps which occur in the administrative aspect.

2.2 Customer Satisfaction

Satisfaction became a popular topic in marketing during the 1980s and is a debated topic during both business expansions and recessions. Most discussions on customer satisfaction involve customer expectation of the service delivery, actual delivery of the customer experience, and expectations that are either exceeded or unmet. If expectations are exceeded, positive disconfirmation results, while a negative disconfirmation results when customer experience is poorer than expected. In today's world of

intense competition, the key to sustainable competitive advantage lies in delivering high quality service that will in turn result in satisfied customers (Shemwell et al., 1998).

Kolter and Armstrong (1999) defended the customer satisfaction as the customer's perception that compare their pre-purchase expectations with postpurchase perception. Oliver (1997, p. 13) defines satisfaction as "the consumer's fulfillment response", a post consumption judgment by the consumer that a service provides a pleasing level of consumption-related fulfillment, including under or over-fulfillment. Oliver (1981) point of view Customer satisfaction is the evaluation a customer makes to a certain exchange, which reflects the relation of the customer's expectation and their real perception to products and services they receive.

Some researchers think customer satisfaction can be measured. For example: Caepiel (1974) suggested using overall measurement to record customers' response to different attributes of products and services. Kuo (1996) recognized seven factors that influence customer satisfaction: service content, price, convenience, corporate image, equipment, staff and procedure. Huang (1998) also defined five factors used to evaluate customer satisfaction: product, service, staff, overall performance of products, and closeness to expectation.

2.3. Perceived Service Quality and Customer Satisfaction

Customer satisfaction is influenced by customers' perceptions of quality (Zeithaml and Bitner, 2000). Service quality is an antecedent of the broader concept of customer satisfaction (Gotlieb et al., 1994; Buttle, 1996; Zeithaml and Bitner, 1996; Lee et al., 2000) and the relationship between service quality and loyalty is mediated by satisfaction (Caruana, 2002; Fullerton and Taylor (2002). Customer satisfaction is the customers' evaluation of services after purchase as opposed to their expectation (Oliver, 1997; Zeithaml & Bitner, 2000). Baker and Crompton (2000) defended satisfaction as a personal experience and mentality related the nitration between personal expectation and actual receive. Customer satisfaction is the overall evaluation to services. It is the reflection customers make to their previous purchase. If it always exceeds their expectation, their loyalty increases. Customer satisfaction should be highly valued in business (Ostrom & Iacobuci, 1995; Hou & Yao, 1995; McAlexander et al., 2003). FonVielle (1997) pointed out that improving customer satisfaction is the only way to business success. The relationship among service quality and customer satisfaction has received considerable attention in the marketing literature (Brady et al., 2001; Cronin and Taylor, 1992; Meuter et al., 2000; Oliva et al., 1992; Olorunniwo et al., 2006; Zeithaml et al., 1996). Within this research area, numerous empirical studies have reported the positive relationship between customer satisfaction and service quality (Andaleeb and Conway, 2006). The European and American customer satisfaction indices models, however, suggest that service quality is a component of satisfaction (Fornell et al., 1996). Firms that provide superior service quality also have a more satisfied customer base (Gilbert et al., 2004; Gilbert and Veloutsou, 2006).

Research on service quality and customer satisfaction. Jun et al. (1999) studied the service quality of delivering loan products. They found out that substantial differences existed between bankers and customers groups in the perceived importance of service quality dimensions. Blanced and Galloway (1994) used the SERVQUAL technique in examining quality in retail banking. In order to provide useful insights into how service might be improved, these authors attempted to develop an alternative model. They, however, adopted most of the items of the original model in their survey. They claimed that their model was general enough to be very widely applicable, and specific enough to give actionable diagnostic information. Goode and Moutinho (1995) analyzed the effects of free banking (ATM services) on overall satisfaction of students and normal bank customers. Wang et al. (2003) evaluated the antecedents of service quality and product quality, and their influences on bank reputation in the banking industry of China, using a structural equations model. They concluded that both service quality and product quality had a significant influence on bank reputation. Cronin and Taylor (1992) tested, among other things, the casual relationship between service quality and customer satisfaction. In their article, Cronin and Taylor note that marketing researchers are not in agreement in

terms of the causal order of these constructs, and suggest that empirical justification is necessary to determine the true nature of this relationship. The authors report ultimately that, according to their analyses, perceived service quality leads to satisfaction (as opposed to the reverse). Natarajan et al. (1999) examined the continuous improvement of service operations in which the actual service experience is assessed through a customer survey. Their paper discusses a study of operations in the branch of a bank in Bangalore, India. The SERVQUAL instrument was not used, although many of its items were adopted. Spreng and Mackoy (1996) tested a model developed by Oliver (1993). Oliver's model integrates the two constructs, and suggests, among other things, that perceived service quality is an antecedent to satisfaction. Spreng and Mackoy's results indicate that, as predicted, service quality leads to satisfaction.

Walfried et al. (2000) adopted two techniques in their study for service quality perspectives and satisfaction in private banking, the first was SERVQUAL and the second was a measure of technical/functional quality. In the second approach, technical quality involves what is provided while functional quality considers how it is provided. These two service quality measures were subsequently compared and contrasted as to their ability to predict customer satisfaction. The study provides initial support in favor of the idea that SERVQUAL and technical/functional quality-based models may be unequally or asymmetrically applicable across different settings and situations. The authors suggested to employ both of these two measures in varying situations and contexts, as well as with different customer groups. Zhu et al. (2002) explored the impact of information technology (IT) on service quality in a large consumer bank. Their results showed that IT based services have a direct impact on the SERVQUAL dimensions and an indirect impact on customer perceived service quality and customer satisfaction. They also concluded that the evaluations of customers for IT based services were affected by their preference towards traditional services, experiences in using IT based services and perceived IT policies. Lewis (1991) evaluated student's assessment of banks and building societies with respect to overall satisfaction.

Rhoades and Waguespack (2005) compared the service quality of US airlines before and after the terrorist attacks of 11 September 2001 and found that service quality was at its optimum in 2002 as decreased utilisation of seats facilitated ontime performance, reduced overbooking, and fewer customer complaints. Caruana (2002) evaluated service loyalty over 1000 retail banking customers in Malta. Results showed that customer satisfaction played a mediating role in the effect of service quality on service loyalty. Richard and Allaway (1993) found that both technical and functional dimensions explained more of the variation in customer choice behavior than functional measures alone, as the technical dimension is easy to evaluate for a pizza delivery service. Mittal and Lassar (1998) utilized the Technical/ Functional Quality perspective to compare the concepts of customer loyalty and satisfaction. The authors found that, in a high contact service wherein a customer's direct contact with the service provider was relatively intense (Lovelock, 1996), functional quality significantly and positively affected satisfaction. Technical quality, on the other hand, was found to affect customer loyalty in the high contact service. Tiernan et al. (2008) offered a wider perspective on service quality measures on the basis of data from the Association of European Airlines (AEA) when they found that important factors in determining positive customer perceptions of the industry included on-time flight arrivals and an absence of cancellations and baggage problems.

Newman and Cowling (1996) studied service quality in the retail-banking sector of the United Kingdom (UK) by comparing two British clearing banks. They concluded that banks have a greater strategic interest in service quality, partly because of the link between quality, productivity and profitability and partly due to a drive to reduce costs within the sector. Kangis and Voukelatos (1997) compared private and public banks in Greece. They found that expectations and perceptions of most of the dimensions of service quality to be marginally higher in the private. Allred and Adams (2000) compared service quality at banks and credit unions. They indicate that credit unions rated significantly higher than banks on 11 of the 14 service quality questions.

Al Tamimi and Al Amiri (2003) compared the five dimensions of SERVQUAL between the two main Islamic banks of UAE; Abu Dhabi Islamic Bank, and Dubai Islamic bank. Their study did not attempt to address different dimensions of service quality that might be related to UAE culture. An instrument for measuring service quality in UAE banks based on the five items of SERVQUAL was developed and tested in 2002. Factor analysis of the items of SERVQUAL resulted in three dimensions: tangibles, reliability, and empathy. They found out that reliability was the most important dimension of their instrument. While their factor analysis resulted in a three-dimension instrument, there was also no attempt to address new service quality dimensions that are particular to UAE culture. Spreng and Mackoy (1996) also provide supports for service quality as an antecedent to satisfaction.

Building upon these findings, we posit that service quality is the antecedent of customer satisfaction. As a result, our research hypothesis is:

H1. Service quality directly and positively influences consumer satisfaction.

3. Methodology

In this section, we discuss sample and data collection procedures and operational measures of variables used in the study as well as the statistical tests used to evaluate the hypothesis.

3.1. Instruments

The aim of this research was to examine the level of service quality as perceived by customers of commercial bank working in Jordan and its effect on customer satisfaction. The questionnaire survey was the main form of data collection. The survey instrument developed in this study consisted of three major sections. The first section contains questions about personal profiles of the respondents including gender, educational level, age, and occupation. The second section comprises five constructs measuring SERVQUAL as proposed by Parasuraman et al. (1988). and the third section comprises nine items that measure Customer satisfaction adapted from Walfried et al. (2000). The instrument used is a five-point Likert scales, representing a range of attitudes from 1 – strongly disagree to 5 – strongly agree to measure service quality and a five-point Likert scales, representing a range of attitudes from very dissatisfied(1) and extremely satisfied (5) to measure Customer satisfaction.

After an initial evaluation by five experts from the banking industry and 10 Academicians who are specialized in total quality management (TQM) and management to have brainstorming exercise for determining the items of service quality and Customer satisfaction, these experts and Academicians agreed that the five dimensions of SERVQUAL and nine items of Customer satisfaction were suitable for collecting data from the targeted respondents. The instrument was translated into Arabic by back translation into English.

This questionnaire was pilot studied through its convenient distribution to 30 “willing respondents” who were selected on a judgmental basis and who were defined as bank customers living in different cities in Jordan that use of commercial bank services at least once a week. These respondents were asked to fill up the translated SERVQUAL items and Customer satisfaction item and inform the authors for further improvement if there was any kind of problem with regards to wording, expressions and clarity of the questions. This pilot study resulted in the deletion of no item. As a result the questionnaire contained 30 items including four items of tangibles, four items of reliability, four items of responsiveness, four items of assurance, and five items of empathy, and, nine items of customer satisfaction.

3.2. Variable Measurements

3.2.1. Independent Variables

Service quality. This measure is based on modified version of SERVQUAL as proposed by Parasuraman et al. (1988). which involve five dimensions of Service quality developed Parasuraman et

al. (1988). The five dimensions, which consist of 20 items, namely Reliability, Responsiveness, Empathy, Assurance, and Tangibles. Sample items include “The bank has modern equipment” (Tangibles), “Bank employees are dependable in handling customer’s service problems” (Reliability), “Bank employees giving customers individual attention” (Empathy), “Bank employees instill confidence in customers” (Assurance), and “Bank employees provide prompt service to customers” (Responsiveness). Responses to these items were made on a five-point Likert format ranged from 1 – strongly disagree to 5 – strongly agree.

3.2.2. Dependent Variable

Customer satisfaction. Customer satisfaction was measured by a nine item adapted from Walfried et al. (2000). A sample item include: How satisfied are you with the checking account services provided by bank. The questions of customer satisfaction followed a five-point Likert format with anchors of very dissatisfied(1) and extremely satisfied (5) and an option for not applicable . The item indicates that high scores reflected stronger satisfaction with service.

3.3. Population and Sampling

To collect enough data to test hypotheses, a survey was conducted to collect data from sample. In total, 260 questionnaires were distributed randomly to customers of commercial banks branches located (thirteen commercial banks in Jordan) in IRBID (Acity of Jordan). equal numbers of customers were asked to fill the questionnaire for each chosen branch. Subjects were asked to assess their perceptions of various items representing service quality and customer satisfaction .Assessments were based on A Five-point Likert scale ranging from “strongly disagree (1) to “strongly agree (5) was used to measure the 31 items.

The data collection resulted in 260 answers from customers. A total of 260 of these questionnaires were completed and used in the data analysis representing a response rate of 100 percent. The respondents include 52.3 percent customers with income less than 500JD , 33.7 percent with income (500 and less than1000JD), and 14 percent with income (more than 1000JD). Of the respondents, 52.5 percent are males and 46.6 percent are females which indicates that males make the higher percentage of Jordanian commercial bank's customers.

3.4. Reliability and Validity Assessment

Data on the various multi-item constructs representing the different components of Service Quality and customer satisfaction were first tested for reliability and validity by computing Cronbach’s a values, and Factor analysis with the results shown in Table I. Factor analysis was performed to assess convergent validity. The results of the factor analysis and reliability tests are presented in Tables(1). All individual loadings were above the minimum of 0.5 recommended by Hair et al. (1998).

Using Cronbach coefficient α , internal consistency for **SERVQUAL** dimensions was estimated as 0.87 for tangibles dimension., 0.84 for reliability dimension., 0.85 for empathy dimension, 0.88 for Assurance dimension, and 0.83 for Responsiveness dimension , internal consistency for **customer satisfaction** was estimated as 0.81 (see table 1). Usually a reliability coefficient above 0.70 is considered sufficient for exploratory studies (Nunnally, 1967). The reliability values were all above 0.8. Thus it can be concluded that the measures used in this study are valid and reliable. A multiple regression analysis was used to determine the relative importance of service quality characteristics in predicting the customer satisfaction.

Table 1: Factor analysis of the study variables

Construct	Factor Loading	KMO	% of Variance	Eigenvalue	Reliability
Independent variables Tangible	0.52	0.85	54.3	2.72	0.82

Table 1: Factor analysis of the study variables continued

Reliability	0.53				0.75
Responsiveness	0.70				0.77
Assurance	0.59				0.84
Empathy	0.51				0.76
Dependent variable					
Customer satisfaction	0.54	0.74	43.6	2.65	0.81

3.5. Descriptive Statistics Analysis

Table (2) indicates that customers of Jordanian commercial banks perceived Responsiveness (with the highest mean scores, i.e. $M = 3.91$, $SD = 0.60$) to be the most dominant service quality and evident to a considerable extent, followed by Reliability ($M = 3.90$, $SD = 0.54$), Empathy ($M = 3.87$, $SD = 0.61$), Assurance ($M = 3.73$, $SD = 0.53$), and Tangible ($M = 3.69$, $SD = 0.61$) which were all rated as high practices by Jordanian commercial banks. The standard deviations were quite high, indicating the dispersion in a widely-spread distribution. This means that the effects of service quality on customer satisfaction are an approximation to a normal distribution. This also indicates that respondents were in favor of customer satisfaction.

3.6. Correlation Analysis: Relationships between the Variables

A correlation matrix was constructed using the variables in the questionnaire to show the strength of relationship among the variables considered in the questionnaire. According to Kline (1998), correlation matrix is defined as "a set of correlation coefficients between a number of variables". SPSS version 7.0 was used.

Table 2: Summary of Means, standard deviations, and correlations of Service Quality and Customer Satisfaction

Variables	Mean	S.D	Sat	Ta	Rel	Em	Ass	Res
Satisfaction	4.14	1.01						
Empathy	3.87	0.61	0.18 **					
Tangible	3.69	0.62	0.17 **	0.51 **				
Reliability	3.90	0.54	0.19 **	0.56 **	0.48 **			
Responsiveness	3.91	0.60	0.20 **	0.55 **	0.38 **	0.49 **		
Assurance	3.73	0.53	0.21 **	0.68 **	0.61 **	0.56 **	0.60 **	

As shown in table (2), the correlation matrix indicates that service quality were positively and moderately correlated with customer satisfaction. The highest coefficient of correlation in this research between service quality variables and customer satisfaction, however, is 0.21, which is below the cut-off of 0.90 for the collinearity problem. Thus, multicollinearity problem does not occur in this research (Hair et al., 1998). These correlations are also further evidence of validity and reliability of measurement scales used in this research (Barclay et al., 1995; Hair et al., 1998).

There was a significant positive relationship between Assurance and customer satisfaction ($r = 0.21$, $n = 260$, $p \leq 0.01$). The positively moderate correlation were for Responsiveness and customer satisfaction ($r = 0.20$, $n = 260$, $p \leq 0.01$), reliability and customer satisfaction ($r = 0.19$, $n = 260$, $p \leq 0.01$) and between empathy and customer satisfaction ($r = 0.18$, $n = 260$, $p \leq 0.01$). The weakest correlation was for tangibles and customer satisfaction ($r = 0.17$, $n = 260$, $p \leq 0.01$). In other words, the results indicate that the most important service quality dimension on customer satisfaction was Assurance, which goes to prove that Assurance was perceived as a dominant service quality; improvements in customer satisfaction levels were significant. The findings displayed that the

respondents who perceived a greater awareness of service quality exhibiting the more positive reactions in favor of customer satisfaction. Thus, H1 was supported.

4. Multiple Regression Analysis

Multiple regression analysis was employed to test the impact of service quality on customer satisfaction. It is a useful technique that can be used to analyze the relationship between a single dependent and several independent variables (Hair et al., 1998).

Table 3: Regression results between service quality and customer satisfaction

Model	Beta	Std. error	t	Sig.
Empathy	0.161	0.0378	4.259	0.00
Tangible	0.132	0.0385	3.429	0.00
Reliability	0.112	0.0335	3.343	0.00
Responsiveness	0.095	0.0372	2.554	0.00
Assurance	0.076	0.0329	2.310	0.00

R 2=0.261

Adjusted R 2 = 0.249

F value = 19.214

Note: $p \leq 0.05$

Each of the variables had a tolerance value of more than 0.10 and a variance inflation factor (VIF) of less than ten. The finding indicated that the model had no serious multicollinearity problem (Hair et al., 1998). From these analyses, it can be concluded that multiple regression model of this study met the assumptions required to ensure validity of its significance test (Ooi et al., 2006, 2007a). This indicates that there was a statistically significant link between service quality and customer satisfaction.

The proposed model was adequate as the F-statistics (p -value = 0.000) was significant at the 1 percent level ($p \leq 0.01$). This indicated that overall model was statistically significant relationship between service quality and customer satisfaction. From Table (3), it can be observed that the coefficient of determination (R 2) was 0.261, representing that 26.1 percent of customer satisfaction can be explained by the five independent variables of service quality . Thus, their is effect of the service quality on customer satisfaction.

5. Conclusion

The nature of banking services encourages customers to demand the highest possible quality. In order to achieve this, it is essential to be very close to customers to capture information on customer current and future needs, expectations and perceptions. The main objective of this study was to examine the effect of service quality on customer satisfaction. This study posits and develops an instrument of service quality, and examines the relationship between perceived service quality and customer satisfaction. From various studies, SERVQUAL appears to be a consistent and reliable scale to measure banking service quality, and provide a useful diagnostic role to play in assessing and monitoring service quality in banks. The measurement of Banks' service quality has to be based on perceived quality. It is because service quality is intangible, heterogeneous and its consumption and production occur in tandem (Lim and Tang, 2000). This research also drew conclusions and gave suggestions. The research results are expected to provide guidance and reference for the management of commercial banks in Jordan.

The results of this study indicated that service quality is an important antecedent of customer satisfaction this result consistent with results drawn(Andaleeb and Conway, 2006; Gotlieb et al., 1994; Buttle, 1996; Zeithaml and Bitner, 1996; Lee et al., 2000; Zeithaml and Bitner, 2003). Five

dimensions of service quality have significant influence on customer satisfaction. These dimensions include tangibles, reliability, responsiveness, assurance, and empathy. Moreover, our findings show that service quality is an important antecedent of customer satisfaction. This finding reinforces the need for banks managers to place an emphasis on the five dimensions of service quality.

6. Managerial Implication

It is apparent from the present study that managers and decision makers in Jordanian commercial banks to seek and improve the elements of service quality that make the most significant contributions on customer satisfaction. In making such an assessment, managers should examine customers responses to the five dimensions of service quality used in this study. From a managerial point of view, it can be concluded that service quality is indeed an important antecedent to customer satisfaction. It should be noted that the high relative weights of the different service dimensions do not mean that customers are satisfied – on the contrary, it could be argued that there is still room for improvements in that area to further improve the perceived service quality.

The importance of our findings for managerial decision-making processes is evident. Banks managers seeking to improve their customers' satisfaction levels, in their effort to increase loyalty, retention rates and attract new customers, may benefit by information about the effect of individual dimensions of service quality on customer satisfaction. From these conclusions, Bank managers should focus on high quality services , and improve service quality effectively.

7. Limitation and Future Research

From the statistical results in, it was confirmed that service quality and customer satisfaction of commercial banks in Jordan were related. Paper and pencil questionnaires were distributed to customers for a period of two to three weeks. From the statistical results, it was confirmed that the service quality and customer satisfaction scale were reliable and valid instruments for measuring the relationships in this study.

The study has several acknowledged limitations First of all, the present study mean that the results should be generalized with caution. First, the sample in this study was small and limited to customers living in Irbid city (located north of Jordan). Second, the study did not take into account the potential differences in customers, culture. Future researchers can corroborate the research findings by undertaking similar studies in different cities

Responses with respect to service quality and customer satisfaction have been solicited from the customers of banks in a under developing economy , i.e. Jordan . The expectations of people may vary from those of a developed economy and hence there is a possibility of cultural bias playing a role in the outcome of the research

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