**Ain Shams University**
**Faculty of Commerce**
**Business Administration Department**

# A Proposed Framework for benchmarking banks' Service Quality: An Empirical Study on Banks in Egypt

A Thesis Submitted in Partial Fulfillment of the Requirements of Master Degree in Business Adminstration

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# Abstract

Great attention is given to service quality in the past few decades owing to its strong impact on improving business performance, lowering costs, maintaining customer satisfaction and loyalty and enhancing profitability. Accordingly, service quality became a major area of concern to many practitioners, managers and researchers. This study aimed first to measure service quality of state-owned banks using the SERVQUAL model that comprises of four dimensions (Tangibility, Reliability, competence and convenience). That objective was achieved by using a questionnaire of 26 statements and distributed among customers of each bank in the study, with a total sample size of 380 questionnaires. Respondents are required to evaluate the items of the questionnaire twice for their expectations and perceptions of the banking services provided. After measuring banks' service quality using the SERVQUAL model, benchmarking is executed using Data Envelopment Analysis (DEA) to benchmark state-owned banks' service quality with the identified benchmark (commercial international bank) and determine the improvements and recommendations required to enhance service quality of state-owned banks in Egypt. Results showed that there is a significant difference between customers' expectations and perceptions of the banking services provided regarding all the four dimensions of the SERVQUAL (Tangibility, Reliability, competence and convenience). After the execution of Data Envelopment Analysis (DEA), it was found that the state owned banks in Egypt require a massive improvement that ranges from 40% to 65% to match the reference bank (CIB).

**Key Terms:** Service Quality, SERVQUAL, Benchmarking and Data Envelopment Analysis (DEA).

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