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Faculty of Commerce
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**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 Administration

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2018

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Academic Degree: **Master's Degree in Business Administration**

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Date of Dissertation Defense: 2/9/2018

Approval date: / / 2018

Acknowledgment

First and foremost, I would like to thank God for granting me the persistence to accomplish this research.

My profound gratitude and sincere thanks are extended to my supervisor **Prof. Dr. Khaled kadry El-Sayed**- Professor of Business Administration and Dean of Faculty of Commerce -Ain Shams University, for his continuous patience, support, motivation, immense knowledge and valuable guidance. Without him this research would not have been completed.

I would like to express my sincere appreciation to prof. **Dr. Gamal Abdel Aziz**- Professor of Business Administration- Faculty of commerce- Cairo University, for accepting to be a member of this committee and for his valuable time and professionalism.

I would like to express my deep appreciation to **Dr. Bassam Al-Ahmady** – Associate professor of Business administration- Faculty of Commerce – Ain Shams University for agreeing to be a member of the committee and for his valuable time, support and effort.

I would like to express my deep thanks to **Dr. Mona sherif** - lecturer of Business Administration -Faculty of Commerce -Ain Shams University, for her continuous encouragement and devotion of time and energy to read and discuss this research.

I would like to show my deepest gratitude to **Dr. Rasha Ihab**- lecturer of Business Administration -Faculty of Commerce -Ain Shams University, for supporting and encouraging me whenever I needed her help and guidance. Thanks for her time, effort and valuable comments.

Also, I wish to express my appreciation and love to my family specially my mother for the unconditional love and support they surrounded me with throughout my entire life. Special thanks to my dear friends and colleagues for their continuous motivation and support.

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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