

Ain Shams University
Faculty of Commerce
Business Administration Department



**The influence of service quality on customer
satisfaction in banking sector in
South Sudan: Applied study**

Thesis

**Submitted in Partial Fulfillment of the Requirement for the
Award of the Master Degree in Business Administration**

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DECLARATION

I, Ador Akok Athuai Dut do hereby declare that this research dissertation presented is my work to the best of knowledge and it has never been presented to any academic institution for any academic qualification.

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Approval sheet

This is to approve that the dissertation presented by **Ador Akok Athuai Dut** to Ain Shams University Entitled “ **The Influence of Service Quality on Customer Satisfaction in Banking Sector in South Sudan: Applied Study** for the degree of Master of Business Administration (Marketing) has been approved by the examining committee members.

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Dedication

I dedicate this work first to the Almighty God who has brought me this far, to my father, Akok Athuai Dut and my mother Apuk Ayuel Maror, who mentored me through my education, my loving wife, Apuk Maror Ayuel Rehan, my son Ador Ador Akok Athuai who stayed by my side all along.

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ABSTRACT

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Abstract

Banks realized in the economies of developed countries, the critical importance of quality services in achieving interaction with the internal and external environment of the bank and its implications on the level of service provided and customer satisfaction. The purpose of the case study of Kenya commercial banks (KCB) set out is to determine the influence of service quality on customer satisfaction of the banking sector in South Sudan based on customer perception regarding service quality. This case study uses primary data collected through a well structure questionnaire. The research was motivated by the fact that there is limited research on service quality on customer satisfaction in Commercial banks especially in South Sudan. This research used cross sectional survey research design. It collected data across

all the commercial banks and on customer satisfaction simultaneously at one point in time. The finding was that most of the commercial banks in South Sudan use the service quality model dimensions to some extent. On average, all the managers agree to use assurance, tangibility, empathy and reliability in strengthening customer relationship while they were uncertain on the use of responsiveness. This research makes a useful contribution as there are only few studies dealing with assessment of service quality in banking sector of South Sudan.

Key words: Quality services, Customer satisfaction, KCB, South Sudan

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LIST OF ABBRIVATION AND ACRONYMS

ATMs	Automated Teller Machines
CBOSS	Central Bank of South Sudan
CPA	Comprehensive Peace Agreement
KCB	Kenya Commercial Bank
P – E	Perception – Expectation
SAQs	Self Administered Questionnaire
SERQUAL	Service Quality
SERVPERF	Service Performance
SLAs	Service Level Agreements
SPSS	Statistical Package for Social Scientists
STD DEV	Standard Deviation

Summary

Banks realized in the economies of developed countries, the critical importance of quality services in achieving interaction with the internal and external environment of the bank and its implications on the level of service provided and customer satisfaction. Recent growth in the service sector, banking included, has necessitated the need for service providers to understand customers' view of quality of service offered. Only then can they effectively optimize their returns from the service and stay ahead of competitors. This study sought to answer the following questions; what are the specific service quality dimensions that influence customer satisfaction in the banking sector in South Sudan? What is the relationship between service quality and customer satisfaction in the banking sector in South Sudan.? What are service quality strategies to be implemented or applied in order to enhance customer satisfaction in South Sudan? The purpose of the case study of Kenya commercial banks (KCB) set out is to determine the effect of service quality on customer satisfaction of the banking sector in South Sudan based on customer perception regarding service quality. This case study uses primary data collected through a well structure questionnaire. The research was motivated by the fact that there is limited research on impact of service quality on customer satisfaction in Commercial banks especially in South Sudan. This methodology basically showed several approaches the researcher used to achieve the objectives. Questionnaire or primary data collection method was mainly used for data collection, and describe the research methodology used for this study, explain the sample selection, describe the procedure used in designing the instrument and collecting the data and provide an explanation of the statistical procedures used to analyze the data. Identification of the quality dimensions that affect the level of customer satisfaction was achieved by reviewing various literatures written by several researchers on the service quality dimensions, factors affecting service quality, and guidelines to measure service quality. This research used cross sectional survey research design. It collected data across all the commercial banks and on customer satisfaction

simultaneously at one point in time. The findings from the study established a positive relationship between service quality and customer satisfaction in Kenya commercial bank. Findings from the study indicate that, providing service as promised, dependability in handling customers' service problems, performing services right first time are major issues that affect customer satisfaction under reliability as a quality service attribute. Findings indicate that making customers feel safe in their transactions highly affects customer satisfaction. Assurance shows a positive relationship with customer satisfaction in the current study. Keeping customer informed as to when service will be performed and Prompt service to customers are the variables that highly affect customer satisfaction under responsiveness in respect to this research. Findings indicate that making customers feel safe in their transactions highly affects customer satisfaction. The finding was that most of the commercial banks in South Sudan use the service quality model dimensions to some extent. On average, all the managers agree to use assurance, tangibility, empathy and reliability in strengthening customer relationship while they were uncertain on the use of responsiveness. This research makes a useful contribution as there are only few studies dealing with assessment of service quality in banking sector of South Sudan. conclusion from this study is that services quality and Customer satisfaction can lead to higher rates of retention of the KCB customers, also This study conclude that SERVQUAL model is still the effective model to measure customer satisfaction in the banking industry, This study can conclude that service quality the main factors influencing the level of customer satisfaction in south Sudan commercial banking, Generally this study can conclude that customer satisfaction has positive relationship with service quality , Empathy is one main aspect where the banks need to work on and can be enhanced by improving certain existing condition, Assurance, responsiveness, reliability, empathy, tangibles and customer satisfaction are all equally important. Recommendations based on the findings were made to the KCB which if implemented will enhance the satisfaction of the bank customers as well as improve customer retention rates, Basing on the study findings, if the banks in South

Sudan case of KCB are to improve on service quality they offer to her customers to ensure their satisfaction, the banks' staff should: (a) maintain an error-free records service, (b) handle customer problems in constant manner, (c) be willing to solve customer problems promptly and (d) understand specific needs of individual customers, Banks in South Sudan to improve the quality of their service in order to increase the level of customer satisfaction; this may be achieved by the following; i. Increasing employees' ability to handle customers' complaint and customers' problems in consistency manner; ii. The banks and their management in South Sudan should consistently be updated where service has failed and look for a solution without delay; especially where more staff is needed due to great number of customers to avoid long waiting queues. iii. more trained staffs in charge of handling customers' problems are needed this reduces on problems of long waiting lines, it is important that the bank management should have a better understanding of what their customer needs are and what the customers expect from the services provided by the banks in terms of service quality. The bank managers should identify the gap existing between the Perceived service quality and actual service quality of banking services provided to customers and find effective ways to enhance customer satisfaction with respect to important service quality features.

Key words: Quality services, Customer satisfaction, Kenya Commercial Bank sector, South Sudan.