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DIFFERENCES IN THE PERCEIVED SERVICE QUALITY OF THE BANK WITH REGARD TO THE DEMOGRAPHIC CHARACTERISTICS OF THE CUSTOMERS: A CASE STUDY ON LIBYAN BANK OF COMMERCE AND DEVELOPMENT

MASTERS THESIS

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THESIS APPROVAL PAGE

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Gazia ABDUSSALAM ALİ DİAB ENWIGE

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CHAPTER 1

THE RESEARCH FRAMEWORK AND SERVICE QUALITY

1.1 INTRODUCTION

Nowadays, the large competitive rivalries that are currently taking place in the business world and in the context of economic globalization, which led to the transmission of competition from domestic markets to global markets. Banks as one of service organizations, become face a range of challenges within the new economic world. In addition, to meet those challenges, most service companies tended to pay attention to quality and excellence in its services to its customers in order to achieve the satisfaction. Where considered it as one of the main entrances to succeed and develop in their competitiveness with earning a distinctive market position and raising the profitability of the enterprise (Hafeez & Muhammad, 2012).

The world today, is heading towards globalization in all its forms, especially financial ones, where the financial and banking services business plays an important role in the economies and markets of different countries. Which requires banks to understand and measure the service quality of banking that provided, and examine the expectations and perceptions of customers for the quality of services. Rapid technological changes have led to significant competitive challenges because of the globalization of banking activity and liberalization of financial and banking services. Which have cast a shadow on the Banking management to the need to adapt to these challenges and meet the impact, and keep abreast of technological developments and the development of banking services provided. Moreover, attention to quality, for the purpose of increasing and competitiveness develop.

The world today knows a tremendous revolution in the field of communications and informatics as well as increasing the spread of globalization. Markets have become an open space for all investors, leading to strong competition among banks to increase their market share. According to the rapidly growing global economy in the banking sector, which is being affected every day spontaneously, it is

very important and effective that online banking becomes part of the new technological arena. Because offering online banking is of great benefit to customers and provides plenty of time and other benefits directly (Sivadas & Baker-Prewitt, 2000).

Nowadays, banking services is witnessing huge leaps in the digital communications system, with continued low costs, leading to a radical change in the way customers and businesses perform their own business. As an example money transfer of funds and information, as well as significant growth in electronic financial services and the Internet-based payment system. That given increasing interest in the quality of e-banking services, whether for the bank or the customer, is an effective tool to improve and know the level of services provided and expected from customers. The quality of e-service has implications for customer attitudes, customer satisfaction, and behavioral intentions. Accordingly, customer evaluation of quality can be measure to ensure customer satisfaction, attitudes and positive behavioral intentions.

The continued growth in banking services and the high customer expectations for the quality of service provided necessitates the management of the Bank to recognize and keep up with the trends, perceptions and expectations of customers to the quality levels of the services that they provide. Banks need to improve and deliver high-quality services to maintain customer satisfaction, loyalty and attract more new customer. Although banks generally worked on contracts in stable environments. However, in today's time it is facing a competitive environment, because the quality of service is always a matter of importance to meet customer expectations and satisfaction.

In this research, the analytical descriptive approach, which based on description of the subject and the explanation and analysis of the various concepts related to quality, service and customer satisfaction. Then to the field of study and collection data for the bank and organizing, classifying and interpretation in order to reach results. As case study, we decide Libyan Bank of Commerce and Development. We used questionnaire as data collection methods. In this reason questionnaire was design to respond to the research variables and to answer study

questions and to measuring the stability of the instrument. The Caronbach's Alpha test was use and the stability coefficients was fond. The Microsoft Excel and SPSS software was used as well, to analyze the data and the results was tested by mean, standard deviation, T- test and ANOVA test to hypothesis testing.

1.1.1 The Research Question

Considering that the quality and the customer satisfaction represent a real concern for each serves institutions, which want to achieve the appropriate stature in marketing and strive for stability and continuity, the main research question the following:

> ➤ *To what degree are influencing by the quality of the banking institution in achieving the satisfaction of their customers?*

Through the main question can rely on the following sub-questions:

1. What is mean by quality of service?
2. How is the customer's assessment of the services quality of Libyan Bank of Commerce and Development?
3. What are the criteria that used by customers in their assessment of the bank service quality?
4. How can the Libyan Bank of Commerce and Development keep pace with the performance and quality of their services with respect of the customers' expectations?

1.1.2 The Study Samples

According to the nature of the study, we will take samples selection from the customers of Libyan Bank of Commerce and Development in different branch.

1.1.3 Research Objectives

This research aims to determine the level of impact of the quality of services that provided by the Libyan Bank of Commerce and Development for its customers and it

aims to develop the quality of their services and work to satisfy its clientele, with the general aim of this study to the following:

- ✓ Identify concepts related to the quality of service and methods to measure it and improve the models to evaluate it.
- ✓ The identification of customer satisfaction, and their measurement methods.
- ✓ Identify the customers evaluation to the services quality of provided to them the Libyan Bank of Commerce and Development.
- ✓ Identify the most important criteria that customers used for assessment the quality of services of Libyan Bank of Commerce and Development.
- ✓ To reach some conclusions and suggestions that could be contribute to the development of services quality of the Libyan Bank of Commerce and Development.

1.1.4 Research Importance

The importance of this research is to express the level of quality of services that provided by Libyan Bank of Commerce and Development to its customers and their compatibility with their wishes and needs, in order to win their satisfaction and to try to show the relationship between three effective variables:

- Quality as a strategy adopted by the institution.
- Customer satisfaction as a result.
- Measurement as a means of assessing the degree of satisfaction or dissatisfaction.

1.1.5 Hypotheses

Based on the research questions, the following hypotheses were develop:

H01. There is positive impact of services quality on the bank performance.

H02. There is awareness to that a quality of the banking services highly influence in achieving the satisfaction of their customers.

H03 There is a difference in the responses of the research samples about the positive impact of services quality on the bank performance are attributable to each of:

- Gender,
- Age,
- Education level,
- Frequency of using the bank.

1.1.6 Thesis Scope

In this research, the analytical descriptive approach, which based on description of the subject and the explanation and analysis of the various concepts related to quality, service and satisfaction. Then to the field of study and collection data for the bank and organizing, classifying and interpretation in order to reach results.

The study has been studied through five chapters, so that two theoretical chapters and three an applied chapters. Started with first chapter, which included Introduction, Objective, important, Hypotheses and thesis Scope.

In the second chapter, which deals with the basics of quality of services, we discussed concepts related to quality and historical development, and discussed the concepts of service and methods of delivery, quality of service, methods of evaluation and measurement. Moreover, customer satisfaction, measurement methods, methods and tools used by the institution to improve the satisfaction of its customers. In addition, the quality of service relationship was addressed with customer satisfaction.

In the third chapter, we discussed Service quality and customer satisfaction with the Libyan Bank of Commerce and Development. General introduction about the Libyan Bank of Commerce and Development. Then research Methodology to explain the Methodology and research tools, data collection tools and the research samples.

The fourth chapter deals with the discussion and analysis of the survey with the demographic characteristics of the study sample, and display and analysis of the

research data and test hypotheses, then results and suggestions concerning field study. Testing hypotheses, drawing conclusions and presenting proposals.

The fifth chapter deals with the conclusion and Recommendations.

1.2 Literature Survey

After examining some articles a literature survey has been prepared about impact of the services quality of banking to achieve customer satisfaction, and after reading reference, we obtained some important points are as follows:

(Y. I. Aljoudimi, Ismail B. Rejab, Z. B. Mohamed) (2015) (Aljoudimi, Rejab, & Mohamed, 2015). They examined the relationship between service quality dimensions and customers satisfaction through the time and efforts as non-price dimension of perceived value as the moderator effect. The research examine the service quality dimensions as well like environment and technology, convenience of care process, responsiveness, assurance and respect and caring in public hospitals. Regression showed that each of other service quality dimensions such as assurance, respect and caring, convenience of care process and environment and technology were found to have impact on patient satisfaction. The most important dimension predicting patient satisfaction in public hospitals analysis was dimension of respect and caring. Therefore, time and efforts dimension of perceived value may be antecedent variable for patient satisfaction.

(L. Murugiah and H. Akgam)(2015), (Murugiah & Akgam, 2015). They evaluate the customer satisfaction of the banking industry in Libya, based on customer perception regarding service quality. Personally, the questionnaire has been administered on a sample size of 150 bank customers. This paper makes a useful contribution and the findings based on three different independent variables (service quality, customer loyalty and security) showed that all these variables influenced consumers satisfaction in Libyan banking industry. In addition, they found a positive and significant relationship between the customer satisfaction and two variables (service quality and customer loyalty).

(M. Abulgasem1, Radmila J., Vinka F., Mirjana Gligorijevi) (2011) (Abulgasem, Janičič, Filipović, & Gligorijević, 2011). Their study aimed to measure the service quality of the banking system in Libya and to determine the importance of the service quality items. Moreover, study measures the relationship between the banking service quality and client's satisfaction. They use (325) questionnaires. The study concludes that understanding the client's expectations is very important in the provision of a better banking service quality as well as in achieving client's satisfaction. Moreover, the measurement of service quality and the client's perception of the service are consideringthe main approach to the development and improvement of the banking service quality. In addition, the findings also show a significant relationship between the client's satisfaction and the service quality provided.

(A. J. Khafafa, Z. Shafii) (2013), (Khafafa & Shafii, 2013).They indicate that the customer satisfaction is one of the most important factors in determining the feasibility of a banking operation, where their study aimed to measure customer satisfaction in Libyan commercial banks, using the structural equation model (SEM). This study uses the dimensions from the modified SERVQUAL model, for 366 cross-sectional samples that were taken from three commercial banks in Libya, namely Gumhouria Bank, Wahda Bank and Sahara Bank in year 2012. The study found that responsiveness was the strongest indicator of customer satisfaction using the dimensions of perceived quality, followed by reliability, empathy and assurance.

(F. O. Elgahwash, Mark B. Freeman, A. Freeman) (2014), (Elgahwash, Freeman, & Freeman, 2014). Their study indicate that the global banking sector is one of the most up-to-date industries with regard to the use of the Internet and mobile technologies, developing countries (such as Libya) have not broadly adopted these technologies. Understanding the perceptions of customers with regard to online banking quality in developing countries is useful for informing future adoption strategies and hence improving relationships between banks and their customers. The study concludes that all banks have declared e-business as one of their core strategies for future development. While these offerings are continually increasing, acceptance from customers depends largely on banking service quality, which affects customer satisfaction.

(B. Jaroslav, Anna C., Lenka G.) (2015), (Belás, Chochol'áková, & Gabcová, 2015). They mention no Bank's customer satisfaction, which is a hot topic of current scientific research for many reasons. The aim of the research was to investigate the relationship between gender and the major attributes of satisfaction and loyalty of the banking clients. The questionnaire was applied to a sample of respondents in the Czech Republic in 2014. They found that women compared to men mostly prefer the following satisfaction factors: quality of banking products and services and convenient and friendly service in a branch. In addition, it was found that women are more loyal to their banks than men.

1.3 Banking Institutions

In order to understand the banking services clearly, the importance of banks should be clarified in a number of elements, namely the concept of banking services, their stages of development, as well as their characteristics and factors, and strategies for the development of banking services.

1.3.1 The emergence of banking services

As marketing is a group of activities directed towards individuals by marketing management, it is based on promotion, distribution, point of sale, etc. by providing services to its clientele, and with the development of the concept of marketing impact on the development of services provided to customers, especially banking services (Fatima, 2011; Schwarcz, 2012).

1.3.2 Characteristics of the banking service:

In fact, banks are earn money in servicing beyond selling money. The prestige is gained as they offer their services to the masses(Önce, 2000). The banking service is characterize by a variety of characteristics, despite the differences in the characteristics of the services due to the nature of the banking services, their diversity and their continuous changes. The following items are the characteristics of the services specialized in the marketing of banking services (Khafafa & Shafii, 2013; Oly Ndubisi & Sinti, 2006):

1. **Intangible:**

This means that the banking service does not have a material embodiment and therefore cannot be transferred, stored, packaged or examined before purchase. In practice, the satisfaction and consumption of the service occur at the same time so it is difficult to inspect it.

2. **Diversity of banking services:**

Classic banking services, that based on lending as well as deposit taking operations are just a part of banking activities (Drigă & Isac, 2014). The services provided by banks are many and varied to meet the different needs of customers, especially the financing and credit needs of different types and geographical presence.

3. **Satisfy the customer's wishes:**

These services must be fully serviced by the bank to the customer, which will satisfy the customer completely and not allow him to search for the services of another bank; the relationship between the bank and the customer is stuck permanently and continuously based on maximizing the satisfaction of the customer.

4. **Difficulty of discrimination in banking:**

Banking services differ only in very weak terms and are therefore very similar and typical, such as banking services that are almost typical in different banks: current account, loans.

5. **Difficulty evaluating banking services:**

This difficulty is because the banking services are intangible. It is difficult to touch physically and the utilitarian characteristics of the bank and the bank's inability to make a tangible offer to the banking service. The customer cannot evaluate his purchase of the banking services before obtaining them. This affects the banking promotion and distribution program.

6. **Dependence on deposits:**

Banks rely on deposits to perform all their banking services and are the main source of bank financing and profit.

1.3.3Classification of Banking Services

There are a lot of classifications but this classification will be considered as the most obvious use so the banking services can be categorized as follows (Silvestro, Fitzgerald, Johnston, & Voss, 1992):

1. **Smooth services**

Services that are available to the customer when needed and have no problem obtaining them because they are easy. Accessible such as debit and deposit services, use of bank cards, and the use of equipment and that equipment available in the bank and outside or even contact by telephone or through electronic devices available. Deployed in different places of the region or national territory for example often relatively low wages.Banks play an essential role in the allocation of economic resources(Jeanneau, 2007).

2. **Shopping Services**

The customer often makes an effort to obtain these services, which may only used for relatively long periods or may be use at the time of need, in certain seasons or in known cases. The customer may make an effort to obtain a loan in accordance with certain specifications and conditions. Alternatively,the service is provided only in time but is not available at any time. Loans are not granting at random without certain conditions. Certain aspects are available to enable the loan to be secure, such as the ability to secure and guarantee after the loan and other considerations.

3. **Special Services**

These services may not be provided exclusively to beneficiaries and have a specific peculiarity that is unique to one bank. Some banks accept deposits or open

accounts only by charging the customer for this service or the services provided are mainly related to the customer's recommendation, the concept of investment loans or investment management, as the service is designed according to the customer's desire and needs as he sees fit for his work or activity.

1.4 Fundamentals in the Services Quality

The interest in service institutions has increased as it faces many challenges because of those changes and developments throughout history. In the face of these challenges, the institution must adopt modern methods to cope with the ambiguous and complex conditions, depending on the importance of quality to achieve the competitive advantage between institutions to ensure survival and continuity in light of successive environmental changes (Maglio & Spohrer, 2008).

Quality has become a strategic weapon for the institution by achieving competitive advantage in its field of activity. To know the meaning of quality, we will discuss some of the different acquaintance, and take knowledge of its stages and historical development and determine its dimensions, requirements and methods of measurement.In various sectors of the economy, banking system greatly influences the growth of a country in effective way(Lau, Cheung, Lam, & Chu, 2013).

1.4.1 Concept of Quality

The concept of quality and its historical development, where quality of many of the most important acquaintance that to the Latin word (Qualité) concept of quality in terms of terminology. "The concept of quality which means the nature of the object and the degree of rigidity is a set of characteristics, where characteristics of the service that leads to the fulfillment of declared or presumed wishes (Chi Cui, Lewis, & Park, 2003; Khafafa & Shafii, 2013).

In addition, the quality is defined as the ability to fulfill the customer's wishes in a manner that matches his expectations and fully satisfies the product or service provided to him. That is conforming to the specifications and requirements of the customers. Also quality known as the ability of the product to meet the needs of the

users at the lowest cost, and the suitability of the product for use, and the ability to provide the best and most authentic qualities.The difference of banks is in the level of service quality, which tends to increase in larger markets and is higher for dominant banks(Dick, 2007).

1.4.2 The Historical Development of Quality

Generally, the corporate banking is considered as complex task, because it involves relationships in corporate firms and financial institutions(Athanassopoulos& Labroukos, 1999; Fragata Oliveira da Silva & Muñoz-Gallego, 2010). The quality passed through historical stages and through it was the idea of Japanese origin and the beginning of the twentieth century and then spread the idea in North America as well as Western countries took this thought also, and included the application to the entire economic sectors of production and service to become the subject of the era. Gronroos noted that the quality of a service as perceived by customers has three dimensions: functional (or process) dimension, technical (or outcome) dimension and image(Iranzadeh& Chakherlouy, 2012; Kang & James, 2004). The historical stages of quality is as follows (Mersha & Adlakha, 1992):

- Stage 1 (Quality Control):

It was distinguishing by the responsibility of supervisors who specialize in quality control. This period extended between (1890 to 1920). Followed by measuring and verifying the products produced by the institutions.

- Stage 2 (Statistical Adjustment of Quality):

It was characterized by the use of the inspection function and the comparison of the results for the requirements. This period extended between (1920 to 1940). To determine the degree of conformity between the product and the specifications required for quality.

- Stage 3 (emergence of quality organizations):

This stage has been characterized by several changes in the environment of industries, especially after the recession. This period extended between 1940 and

1960. Which led to the emergence of organizations specialized in quality control, economic capital.

- Stage 4 (Quality Improvement):

It was distinguish by the development of the concept of quality rings in Japan as well as conceptions. This phase extended between 1960 and 1980 as a quality assurance system, which is an integrated system that includes a number of policies and procedures necessary to achieve quality in industrial establishments. Where, usually banks offer services, and they experience difficulties in managing that services (Chaoprasert, 2003).

- Stage 5 (Quality Management):

In fact, this stage characterized by a number of concepts of quality that resulted from the stages. The period gained groud between 1980 and 2000, such as the concepts of globalization, the emergence of software in the design of the product ... etc.

- Stage 6 (21st century phase)

The future stage of scientific research in this field, that it will be the stage of interest to the customer by providing everything desired by the customer in terms of easy and quick access to the product on demand.

1.4.3 The Importance and Objectives of Quality

Quality is of great importance both at the institutional level and at the customer level. If quality is one of the factors determining the volume of demand for the established products and services, the importance is as follows(Chaoprasert, 2003):

1.4.3.1 Enterprise Reputation

The organization derives its reputation from the quality ofits products. This is stems from the relationships between the institution and the suppliers, as well as the experience of the employees and their skills, and the attempt to provide products that meet the needs of the organization's customers.

1. **Legal Liability for Quality**

    Increasing the number of courts that handle systems and governance in cases of institutions that design products or provide services. If the service is not quallified in producing and distribution. Every productive or service establishment will be legally responsible for any harm to the customer caused by the use of these products.

2. **Global competition**

    Political and economic changes will affect the way and timing of the exchange of products largely in a competitive international market. Quality is of paramount importance if enterprises seek to achieve global competitiveness.

3. **Customer Protection**

    The application of quality in the activities of the institution and the development of specific standards contribute to protect the customer from commercial fraud and enhance confidence in the services of the institution. The low quality lead to a decrease in demand from the customer on the products of the institution.

4. **Costs and market share**

    The implementation of the quality required for all processes and stages of production would provide opportunities to detect errors and avoid them from the high cost. In addition, to maximize the use of the time of the object and machines by reducing the idle time and therefore costs will be reduced and the profits of the institution will be maximized(Levesque & McDougall, 1996).

1.4.3.2 Quality Objectives

Today, the competitive business world is a key factor to meet customer satisfaction, which is the aims of organizations(Iranzadeh& Chakherlouy, 2012). Generally, in any business to customer type, satisfying a customer is the ultimate goal and objective (Munusamy, Chelliah, & Mun, 2010). There are two quality objectives namely:

1. Targets serve quality control:

Which are related to the standards that the institution wishes to maintain. These standards are formulate at the enterprise level, using minimum requirements related to distinctive features such as safety and customer satisfaction.

2. Quality Improvement Objectives:

It is often limited to reducing errors and losses and developing new products that satisfy customers more effectively. Hence, the quality objectives can be classified into five categories:

- The external performance objective of the institution includes the markets environment.
- The goal of product performance and addressing the needs of customers and competition.
- The operational objective of the ability of the operations and their effectiveness and adaptability.
- Objective of internal performance, and address the ability of the institution, and its effectiveness and responsiveness to changes and the working environment.
- Objective of the performance, of the workers to addressing the skills, abilities, motivation and development of workers.

1.4.4 Types of Quality

1.4.4.1 Quality Dimensions

Quality has many dimensions, including the following (Yang, Jun, & Peterson, 2004):

- **Performance:** The characteristics of the product (basic goods / service).
- **Appearance:** The secondary product is qualities added to the basic service;
- **Conformity:** production service according to required specifications or production standards service.
- **Reliability:** the stability of performance over time or, in other words, the average time that a service or product is disrupte.

- **Services provided** problem solving and attention to complaints, in addition to the ease of correction.
- **Response:** how well the service provider responds to the customer such as kindness and tact in dealing with the customer.
- **Reputation:** Any experience and previous information about the service.

1.4.4.2 Types of Quality

Quality can be classified into two types:

- **Quality of conformity:** It means that the organization through its management and operations to achieve the expectations of target markets.
- **Quality of performance:** It means that the organization through its management and operations achieve customer satisfaction through high performance standards. Therefore to meet the service quality requirements.

1.5 Concepts about the Service

Nowadays, the service is becoming more and more important, because of the frequent use of services such as services provided with the product, banking, telephone, health, insurance and other services. The service has characteristics, classifications and some improvements. While quality is an elusive and indistinct construct(Parasuraman, Zeithaml, & Berry, 1985).

1.5.1 Service Definition and Characteristics

The service has several definitions, including the following:

During the decade of the 1980s, the U.S. banking industry experienced a slow erosion in its financial health(Boldin& Leggett, 1995; Brumbaugh, 1992). Later on the American Service Association defined as the activities or benefits offered for sale, which are subject to a particular commodity. Service also can be known as the activities or benefits provided by one party to the other. They are inherently

intangible, and their sale and delivery does not entail the transfer of ownership as well. The unique features of services such as inseparability of production and consumption, intangibility, and heterogeneity make measurement of quality a very complex issue (Karatepe, Yavas, & Babakus, 2005).

Service is defining as those activities that are defined but not perceived and represent the main objective of achieving customer satisfaction, which is intangible products that are primarily intend to satisfy the needs and desires of the customer and to achieve benefits to him.

1.5.2 Types of Service

The service can be classified into three categories depending on the nature of the service:

1. Exclusive Service:

The company provides a single service without being link to a material product or other services such as insurance, education, nurseries, etc. These services also require the personal presence of the customer.

2. Service with product:

The organization can provide basic service but is complement by some products or services such as banking, air transport services, newspapers, magazines, etc., as well as a doctor who needs nursing services.

3. The services equipped after product :

In this case, the company offers its products accompanied by several services such as the sale of television sets and washing machines accompanied by a guarantee for a certain period or transportation; the more technologically advanced products such as cars and automated media.

1.6Quality Service

In banking, service quality, plays a key role in the design, production and marketing of the service. In addition, is of great importance to both the service provider and the beneficiary thus increasing the awareness of the service organizations to the importance of applying them to the quality requirements in order to achieve excellence in their performance and gain competitive advantage (Cronin, Brady, & Hult, 2000).

1.6.1 The concept of service quality and its importance

The service quality varies from one client to another. There are customers who may be expected or perceived quality. There may be customers that the quality of the service is not highly required. Service quality has many definitions, including the following:

Service quality: The quality of services provided, whether expected or perceiving that customers expect or perceive in real life, and are the main determinants of customer satisfaction or dissatisfaction. At the same time, a major priority further enhances the quality of its services. Service quality is also defined as superior to customer expectations, which means that the organization excel in services that actually perform the level of expectations that the customer carries to these services. Quality of service is define as providing high quality continuously and more than other competitors with low complaints.

Service quality has of great importance to organizations especially banks. In order to achieve success and stability, customers and employees must work together to create and deliver service at the highest level, and organizations should pay attention to both employees and customers (Grönroos, 1984). Where service quality importance can know as:

1. **Service growth**

The number of institutions providing services has increased. For example, half of the US institutions are engaged in providing services. In addition, service institutions are still growing and growing.

2. Increased competition

The increasing number of service organizations will result in intense competition among them, so reliance on service quality will give these institutions many competitive advantages.

3. Economic significance of service quality:

Service organizations are now focusing on expanding their stake so institutions should not seek to attract new customers, but existing customers must be maintaind. To achieve this, more attention needs to be giving to quality of service.

4. Customer understanding:

Customers want good treatment and dislike dealing with service-centric organizations. It is not enough to provide service quality at a reasonable price without providing good treatment and customer understanding.

1.6.2 Service Quality Dimensions

Achieving customer satisfaction is the primary goal for most service firms today (McDougall & Levesque, 2000). Quality of service has the following dimensions:

1. **Understanding and perception**: It is the readiness of the service provider in sufficient time for the customer to speak and express his point of view without any boredom, i.e., customer knowledge and efforts to understand his needs.
2. **Confidence in performance:** This confidence is affected by the reputation of the service provider.
3. **Continuity:** It means the ability to perform the service with the same efficiency and effectiveness all the time.
4. **Self-service content:** The skills that a service provider has to offer in terms of service delivery and customer satisfaction.

5. **Conformity:** In the sense of achieving homogeneity between the expectations of customers and the service provided by any service.

6. **Timing:** represents in an attempt to achieve the customer's desire to provide service to him at the time he wants. How long the customer waits from time to service delivery.

7. **Communication:** It means keeping customers informed about everything that concerns them and listening to them. The institution must adjust its language according to different customers.

1.6.3 Indicate and Evaluate Service Quality

In order for high service quality establishment to provide a service suitable to the customers' expectations and meet their needs, the institution must identify the criteria and indicators that depend on the customer to judge the service quality provided to them. Perceived value has proven to be a difficult concept to define and to measure (Grönroos, 1984; McDougall & Levesque, 2000).The most important indicators that depend on the interpretation of quality of service are as follows:

1. **Reliability**

The ability to provide a service, that organization promised to be reliable and accurate. The customer expects to provide him with accurate service in terms of time and performance as promised by the company.

2. **Accessibility**

Relates to the extent of the ability and attempt of the institution to provide the service at the time desired by the customer as well as available in the place he wants.

3. **Security**

It reflects the degree of feeling of safety in the service provided. For instance the degree of safety of renting an apartment or room in a hotel.

4. **Credibility**

The degree of trust that the customer places on the service provider.

5. Degree of service provider understanding of customer needs (passion)

This indicator indicates the extent to which a service provider can understand, identify and increase customer care.

6. Response

Its relates to the ability of the service provider to be prepared to provide the service to the customer permanently, and ability to provide service at the time needed by the customer.

7. Competence and merit

They relate to service providers in terms of their skills and ability to analyze, infer and know how to perform their task well.

8. Tangible

It refers to the physical facilities available to the service establishment such as equipment, appearance of the service providers, tools and means of communication with them.

9. Communications

It relates to the extent to which the service provider can explain the characteristics of the service to the customer and the role that the customer must play in obtaining the required service, such as asking the patient to follow a set of procedures and instructions before the operation.

The service quality can be indicators in five main dimensions of quality - physical appearance (concrete, dependability, responsiveness, security, empathy). The following table illustrates them:

Table 1. 1: Evaluation and indicators of service quality

Indicators	Statements
Tangibles aspects	• Outside aspect of the institution. • Interior design of the institution. • The modernity of the equipment used to perform the service. • The decent appearance of service providers.
Reliability	• Time of service delivery • Providing the service correctly (no errors). • Accurate and accurate information.
Response	• Speed in providing required service.

CHAPTER 2

CUSTOMER SATISFACTION

2.1 Customer and Satisfaction

In fact, the organization especially banks always strives to retain existing customers and attract as many potential customers as possible. Where they can do that only by providing high quality services that match their expectations and thus gain their satisfaction, so that satisfaction becomes focus by our research and general concepts about satisfaction and customer orientation. In order to get customer satisfaction and develop service you should have clear picture to what customer looking for and their expectations (Grönroos, 1984).

2.1.1 Concepts about Satisfaction

Satisfaction has several definitions, including the following:

Satisfaction is the level of the individual's feeling of comparing perceived performance and expectations, or the customer's understanding of the level of satisfaction of his demands. Satisfaction is defined also as the impression of reward or non-reward for the sacrifices incurred by the customer at the time of purchase. The concepts of customer satisfaction and service quality are obviously related (Angur, Nataraajan, & Jahera Jr, 1999).Through the this definition it is clear that the customer at the time of the purchase of the product comes out one of the following results:

- Positive value and satisfaction if the actual characteristics of the product exceed or match its expectations.
- Negative value and dissatisfaction if its expectations for the propareties of the product exceed its actual characteristics.

There is satisfaction as the difference between the ideal and actual mix of a set of attributes or characteristics obtained by the individual, or the judgment of the quality of service resulting from a comparison between the customer's expectations of service and performance.

2.1.2 The Importance of Customer' Satisfaction

Unfortunately, the conceptualization and measurement of service quality is not bereft of controversy. Although the debate on service quality began in 1985 in the marketing literature, it was given a major boost by (Cronin and Taylor) (Angur et al., 1999). Given importance to customer satisfaction, which requires following matters.

1. Drawing up the organization's program and work plans.
2. Increasing customer turnover with the organization.
3. Creation of loyalty by the customer to the enterprise.
4. Develop product quality and achieve competitive advantage of the enterprise in the market.
5. The success of the organization in achieving profits through the needs and requirements of the customer.

2.1.3 Characteristics of customer satisfaction

The nature of satisfaction can be identified through the three characteristics described as following:

1. **Self-satisfaction**

Customer satisfaction consists of two main elements: the nature and level of personal expectations of the customer on the one hand and the self-perception of the services provided on the other. The customer does not judge the quality of service realistically; it governs the quality of service through what he expects from service.

2. **Relative Satisfaction**

Here, satisfaction is relative. Every customer compares by looking at market standards (it is not important that the service is the best, but it must be the most compatible with the customer's expectations).

3. **Evolutionary satisfaction**

The customer's satisfaction with the development of these two standards: the level of expectation on the one hand, and the level of perceived performance on the other, over time the expectations of the customer's quality of service and customer awareness can be known as the evolution of new services or the development of standards for services provided.

2.1.4 Determinants of customer' satisfaction

Unlike goods quality, which can be measured with some objectivity, service quality is abstract and elusive (Karatepe et al., 2005). The parameters customer' satisfaction can be classified into three basic elements:

- Expectations

The customer's expectations or ideas regarding the likelihood that service performance will be associated with certain characteristics and benefits expected to be received by the provider.

- Actual Performance

The level of performance that customer understands when obtaining the service and the actual characteristics of the service.

- Conformity or non-conformity

The matching process is achieved by comparing the actual performance of the product or service with the expected performance. The caseof nonconformity can be defined as the degree of deviation of the service performance from the level of expectation that appears before it is obtained. In this case, there are two cases:

1. Positive deviation: Any actual performance is greater than expected performance and is desirable.
2. Negative deviation: Any actual performance is less than expected performance and is undesirable.

2.2 Measuring Customer Satisfaction

Originally, customer satisfaction is an asset of the institution, and is the basis of survival in an environment. Where competition intensified and stayed in it for those who have a competitive advantage cannot be imitated. In addition, it is necessary for the institution not only satisfied customer satisfaction, but also must measure it to identify the degree. The service management literature argues that customer satisfaction is the result of a customer's perception of the value received in a transaction or relationship, where value equals perceived service quality relative to price and customer acquisition costs (Hallowell, 1996).

Customer satisfaction measurement can be defined as the systematic efforts of the foundation to ascertain the satisfaction of its customers with the services and programs that provide for making, also the necessary software modifications to become more responsive to the needs and aspirations of the customers community that serves them.

2.2.1 Measuring Customer Satisfaction Methods

There are many methods to measure customer satisfaction, which are accurate measurements and approximate measurements, and the latter consists of qualitative research and quantitative research.

2.2.1.1 Accurate measurements

Service quality is often regarded as a global judgment, attitude, related to the superiority of the service (Ha, Minh, Anh, & Matsui, 2015). The exact measurements are numerous, some of which can be mentioned (Levesque & McDougall, 1996):

- Market share

Measuring the market share is relatively easy if the customer group; there are those who measure this share by determining the number of customers. There are those who measure through customers who have a long relationship with the institution, the scale of market share is link to the extent of the work done with customers and diversified for each customer. Thus, the market share can be measured by the number of customers, the total long life of customers with companies and the total number of purchases (Fečikova, 2004).

- Customer Retention Rate (Oldest Customer)

The best way to maintain or grow a share is to retain existing customers. The measurement of customer satisfaction or dissatisfaction depends on the growth rate of activity with existing customers. They reflect customers who have maintained permanent relationships with them.

- Bring new customers

In order to grow the amount of activity, the organization changed its effort to expand its base of customers (to gain the largest number of customers).

- Cost

The above measures cannot tell the customer's profitability, which in turn expresses his satisfaction or dissatisfaction, which results from the incompatibility or incompatibility of the effective performance of the services with the expectations of the customers. Therefore, companies should not only measure the amount of work they do with their customers, but also pay attention to the cost-effectiveness of these activities. Profitability can be calculated by measuring the net profit of each customer or class of customers.

- Number of products consumed by the customer

If the customer acquires more than one product or services of the enterprise in a non-monopolistic market, this can be a proof that he is satisfied with the organization and its services.

- Developing the number of customers:

In the beginning, Satisfying customers is the mean business challenge, which has attracted considerable research attention (Maddern, Maull, Smart, & Baker, 2007). The evolution of the number of customers can be seen as a tool for expressing their satisfaction. The increasing number of customers in the organization means that the services meet or exceed the expectations of customers, resulting in satisfaction. This sentiment positively affects the number of customers, especially the prospective ones, through the good image that is conveyed to them about the organization and its services, which means that this image will allow to attract new customers as well as to maintain existing customers.

There are also measures other than previous standards:

- Repurchase rate
- Rate of fulfillment
- Number of customer complaints
- Value and quantity of returns.

2.2.1.2 Approximate measurements:

The approximate measurements depend on two types (Fečikova, 2004):

1. Qualitative research:

The customer has become a fulcrum, and several slogans have emerged such as "customer first", "customer always right", "customer status in the center of the enterprise". In this context, accurate measurements do not reflect the fact that the customer is satisfied or dissatisfied because it does not take into account his expectations, which are carried out away from customers, and the approximate

measurements are based on the impressions of customers by listening to them, namely:

- Customer Complaints
- Research on missing customers
- Research measuring customer satisfaction.

2. Quantitative Research:

The recordsof complaints and suggestions are not enough to provide accurate measurement of customer satisfaction, where a large percentage of dissatisfied customers do not prefer to express dissatisfaction. Where the institution to use quantitative measurement methods, which reflect the use of satisfaction research through the survey to determine the customer's satisfaction with the quality of service provided by the foundation.

2.2.2 Tools and means to improve satisfaction

Satisfaction, can be known as a person's feeling of pleasure from comparing a product's performance (outcome) in relation to his or her expectation (Nimako, Gyamfi, & Wandaogou, 2013). The process of improving satisfaction is achieving through the following tools:

1. Quality perception:

Improving the internal performance of the organization, which is to improve the quality and purpose to satisfy the customer. However, the internal quality measurement is necessary but not enough where the institution must measure the satisfaction of customers.

2. Dissatisfaction analysis:

Nowadays, turbulent market environment a lot of banks are facing raising in competition and they have to increase the quality of their products and services (Shahin & Janatyan, 2011). In the case of dissatisfaction, the number of contacts necessary for the organization to address the problems that cause this condition and

the extent of treatment are necessary factors for satisfaction. Searching for the causes must be accurate because the poorly treated dissatisfaction with the customers is lost due to poor service only, but to the problems of management also and defects in communication, defects in the relationship of a customer ... etc.

3. Follow up customer:

Customer follow-up takes several forms to establish a close relationship between the customer and the organization. It is important that these relationships are personal, that each customer is treated individually. The basis of customer follow-up is attentive listening to the negotiator as well as the cheek to consider all customer problems even if they are wrong.

4. Customer loyalty:

The earning from a loyal customer is twice of that come from normal customers and costs less than bringing in a new customer. Therefore, the organization must direct its strategy towards customer loyalty. Dissatisfaction is an effective basis for creating good satisfaction, so the more satisfied the customer is, the more likely he will be to reuse the service that generated satisfaction(Kheng, Mahamad, Ramayah, & Mosahab, 2010; Moenardy, Arifin, & Kumadji, 2016).

2.3 Service Quality and Customer Satisfaction

Description of the relationship between the institution and the customer:

The relationship between any two needs some senses such as mutual attractiveness, respect, appreciation, interdependence, etc., and are combined on both sides. Relationships assume that there are occasional or continuous interactions between two or more persons involving exchanges of a different nature in a given time period (Lassar, Manolis, & Winsor, 2000; Yang et al., 2004):

- At least the interaction between the parties.
- Continuity in the relationship because previous interactions affect current of future while negatively or positively.

- The interaction between the parties is link to real events and requires substantive treatment by the parties.

Therapid development of banking industries indicating the raising people or customers who uses banking services(Lee, Lee, & Feick, 2001). Where the relationship between the institution and the customers consists of:

1. Confidence: a prerequisite for the development of the relationship and follows the respect of the partner, and purpose of maintaining the relationship between them.
2. Mutual Commitment: The relationship between the two parties is affected by the degree of mutual commitment, to maintain a strong and lasting relationship and follow-up in the long term to increase the profitability of services.
3. Satisfaction: a positive feeling resulting from the evaluation of aspects of the relationship with the institution and its representatives and their cooperative behavior as well.
4. Reciprocity: Exchange is the basis of any relationship, when two individuals exchange two things that result in a sense of reciprocity of exchange.

2.3.1 Evaluate the Relationship between the Customer and the Institution

Business organization that seeks to improve profitability, they advised to monitor and make improvements to their service quality on an ongoing basis (Khan & Mahapatra, 2008). After describing the relationship between the organization and the customer, the organization must use these qualities well to improve its relationship with its customers, especially to focus on important customers more, and to evaluate the relationship is as follows:

The value of the customer: is the value of the returns received from a customer during the period of his relationship with the institution, including the costs of attracting, satisfying and maintaining, or the present value estimated for the benefits achieved through the purchases of the customer throughout the period of his

relationship with the institution. The value of the customer's life is calculated by the following process (Lassar et al., 2000; Levesque & McDougall, 1996):

Customer value = Expect customers' purchase of service / Costs Attract customers and develop

We conclude from the process that the customer does not represent any value in the eyes of the institution. Unless exceeded this percentage obtained more than one. We say that the value of the customer is facing some of the obstacles and the most important negligence of the value of the customer, and the weakness of the ability of the institution to attract other customers.

2.3.2 The service quality relationship with the customer satisfaction

That the relationship "satisfaction leads to quality" wrong, and the right is that "the quality leads to satisfaction", and evidence that the institution meets the needs of customers include their satisfaction, when customer satisfaction has become a major objective of quality. Where service quality aimed at improving the level of service to achieve satisfaction customers, As the successful institution is the one that takes the customer's opinions in its operations and services provided to them, so that many of the institutions participated in the design and development of its services and in the ongoing evaluation processes (Levesque & McDougall, 1996).

Through identifying clear procedures for complaints and suggestions of customers and dealing with them and making an effort to provide services to each person, including people with special needs (each customer has his own labs and awareness that he is the sole customer of the institution). In fact, service quality becomes hard to evaluate(Felix, 2017).

All this for the customer satisfaction for the quality of service provided by the institution and that the satisfaction remained to meet the needs, wishes and expectations of customers whether these wishes, needs and expectations have been disclosed or not. In addition, the institution has followed one or more methods in measuring customer satisfaction and the reason for obtaining opinions, observations, complaints and suggestions of customers. Therefore, the foundation is makes efforts

towards achieving more satisfaction by responding to wishes and expectations as well as listening to observations and complaints (Fečikova, 2004).

CHAPTER 3

DATA AND RESEARCH METHODOLOGY

3.1 Introduction of Bank

3.1.1 Introduction

Incorporated according to Law No. (1) Year 1993 as amended for Banks Monetary and advances as follows.

- Secretary Peoples' Committee of the Planning and Financial Decision No. (234) for Year 1423 M.

- Secretary Peoples' Committee of Planning, Economics and Commerce No- (529) for the Year 1424 M.

- Commercial Regulation under No. (9515) dated 09/11/95.

The Bank officially inaugurated on 09/06/96. Joined as a member of Union of Arab Banks on 01/05/96. Joined as a member of Union of Magreib Banks 30/05/98. Joined as a member of Libyan Banks Association 10/08/96.

3.1.2 Capital

- Authorized: (LYD 105,000,000)   One Hundred And Five Million Libyan

  Dinars.

- Paid   : (LYD 105,000,000) One Hundred And Five Million Libyan Dinars.

3.1.3 Shareholders

- Strategic Partner QNB Bank: 48.98%

- Legal Entities: 15.52%

- Natural persons: 35.50%

3.1.4 Banking Services

Bank of commerce and development performs with presenting banking services of distinguishable type his honored clients as mentioned here below:

1. Service of the phone bank in all branches and the bank agencies.

2. The traveler cheques in Libyan Diners.

3. Liable credit cards to guarantee payment of cheques.

4. Saving accounts to the small dear children.

5. The personal and individual treasuries.

6. The transference between the branches throughout fax &telex.

7. Opening account in the foreign currencies for individuals and the companies.

8. All of the other known banking operations.

9. Banking service with touch screen at all of or branches and agencies.

10. Drive in Banking.

11. Connecting the main branch with the agencies throughout the air net

    antennas.

3.1.5 The objective of the Bank

The objective of the Bank is to exercise all banking, financial and development-financing operations including complementary related or otherwise normally required for banking, financial or development activities. Customer loyalty considered as backbone for firms as it is way for sustaining and increasing sales(Husnain& Akhtar, 2016).Particularly the following:

1. Acceptance of time deposits, opening of current accounts, contracting loans and granting other credit facilities for various periods.

2. Collection and payment of orders, bills and other documents of value.

3. Issue of bills, cheques, notes and other commercial papers as well as credit cards.

4. Discount, Rediscount and otherwise handle commercial papers of any kind whatsoever.

5. Issue of bank letters of guarantee of any kind whatsoever.

6. Opening confirmation and financing of documentary credits.

7. Financing of foreign trade through credit facilities to importers or the grant of advance financing to exporters.

8. Exercise the business of investment trustees and participate in financing productive projects after ascertaining their soundness.

9. Granting of short-term facilities and loans to persons, cooperatives, collective companies as well as public or private service share companies.

10. Granting of mid-term and long loans for construction, industrial, touristic or agricultural investment after approval of the appropriate authority.

11. Offering counsels in the field of investments and project financing.

12. Undertake banking and financial operations with commercial banks in the Jamahiriya consistent with Law No 1 of 1993 and the Libyan Commercial Code.

13. Acts to achieve the objectives of development by endeavoring to adopt agricultural projects and services with a view to reduce dependence on imports from abroad (production to substitute imports system) or increase exports (exports oriented production system) to save foreign currency needed for development purposes.

14. Create and make available savings and investment channels appropriate to the development by employing the proceeds of such channels in mid-term and long-term investments to satisfy the aspirations of depositors and within the safety and profitability considerations of both depositors and the bank.

15. Train and enhance capabilities of national staff in the banking sector in conjunction with the appreciate authorities.

3.1.6 Bank relationship with the customer

There is no day that passes without the incidence of bank/customer relationship(NWABACHILI, 2015). We have seen previously that the institution was looking at the individual as just customer, which is looking for the service on himself, but today the customer has a place superior than it was in the past. In World today, it might be well accepted that intensive competitiveness in terms of both quantity and quality makes it extremely difficult for a firm to differentiate itself from its competitors(Vu & Huan, 2016).Therefore, the institution must pay great attention to the customer, and establish commercial agencies as a link between them and their customers. In addition, to reach the direct relationship between them, so that relationship is characterizing by transparency and safety, when this is achieve, we say that the institution has gained the satisfaction of its customers.The excellent business processes that lead to product or service quality can be seen as the direct

factors impacting on customer satisfaction and customer loyalty(Brady, Cronin, & Brand, 2002).

3.2 Methodological Procedures for the Case Study

The field study was conducted using the questionnaire, which is one of the most important means that can be used to know the personal data and the perspective of certain parties.

3.2.1 Data Collection Method

The data collected for the study was providedthrough the organization's personal questionnaire and used this method for customers. The questionnaire is a useful tool to get the facts and to recognize the reality, as well as circumstances and to identify the views, so in the study questionnaire will be designed to respond to the research variables and to answer research questions. In addition, Microsoft Excel and SPSS software will be used to analyze the data.We designed a questionnaire for Libyan bank of commerce and development customers to identify and evaluate the actual performance of their services provided to their customers and to determine their satisfaction with these services. This questionnaire consists of three parts:

- **Demography**

Includes personal questions (demography) related to the customer, which is gender, age, level of study.

- **Service Quality and Customer Satisfaction**

It is related to determining the level of quality of services that the customer thinks about the institution. This section contains 20 questions, translated into the five basic indicators of the model (Tangible element, reliability, responsiveness, safety, empathy).

1. Tangible element:

It consists of four questions, which refer to the terms 1- 4, concerning the material aspect of the bank, for example the appearance of the external building of the institution, interior decoration, advanced equipment and devices.

2. Reliability:

It consists of four questions, from the items 5 - 8, in which the customer depends on the institution in providing the service, through the fulfillment of an organization's promises, providing them with high quality services, etc.

3. Responsiveness:

This indicator includes four terms, which refer to the terms 9 - 12, namely the extent of the immediate response as well as the level of service delivery of the institution, as well as the extent of immediate response to customer needs.

4. Safety:

This indicator contains the questions 13 - 16 and shows the level of security that the customer puts in the bank, and shows it by feeling safe while dealing with the institution, and the confidence that customer feels it with the employees.

5. Empathy:

This indicator includes questions of any of 17 - 20. These expressions reflect the kind of treatment that the employees of the institution acquire when providing services. These statements explain the interest of customers, appreciation of their circumstances and empathy with them.

- **Overall Evaluation**

This is the last part in questionnaire, which reflect the customers feeling and satisfaction of Libyan bank of commerce and development. That indicator includes four questions. Evaluate the actual performance of their services provided to their customers. And to determine their satisfaction with these services

In addition, the measurement degree of responses to the questionnaire was measured by a five-point scale, ranging from (strongly disagree to strongly agree), more details in table (3-1):

Table 3.1: The measurement degree of responses to the questionnaires (Approval scale)

Approval scale	No. of point

Strongly Agree	5
Agree	4
Neutral	3
Disagree	2
Disagree strongly	1

3.2.2 Sample Selection

This studytargeted a sample of the customer of the Libyan bank of commerce and development. The questionnaire was preformed randomly and it was distributed in person with some relatives in the distribution process. 225 questionnaires were that allowed and confirmed by the bank management. 210 questionnaires were appliedto bank's customers.

3.2.3 Data analysis tools

In this reason questionnaire was design to respond to the research variables and to answer research questions and to measure the stability of the instrument. The Caronbach's Alpha test was preformed and the stability of coefficientswas found. The Microsoft Excel and SPSS software was used as well, to analyze the data and the results was tested by mean, standard deviation to determine the degree of customer approval for services provided by, T- test and ANOVA test to hypothesis testing.

- Measuring the stability of the study tool Questionnaire and factor analysis:

The Caronbach's Alpha coefficient was calculated for the stability of the study instrument and the results obtained were as follows in table 3.2. The way that the questionnaire was constructed was regarded as an indication of its logical sincerity, as well as the honesty reflected in the opinions of the arbitrators. Number of items that tested and its dimensionality affected in the alpha value(Cortina, 1993; Tavakol & Dennick, 2011). There are different references about the acceptable values of alpha, which is ranging from 0.70 to 0.95(Bland & Altman, 1997; DeVellis, 2016; Nunnally, 1975).

The alpha value (KMO value) that is 0.932 is sufficient, which more then 0.7. In fact, all factors with Eigen values of greater than 0.5 were retained, while the factor loadings of less than 0.5 were rejected(Colman & Pulford, 2006; Fouad).

Table 3.2: (reliability of stability)and Factor analysis.

Variables	Values	KMO	df	Sig.
Tangible elements	0.90			
Reliability	0.92			
Responsiveness	0.87	0.932	325	0.000
Safety	0.95			
Empathy	0.96			

- Mean (Average)

The analysis scale for the questionnaires will be based on the average responses of the sample members in the organization's costumers, depending on the output of SPSS software, which as follows:

Table 3. 3: Mean scales

Mean value	Evaluation
From 1 to 2.49	Weak
From 2.5 to 3.49	Medium
From 3.5 to 5	Good

- Independent-Samples T Test

The Independent-Samples T Test was calculate by using SPSS software, which procedure compares means for two groups of cases. The main aim is to findstatistically significant differences.

- One-Way ANOVA

The One-Way ANOVA was calculated by utilizing SPSS software, which procedure produces a one-way analysis of variance for a quantitative dependent variable by a single factor (independent) variable. Statistically significant differences, it was calculated by this test.

3.2.4 Thesis Limitations

Research has some limitations,the research study is restricted with the aspect of servicesquality of Libyan banking to achieve customer satisfaction. Position limitation, Case study: only covers Libyan Bank of Commerce and Development. In addition,the research during the academic year 2017/2018. Finally, human's limitations concered with human sample customers of Libyan Bank of Commerce and Development.

CHAPTER 4

RESULTS DISCUSSION AND ANALYSIS

4.1 The Questionnaire Analysis

4.1.1 Demography Features of Study Samples.

In order to identify the demographic characteristics of the individuals participating in the field study, the first part of the questionnaire dealt with some of the data for the study sample such as gender, age, education level and Frequency of using the bank, as follows in table (4-1):

Table 4.1: Demography features

Variables		Categories	Repetition	%

Gender	1	Male	143	68%
	2	Female	67	32%
Age	1	18 to 30	78	37%
	2	30 to 50	72	34%
	3	51 and above	60	29%
Educational level	1	Intermediate Diploma / Secondary	47	22%
	2	undergraduate	111	53%
	3	Postgraduates	52	25%
Frequency of using the bank	1	Daily	57	27%
	2	Weekly	74	35%
	3	Monthly	42	20%
	4	Other	37	18%

4.1.1.1 Gender

The above table shows that a large percentage of the sample members are male, with 143 members and 68%, while the number of females is 67 and 32%, as shown in figure (4-1).
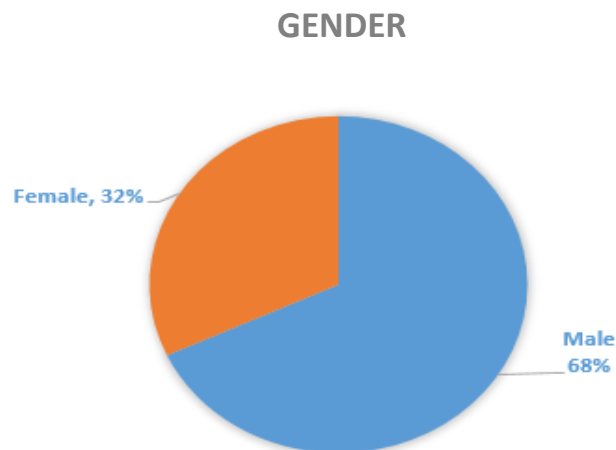

GENDER

Figure 4. 1: Gender in study sample

4.1.1.2 Age

From the table (4-1), we can note that about 37% of the respondents are between the ages of 18 to30 years (78 individuals). While 72 individuals (between 30 to 50 years old with percentage 34%, and last order with percentage 29% are between the ages of 50 and more (60 individuals), figure (4-2) given more details.
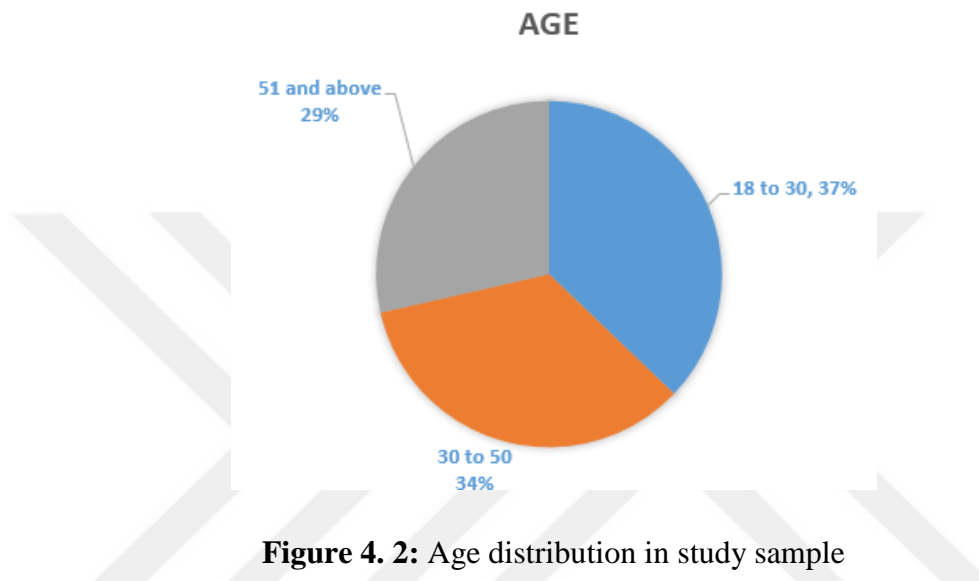

Figure 4. 2: Age distribution in study sample

4.1.1.3 Educational level

The results of table (4-1) shows that the highest percentage of study sample are undergraduate with 111 individuals that given 53% of the sample. In addition 47% have Intermediate Diploma or Secondary level (47 individuals), and the lowest are the Postgraduates with 22% have an average level of 47 persons. Figure (4-3) demonstrates education level distribution.
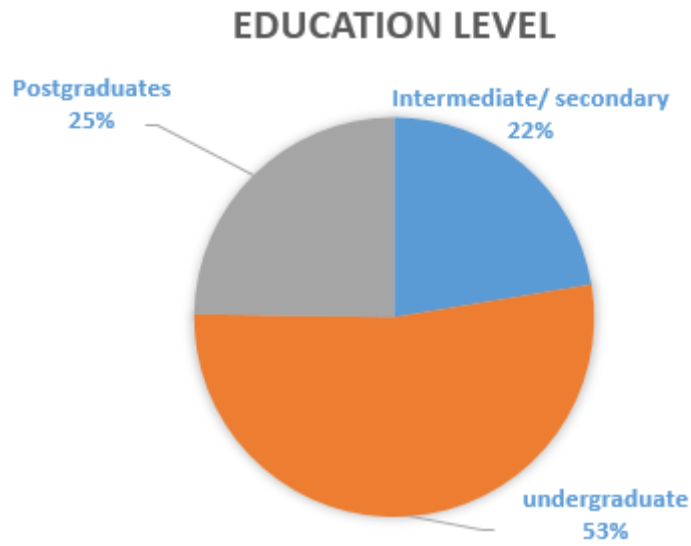
EDUCATION LEVEL

Figure 4. 3: Education level distribution in study sample

4.1.1.4 Frequency of Using the Bank

The study sample distribution in frequency using bank services as showing ti table (4-1), the highest bank services uses are weekly with 74 individuals which about 35%, next of them with 57 individuals are daily 27%. Monthly comes in third with 20% (42 individuals) and the lowest comes as other frequency using bank with 18% (37 individuals). More details in figure (4-4).
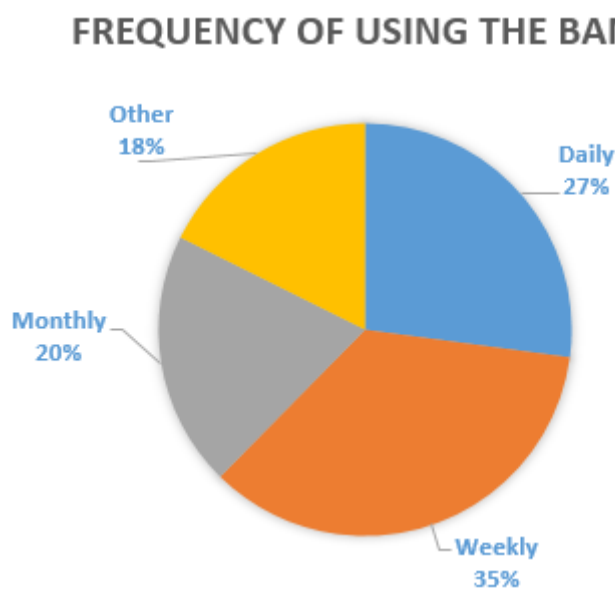
FREQUENCY OF USING THE BANK

Figure 4. 4: Frequency of using bank of study sample

4.1.2 Service Quality and Customer Satisfaction

4.1.2.1 Tangible Elements

Table 4. 2: Answers of individuals concerning tangible elements part.

The question	Strongly agree	Agree	Natural	Disagree	Strongly disagree	Average	Standard deviation
4.1 The Bank has modern looking equipment.	50	70	60	28	2	3.66	1.01
4.2 The Bank's physical features are	35	85	70	20	0	3.64	.87

visually appealing.							
4.3 The Bank's reception desk employees are neat appearing.	50	84	56	20	0	3.79	.91
4.4 Material associated with service (like pamphlets) are visually appealing at the Bank.	25	61	80	35	9	3.28	1.01

The research samples of Libyan Bank of Commerce and Development was divided by their questionnaire's answers include strongly agree, agree, natural, disagree and strongly disagree, as showing in table (4-2), the questionnaire started with the question is whether the Libyan Bank of Commerce and Development has modern looking equipment. The opinions of bank's customers as 57.1% as total of (23.8% strongly agree and 33.3% agree), which means they believe that Libyan Bank of Commerce and Development has modern looking equipment with standard deviation 1.01 and mean 3.66. In addition, Figure (4-5) shows normality test distribution in answers.
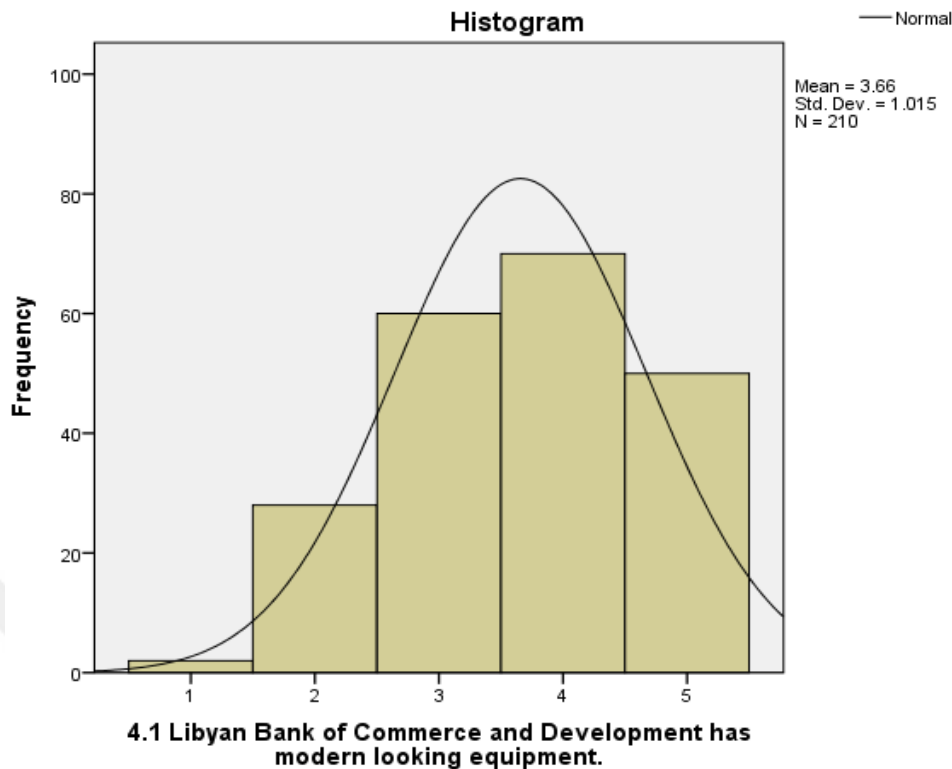
Figure 4. 5: shows normality test distribution in answers

As same as first question, the second become as Libyan Bank of Commerce and Development, physical features are visually appealing, the highest answers about 57.2% in positive side with standard deviation 0.87 and mean 3.64, which means that there is concentration and non-dispersion in answers as well.

The question is whether the Libyan Bank of Commerce and Development, reception desk employees are neat appearing. Where about 64.3% between 23.8% strongly agree and 40.5% agree while 0% as strongly disagree. Generally, they believe that Libyan Bank of Commerce and Development has good looking. Where the answers become with standard deviation 0.91 and mean 3.8 and the test of Normality showed concentration and non-dispersion.

The last question in first group (Tangible elements) was whether Material associated with service (like pamphlets) are visually appealing at Libyan Bank of Commerce and Development. After using SPSS software the answers of analysis become as 40.9% sum of agreement as (29% agree and 11.9% as strongly agree).

Moreover, the answers become with standard deviation 1.01 and mean 3.3, thetest of Normality showed concentration and non-dispersion, as shown in figure (4-6).
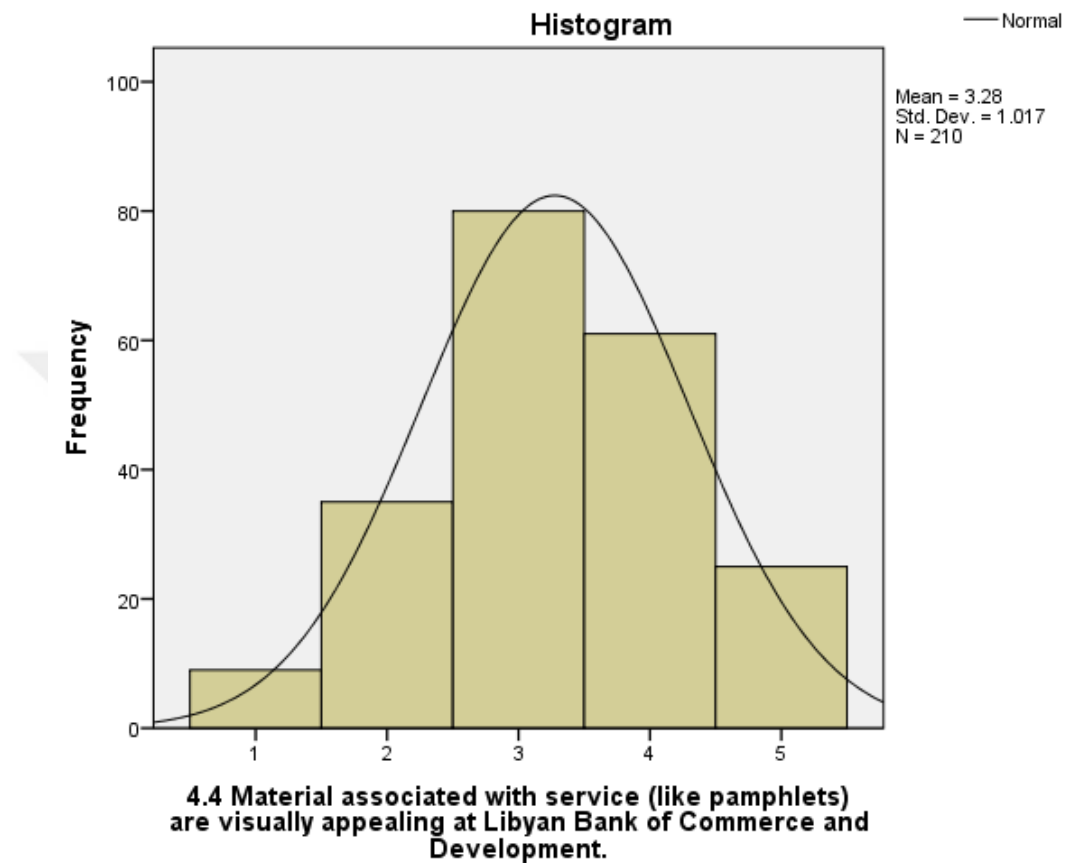

Figure 4. 6: shown normality test distribution in answers

4.1.2.2 Reliability

Table 4. 3: study samples answers of reliability part

The question	Strongly	Agree	Natural	Disagree	Strongly	Average	Standard

	agree				disagree		deviation
4.5 When Bank promises to do something in certain time, it does so.	40	80	60	25	5	3.6	1
4.6 The Bank preforms the service right the first time.	25	46	79	45	15	3.1	1.09
4.7 There is no delay in Bank services.	21	54	85	36	14	3.15	1.04
4.8 The Bank insists on error free records.	34	71	71	31	3	3.5	.9

The research samples of Libyan Bank of Commerce and Development questionnaire in part of reliability covers ansewrs strongly agree, agree, natural, disagree and strongly disagree, as showing in table (4-3), the questionnaire started with the question is When Libyan Bank of Commerce and Development, promises to do something in certain time, it does so. The opinions of bank's customers as 57.1% as total of (19% strongly agree and 38.1% agree), which mean they believe that Libyan Bank of Commerce work with time function with standard deviation 1.00 and mean 3.6, which mean showed concentration and non-dispersion. In addition,Figure (4-6) shows normality test distribution in answers.
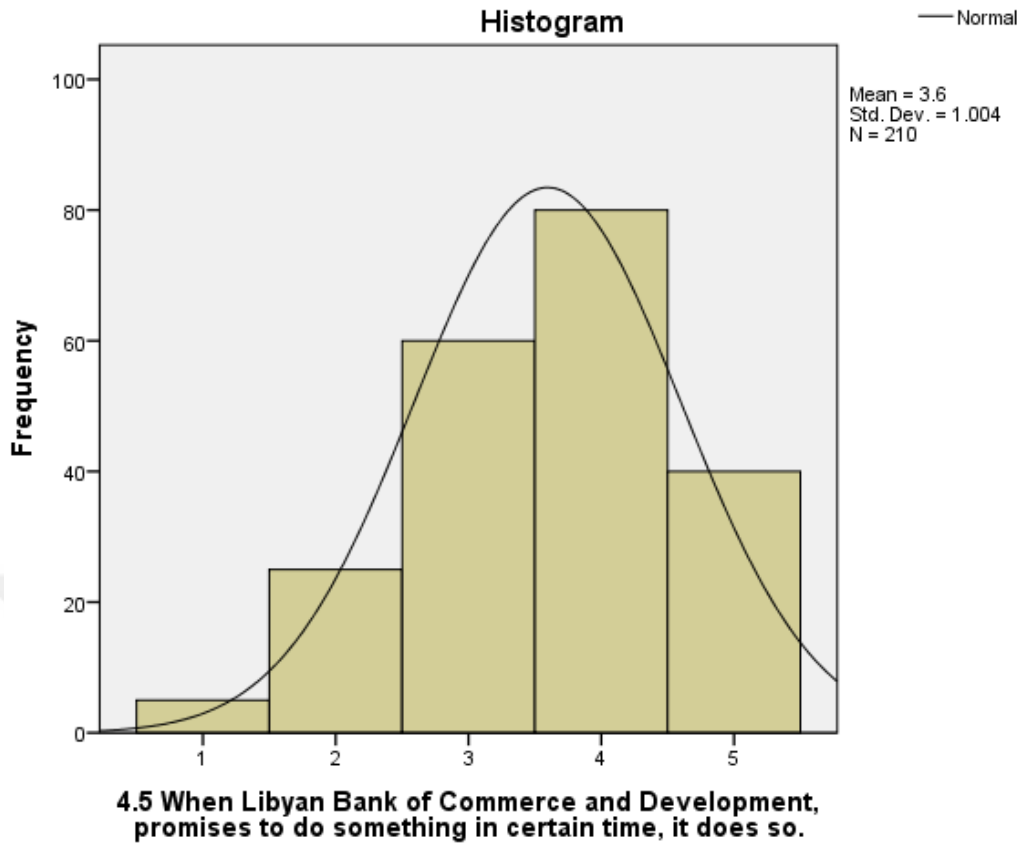
Figure 4. 7: shows normality test distribution in answers

The question is whether the Libyan Bank of Commerce and Development preforms the service right the first time. About 33.8% between (21.9% strongly agree and 11.9% agree) while 37.6% becomes as natural. Generally, most of the costumers believe that Libyan Bank of Commerce and Development preforms the service right the first time, with standard deviation 1.09 and mean 3.1, and the test of Normality showed concentration, non-dispersion in answers. While the third question in reliability was, there is no delay in Libyan Bank of Commerce and Development services? , after the answers was intered in SPSS the results became as (35.7% agreement (25.7% agree and 10% strongly agree) the highest percentage became as natural 40.5%, and the lowest percentage was disagreement as 23.8%. with standard deviation 1.04 and mean 3.2, and the test of Normality showed concentration, non-dispersion in answers. The last questionnaire in reliability group was whether the Libyan Bank of Commerce and Development insists on error free records. In fact, the answers became very clear that the bank's costumers insists on error free records,

with agreement 50% from all answers as (16.7 strongly agree and 33.3% agree) with standard deviation 0.9 and mean 3.5, which confirmed concentration and non-dispersion in answers as well.Thenormality distribution is shown in figure (4-7).
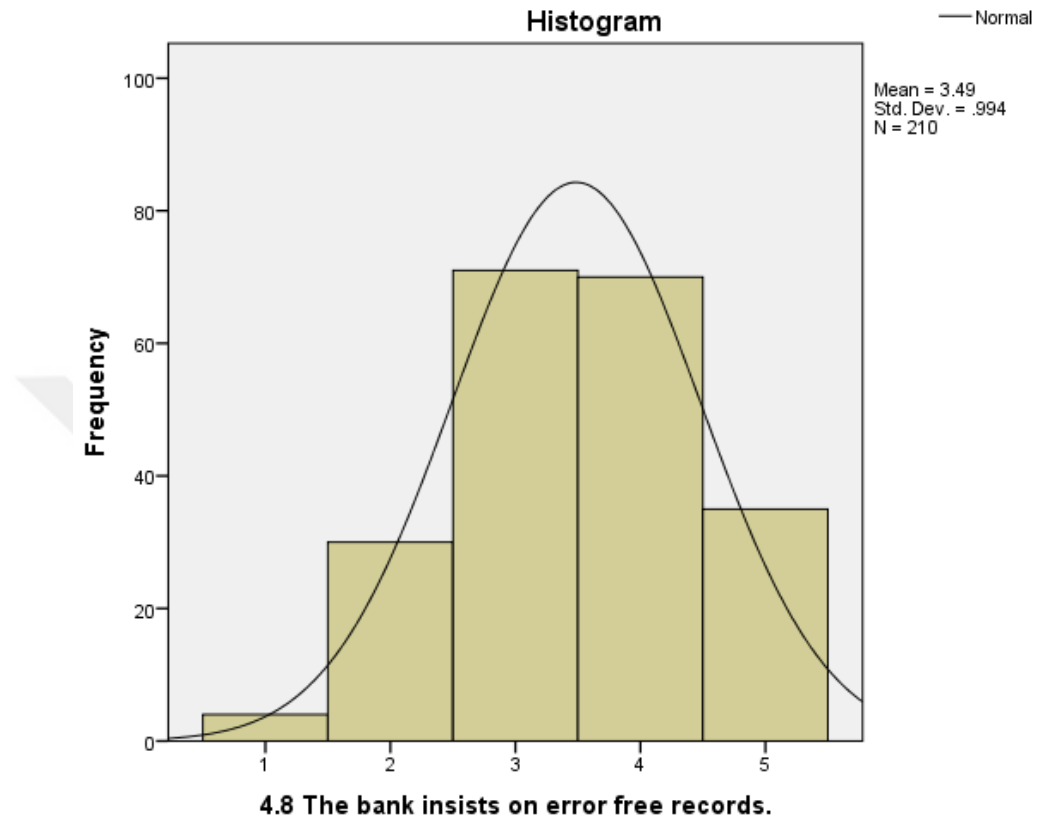

Figure 4. 8: shown normality test distribution in answers

4.1.2.3 Responsiveness

Table 4. 4: study samples answers of Responsiveness part

The question	Strongly agree	Agree	Natural	Disagree	Strongly disagree	Average	Standard deviation

4.9 The Bank's employees tell you exactly when services will be performed.	36	79	60	26	9	3.51	1.05
4.10 The Bank's employees give your prompt service.	39	76	63	29	3	3.6	.9
4.11 The Bank's employees are always willing to help you.	31	80	76	23	0	3.6	.87
4.12 The Bank's employees never too busy to respond to your request.	20	46	83	52	9	3.1	1

The Responsiveness questionnaires answers of the research samples of Libyan Bank of Commerce and Development was divided into five groups, strongly agree, agree, natural, disagree and strongly disagree, as showing in table (4-4), the questionnaire started with the question whether The Libyan Bank of Commerce and Development's employees tell you exactly when services will be performed. The opinions of bank's customers as 54.7% as total of (17.1% strongly agree and 37.6% agree), which means they believe that the bank's employees tell you exactly when services will be performed, with standard deviation 1.05 and mean 3.51, which means that there is concentration and non-dispersion in answers. In addition, Figure (4-8) shows normality test distribution in answers
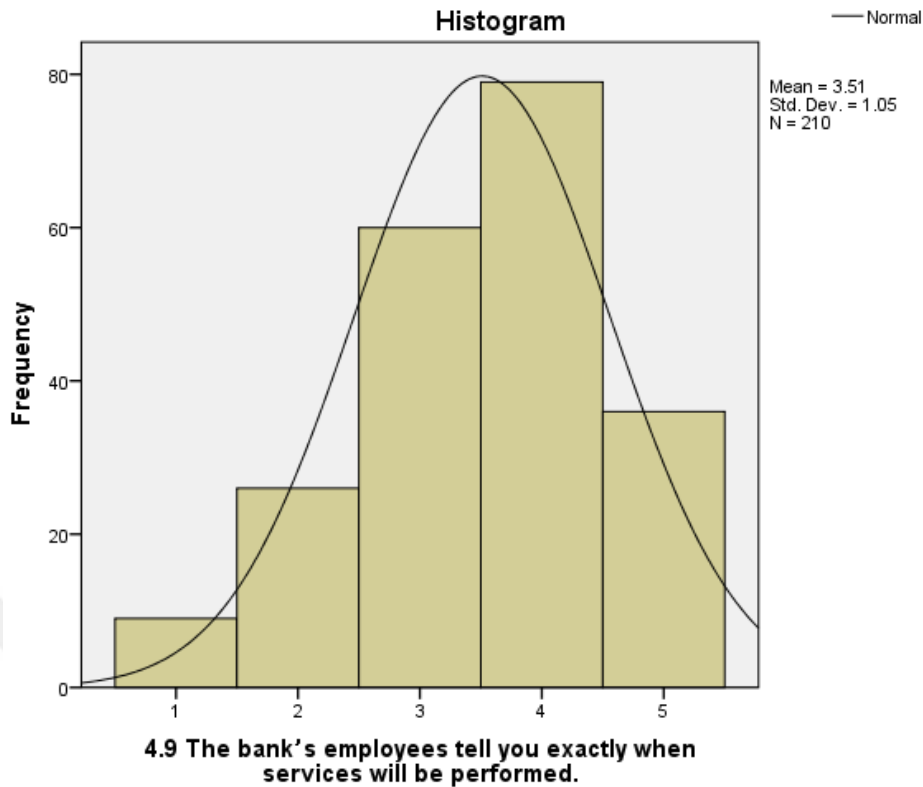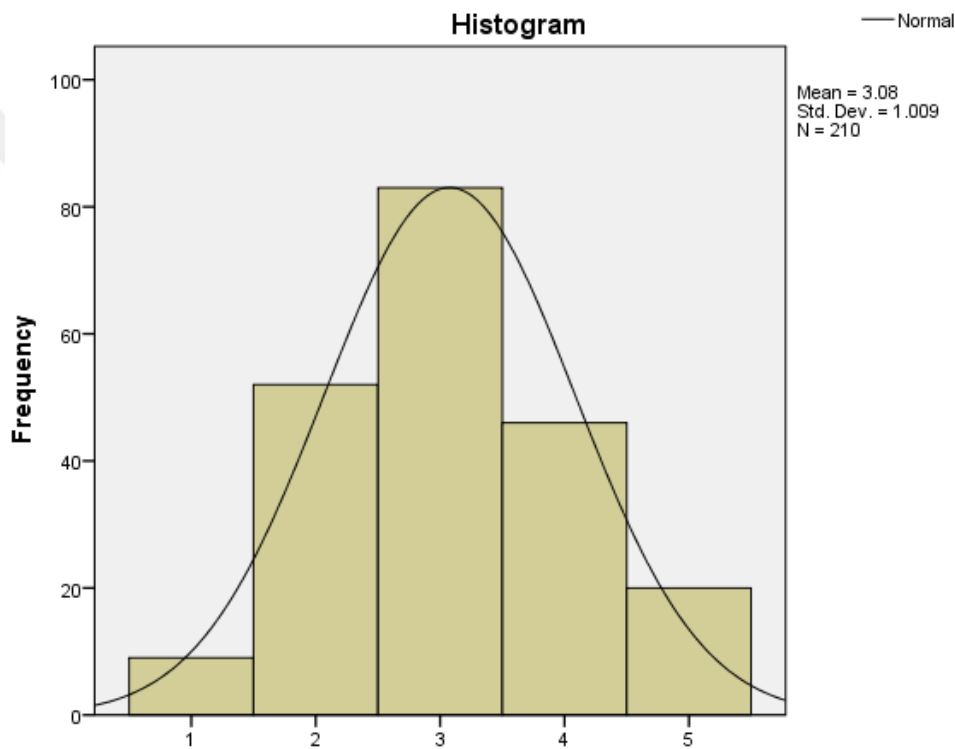
Figure 4. 9: shown normality test distribution in answers

The same as first question, the highest answers 54.7% in positive side as (19.0% strongly agree and 35.7% agree). In question, whether the Libyan Bank of Commerce and Development's employees give them prompt service, with standard deviation 0.9 and mean 3.6, which provides concentration and non-dispersion in answers as well. The third question is whether The Libyan Bank of Commerce and Development's employees are always willing to help you. The results were about 53% (14.8% strongly agree and 38.1% agree) while strongly disagree was 0%. Generally, they believe that Libyan Bank of Commerce and Development has always willing to help them, where the answers become with standard deviation 0.87 and mean 3.6, and significance as per the test of Normality ensures concentration and non-dispersion in answers.

The last question in this group (Responsiveness) was whether The Libyan Bank of Commerce and Development's employees never too busy to respond to your request. After using SPSS software the answers regarding the analysis become as

31.4% sum of agreement as (21.9% agree and 9.5 as strongly agree), while the highest percentage become as natural with 39.5% as showing in figure (4-9). Moreover,the answers become with standard deviation 1.0 and mean 3.1, and significance as per the test of Normality ensures the concentration and non-dispersion. In other hand, the disagreement percentage was 35% from total answers as (24.8% disagree and 11.0% strongly disagree), shown in figure (4-4). Which means that the costumers are not sure if the bank's employees never too busy to respond to their request.

Figure 4. 10: shown normality test distribution in answers

4.1.2.4 Safety

Table 4. 5: study samples answers of safety part

The question	Strongly	Agree	Natural	Disagree	Strongly	Average	Standard

	agree				disagree		deviation
4.13 Employees behavior in the Bank instills confidence in you.	34	70	79	27	0	3.53	.9
4.14 You feel safe in your transactions with the Bank.	36	80	59	22	13	3.5	1.08
4.15 The bank's employees are consistently courteous with you.	15	72	93	25	5	3.32	.86
4.16 The bank's employees have knowledge to answer your question.	40	98	50	22	0	4.74	.88

The safety asone of most important variable included in the questionnaires and answers of the research samples of Libyan Bank of Commerce and Development. Answers were scaled as strongly agree, agree, natural, disagree and strongly disagree, as shown in table (4-5), the safety questions started with the question is whether Employees behavior in the Libyan Bank of Commerce and Development instills confidence in you. The costumers opinions becomes as 49.5% positive as total of (16.2% strongly agree and 33.3% agree), which means they trust in the bank's employees and instills confidence, with standard deviation 0.91 and mean 3.53 ensuring the concentration and non-dispersion in answers. In fact, there was no customer who selects the choice strongly disagree 0%. Like previeus question, the answers with highest percentage 55.2% in positive side as (17.1% strongly agree and 38.1% agree) and in second order become natural percentage with 28.6% where the question was whether you feel safe in your transactions with the Libyan Bank of Commerce and Development. With standard deviation 1.08 and

mean 3.5, which ensures concentration and non-dispersion in answers as well. The third question is whether the bank's employees are consistently courteous with you. The highest percentage become as natural with 41.4%, which positive (7.1% strongly agree and 34.3% agree), while negative responses become 14.3% as (2.4% strongly disagree and 11.9%) as shown in figure (4-10). Generally, their answer are that of Libyan Bank of Commerce and Development employees are consistently courteous with them, where the answers become with standard deviation 0.86 and mean 32, and results Normality test ensures concentration and non-dispersion in answers.
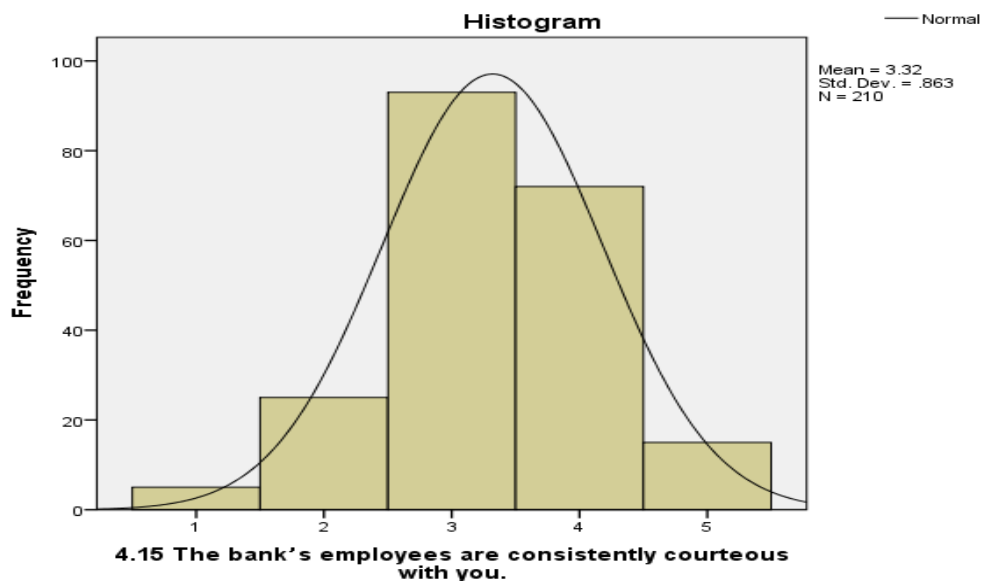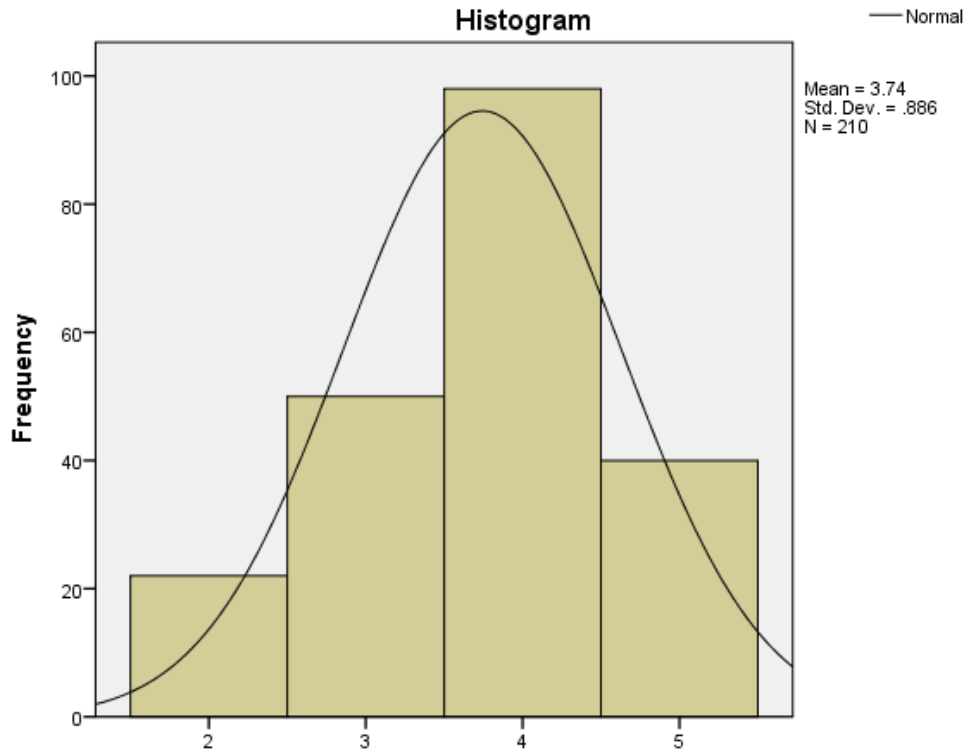

Figure 4. 11: shows normality test distribution in answers

The last question in this group (Safety) was whether The Libyan Bank of Commerce and Development's employees have knowledge to answer your question. After using SPSS software, when the answers are analyzed, the highestproportion was positive with 65.7% sum of agreement as (46.7% agree and 19% as strongly agree), while the second position become as natural with 23.8% as shown in figure (4-11).Moreover, the answers become with standard deviation 0.88 and mean 3.74, and as per the test of Normality, concentration and non-dispersion is ensured.On other hand, the disagreement percentage was 10.5% from total answers (10.5% disagree and 0% strongly disagree), as shown in figure (4-11).

Figure 4. 12: shows normality test distribution in answers

4.1.2.5 Empathy

Table 4. 6: The answers of empathy part

The question	Strongly agree	Agree	Natural	Disagree	Strongly disagree	Average	Standard deviation
4.17 The Bank gives to you individual attention.	18	74	63	33	22	3.16	1.1
4.18 The bank has operation hours convenient to all its customers.	29	75	58	26	22	3.30	1.1
4.19 The Bank has employee who give your personal attention.	34	57	77	32	10	3.35	1.17
4.20 The bank's employees understands your specific needs.	23	93	75	12	7	3.54	0.88

The empathy part is one of most important variable. These statements explain the interest of customers, appreciation of their circumstances and empathy with them. The questionnaires and answers of the research samples of Libyan Bank of Commerce and Development were divided to: strongly agree, agree, natural, disagree and strongly disagree, given in table (4-6), the empathy questions started with the question whether The Libyan Bank of Commerce and Development give you individual attention. The costumers opinions becomes as 43.8% positive as total of 8.6% strongly agree and 35.2% agree, which means they trust in the bank's employees that give to them individual attention, with standard deviation 1.1 and mean 3.16, where concentration and non-dispersion is ensured in answers.

The second question was whether the bank has operation hours convenient to all its customers. In answers the highest percentage was 49.5% in positive side as (13.8% strongly agree and 35.7% agree) and in second order become natural percentage with 27.6% with standard deviation 1.1 and mean 3.30, which ensures concentration and non-dispersion in answers as well. The third question in empathy part was whether The Libyan Bank of Commerce and Development has employee who give your personal attention. The highest percentage 43.3% as positive (16.2% strongly agree and 27.1% agree) also become as natural was 36.7% while negative responses become 20% as (4.8% strongly disagree and 15.4% disagree) as shown in figure (4-12). Generally, the opinion of customersreflactsLibyan Bank of Commerce and Development employees give them personal attention. The answers become with standard deviation 1.07 and mean 3.35.
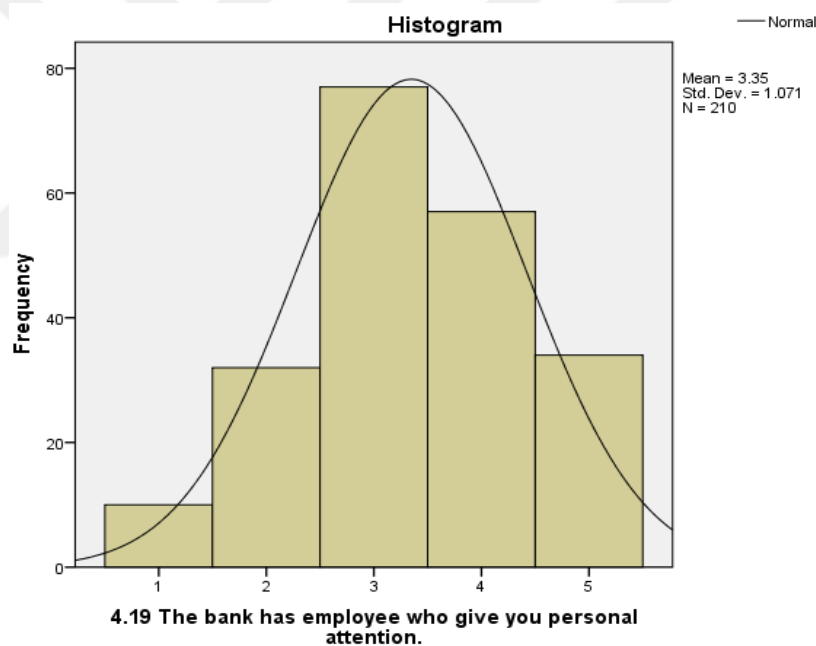
Figure 4. 13: shows normality test distribution in answers

The last empathy question was whether The Libyan Bank of Commerce and Development's employees understanding your specific needs. According to the results revealed from SPSS software the first percentage was positive with 55.3% sum of agreement (44.3% agree and 11% as strongly agree), while the second position become as natural with 35.7% as shown in figure (4-13). Moreover, the

answers become with standard deviation 0.88 and mean 3.54.The disagreement percentage was only 9% from total answers (5.7% disagree and 3.3% strongly disagree), shown in figure (4-13).
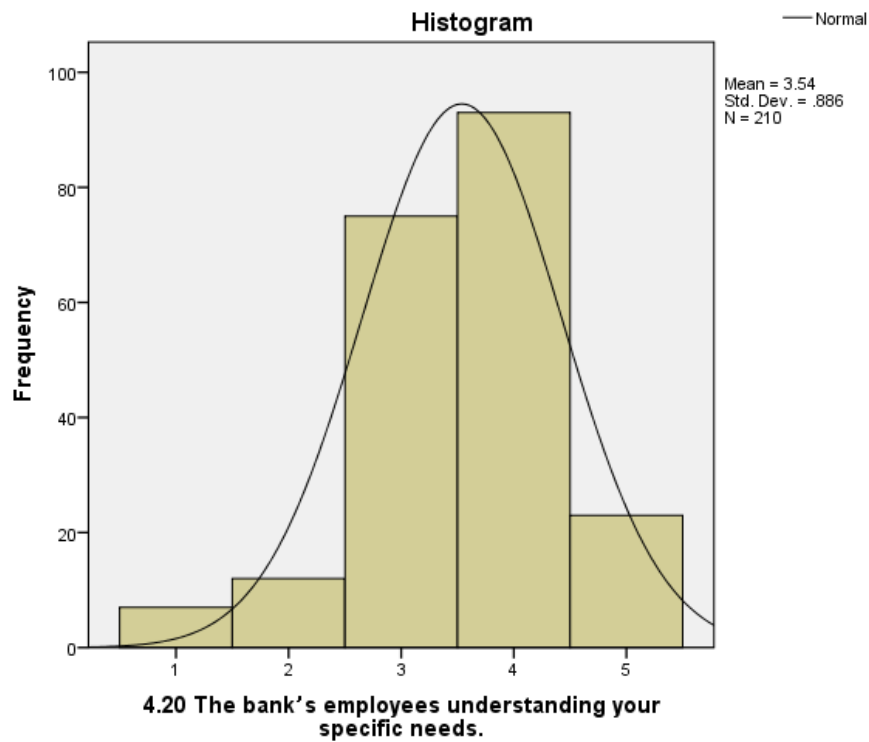

Figure 4. 14: shows normality test distribution in answers

4.1.3 Overall Evaluation

Table 4. 7: The answers of Overall evaluation part

The question	Strongly agree	Agree	Natural	Disagree	Strongly disagree	Average	Standard deviation
5.1 The quality of services has a positive impact in the Bank performance.	33	75	55	38	9	3.4	1.08
5.2 The quality of the banking services highly influence in achieving the satisfaction of their customers.	48	106	40	12	4	3.9	0.89
5.3 Overall, I am satisfied with the Bank's services.	39	73	51	34	13	3.43	1.14
5.4 I will advise my friends to use services that provided by Libyan Bank of Commerce and Development.	56	104	44	3	3	4.0	0.81
5.5 I say positive things about the Bank to other people.	28	99	56	22	5	3.6	0.93
5.6 There is continuous improving in the Bank services	36	110	31	23	10	3.66	1.03

According to table (4-7), the overall evaluation regarding the opinions of customers of Libyan Bank of Commerce and Development costumers, which explain

the interest of customers, appreciation of their circumstances and advise their friends to use bank services. The questionnaires and answers of the research samples of Libyan Bank of Commerce and Development were scaled as strongly agree, agree, natural, disagree and strongly disagree, given in table (4-7), the overall evaluations started with the question is whether the quality of services has a positive impact in the Libyan Bank of Commerce and Development performance. The opinions of costumers becomes as 51.4% positive as total of (15.7% strongly agree and 35.7% agree), which means they trust in the bank's employees that give to them individual attention, with standard deviation 1.08 and mean 3.40. The second question was whether the quality of the banking services highly influence in achieving the satisfaction of their customers. The highest percentage was 73.4% in positive side as (22.9% strongly agree and 50.5% agree) and in second order become natural percentage with 19%. With standard deviation 0.89 and mean 3.9. As well as second question, the third question in overall evaluation part was whether. I am satisfied with the Libyan Bank of Commerce and Development services. The highest percentage was 53.4% as positive (18.6% strongly agree and 34.8% agree) also become as natural 21%, while negative responses become 22.4% as (6.2% strongly disagree and 16.2% disagree) as shown in figure (4-14). Generally, the answers reveal that most of costumers satisfied with the services presented by Libyan Bank of Commerce and Development, where the answers become with standard deviation 1.1 and mean 3.43
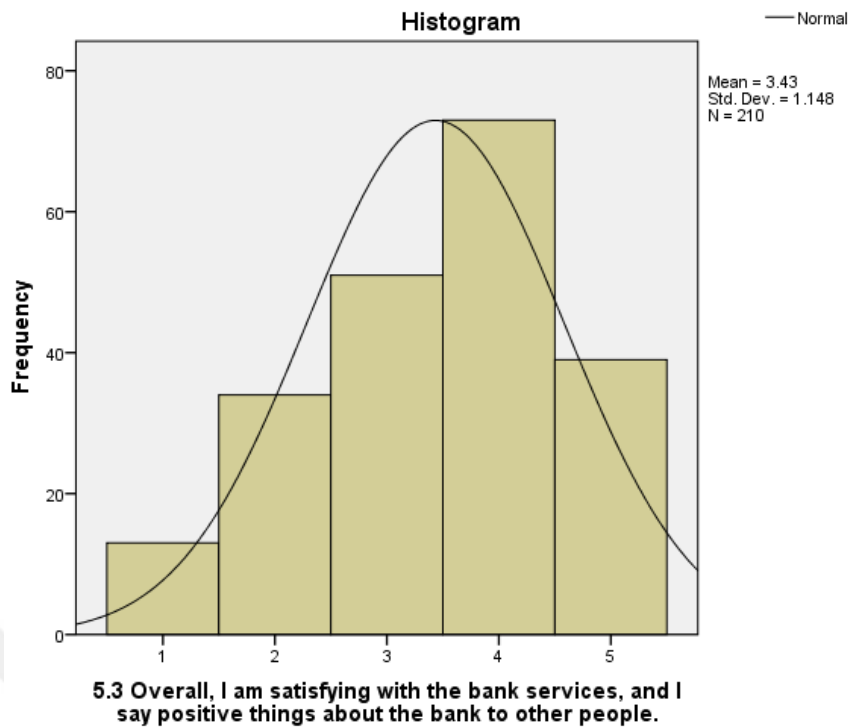
Figure 4. 15: shows normality test distribution in answers

The fourth question in overall evaluation part was whether I will advise my friends to use services that provided by Libyan Bank of Commerce and Development. After using SPSS software, as per outcomethe first percentage was positive with 76.2% sum of agreement 49.5% agree and 26.7% as strongly agree, while the second position become as natural with 21%. Moreover, the answers become with standard deviation 0.8 and mean 4.0. The significant regarded the test of Normality (Kolmogorov Test) was zero, the disagreement percentage was only 2.8% from total answers. The fifth question was I say positive things about the Libyan Bank of Commerce and Development to other people.In answers the highest percentage was 60.4% in positive side 13.3% strongly agree and 47.1% agree, and in second order became natural with percentage with 19%. With standard deviation 0.9 and mean 3.6. As per the test of Normality, results are shown in figure (4-15). The last question in overall evaluation part was there is continuous improving in Libyan Bank of Commerce and Development services. The highest percentage was 69.5% as positive (17.1% strongly agree and 52.4% agree). The lowest percentage 14.8% became as natural, while negative responses become just 15.8% as (4.8% strongly

63

disagree and 11.0% disagree). According to the answer given by costumers. They found the services satisfying provided by Libyan Bank of Commerce and Development and they will advise their friends to use services provided by the bank, where the answers become with standard deviation 1.03 and mean 3.7.
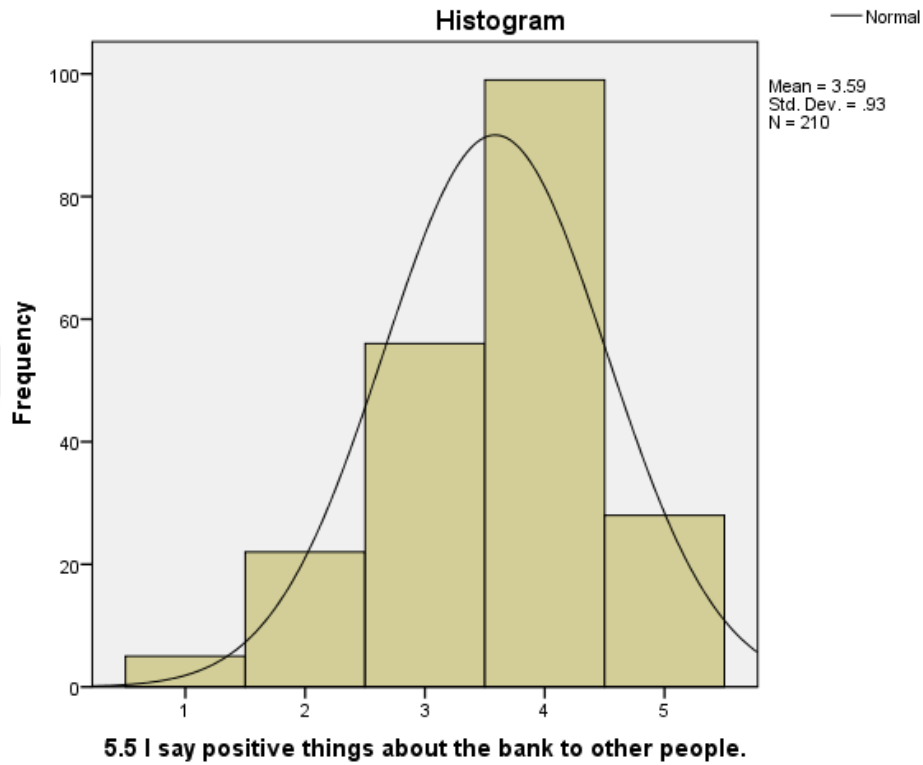

Figure 4. 16: shows normality test distribution inanswers

4.1.7 Factor analysis

Table 4.8: Results of Factor Analysis

Name	Questions	Factor Loads	% of Total Variance	Realiabity
Tangible Element	Q4.1	6.42	**32.55**	0.90
	Q4.2	4.36		
	Q4.3	2.73		
	Q4.4	2.02		
Reliability	Q4.5	1.61	**22.69**	0.92
	Q4.6	1.29		
	Q4.7	1.08		
	Q4.8	.87		
Responsiveness	Q4.9	.582	**13.38**	0.87
	Q4.10	.546		
	Q4.11	.424		
	Q4.12	.368		
Safety	Q4.13	.275	**8.25**	0.95
	Q4.14	.215		
	Q4.15	.199		
	Q4.16	.151		
Empathy	Q4.17	.133	**6,10**	0.96
	Q4.18	.82		
	Q4.9	.074		
	Q4.20	.036		
Percentage of total variance		**82.97 %**		
Kaiser Meyer Olkin Scale Validity		**.940**		
Bartlett's Test of Sphericity Approx. Chi-Square		**8808.713**		
Df		**190**		
P Value		**.000**		
Crombach's Alpha		**.920**		

4.1.5 Research Hypothesis Testing

The hypothesis of the research study are as following:

H1 : Participants have different perceived service quality according to gender

H2 : Participants have different perceived service quality according to age

H3 : Participants have different perceived service quality according to educational level

H4 : Participants have different perceived service quality according to frequency of using the bank

4.1.5.1 First Hypothesis

T-test was conducted to determine whether the perceived quality of service factors differed by gender. The T-test table and its results are shown below.

Table 4.9. T-test Table by Gender

Perceived Service Quality Factors	Gender	N	Mean	Std. Deviation	t	df	P Sig. (2-tailed)
Tangible Element	Female	143	3.55	.998	-.751	208	0.474
	Male	67	3.66	.854			
Reliability	Female	143	3.29	1.063	-.828	208	0.421
	Male	67	3.42	.970			
Responsiveness	Female	143	3.38	1.001	-1.017	208	0.368
	Male	67	3.54	.935			
Safety	Female	143	3.47	.977	-1.139	208	0.274
	Male	67	3.63	.838			
Empathy	Female	143	3.28	1.103	-1.235	208	0.249
	Male	67	2.47	.959			

When the P values obtained from the T-test result in Table 4.9 are examined, as the P values of all the factors are more than the significance value of 0.05, participants did not show any significant difference according to gender. Accordingly, the H1 hypothesis has been rejected in terms of all factors of perceived service quality.

4.1.5.2 Second Hypothesis

Table 4.10. Anova Table by Age Groups

Perceived Service Quality Factors	Age Groups	N	Ortalama Mean	Std. Deviation	F	P Sig.	Significance Diff.
Tangible Element	18 to 30	78	3.56	.656			1-2
	31 to 50	72	3.98	1.203	14.218	.000	2-3
	51 and more	60	3.16	.726			
Reliability	18 to 30	78	3.23	.819			1-2
	31 to 50	72	3.76	1.269	12.328	.000	2-3
	51 and more	60	2.96	.745			
Responsiveness	18 to 30	78	3.46	.766			1-2
	31 to 50	72	3.73	1.142	15.164	.049	2-3
	51 and more	60	3.03	.834			
Safety	18 to 30	78	3.57	.722			1-2
	31 to 50	72	3.83	1.152	11.173	.000	2-3
	51 and more	60	3.1	.705			
Empathy	18 to 30	78	3.40	.825			1-2
	31 to 50	72	3.62	1.337	9.707	.001	2-3
	51 and more	60	2.9	.779			

Since P values of all the factors that were tested according to age groups were smaller than significance value of 0.05, significant differences were determined in all factors of service quality perceived by age groups. The LSD test was conducted to determine the groups in which the differences between the groups were based on the age groups of the participants and the findings are given in Table 4.10. Table 4.10 shows that the participants in the 31-50 age group differ from the others. Accordingly, the H_2 hypothesis is accepted in terms of all factors of perceived service quality. When the averages of the groups are examined, it can be said that the participants in the 31-50 age group generally have higher service quality perception.

4.1.5.3 Third Hypothesis

Table 4.11. Anova Table by Educational Groups

Perceived Service Quality Factors	Educational Groups	N	Mean	Std. Deviation	F	P Sig.	Significance Diff.
Tangible Element	secondry	47	3.25	.930			1-2
	undergraduate	111	3.76	.961	5.28	.009	2-3
	Postgaduates	52	3.55	3.52			
Reliability	secondry	47	3.02	.984			1-2
	undergraduate	111	3.51	1.039	4.73	.05	2-3
	Postgaduates	52	3.24	.988			
Responsiveness	secondry	47	3.2	.844			1-2
	undergraduate	111	3.55	.980	4.50	.02	2-3
	Postgaduates	52	3.37	1.031			
Safety	secondry	47	3.30	.893			
	undergraduate	111	3.64	.932	2.98	.18	-
	Postgaduates	52	3.48	.941			
Empathy	secondry	47	3.05	.979			
	undergraduate	111	3.48	1.103	3.54	.13	-
	Postgaduates	52	3.38	.983			

There was no difference in the safety and empathy factors, but tangible element, reliability and reponsiveness factors were determined as the result of Anova test. The LSD test was conducted to determine the groups in which the differences between the groups were based on the educational level of the participants and the findings are given in Table 11. Table 11 shows that participants in the undergraduate level differ from the others. Accordingly, the H_3 hypothesis was accepted in terms of tangible element, reliability and reponsiveness factors, and was rejected in terms of safety and empathy factors. When the averages of the groups were examined, it can be concluded that the attendance level of tangible element, reliability and reponsiveness of participants who are generally in undergraduate education level is higher.

4.1.5.4 Fourth Hypothesis

Tablo 4.12. Anova Table by Frequency of Using The Bank Groups

Perceived Service Quality Factors	Frequency of using the bank Groups	N	Mean	Std. Deviation	F	P Sig.	Significance Diff.
Tangible Element	Daily	57	3.8	.872	1.672	.249	-
	Weekly	74	3.56	.978			
	Monthly	42	3.51	1.04			
	Other	37	3.42	.889			
Reliability	Daily	57	3.58	.946	1.873	.191	-
	Weekly	74	3.25	1.104			
	Monthly	42	3.23	1.103			
	Other	37	3.23	.881			
Responsiveness	Daily	57	3.63	.957	1.592	.233	-
	Weekly	74	3.37	1.02			
	Monthly	42	3.42	.975			
	Other	37	3.26	.903			
Safety	Daily	57	3.70	.845	1.846	.339	-
	Weekly	74	3.49	.962			
	Monthly	42	3.54	1.045			
	Other	37	3.31	.850			
Empathy	Daily	57	3.64	.947	2.441	.076	-
	Weekly	74	3.21	1.105			
	Monthly	42	3.26	1.183			
	Other	37	3.13	1.014			

Since the P values of all the factors that resulted from the Anova test according to the frequency of using the bank were greater than the significance value of 0.05, the participants did not find a significant difference according to the frequency of using the bank. Accordingly, the H_4 hypothesis is rejected in terms of all factors of perceived service quality.

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

Through our study of the subject, in terms of banks' ability to gain the satisfaction of their customers by providing services quality requires meeting their expectations. Therefore, the case study part of this research was about The Libyan Bank of Commerce and Development to know the satisfaction of its customers. The concept of service quality focuses on maintaining and satisfying customers by providing the service to meet their expectations or superiority.

In our study, we have performed four different hypothesis testing and the results of them are given below briefly.

As per first hypothesis testing, perceived service quality doesn't differ according to gender. For this reason, H_1 was rejected. The second hypothesis testing was related to age group of participants. And according to test results, there is significant difference among age groups in terms of perceived service quality. When the averages of the groups are examined, especially the participants in the 31-50 age group generally have higher service quality perception. So, H_2 was accepted. When the participants are analyzed according to their educational level, there was no significant difference in perceived service quality. Thus, H_3 was rejected. Finally the fourth and the last hypothesis was the relation between perceived service quality and the frequency of using the bank. The test results showed that the participants did not find a significant difference according to the frequency of using the bank. Accordingly, the H_4 hypothesis is rejected in terms of all factors of perceived service quality.

5.2 Recommendations

In light of our findings on the subject of the impact of the services quality of Libyan banking to achieve customer satisfaction, where the case study was the Libyan Bank of Commerce and Development, we make the following recommendations:

1. The bank should try more to achieve service quality to meet the needs and desires of customers continuously.
2. The bank should more trying to give confidence to their functions in their ability to achieve and maintain the required quality.
3. The bank should more trying to give customers confidence in their ability to achieve the quality they expect and have.
4. More attention should be paied to customer complaints and work to turn complaints into opportunities where it can keep pace with changes, wishes and customers' expectations and this to maintain existing customers and attract new customers.
5. The need to focus on the quality dimensions that have a significant impact on customer satisfaction.
6. Makes continuous improvements to satisfy the needs and desires of existing customers in order to gain the competitive advantage to keep them in the market.

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APPENDIX 1

THE QUESTIONNAIRE

The impact of the services quality of Libyan banking to achieve customer satisfaction

1. Introduction

Nowadays, there are large competitive rivalries that are currently taking place in the business world and in the context of economic globalization, which led to the transmission of competition from domestic markets to global markets. Banks as one of service organizations face a range of challenges within the new economic world. In addition, to meet those challenges, most service companies tended to pay attention to quality and excellence in its services to its customers in order to achieve the satisfaction. They considere it as one of the main entrances to succeed and develop in their competitiveness with earning a distinctive market position and raising the profitability of the enterprise.

In this research, the relation between quality of services and customer satisfaction in Libyan banking performance will be analyzed according to results of the questionnaire, prepared for Libyan Bank of Commerce and Development) customers.

1. There are statistically significant differences in the responses of the research samples about the reality of bank services quality development are attributable to each of the:

   A.   Gender

   B.   Educational qualification

   C.   degree of using internet

   D.   Years of experience on the job

2. The quality of the banking institution highly influence in achieving the satisfaction of their customers.

3. There are clear development and improve in Libyan Bank of Commerce and Development services.

2. *The questionnaire Instructions*

- This questionnaire is dedicated to completing the master's degree in Business Administration, under the title "The impact of the services quality of Libyan banking to achieve customer satisfaction"
- The research questionnaires will fill without names.
- All information it will use as education researches only.
- This questionnaire for customers of (Libyan Bank of Commerce and Development).
- You must select one of the choices available to you in every question and then move to the next page.

3. *Demographic information*

3.1 Gender

1. Male
2. Female

3.2 Age

1. 18 to 30
2. 30 to 50
3. 51 and above

3.3 Educational level

1. Intermediate Diploma / Secondary

2. undergraduate

3. Postgraduates

3.4 Frequency of using the bank

1. Daily

2. Weekly

3. Monthly

4. Other

4. SERVICE QUALITY AND CUSTOMER SATISFACTION

A. Tangible elements

4.1 Libyan Bank of Commerce and Development has modern looking equipment.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

5. Strongly agree

4.2 Libyan Bank of Commerce and Development, physical features are visually appealing.

6. Strongly Disagree

7. Disagree

8. Neutral

9. Agree

10. Strongly agree

4.3 Libyan Bank of Commerce and Development, reception desk employees are neat appearing.

11. Strongly Disagree

12. Disagree

13. Neutral

14. Agree

15. Strongly agree

4.4 Material associated with service (like pamphlets) are visually appealing at Libyan Bank of Commerce and Development.

1. Strongly Agree

2. Strongly Disagree

3. Disagree

4. Neutral

5. Agree

6. Strongly agree

B. *Reliability*

4.5 When Libyan Bank of Commerce and Development, promises to do something in certain time, it does so.

16. Strongly Disagree

17. Disagree

18. Neutral

19. Agree

20. Strongly agree

4.6 The Bank preforms the service right the first time.

21. Strongly Disagree

22. Disagree

23. Neutral

24. Agree

25. Strongly agree

4.7 There is no delay in bank services.

26. Strongly Disagree

27. Disagree

28. Neutral

29. Agree

30. Strongly agree

4.8 The bank insists on error free records.

31. Strongly Disagree

32. Disagree

33. Neutral

34. Agree

35. Strongly agree

C. *Responsiveness*

4.9 The bank's employees tell you exactly when services will be perform.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

5. Strongly agree

4.10 The bank's employees give your prompt service.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

5. Strongly agree

4.11 The bank's employees are always willing to help you.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

     5.   Strongly agree

4.12 The bank's employees never too busy to respond to your request.

     1.   Strongly Disagree

     2.   Disagree

     3.   Neutral

     4.   Agree

     5.   Strongly agree

D. *Safety*

4.13 Employees behavior in the bank instills confidence in you.

     36. Strongly Disagree

     37. Disagree

     38. Neutral

     39. Agree

     40. Strongly agree

4.14 You feel safe in your transactions with the bank.

     1.   Strongly Disagree

     2.   Disagree

     3.   Neutral

     4.   Agree

     5.   Strongly agree

4.15 The bank's employees are consistently courteous with you.

     1.   Strongly Disagree

     2.   Disagree

     3.   Neutral

     4.   Agree

     5.   Strongly agree

4.16 The bank's employees have knowledge to answer your question.

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

E. Empathy

4.17 The bank give to you individual attention.

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

4.18 The bank has operation hours convenient to all its customers.

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

4.19 The bank has employee who give your personal attention.

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

4.20 The bank's employees understanding your specific needs.

1. Strongly Disagree
2. Disagree

3. Neutral

4. Agree

5. Strongly agree

5. Overall evaluation

5.1 The quality of services has a positive impact in the bank performance.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

5. Strongly agree

5.2 The quality of the banking services highly influence in achieving the satisfaction of their customers.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

5. Strongly agree

5.3 Overall, I am satisfying with the bank services.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

5. Strongly agree

5.4 I will advise my friends to use services that provided by bank.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

5. Strongly agree

5.5 I say positive things about the bank to other people.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

5. Strongly agree

5.6 There is continuous improving in bank services.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

5. Strongly agree

Histogram

Mean = 3.64
Std. Dev. = .87
N = 210

4.2 Libyan Bank of Commerce and Development,
physical features are visually appealing.

Histogram

Mean = 3.79
Std. Dev. = .916
N = 210

4.3 Libyan Bank of Commerce and Development,
reception desk employees are neat appearing.

Histogram

Mean = 3.1
Std. Dev. = 1.091
N = 210

4.6 The Bank preforms the service right the first time.

Histogram

Mean = 3.15
Std. Dev. = 1.045
N = 210

4.7 There is no delay in bank services.

Histogram

Mean = 3.57
Std. Dev. = .996
N = 210
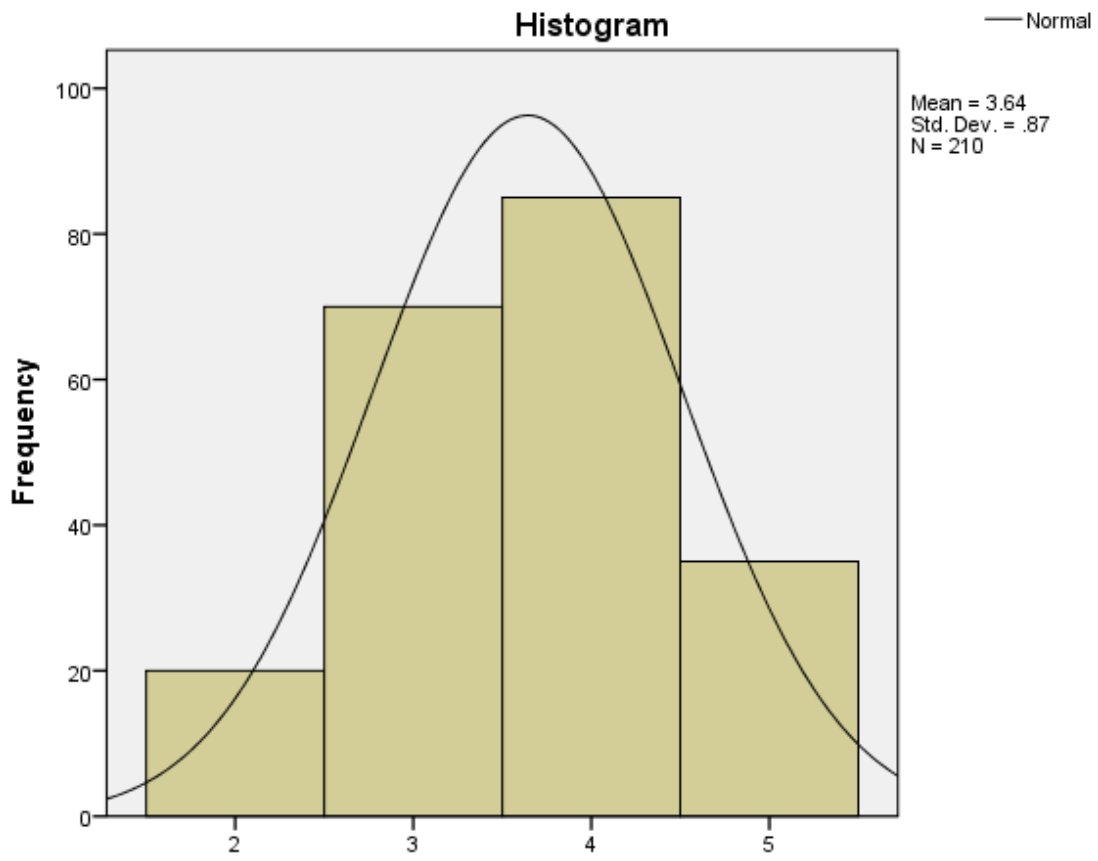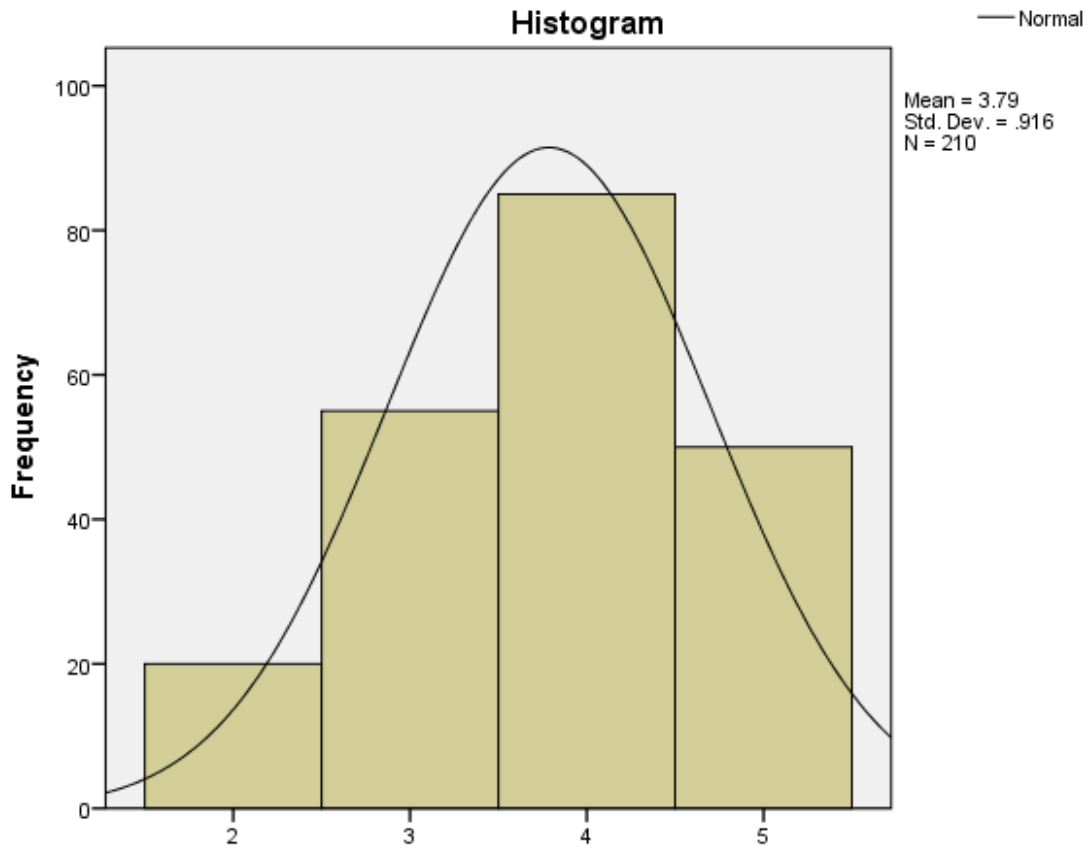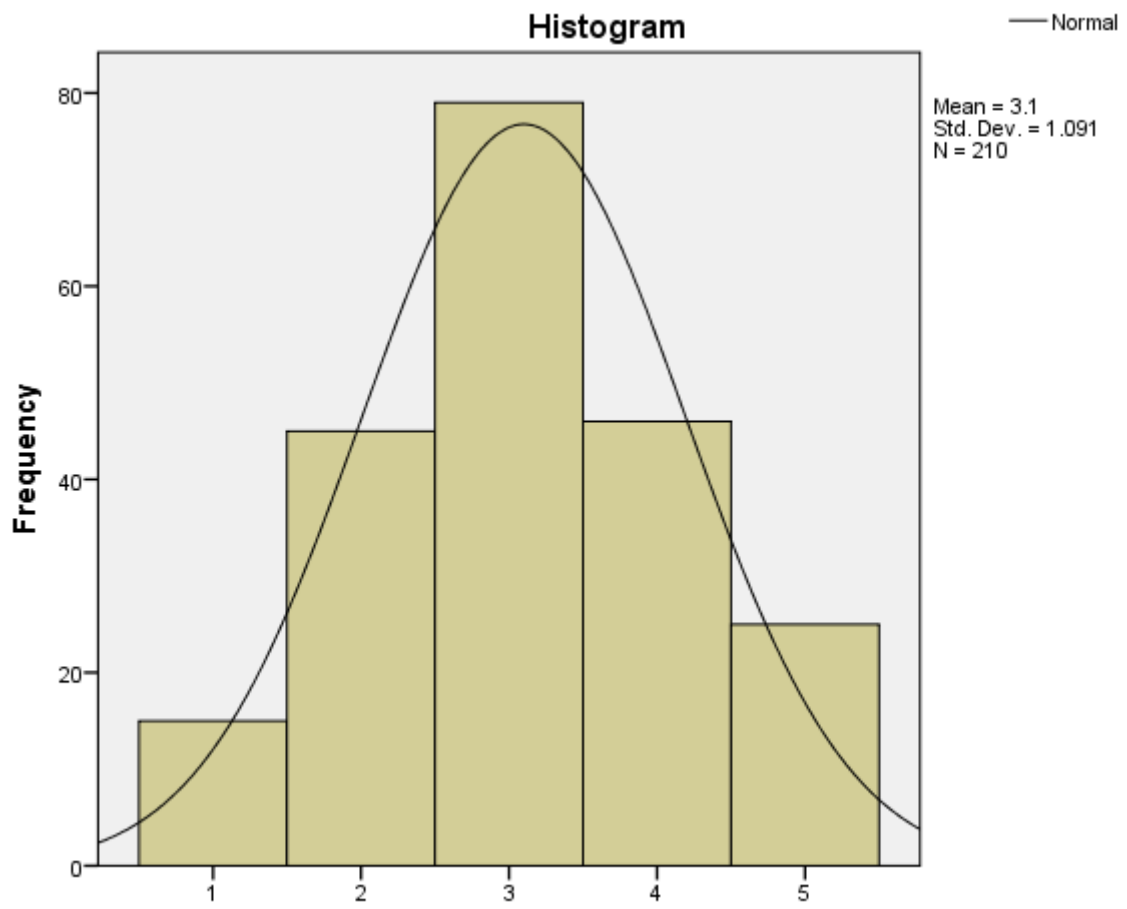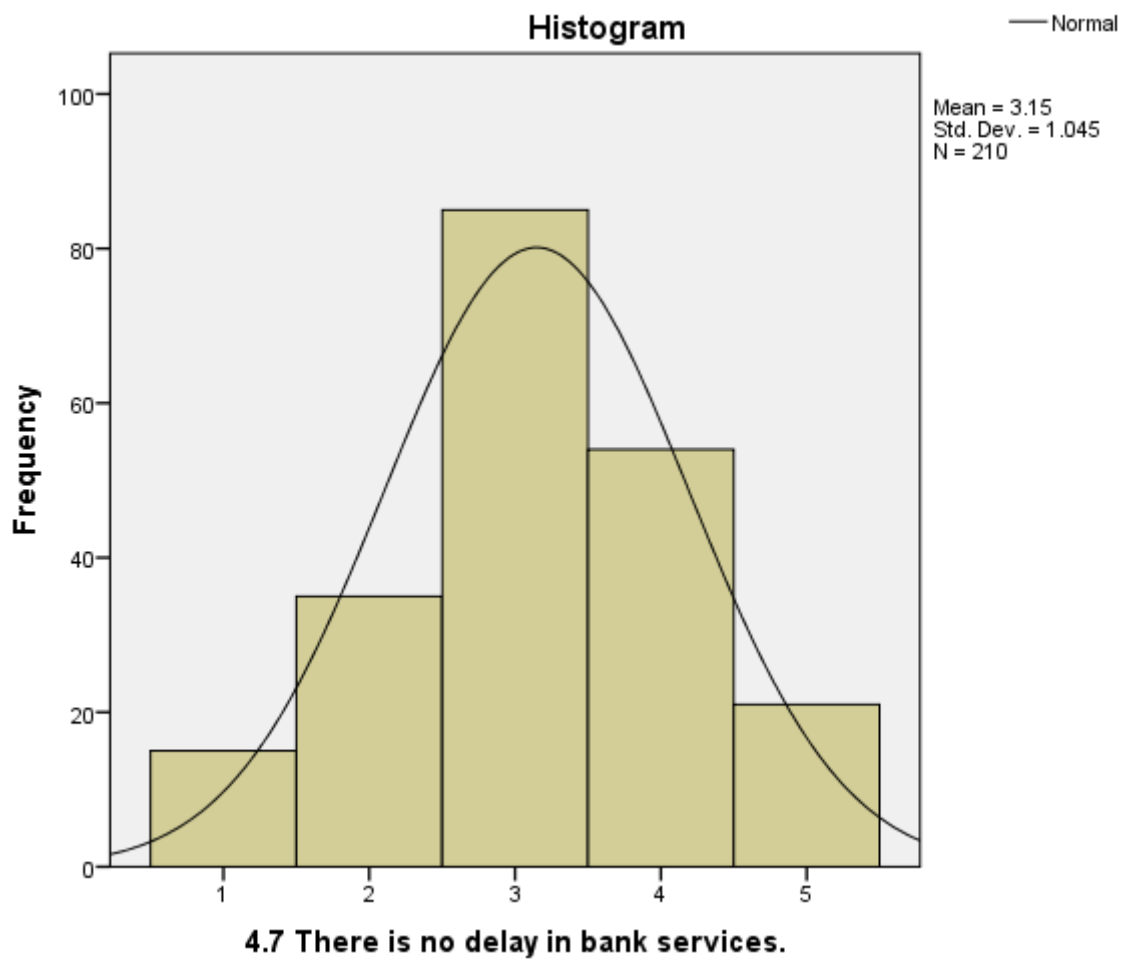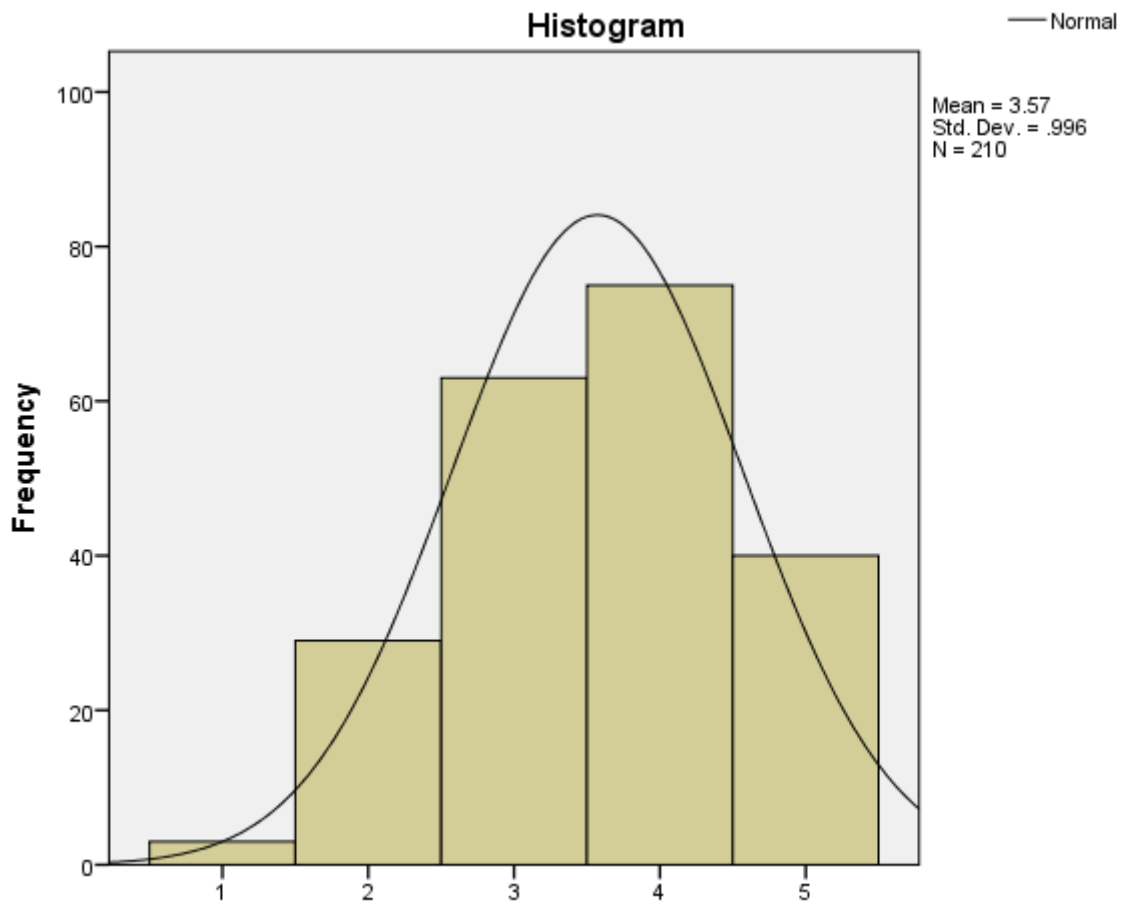
4.10 The bank's employees give you prompt service.
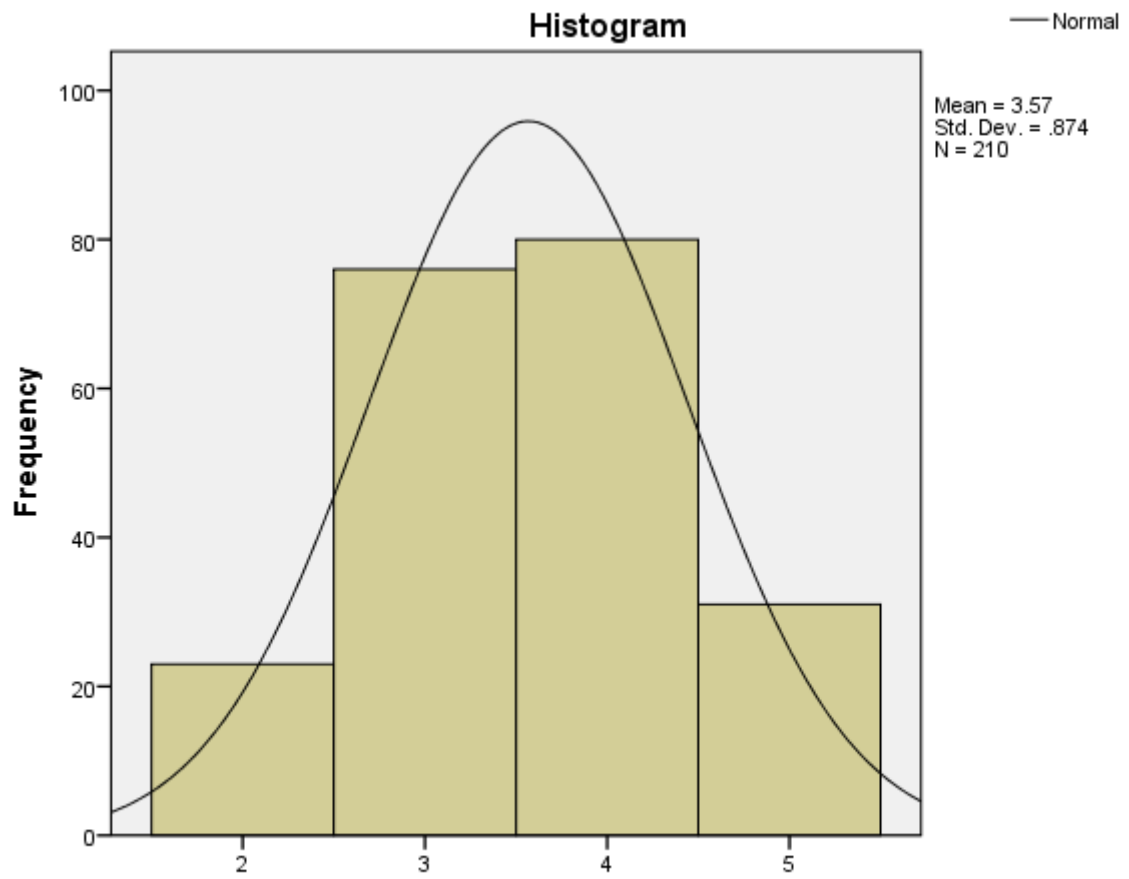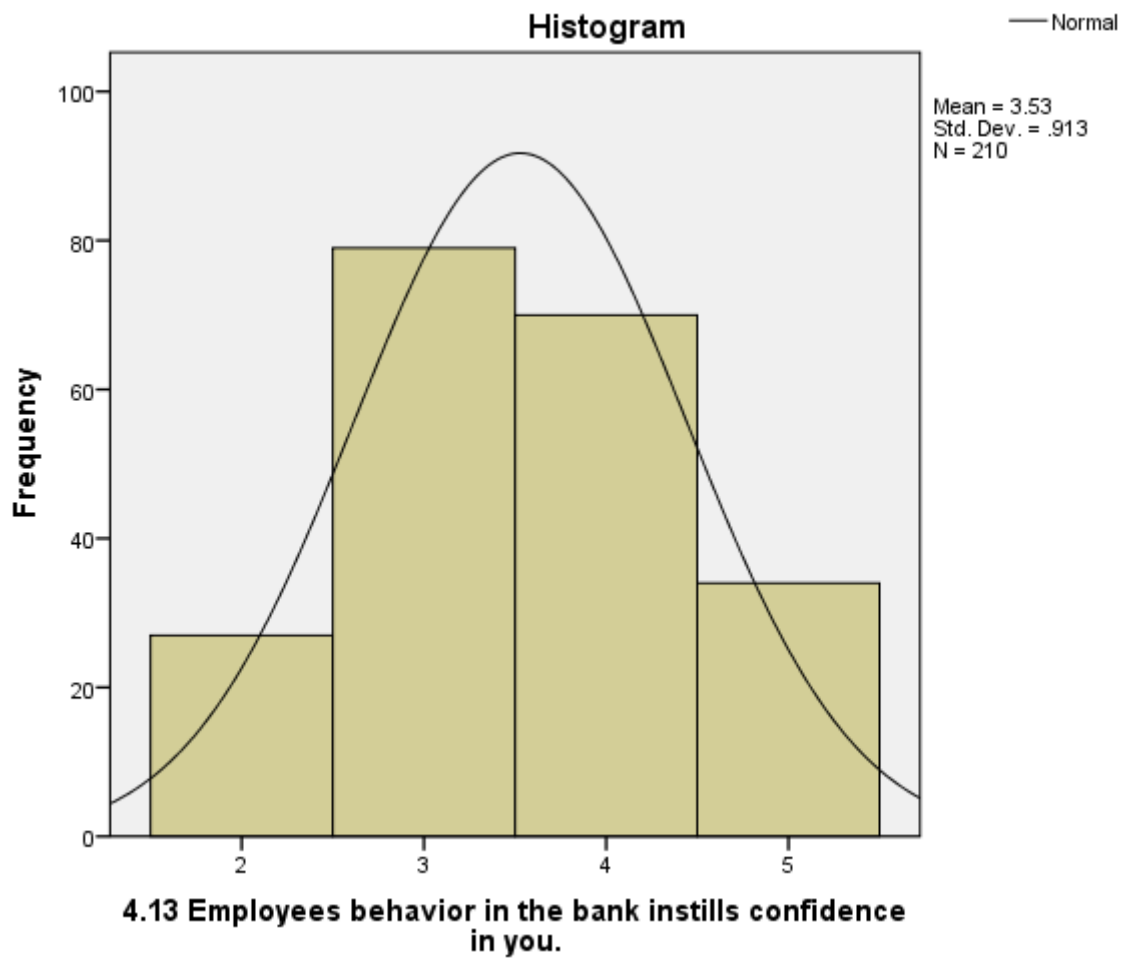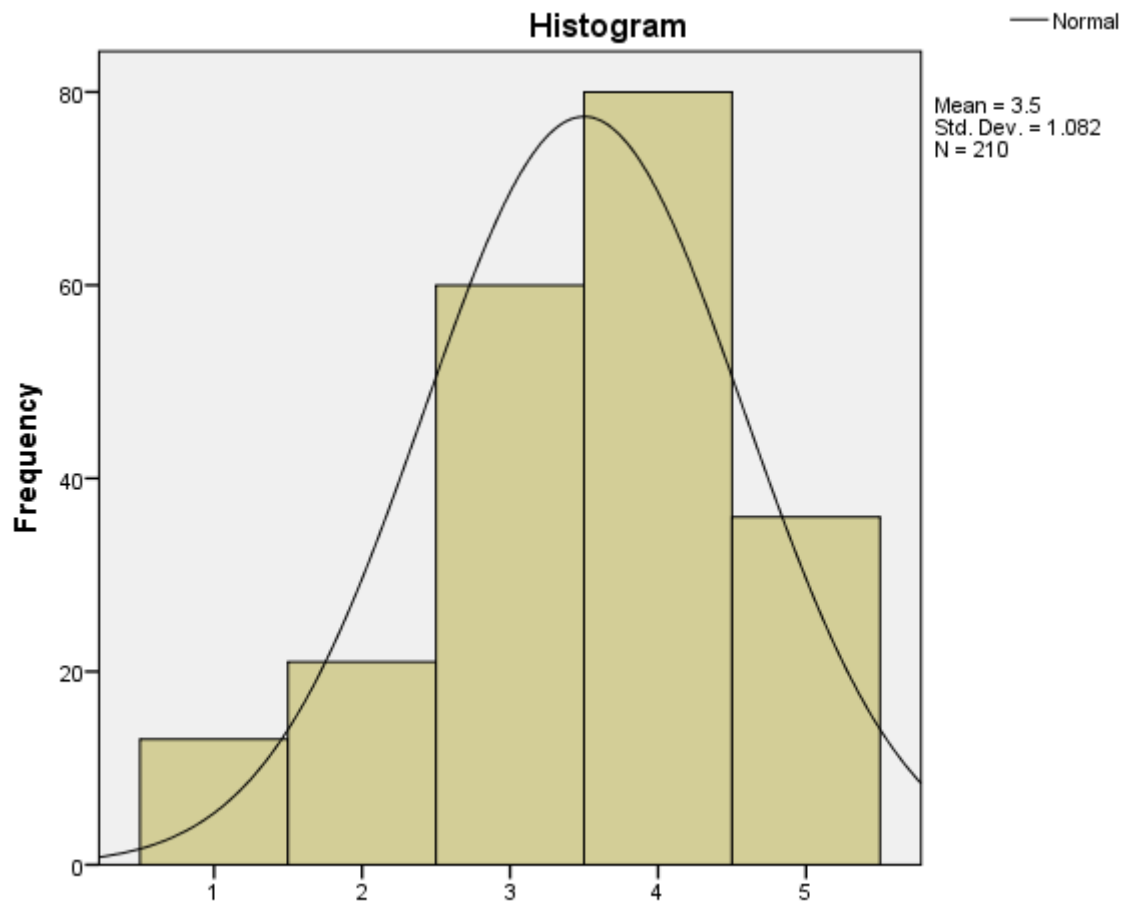
Histogram

Mean = 3.57
Std. Dev. = .874
N = 210

4.11 The bank's employees are always willing to help you.

Histogram

Mean = 3.53
Std. Dev. = .913
N = 210

4.13 Employees behavior in the bank instills confidence
in you.

Histogram

Mean = 3.5
Std. Dev. = 1.082
N = 210

4.14 You feel safe in your transactions with the bank.

Histogram

Normal

Mean = 3.16
Std. Dev. = 1.119
N = 210

4.17 The bank give to you individual attention.

Histogram

Mean = 3.3
Std. Dev. = 1.17
N = 210

4.18 The bank has operation hours convenient to all its customers.

Histogram

Mean = 3.4
Std. Dev. = 1.086
N = 210

5.1 The quality of services has a positive impact in the bank performance.

Histogram

Normal

Mean = 3.87
Std. Dev. = .897
N = 210

5.2 The quality of the banking services highly influence
in achieving the satisfaction of their customers.

Histogram

Mean = 3.99
Std. Dev. = .815
N = 210
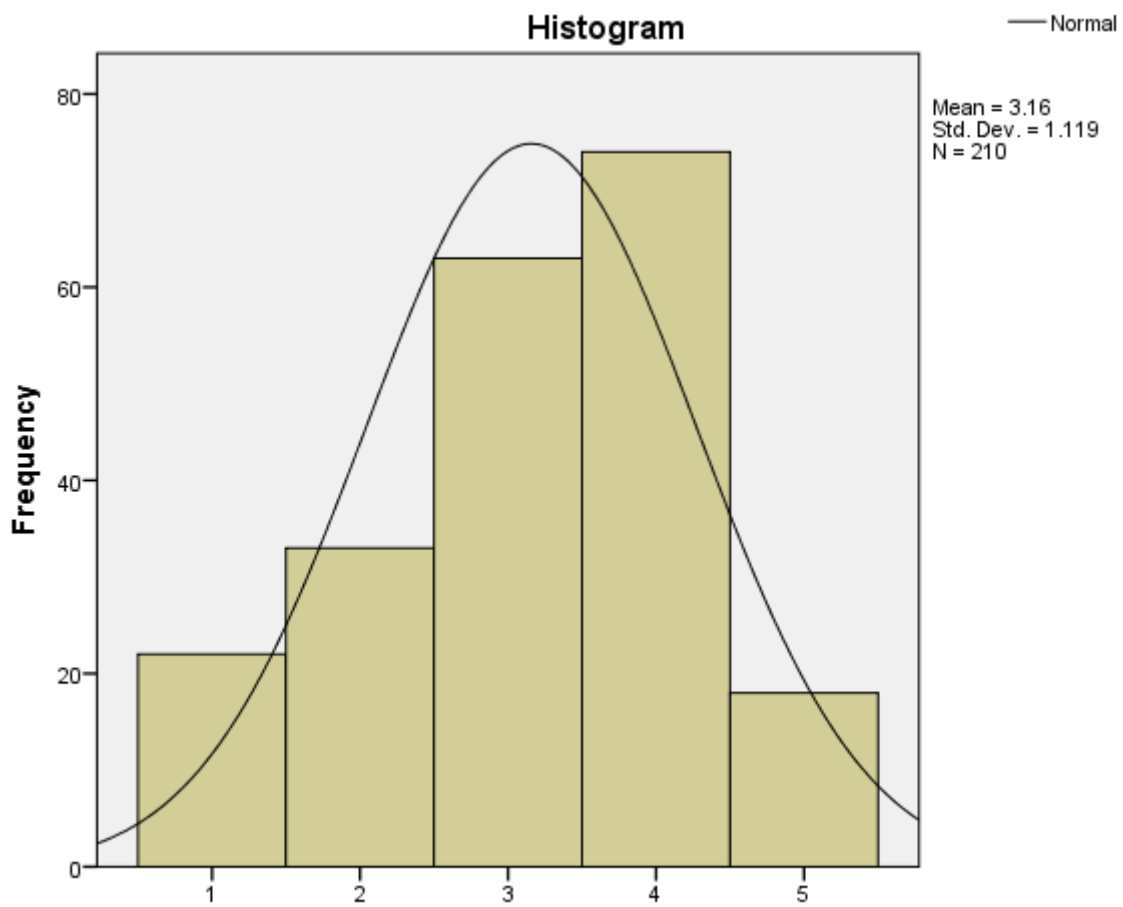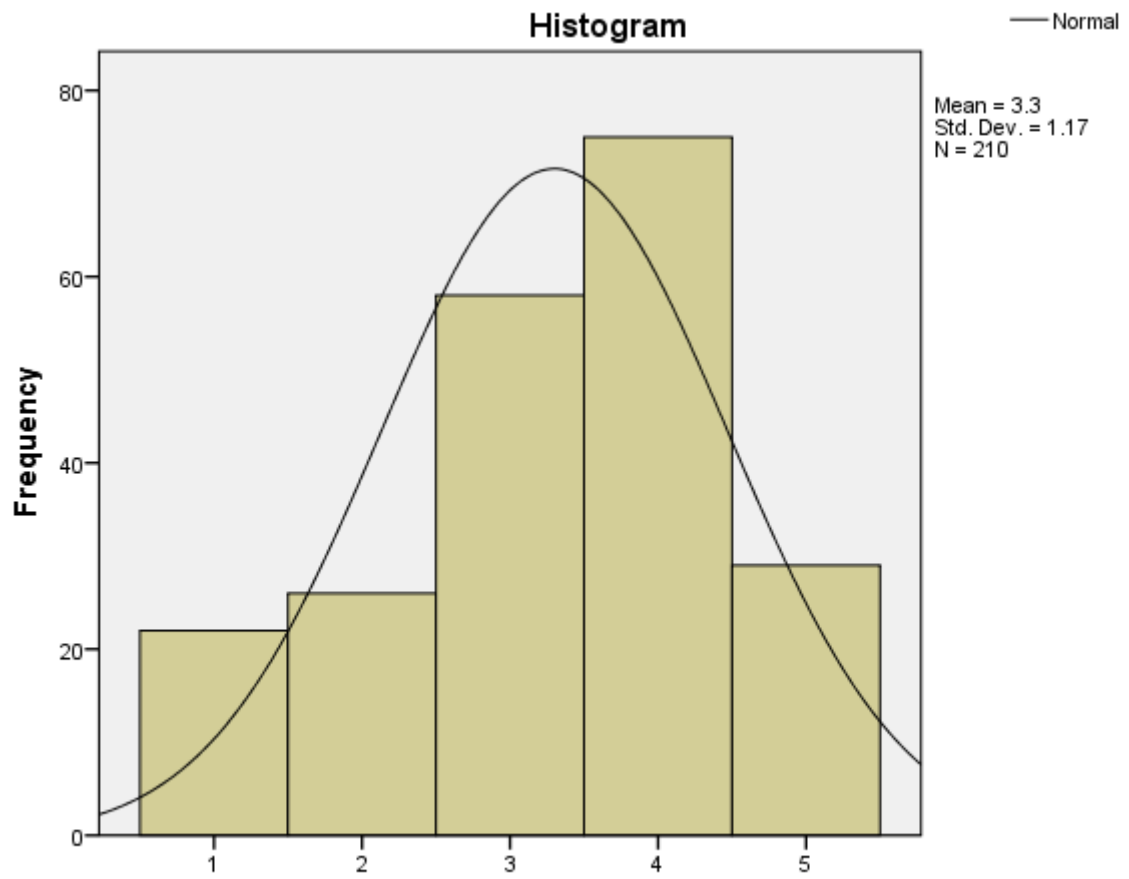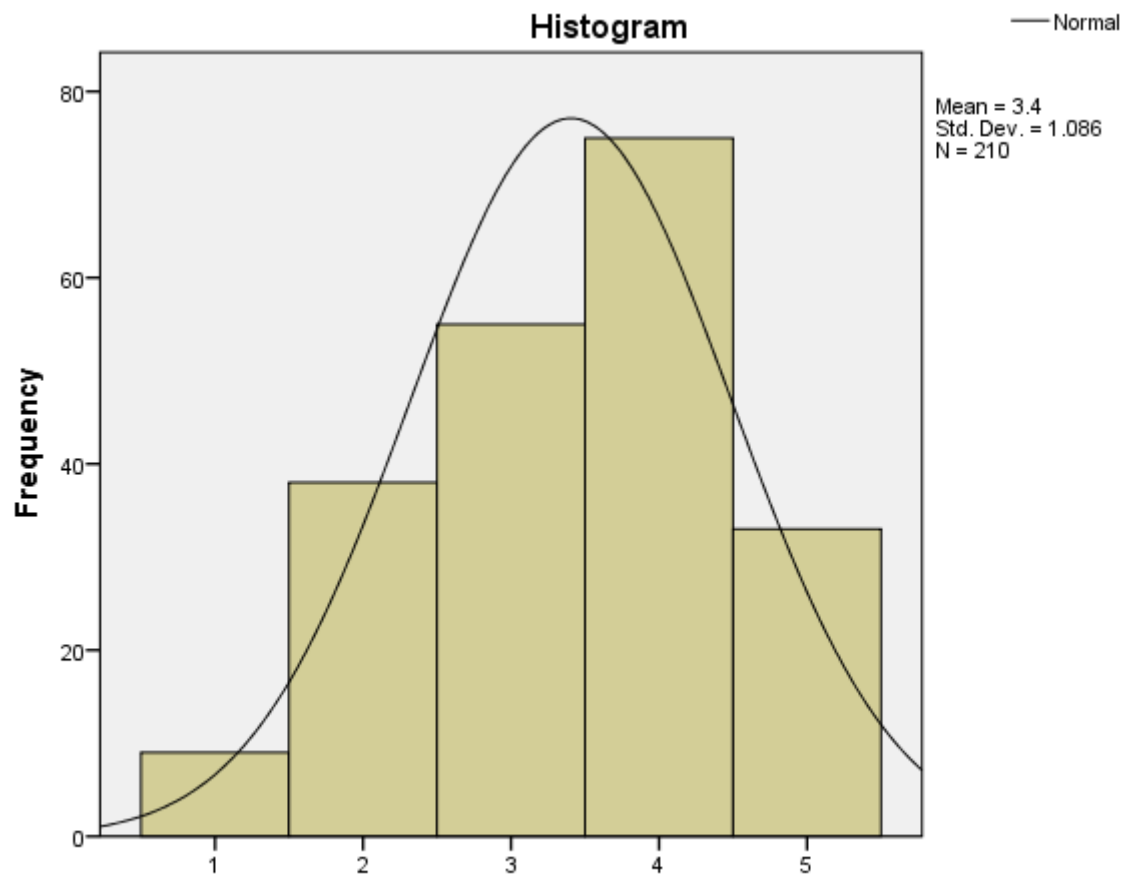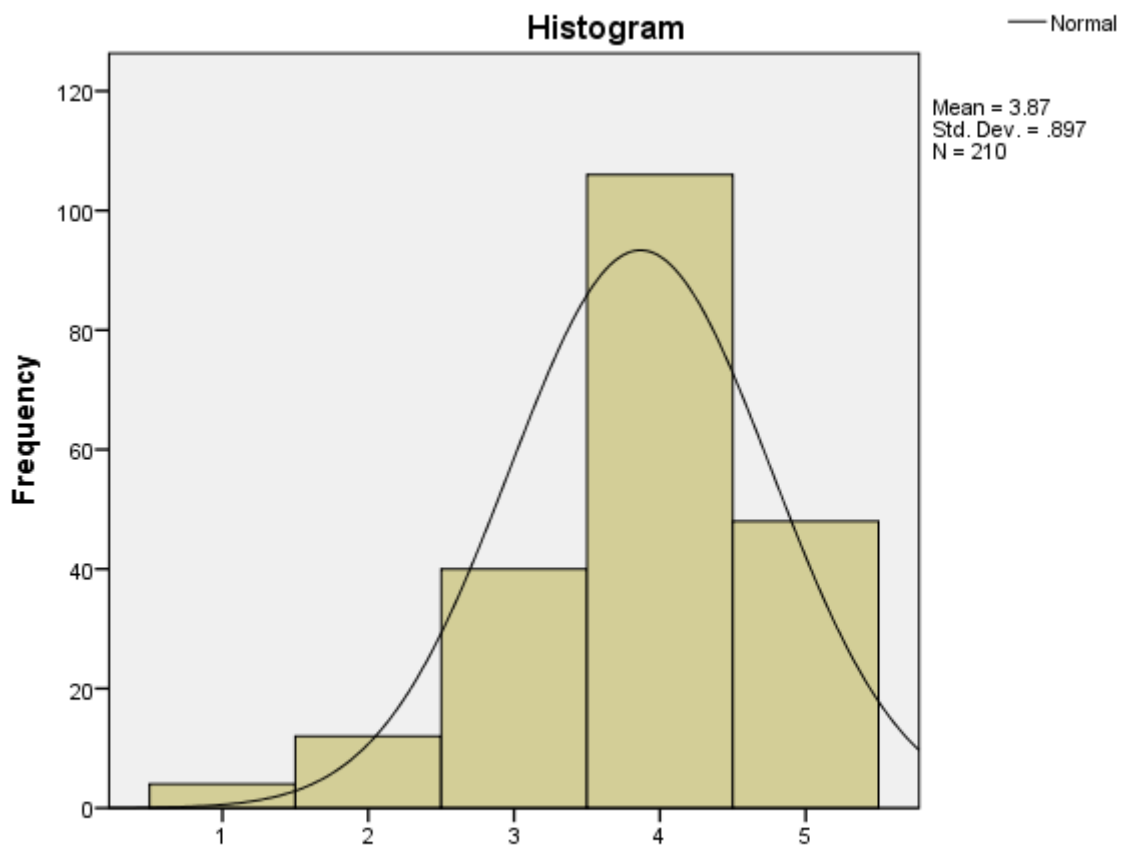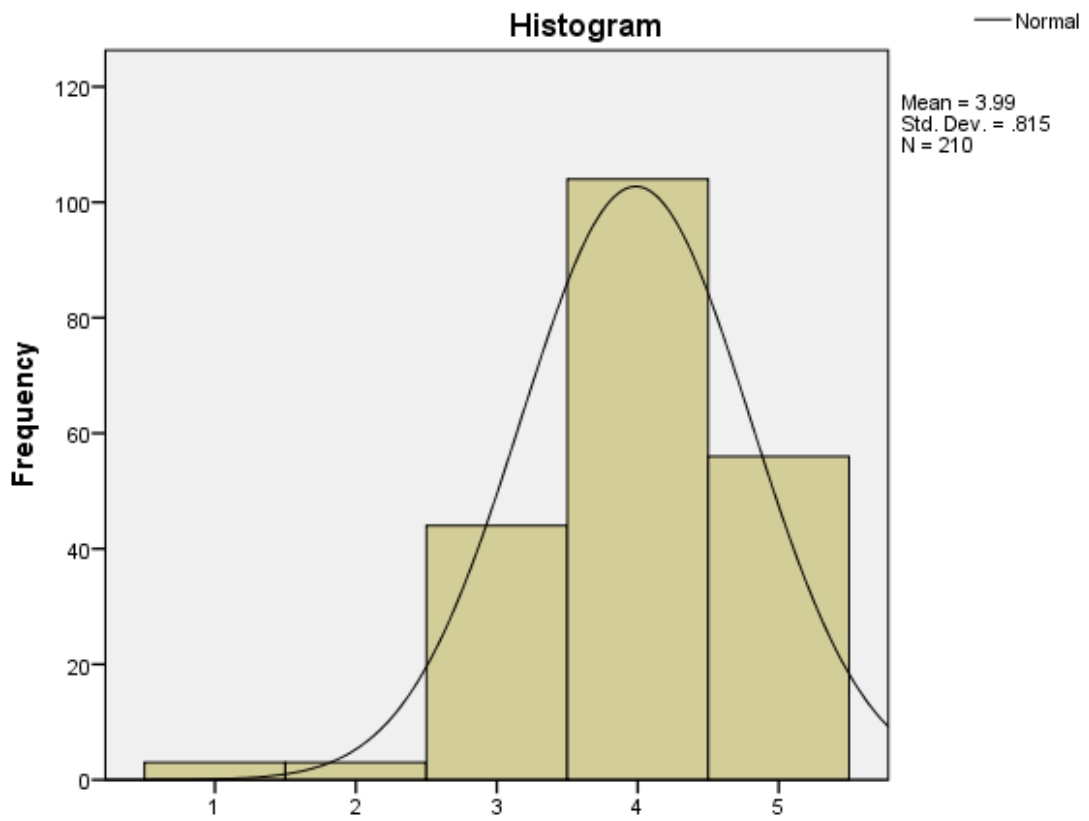
5.4 I will continues as customer of the bank for long time, and I will advise my friends to use services that provided by bank.

ABSTRACT

The research aims are to determine the level of impact that service's quality provided by banks to its customers, where banks aims to develop the quality of their services and work to satisfy its clientele, as well as identify concepts related to the quality of service and identification of customer satisfaction by the customers evaluation to the services quality. As collection of data tools, aquestionnairesis applied to evaluated research questions and hypotheses testing. Current data of research was analyzed by performed Normality test, T-test and ANOVA test, and testing by mean, standard deviation in SPSS software. The results of research study showed that there is positive impact of services quality in achieving the satisfaction of their customers.

ÖZET

Araştırma; Müşteri memnuniyetini sağlamak için hizmetlerin kalitesini ve işlevlerini geliştirmeyi hedefleyen bankaların müşterilere sağladığı hizmet kalitesinin etki seviyesini belirlenmesini,müşterilerin hizmet kalitesini değerlendirmesi ile hizmet kalitesi ve müşteri memnuniyeti tanımı ile ilgili kavramların ortaya çıkarılmasını amaçlanmaktadır.Araştırmada veri araçların biraraya getirirken araştırma sorularının değerlendirilmesi için anket ve hipotezlerin test edilmesi yoluna gidilmiştir.Araştırma verisinin analiz edilmesinde SPSS program kullanılarak ortalama testi, standart sapma, normallik sınaması, T-testi ve ANOVA testleri uygulanmıştır.Araştırma sonucu banka hizmetlerinin kalitesinin müşteri memnuniyetini sağlamada önemli bir etkisinin olduğu bulgusuna ulaşılmıştır.

AUTOBIOGRAPHY

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