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Assessing Service Quality and Customer Satisfaction Using SERVQUAL Model: An Empirical Study of Palestinian Conventional Banks

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Dedication

To My Mother, Father, Brothers and Sisters

To My Loyal Wife

And To My Lovely Daughter

(Tala)

May Allah bless them all

For their support, encouragement and constant assistance to bring this work
to light

With All My Respect

Jamal

Acknowledgment

Praise be to Allah the Almighty, and peace and blessing be upon his messenger. All thanks to Allah: we can achieve nothing without his will, help and support.

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Finally, I would like to thank everybody who was important to the successful realization of the study.

الإقرار

انا الموقع ادناه، مقدم الرسالة التي تحمل العنوان:

Assessing Service Quality and Customer Satisfaction Using SERVQUAL Model: An Empirical Study of Palestinian Conventional Banks

اقر بان ما اشتملت عليه هذه الرسالة إنما هو نتاج جهدي الخاص، باستثناء ما تمت الإشارة اليه حيثما ورد، و ان هذه الرسالة ككل، او اي جزء من هذه الرسالة لم يقدم من قبل لنيل درجة او لقب علمي او بحثي لدى أية مؤسسة تعليمية او بحثية اخرى.

Declaration

The work provided in this thesis, unless otherwise referenced, is the researcher's own work, and has not been submitted elsewhere for any other degree or qualification.

Student Name: **اسم الطالب:**

Signature: **التوقيع:**

Date: **التاريخ:**

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List of Abbreviations

PMA	Palestine Monetary Authority
GDP	Gross Domestic Product
ATM	Automated Teller Machine
SERVQUAL	Service Quality
BSQ	Bank Service Quality
R&D	Research and Development
PCBS	Palestinian central bureau of statistics
VIP	Very Important Person

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Abstract

The banking sector is one of the most influencing sectors in the Palestinian economy. But this sector lacks to quality services offered to the customers. Therefore the purpose of this research is to assess service quality and customers' satisfaction levels of offered services in the Palestinian convectional banks. While customers' satisfaction plays an important role in the banking sector. This research seeks to understand how service quality is being implemented in the Palestinian conventional banks and the implication of this on the local market. This research is considered as one of the first researches that asses customers' satisfaction level in the Palestinian conventional banks.

The researcher used a mixed methodology of quantitative and qualitative methods for data collection. SERVQUAL model was used to create the research questionnaire as a quantitative data collection tool for this research. The researcher distributed 450 self-administrated questionnaires. The data was collected from 397 complete questionnaires, and were analyzed using SPSS software. The researcher used nonparametric methods

such as: Wilcoxon signed rank and Mann Whitney to get accurate results, while the collected data was not normally distributed. On the other hand, the researcher supported the quantitative results by performing qualitative data analysis. Therefore, the researcher performed eight semi-structured interviews, and analyzed data using codifying common sense approach.

The researcher analyzed the five domains of SERVQUAL model, and the results showed that empathy domain was the weakest domain between all of them, while this domain has the biggest gap between customers' expectations and perceptions. This domain followed by assurance, reliability and responsiveness. And the smallest gap was detected in tangibles domain. In addition, the researcher tested the effect of three independent variables on service quality. The results showed that only respondents' gender affects service quality, while number of years dealing with the bank, and bank size variables didn't have any effect on service quality.

In the light of this research results, the researcher developed a managerial model that can helps service quality managers in the Palestinian conventional banks to enhance their customers' satisfaction toward offered services, by improving banks' service quality.

Keywords: Service Quality, Customer Satisfaction, SERVQUAL model, Semi-Structure Interviews, Conventional Banks, Palestine.

Chapter One
Introduction

1.1 Overview

The innovative ideas for banking services have travelled fast around the globe, evolving several competition strategies (Davenport et al., 2007). These strategies were used by different banks to provide a set of attractive services such as: Mobile Banking, Internet Banking, Bill Payment, Self-serve Branches, Money Transfer, Special Currency Exchange Rates, Fast Loans and Short / Long Term Loans. On the other hand, these services are now available in many banks. According to Naeem and Saif (2009), a bank can differentiate itself from competitors by providing high quality customer service. In the customer satisfaction/service quality arena, aggregate market studies have shown that higher customer satisfaction leads to higher level of performance(Parastoo, So and Saeidi, 2015). A satisfied customer is more likely to repurchase a product and share his experience with five or six other people (Gronroos, 2001; Zairi, 2000), on the other side unsatisfied customer can banish more business from the organization than ten highly satisfied customers do (Mohsan et al., 2011).

So by adopting "service quality" concept, customers' satisfaction will be improved rapidly. According to Oliver (1997) service quality can be described as the result of customer comparisons between their expectations about the service they will use and their perceptions about the service company. This research will try to measure the gap between customers'

expectation and perception in Palestinian Conventional banks in order to enhance customers' satisfaction.

1.2 Background

Service quality is considered an integral constituent in business's success, it is becoming a business strategy and a way of coping with highly competitive markets. Several researches pointed out the benefits of delivering quality services for customers such as gaining customer satisfaction and loyalty (Mittal and Gera, 2013; Hussein and Hapsari, 2015) The importance of service quality lies in expanding the customer base through the word of mouth (advertising), building a good corporate image and reducing operating costs which ultimately lead to business profit (Berry et al., 1989; Cronin et al., 2000; Kang and James, 2004; Reichheld and Kenny, 1990; Rust and Zahorik, 1993; Yoon and Suh, 2004). It's argued as well that banks that manage service quality adequately can obtain what called a competitive edge mainly: higher revenue, customer loyalty and customer retention (Kumar et al., 2010). In addition, it is vital for banks to understand customer needs and to compete with global organization by adopting new technological system (Malhotra and Mukherjee, 2004). Considering its importance for businesses, researching service quality might be fruitful and represent under-researched area especially in Palestine where political context varies.

An interesting body of literature has emerged in the last century which discussed the service quality notion in different sectors (See for example Gronroos, 1978; Parasuraman et al., 1988; Kasper et al., 1999). Crosby (1979) defined the service quality by its conformance to customer's needs. While Parasuraman et al. (1985, 1988) stated that the difference between customer expectation of service and their perception of service performance represent service quality. Moreover, Kasper et al. (1999) defined service quality as the degree to which the service provider can satisfy the expectations of the customer.

Notably, the service quality is unlike the product quality, so it is hard to perceive and measure. Mainly because they share of the three consensus characteristics evident in the literature as they were described by the profound work of Parasuraman et al. (1985): intangibility (services are not countable objects they reflect provider performance in certain point in time), heterogeneous in nature (sectors that involve high labor content can't maintain a uniform quality for all customers in each day ,quality is subject to variation), inseparability (The quality takes place during the service delivery under intense interaction between customer and service provider the eventually customer might affect or shape quality process). While other academics includes the perishability feature (Chang and Yeh, 2002; Kasper et al., 1999).

Several studies attempt to break down the service quality into dimensions and components, for example Gronroos (1978) broke down the service quality into two main components: technical quality described by what the service provider present during the service process and functional quality described by the way the employee present the service to customers. Furthermore, Lehtinen and Lehtinen (1982) divided service quality to three dimensions' physical quality, corporate quality and interactive quality. The three dimensions represent respectively a combination of corporate building, corporate image and the employee's interaction with customers.

In this vein, Parasuraman et al (1985) performed an explanatory research to develop a model for service quality. Research relied on executive interviews in four sectors, Retail banking, credit card, security brokerage and Maintenance Company. Choosing this sector is apparent for the intense interaction with customers. Building the model required these interviews to understand the management perception of consumer expectations. Later interviews were implemented with twelve groups to explore the perception of consumer on service quality and their expectation. The research presented a ten dimension for service quality: tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding/knowing the customer. While this model is subjective and socially constructed, one might argue that it's not applicable in all contexts.

Three years later Zeithaml et al. (1988) refined the ten dimensions into five to measure customer's perceived value of service quality famously known as SERVQUAL. SERVQUAL which is widely used in the literature as it became the best service quality model, it contains five dimension tangibility (physical appearance for objects), reliability (dependable service provider), assurance (features that diffuse customer confidence), responsiveness (quick assistant to customers), and empathy (available personal to help customers). Still, Angur et al. (1999) used the model and data indicated that dimensions were not equally significant in explaining variances in the overall service quality. They found that assurance appeared to be the least important dimension. Responsiveness and reliability were the most essential dimensions, followed by the empathy and tangible dimensions, yet it was concluded from their study that SERVQUAL is the best model to measure service quality in the banking sector.

In 1992, Cronin and Taylor investigated the relationship between service quality and customer satisfaction suggesting that conceptualization for service quality is based on a flowed paradigm. They tested the new paradigm by SERVPERF, which uses the perception of customer on service quality (perception was measured through distribution of 660 questionnaires in US market). Unlike SERVQUAL model, expectation is not an element in SERVPERF (Baumann et al., 2007). Many academics found that SERVEPRF is more efficient than SERVQUAL in relation to numbers of measured items from 44 to 22 (Cronin and Taylor, 1992; Bolton and Drew, 1991). Also, this paradigm considers the customer

satisfaction a significant link between purchase and post-purchase process in terms of attitude change, repeat purchase and brand loyalty (Churchill and Surprenant, 1982).

Several studies posted the two paradigms of emerge in different countries covering the service quality in banking sector. Angur et al. (1999) investigated service quality in banking sector in India (two retail banks), the overall results of the study supported a multidimensional construct of service quality favoring the SERVQUAL model for its detailed diagnostic information and emphasizing inapplicability of some factors. Also, Lymperopoulos and Chaniotakis (2006) investigated the impact of service quality in customer's selection; the study gave a better insight of service quality in depositing money in several banks to master the quality relationship. While Tsoukatos and Mastrojianni (2010) studied quality of retail banking concluding a quality scale carved out from the combination of SERVQUAL (precise determinants are assurance, efficiency, reliability and confidence) and bank service quality scale.

1.3 Research Problem

One of the most influencing sectors in the Palestinian economy is the Banking sector. According to Palestinian central bureau of statistics – 2015, financial and insurance activities account for 4% of real GDP (PCBS, 2016). The overall percent contribution from this sector to real GDP, witnessed a large growth between 2014-2015 recorded at 19.2% (PCBS, 2016). The growth in this sector triggered high level of competition with

the aim of customer satisfaction. Customer satisfaction is very important in this industry as evident in the literature, for instance aggregate market studies have shown that to achieve higher level of performance, customers' satisfaction should be enhanced (Parastoo, So and Saeidi, 2015).

Even though this sector has recorded growth in real GDP amount during the last two years. Several banks are suffering from lower revenues in relation with customers switching from one bank to another for a better service quality. In this vein, there is an argument that despite several initiatives taken by the management of Palestinian banks to increase revenue creation, the overall sales revenue performance continues to grow lesser than anticipated. Palestinian banks has lots of problems with customers where most of them are dissatisfied with the offered services. As a matter of fact, there are discrepancies between perceived performance and expectations from customers point of view (perceived performance is less than expectation) that makes them dissatisfied.

Still, there is a great possibility to improve the service quality provided by banks through minimizing the gap between bank performance and customer satisfaction. This research will study these claims by using the SERVQUAL model and will suggest a conceptual framework to enhance service quality strategies. Improved service quality is the critical factor that will determine whether the business will survive or fail (Thompson, Green and Bokma 2000). Better service quality typically helps to get higher market share and better returns (Slu and Mou 2003). Taking into

consideration service quality parameters to improve service performance, SERVQUAL model will be used to assess service quality parameters in customer service departments of Palestinian Conventional Banks. This model will be utilized to measure the difference between customers' expectations and perceptions in terms of performance, using various service quality dimensions including tangibility, reliability, responsiveness, assurance and empathy. Striving at meeting or exceeding customer expectations; Palestinian Conventional Banks will be able to increase market share and maintain a high service quality.

1.4 Research Objectives

The research seeks to achieve the following objectives:

1. Determining the level of service quality in Palestinian conventional banks using the SEVQUAL Model as perceived by their customers.

2. Clarify the results of questioners' data analysis by performing interviews with banks employees, to identify the weaknesses.

3. Assessing customer satisfaction with Palestinian conventional banks services.

4. Developing conceptual framework to enhance service quality in Palestinian Conventional Banks.

1.5 Research Questions

The key questions of this research include:

• What is the level of service quality in the Palestinian conventional banks?

• What are the problems facing quality managers in the banking sector?

• What appropriate model can be used in Palestinian conventional banks with respecting its conditions to improve service quality?

• What are the perceived quality dimensions differences between banks' customers and quality managers?

• What is the effect of respondents' demographic information on the perceived service quality?

1.6 Research Hypotheses

The researcher tested four main hypotheses as shown below using Wilcoxon signed rank and Mann Whitney tests to explain the difference between respondents. And also, Wilcoxon signed rank test was used to check if respondent touches a significant difference between expected and perceived services. Moreover, Kruskal Wallis test was used to check the correlation between the year's intervals and other dependent variables:

1. There is no significant difference between the expected and perceived service quality as seen by the respondents.

2. There is no significant difference between the expected and perceived service quality due to the respondent gender.

3. There is no significant difference between the expected and perceived service quality due to the number of years dealing with the bank.

4. There is no significant difference between the expected and perceived service quality due to the Bank size.

1.7 Significance of the research

Based on the research problem, there is a need to develop a managerial model to assess and improve service quality in Palestinian conventional banks. While service quality plays an important role in enhancing banks profitability and performance. However, it was detected that there were many problems in banking sector due to low level of service quality. And customers were not satisfied. Therefore, they were looking for better service quality, and for that reason, they were switching from one bank to another. This behavior was affecting banks market share which reflected directly on the revenue. Finally, this research results will support efforts in enhancing service quality level in the Palestinian conventional banks.

1.8 Research Structure

This research includes six chapters and these have been organized as follows:

Chapter one, deals with the introduction to the research, including background of the research, research problem, research objectives, key questions, research hypotheses, significance of the research, and research structure.

Chapter two, addresses the conventional banking sector in Palestine. And also, it reviews the fundamentals of service quality in order to deeply understand the critical factors of service quality.

Chapter three, represents the research methodology. The research strategy was presented. And also, describing data collection instruments and methods of data analysis.

Chapter four, presents data analysis of the quantitative and qualitative data by using appropriate data analysis methods.

Chapter five, discussed research results and from these results a proposed model was developed, which can be used to improve service quality in the Palestinian conventional banks.

Finally, Chapter six presents the conclusions of the research, research recommendations, research limitations, and future research directions.

Chapter Two
Literature Review

2.1 Service Quality

2.1.1 Service Quality Background

The term of service quality started to emerge in the last century and it was discussed in different sectors (See for example Gronroos, 1978; Parasuraman et al., 1988; Kasper et al., 1999). This was due to high competition between firms in an increasingly competitive environment (Carvalho and Brito, 2010; Choudhury, 2014; Okoe et al., 2013; Vanpariya and Ganguly, 2010). Nielsen and Host (2000) noted that due to the absence of well understanding of service quality definition, it was hard to employ the concept of service quality.

The service quality had a great attention from both academicians and practitioners (Negi, 2009). Hence, defining it is a significant for firms to reach service quality improvement; many researchers tried to define it. However, service quality term is a combination of two terms "service" and "quality", therefore these terms must be clarified in order to give a better understanding to "service quality" term. Service term has many definitions but the most comprehensive one was provided by Gronroos (2001), which is "an activity or series of activities of a more or less intangible nature than normal, but not necessarily, taken place in the interaction between the customer and the service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to

customer problems". Another definition of service was introduced by While Kotler and Armstrong (2012). They defined it as an intangible action offered to customer and at the end of it, no one will own anything. While Quality term was also defined by several researchers, Crosby (1979) defined quality by its conformance to customer's needs. Moreover, Batagan et al. (2009) stated that quality represents the extent of satisfying customer's needs.

Service quality term was ambiguous, therefore, it was differently defined by several researchers, and they have shown that when investigating service quality, it is unsuitable to use a product base definition of quality. Garvin (1984) stated that service quality is the subjectively perceived quality of service received by customers. Furthermore, Gronroos (1984) defined service quality as the outcome of an evaluation process in which the consumer compares his expectations with the perception of the services he received. While Parasuraman et al. (1985, 1988) stated that the difference between customer expectation of service and their perception of service performance represent service quality. Moreover, Lewis et al. (1994) stated that service quality can be described as how much the service meets the customer expectations. And according to Bitner and Hubbert (1994), ''service quality is consumers' overall impression of the relative inferiority/superiority of the organization and its services''. Later on, Kasper et al. (1999) defined service quality as the degree to which the service provider can satisfy the expectations of the customer.

Also, in service marketing literature, service quality was defined as the overall assessment of a service by customer (Eshghi et al., 2007). While Akroush (2008) said that service quality is the result of the comparison between what customers feel firms should offer, and perceptions of the performance provided by these firms. Moreover, Horn and Rudolf (2011) defined service quality as the customers' satisfaction with the actual performance of the service. The researcher thought that Parasuraman et al. (1985, 1988) definition is the most suitable one to describe service quality. However, all of the above definitions were broadly accepted as the basic definition of service quality by several researchers.

2.1.2 Service Quality and Competition in Banking Sector

Service quality is considered integral in business's success; it is becoming a business strategy and a way of coping with highly competitive markets. Several researchers confirmed that in a competitive market it is vital to the firms to offer premium service quality to their customers in order to succeed and survive and to gain a competitive advantage especially in services industry. (Spathis et al., 2004; Kheng et al., 2010; Ilyas et al., 2013; Khan and Fasih, 2014; Domenge and Arciniega, 2015). This strategy has been well recognized by the financial institutions. The evaluation of the banks' performance in the eye of the customers is a continuous process. Service quality has a major impact on this process which is essential for improving customer satisfaction and customer loyalty. Therefore, these factors are critical for improving banks' performance and increasing banks' profitability and gaining a larger market share, which will lead to a

remarkable market position (Khan and Fasih, 2014). Moreover, Perrien et al. (1992) stated that due to the high competitive environment, financial institutions have to revise their strategies and focus on long-lasting relationships with customers. In addition, Al Karim and Chowdhury (2014) stated that the banking industry is customer oriented, namely; banks rely on the customer to survive in the competitive market, therefore banks have to implement a high level of service quality to maintain a high level of customer satisfaction, and acquire a sustainable competitive advantage.

However, sustaining a leading position in such competitive market is the most important for banks; they could achieve this goal through differentiating themselves from competitors by offering and holding an outstanding level of service quality (Zeithaml et al., 1996; Ladhari, 2008; Al Karim and Chowdhury, 2014). Moreover, Naeem and Saif (2009) stated that if a bank wants to distinguish itself from the competitors, it has to provide customers with an extraordinary service quality. Therefore, banks provide the same services to their customers, such as: ATMs, Internet Banking, Mobile Banking, Bill payment and similar "technology based services", these services become common for banks' customers (Rawani and Gupta, 2000). Banks have to distinguish themselves by focusing on the "high touch" factors more than the "high tech" factors (Angur et al., 1999). On the other hand, Njanike (2008) stated that due to low Information Communication Technology (ICT) infrastructure in the developing countries, the service quality is low too; which impacts the rate of return on investment in the banking sector. Furthermore, Newman (2001)

emphasized on differentiating banks from its competitors and improving the relationship with the customers, they have to redefine their corporate image by emphasizing on service quality.

2.1.3 Service Quality and Banks Performance

Firms' performance consisted of firms' operations and strategies (Hunger and Wheelen, 2003). The relationship between service quality and firms performance was investigated in specialized business literature. Several researchers confirmed the existence of a positive significant impact of service quality on banks performance (Duncan and Elliott, 2004; Chumpitaz and Paparoidamis, 2004; Akroush and Khatib, 2009). In addition, Lewis (1993) stated that the role of service quality to enhance the business performance could be summarized by reducing costs and increasing productivity. Accordingly, Melville et al. (2004) showed that firms' performance has two aspects: the first one is operational efficiency (such as improvement of service quality), and the second one is improvement of the bottom line (such as revenue increase, reducing costs).

Firms' performance could be measured through firms' profitability (Soteriou and Zenios, 1999). In fact, several empirical studies showed a positive relationship between service quality and firms' profitability. Therefore, reducing firms' cost and increasing revenues may be achieved through improving customers' loyalty and retaining customers, who may repurchase form this firm again or recommend it to referrals, which in return increases firms' profitability (Lee et al., 2000; Baker and Crompton,

2000; Gurau and Ranchhod, 2001; Parida and Baksi, 2011; Horn and Rudolf, 2011). Moreover, Akroush and Khatib (2009) stated that service firms which cares about service quality and consider it as an important strategy gains several advantages such as: securing medium and long term benefits that confirm continuous improvements, premium prices, better customer value, and customer orientation leading to higher profits. Therefore, Rust et al. (2002) suggested three strategies to improve firms' profitability through service quality: 1) increase revenue by improving customer – perceived quality, 2) reducing cost and improving efficiency, and 3) a dual strategy that is a combination of the previous two strategies. Furthermore, improving firms' profitability only does not guarantee a sustainable leading market position, and to do so, it is essential to measure the firms' performance continuously. Al-hawari (2005) showed two methods to measure firms' performance: 1) subjective method (measuring firms' performance based on stakeholders' evaluation and expectations or comparison with their competitors, and 2) objective method (measuring the performance based on the absolute measures such as financial ratios).

2.1.4 Service Quality and Customer Behavior

Service quality and profits relationship is not straightforward. To understand this relation, it is necessary to recognize the inner relationship between service quality and customers' behavioral intentions (Zahorik and Rust, 1992). Customer behavioral intentions could be defined as a certain intentions initiated due to the perceptions and the overall satisfaction levels, these intentions determines the future relationship with the service provider

(Kamakura et al. 2002). Furthermore, Acheampong and Asamoah (2013) defined customer behavioral intentions as "intentions that the customer forms about his/her future behavior based on the perceptions of the service". Several researchers confirmed the positive relationship between service quality, and customer's behavioral intentions (Yi et al. 2008; Garma and Bove 2011; Jayawardhena and Farrell 2011). Moreover, in the tourism industry Gonzalez et al. (2007) showed the impact of service quality and customer satisfaction on behavioral intentions. Furthermore, Zeithaml et al. (1996) pointed to the negative relationship between service quality and customers' complaining behavior.

Positive behavioral intentions have several indicators such as spreading positive word–of–mouth about the firm services, recommending firms' service to referrals, encouraging referrals to do business with the firm, repurchase from the firm, considering the firm as the first choice when service is needed, and continuing to do business with the firm (Choudhury, 2014). Parasuraman et al. (1988) stated that there is a positive relationship between customers' perceptions of service quality and their willingness to recommend firms' services to referrals, while Cronin and Taylor (1992) focused on repurchase intentions, and they did not found any positive impact of service quality on repurchase intentions, whereas Boulding et al. (1993) focused on both repurchase intentions and willingness to recommend firms' services to referrals, and they found a positive relationship between them. Similarly, Reichheld and Kenny (1990) argued that whenever the relationship between customer and firm was longer, the

firms' profitability will increase, due to the repurchase intention and probability of recommendation to customer referrals.

According to the social exchange theory, people attempt to reciprocate those who benefit them (Bateman and Organ, 1983). Hence, when a firm satisfies its customers with offered services or when the customers feel that received services is beyond their expectation, they are more likely to be reciprocated by engaging in voluntary behaviors that may benefit the firm (Patterson et al., 2001). Therefore, customers considered as firms' assets, and they have different requirements and behaviors, thus firms have to deal with each customer differently according to his/her behaviors (Lee et al., 2016). Moreover, Yi et al. (2008) specified three dimensions of customer behaviors: 1) customer feedback on the services (this kind of information helps the firms to enhance their services), 2) helping other customers and 3) recommend firms' services to referrals. These dimensions are useful for the firm itself (increase profit and reduce costs) and for other customers (getting adequate level of service quality). Furthermore, Mittal and Gera (2013) noted that behavioral intentions might be affected by service variables (i.e. quality, satisfaction and value). Furthermore, Kordshouli et al. (2016) stated that customers' behavior might be affected by their perception of service quality, and to encourage customers' behaviors, firms have to offer high level of services quality

Bolton and Drew (1991) developed a quantitative model which provides better understanding for changing in customers' attitude based on their evaluation of service quality and their prior attitude, they used their model to study the effect of service change on the customers' behavior. Mittal and Gera (2013) performed an empirical research in the second largest bank in India, to explore the relationship of the perceived service quality dimensions, customer satisfaction, and perceived value with behavioral intentions, and they found that customer decision making process is comprehensive and complex, and it is necessary to incorporate the effect of all the three service variables: 1)quality, 2)satisfaction, and 3)value while determining their impact on customers' behavioral intentions. In addition, Kordshouli et al. (2016) suggested a framework in their research, and this framework showed that service quality affects customers' satisfaction which will affect the customers' positive behavior, namely whenever the level of service quality is high, customers' positive behavior will improve. According to Fowler (2013), positive behaviors toward the firm enhance firms' service quality and reduce costs.

Customers' behaviors might play a major role in assessing firms' strategies that aims to satisfy customers (Rust and Oliver, 2000). According to Garma and Bove (2011), one of the most important strategies to improve service quality is the collaborative work with customers in the service delivery process and by providing sufficient support for encouraging them toward positive behaviors. Behavioral intentions are the only way to determining customers actual retentions, while customers forms certain intentions about

future relationship with the firm based on their satisfaction level of the received service (Kamakura et al., 2002)

2.2 Impact of Service Quality on Customer Satisfaction

Researchers become more precise about the meaning of customer satisfaction. Lewis and Booms (1983) defined customer satisfaction as the ability of the service provider to satisfy customer needs. While Yi (1990) defined it as a collective outcome of perception, evaluation, and psychological reactions to the consumption experience with a service. Johnston (1995) noted that satisfaction is related to the customers' mood when they receive the service. Solomon (1998) explained the customer satisfaction as a set of feeling created when trying a service. But Anderson and Fornell (2000) defined customer satisfaction as a tool to measure the service quality experienced by customers that feels this service. In addition, Caruana et al. (2000) stated that customer satisfaction is "a post-purchase, global affirmative summary response occurring when customers are questioned and are undertaken relative to retail banking services offered by competitors". According to Razak et al. (2007), customer satisfaction is the result of customers' evaluation of a set of experiences performed with a service provider. Moreover, Zeithaml (2009) stated that customer satisfaction is an assessment of the service capability to meet customers' expectations. Furthermore, Kotler and Armstrong (2012) claimed that customer satisfaction is a feeling obtained by the customer after performing an evaluation process on the experienced service. Later on, Magesh (2010)

stated that customer satisfaction is a feeling of pleasure because one has something or has achieved something.

In the last few years, banks' customers were seeking for the best quality of offered services and nothing less, it was due to several choices they have, and low cost for switching from one bank to another, at this point banks recognized this new demand and decided to start changing their offered services. Therefore, several benefits could be obtained from improving the level of customer satisfaction. Some researchers considered customers' satisfaction as an essential indicator of overall business success, while market power now is shifted to the customers. (Anderson et al., 1994; Choudhury, 2014; Al Karim and Chowdhury, 2014). Subsequently, when the banks satisfy their customers; banks market share and income will increase, and as a result they will maintain a leading position in the financial sector (Guo et al., 2008; Muyeed, 2012). Accordingly,

Syzmanski and David (2001) stated that customer satisfaction influences repurchase behavior and price sensitivity which also have a major impact on firms' profitability. Moreover, Rahman (2005) assumed that firm's will gain loyalty, retention and profitability factors automatically, when they care about customer satisfaction. Accordingly, Kaur et al. (2009) argued that providing services that make customers more satisfied and loyal is important for any firm wanting to compete in a highly competitive environment.

Researchers identified several factors that affect customers' satisfaction. Sureshchandar (2002) stated that the demographic characteristics of customers are important factor to understand firms' customers in a proper way, which leads to improve the customer satisfaction level. According to Bryant and Cha (1996), customers' satisfaction levels vary between customers, depending on four factors: 1) gender, 2) age, 3) socioeconomic status, and 4) residence. In Vietnam, for example, which is a resource challenging environment, Thur and Hau (2010) found that service providers should understand personal values of customers that may vary due to cultural and social demographic characteristics and provide appropriate services in order to improve the customer satisfaction level.

It is very vital for any firm to care about achieving high level of customer satisfaction. Service quality definition showed that there is a strong relationship between service quality and customer satisfaction. Several empirical studies examined this tight relationship; they found that there is a positive relationship between them (Parasuraman et al., 1988; Kuo et al., 2010; Ananth el al., 2011; Shanka, 2012; Al Karim and Chowdhury, 2014; Khan and Fasih, 2014). Numerous researchers stated that to enhance the level of customer satisfaction, firms have to improve their service quality (Lee et al. 2016; Choudhury 2014a; Horn and Rudolf, 2011; Acheampong and Asamoah, 2013) by concentrating on all service quality dimensions (Al Karim and Chowdhury, 2014), these dimensions will be explained in a separate section in this study. Furthermore, Pizam and Ellis (1999) argued that if firms want to gain customer satisfaction, they must satisfy different

customers' needs in order to build a sustainable relationship with customers, otherwise the profitability will be affected resulting from dissatisfied customers' behaviors: (negative word–of–mouth, customer switching from one firm to another, or consumption reduction).

In the same context, customer satisfaction could be achieved through enhancing employees' satisfaction level. Several studies found a correlation between customer satisfaction and measures of employee satisfaction (Heskett et al., 1994; Koys, 2001; Acheampong and Asamoah, 2013). Moreover, the service profit chain confirmed that satisfied employees results in satisfied customers and satisfied customers tend to repurchase again, which increase the firms' profits. The service profit chain could be defined as "involving direct and strong relationships between profit; growth; customer loyalty; customer satisfaction; the value of goods and services delivered to customers; and employee capability, satisfaction, loyalty and productivity" (Heskett et al., 1994). Accordingly, the service-profit chain creates relationships between firm's profitability, customer satisfaction, and employee satisfaction. Therefore, Acheampong and Asamoah (2013) explained the links in this chain, and it was as follows: 'Profit and growth, stimulated by customer satisfaction and loyalty which results from employee satisfaction and loyalty'.

In the same manner, Kaur et al. (2009) in their study of the internal market orientation in Indian banking sector, they focused on the people aspect of service delivery, and they found that if a bank wants to achieve a higher level of service delivery, they must enhance their management system and

focus more on their employees, in order to serve their customers in a better way and increase customers' satisfaction level. Furthermore, Hinson et al. (2011) in their study in Ghana, which is a resource challenging environment, they found that international bank brands are better than local bank brands in the eye of the customers, regarding to the presence of service standards and the well training of bank employees.

Akroush and Khatib (2009) claimed that customer satisfaction occurred during the process of delivering the service to the customer; hence bank managers have to pay more attention to this process. Likewise, Duncan and Elliot (2004), stated that service quality is an integral process, it starts from the point of creating the service until delivering it to the customer, passing through the way of delivering it to customer, who will evaluate each step in this process and not only the service itself. Therefore, Athanassopoulos et al. (2001) noted that evaluating the service quality mainly depends on customers' expectations; therefore the quality in the eye of the customer will be high when the performance exceeds customers' expectations and it will be low when performance doesn't meet their expectations. Accordingly, Gitomer (1998) claimed that meeting customer expectations and offering a high service quality, will lead to customer satisfaction.

Song et al. (2015) recognized that firms were paying more attention to customer reviews and considering it as key success factor. However, firms struggle to include this function into their management process. Several advantages could be obtained by satisfying firms' customers, and many disadvantages occurred through dissatisfied customers. Satisfied customers

might repurchase the service they experienced, also satisfied customers might spread a positive word–of–mouth, and as a result firms could acquire new customers. On the other hand, dissatisfied customers might change the service provider, even they will give a negative word–of–mouth, which might push away potential customers, and so service providers must pay attention to customer satisfaction (Cronin et al., 2000).

In the same context, Al Karim and Chowdhury (2014) found that satisfied customers will have repurchase intensions and they probably may share their experience with five or six people around them, while dissatisfied customers will have intensions to switch to another firm, and they probably will share their bad experiance with ten people around them. This makes them more important to the firm to take care of them. Also, Reichheld and Kenny (1990) showed that 20–40 % of new aquired customers, were due to recommendation of current satisfied customers. Furthermore, Duncan and Elliot (2004) made a comparison between different firms having various level of customer service. The results showed that firm with superb level of customer service (satisfied customers) have a 72% increase in profit per employee compared with other firms that have poor customer service (dissatisfied customers), also they found that through offering high level of services, firms can retain their existing customers, which is five times cheaper for the firm than attract new customers. On the other hand dissatisfied customer might show a complaining behavior, either to friends and relatives or to compatitors or external agancies, which might lead to a significant lose in firms' profit (Singh 1988).

Richins (1983) showed a chance in customer dissatisfaction, if complaints are encouraged, the service provider has a chance to rectify the negative effect of word–of–mouth, and retain the dissatisfied customers and turn them into satisfied customers, whom might share their experience with people around them. Likewise, Choudhury (2014) noted that complaints hold a chance to satisfy customers, thus firms have to create a robust and trustworthy complaint mechanisms to allow the customers to use it.

Customers' satisfaction and dissatisfaction of an offered service, could not be considered as opposites, because each one of them have its own elements. For example some customers may experience a set of bad services that offered from a firm, which certainly will decrease the customers' satisfaction level, but still this will not eventually make them dissatisfied, in other words these customers would not switch from this firm to another because of this bad service. Furtheremore, customer dissatisfaction with service quality variables does not necessarily discourage firms' successful relationship with its customers. However, controlling dissatisfaction may not necessarily lead to satisfaction; it is due to customers' knowledge that is not possible to reach their expectation every time. Moreover, they accept this substandard level of services. Situational factors, previous experiences and word–of–mouth plays an important role to prevent customers from being dissatisfied. (Johnston, 1995; Carvalho and Brito, 2010; Okoe et al., 2013; Lee et al., 2016). Therefore, firms must adopt new strategies that include both customers' dissatisfaction removal and increasing the satisfaction level (Carvalho and

Brito, 2010). And also, it is necessary to monitor and measure the level of customer satisfaction continuously and in a systematic manner (Chakravarty et al., 1996; Ananth el al., 2011).

2.3 Customer Loyalty

Gremler and Brown (1996) argued that customer loyalty is the degree of customer intention to repurchase from a specific service provider, and only considering this provider when the customer needs a service. Furthermore, Duffy (2003) suggested that customer loyalty is a feeling which a customer has towards a brand. This feeling stimulate customer to repurchase a product or a service. According to Lovelock and Wirtz (2011), customer loyalty is an optional choice for the customer to continue dealing with a firm's services over time. This leads to the conclusion that service providers must pay more attention to customer loyalty if they want to improve customer confidence of the firm (Gerpott et al., 2001).

Researchers supposed that there is a positive relationship between customer loyalty and financial results. Reichheld (1996) studied the relationship linking customer retention (loyalty) and profitability over a period of time, and the study results show that firms can increases their profitability by retaining loyal customers. Accordingly, Lee et al. (2000) claimed that through higher customer loyalty, firms' revenue and market share will increase. Moreover, Hayes (2008) stated that firms could increase its profitability through loyal customers.

Additionally, service quality considered as the most important element that affect customers' loyalty (Bei and Chiao, 2001; Ranaweera and Neely, 2003; Shanka, 2012). Several researchers studied the relationship between customer loyalty and service quality. A significant correlation between them was confirmed by Spreng and Mackoy (1996). Another studies showed that if banks want to improve their customer loyalty, banks have to improve their service quality in order to satisfy their customers through identifying their needs. Gaining such loyal customers will differentiate a bank from its competitors. (Ehigie, 2006; Perng, 2007).

Many researchers investigated the indirect effect of service quality on customer loyalty. Therefore, it was recognized that service quality affects the corporate image in a positive manner; researchers found that the higher service quality, as perceived by customers, the greater positive image of the corporation (Alfin et al., 2013; Cham and Easvaralingam, 2012). Corporate image is accepted to have a significant role in creating customer loyalty, and it could be defined as 'the perception that different audiences have of an organization and results from the audiences' interpretation of the cues presented by an organization' (Hussein and Hapsari, 2015). Shu (2010) claimed that service quality has an indirect effect on customer loyalty through the corporate image. Furthermore, Hussein and Hapsari (2015) proved, in their study on the Indonesian banking sector, that offering high service quality enhances customer loyalty through the corporate image. They also found that the more the corporate image is positive, the more customer loyalty level will be. In addition, Clemes et al. (2013), in their

research in telecommunications industry, claimed that one of the most essential predictors of customer loyalty is the corporate image. On the other hand, Hart and Rosenberger (2004) did not find a major impact of corporate image on customer loyalty, and it only had a slightly significant impact on customer loyalty. Another significant predictors of customer loyalty was found by several researchers: customer satisfaction, and service quality have another indirect effects on customer loyalty through customer satisfaction (Bloemer, 1999). Also, banks need to manage the indirect effects (through customer satisfaction) of service quality for enhancing customer loyalty (Mittal and Gera, 2013). Moreover, Jones and Sasser (1995) stated that "even in markets with relatively little competition, providing customers with outstanding value may be the only reliable way to achieve sustained customer satisfaction and loyalty". Several researchers accepted that customer loyalty is the result of customer satisfaction (Cronin et al., 2000; Boulding et al., 1993; Zeithaml, 2000; Pont and McQuilken, 2005). Moreover, many researchers claimed that customer satisfaction is an essential factor for ensuring customer loyalty (Lee et al., 2016; Pollack, 2009; Smith and Bolton, 1998).

On the other hand, Carvalho and Brito (2010) claimed that merely satisfying customers will not retain them loyal. In addition, Karatepe et al. (2005) observed that a satisfied customer become loyal if a firm focuses on customer expectations, which has great advantages to the firm, it will retain this loyal customer, which means higher profit, higher market share, and expanding the customer base. According to Khan and Fasih (2014),

customer loyalty is formed under six assumptions: 1) It is a function of psychological processes, 2) It involves bias, 3) It involves some decision making unit, 4) May relate to some alternative brands, 5) Behavioral response, and 6) It is expressed over time.

As it was explained in section 2.2, the word–of–mouth has an important effect on the customers' satisfaction. In addition, the word–of–mouth influences the customer's loyalty. Curtis et al. (2011) showed that customer loyalty consisting of different aspects such as repurchasing and recommendation. Additionally, Heskett et al. (1994) found that loyal customers always take courage to repurchase and convice others to purchase the service or product he/she tried. Moreover, Godin and Gladwell (2001) argued that the major benefits can be obtained from customers loyalty are repurchasing and advertising for the firm through positive word–of–mouth. Furthermore, Boulding et al. (1993) and Reichheld (2003) agreed that customer recommendation (which also known as positive word–of–mouth) represent customer loyalty. Khan and Fasih (2014) stated that loyal customers will work as marketing agents for the bank, by spreading their positive experience, then bank's customer base will be larger, and accordingly the market share will increase, which is essential for any bank to enhance its profit.

Loyal customers are the most valuable assets to any firm, while the probability of loyal customers to switch to another firm is less than non-loyal customers, and also they have higher intention to repurchase than non-loyal customers (Hussein and Hapsari, 2015). According to Rahman

(2005), customer's loyalty is not consisting only from repurchasing or increased volume of purchased services or products, it is bigger than that. Sometimes, customers may still be loyal to a firm without purchasing firms' services or products, due to some conditions that reduced customers' needs for the firm's services or products. Furthermore, Mardalis (2006) identifies six reasons to encourage firms to enhance their customer loyalty: 1) loyal customers provide tremendous benefits to the firm. 2) The cost of gaining new customers is more expensive than retaining current customers. 3) The customers who already believed in the firm would also believe in other things it offers. 4) The operational costs of a firm are more efficient if it has many loyal customers. 5) The firm may deduct the psychological and social costs, and 6) Loyal customers would defend the firm, and even attract and recommend it to other people. Therefore, some researchers see that customer loyalty reaches its maximum limits when a customer risking his/her reputation to recommend a firm service (Reichheld, 2003). Moreover, Khan and Fasih (2014) added customer loyalty to the essential factors for improving banks' performance, and they emphasize on monitoring the banks' service quality regularly in order to gain the extreme customer satisfaction, which in return will improve their customer retention and loyalty.

2.4 Service Quality Dimensions

Service quality consisted of multiple dimensions and components. Several researchers tried to illustrate them such as: Gronroos (1978) who broke it down to two main components: first one is technical quality that described by what the service provider present during the service process, and second component is functional quality that described by the way the employee present the service to customers. In addition, Akroush and Khatib (2009) studied the relationship between service quality dimensions (functional and technical) and banks performance, they found that the aforementioned service quality dimensions have a significant effect on banks performance. Moreover, they found that the functional quality dimension has a stronger effect on all banks performance indicators than the technical quality dimension. Parasuraman et al. (1988) divided service quality into five dimensions': reliability, responsiveness, tangibles, assurance and empathy. Mels et al. (1997) stated that Parasuraman et al. (1988) model measures only two factors: intrinsic service quality (like Gronroos (1978) functional quality) and extrinsic service quality (like Gronroos (1978) technical quality). Furthermore, Lehtinen and Lehtinen (1982) divided service quality into three dimensions': physical quality, corporate quality and interactive quality. The three dimensions represent respectively a combination of corporate building, corporate image, and the employee's interaction with customers. In their research, they compared their three dimensions with Gronroos (1978) model's dimensions. Lehtinen and Lehtinen (1982) have considered their approach to be a higher level of

abstraction than Gronroos (1978) approach. Physical quality is related to both technical and functional dimensions. Interaction quality is related to technical quality, but corporate quality can be evaluated before the service process (technical quality). Lehtinen and Lehtinen (1982) suggest that the dimensions influence each other as the process affects the result of the service. In addition, Kang and James (2004) found that there are three dimensions for service quality they are: functional, technical and image. They also found a significant effect of the three dimensions on the perceived service quality and customer satisfaction. Additionally, they tested the five sub dimensions of Parasuraman et al. (1988), and the results showed that these five sub dimensions represented by the functional quality dimension. Also technical quality has been ignored, because the customers would not be able to recognize the technical service quality. Further, they found that the image functions could be used as a filter in service quality perception. Malhotra et al. (2005) observed the service quality dimensions in international market contexts. They found that service quality dimensions namely; reliability, customer understanding, responsiveness, competence, courtesy, communication, credibility, security, and tangibility were different in international markets due to sociocultural and economic factors.

2.5 Service Quality Models

During the past few decades service quality has become a major area of attention for practitioners and researchers; due to its strong effect on business performance, lower costs, customer satisfaction, customer loyalty

and profitability (Cronin and Taylor, 1992; Newman, 2001). Several researches were performed to tackle aspects of defining, modeling and measuring issues of service quality. Seth et al. (2005) reported in their study 19 service quality models that are still used till now (see Table 1). Moreover, Yarimoglu (2014) reviewed the existing service quality models in the literature, almost all of the reviewed models were reported in Seth et al. (2005) study except one additional model in Yarimoglu (2014) study which is (The Hierarchical Model of Service Quality). In this section of the study, some of the most famous models will be reviewed, with a brief description for each one.

TABLE 1 SERVICE QUALITY MODELS - ADAPTED: SETH ET AL. (2005)

No.	Model Name	Author
1	Technical and functional quality model	(Gronroos, 1984)
2	GAP model (SERVQUAL)	(Parasuraman et al., 1985)
3	Attribute service quality model	(Haywood-Farmer, 1988)
4	Performance only model (SERVPERF)	(Cronin and Taylor, 1992)
5	Attribute and overall affect model	(Dabholkar, 1996)
6	PCP attribute model	(Philip and Hazlett, 1997)
7	Internal service quality model	(Frost and Kumar, 2000)
8	The Hierarchical Model of Service Quality	(Brady and Cronin, 2001)
9	Synthesized model of service quality	(Brogowiczet al., 1990)
10	Ideal value model of service quality	(Mattsson, 1992)
11	Evaluated performance and normed quality model	(Teas, 1993)
12	IT alignment model	(Berkley and Gupta, 1994)
13	Model of perceived service quality and satisfaction	(Spreng and Mackoy, 1996)
14	Retail service quality and perceived value model	(Sweeney et al., 1997)
15	Service quality, customer value and customer satisfaction model	(Oh, 1999)
16	Antecedents and mediator model	(Dabholkar et al., 1996)
17	Internal service quality DEA model	(Soteriou and Stavrinides, 2000)
18	Internet banking model	(Broderick and Vachirapornpuk, 2002)
19	IT-based model	(Zhuet al., 2002)
20	Model of e-service quality	(Santos, 2003)

2.5.1 Technical and Functional Quality Model

Gronroos (1984) introduced the Technical and Functional Quality Model; also called perceived service quality model (see Figure 1). This model makes a comparison between the expectations of the customers and their experiences, to measure the perceived service quality. Therefore, if the "experienced quality" exceeds the "expected quality", then the perceived quality is high. On the other hand if the expectations didn't meet the experience, the perceived quality is low. The author identified three components of service quality, namely: 1) technical quality, 2) functional quality, and 3) image. Technical quality is related to the core service. That which the firm actually provides to the customer, it is about customer evaluations about the service. It includes the systems and infrastructure designed and created to organize delivery of the service. For example: computerized systems, machines technical solutions, and know-how. Functional quality is more important variable for customer perceptions and service differentiation than technical quality; it is referred to how customers take the service. It includes employee: attitudes, behavior, service mindedness, appearance, accessibility internal relations and customer contacts. Technical quality is interested in what was delivered whereas functional quality is interested in how the service was delivered. For that reason technical quality must be in place to facilitate such coordination and allow the employees to work together. Corporate image has a positive impact on customer perceptions. This model does not offer an explanation on how to measure functional and technical quality.
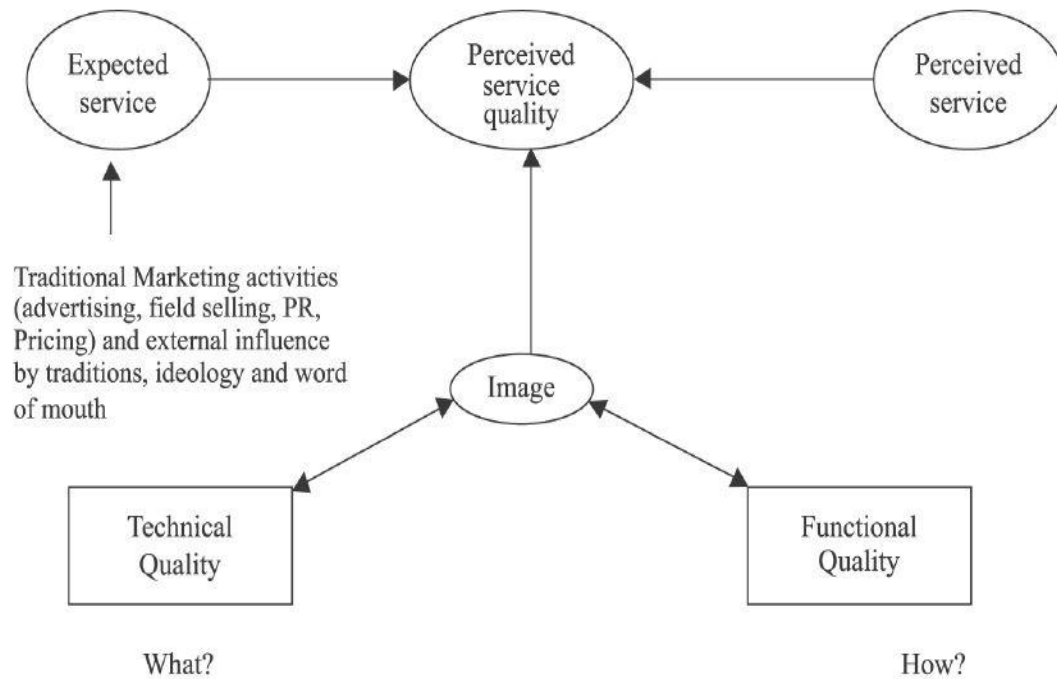
FIGURE 1: TECHNICAL AND FUNCTIONAL QUALITY MODEL – SOURCE: GRONROOS (1984).

2.5.2 GAP Model (SERVQUAL)

Parasuraman et al. (1985) performed an explanatory research to develop a model for service quality based on gap analysis (Figure 2) it was called the GAP model. Research relied on executive interviews in four sectors: 1) retail banking, 2) credit card, 3) security brokerage and 4) Maintenance Company. Choosing this sector is apparent for the intense interaction with customers. Building the model requires these interviews to understand the management perception of consumer expectations. After that focus interviews were implemented with twelve groups to explore the perception of consumer on service quality and their expectation. The research presented ten dimensions for service quality: 1) tangibles, 2) reliability, 3) responsiveness, 4) competence, 5) courtesy, 6) credibility, 7) security, 8)

access, 9) communication and 10) understanding/knowing the customer. The various gaps visualized in the model are:

GAP 1: Knowledge Gap: this gap tries to know what customer expect, and its formula is: Customer Expectation – Management Perceptions.

GAP 2: Policy Gap: this gap tries to find the wrong service quality standard, and its formula is: Management Perception – Service Quality Specifications.

GAP 3: Delivery Gap: this gap tries to find the service performance, and its formula is: Service Quality Specifications – Service Delivery.

GAP 4: Communication Gap: this gap tries to check if promises don't match actual delivery, and its formula is: Service Delivery – External Communications.

GAP 5: Service Quality Gap: this gap tries to find the difference between customers' expectations and perceptions, and it is the only one between the five gaps that could be calculated, while the first four gaps have a diagnostic values. The fifth gap formula is: Expected Service – Perceived Service. Moreover, if the calculated result for the fifth gap is positive, then the overall service quality is good and it is in a high level, but if the result is less than zero, then the service quality is bad and it is in a low level.
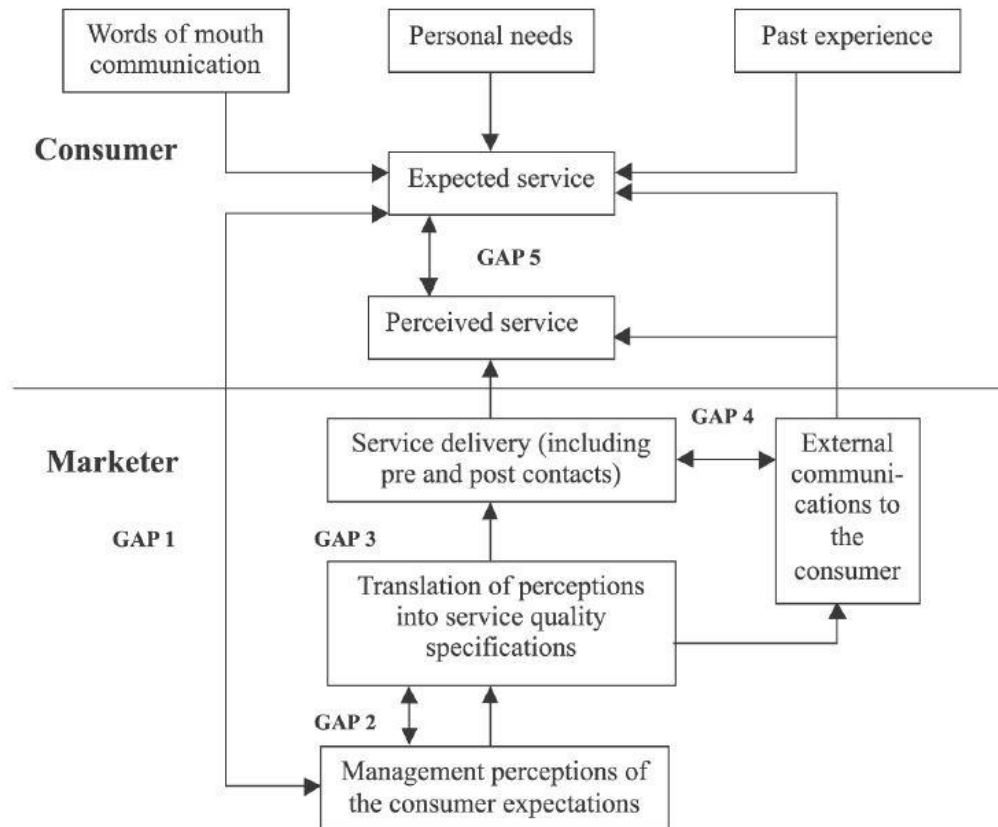
FIGURE 2: GAP SERVICE QUALITY MODEL – SOURCE: PARASURAMAN ET AL. (1985).

Three years later Zeithaml et al. (1988) found a correlation between the ten dimensions of Parasuraman et al. (1985) model. Therefore, they refined them into five dimensions: reliability, assurance, tangibles, empathy, and responsiveness, to measure customer's perceived value of service quality famously known as SERVQUAL (also called expectation minus disconfirmation approach). All of the five dimensions are important to customers, but some of them are more important than the others (see Figure 3). In addition, Zeithaml et al. (1988) outlined the main four gaps identified in their research of 1985, and they introduced an extended service quality model (Figure 4). According to this extended model, most factors involve

communication and control process implemented in organizations to manage employees.
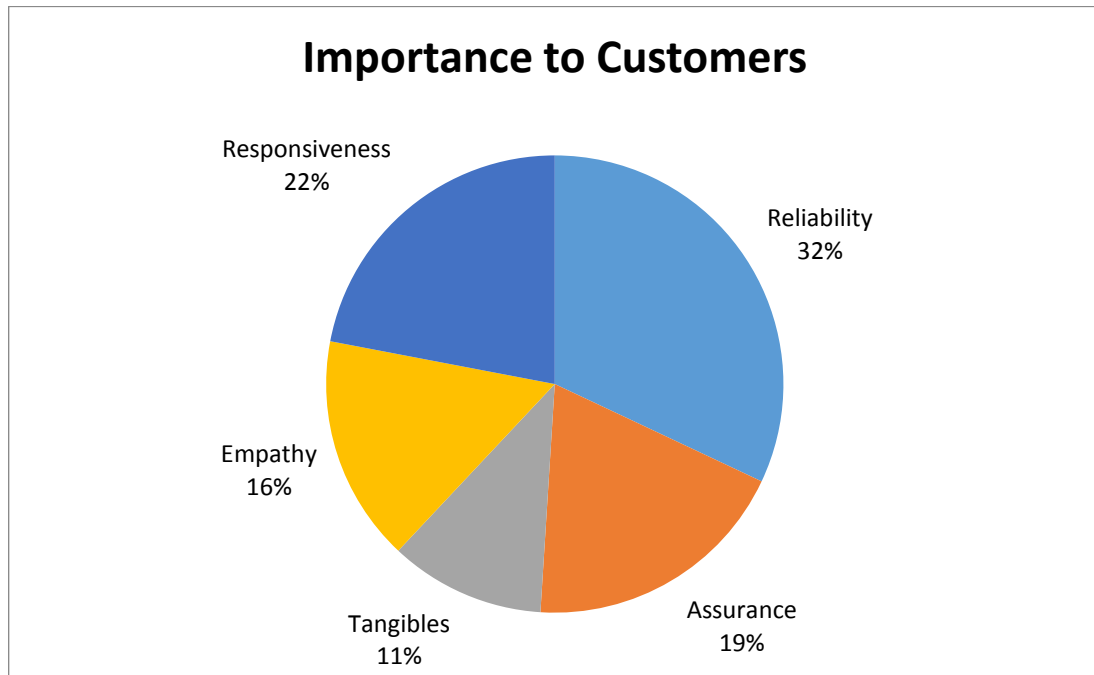
FIGURE 3: SERVICE QUALITY DIMENSIONS IMPORTANCE TO CUSTOMERS.
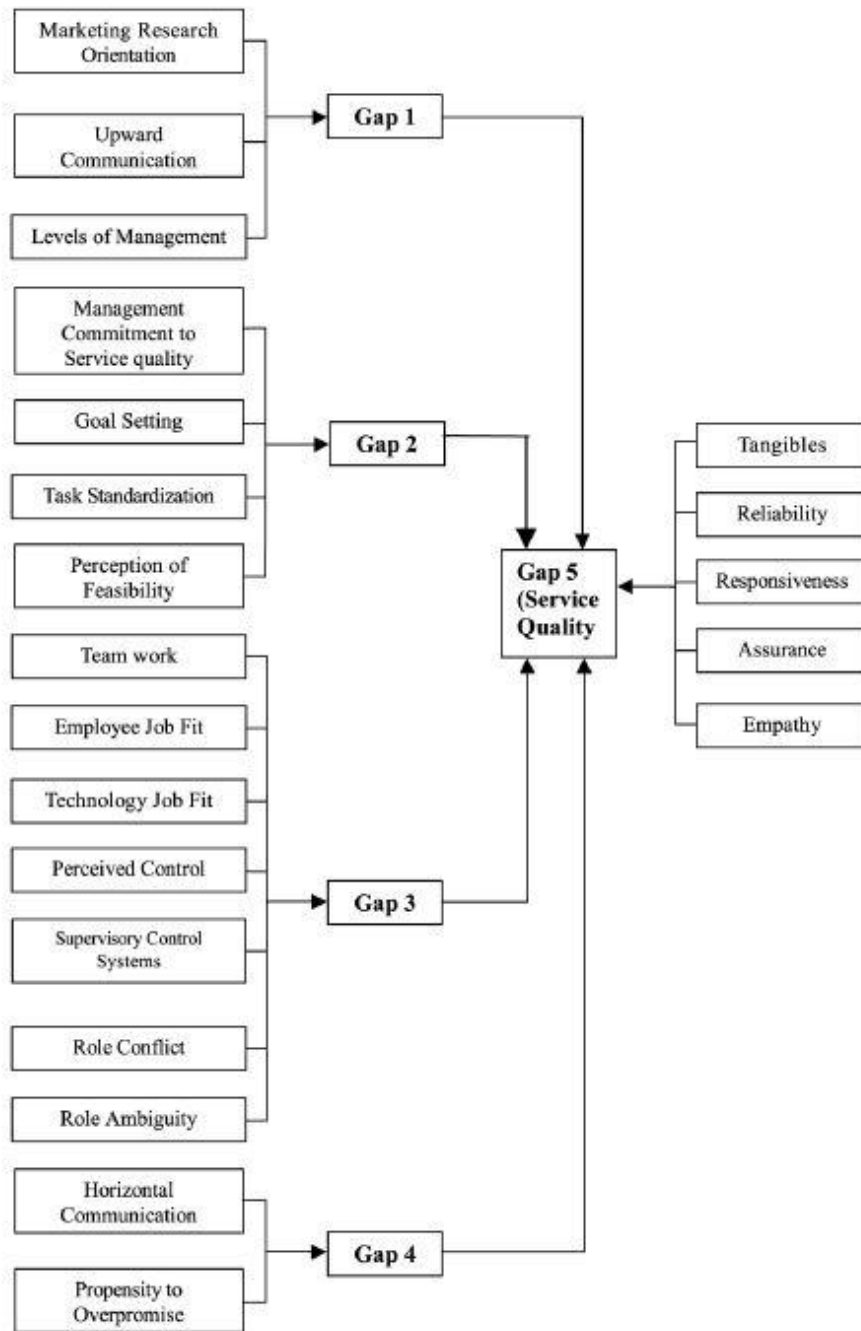
FIGURE 4: EXTENDED SERVICE QUALITY MODEL – SOURCE: ZEITHAML ET AL. (1988).

2.5.3 Attribute service quality model

Haywood-Farmer (1988) developed the service quality attribute model. This model claimed that services, in general, have three important attributes (they also called three Ps): 1) Physical facilities, processes and procedures 2) People behavior and conviviality, and 3) Professional judgment (Rahman et al., 2012). All of these attributes form the service quality attribute model (Figure 5). In addition this model attributes were associated to service quality determinants of Parasuraman et al. (1985) model, and these associations were as follow: 1) Physical facilities, processes and procedures associated to tangibles, 2) people behavior and conviviality associated to reliability, responsiveness access, courtesy, and communication, 3) professional judgment associated to competence, credibility, security, and understanding consumer (Yarimoglu, 2014). However, this model did not identify additional service quality dimensions, the author believed that the selected components from each of these three sets of service quality elements is an important strategic managerial decision. Additionally, managers have to carefully choose the mixture of these elements in order to guarantee the suitable balance between these three attributes. Each set of attributes form an apex of the triangle. This model highlights that too much emphasis on any one of the components while let others be excluded may lead to negative impact on customer's perceptions (Shahin and Samea 2010). For example, if a service firm emphasizes heavily on procedure, customers are likely to perceive that the organization is rigid and inflexible. (Seth et al., 2005). Haywood-Farmer

(1988) tried to show different type of service settings as per degree of contact and interaction, degree of labor intensity and degree of service customization in this model. Yet, the model focused on the qualitative research more than quantitative research which is empirically and psychometrically tested. As a result this model is suitable for managers when designing the processes of the offered services and it may also be appropriate in considering the importance of the various determinants to be measured. While it offers a base of segregating service firms on three dimensions for better management of quality.
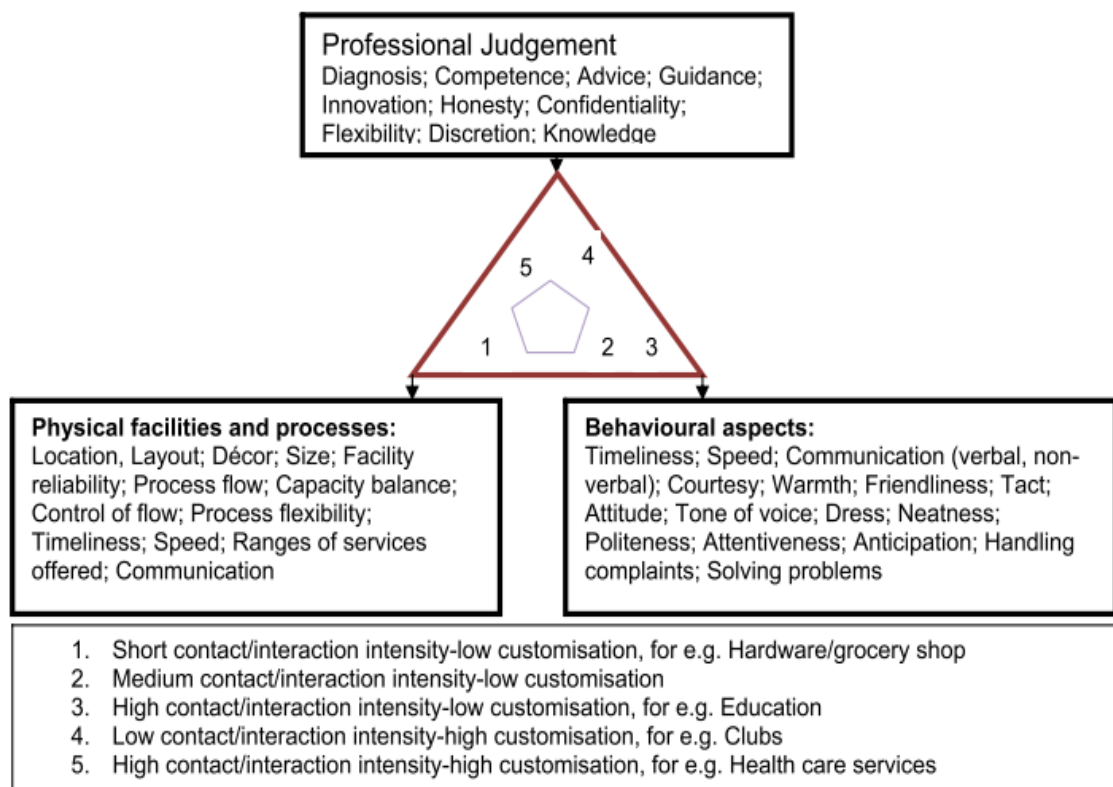
FIGURE 5: ATTRIBUTE SERVICE QUALITY MODEL - SOURCE: HAYWOOD-FARMER (1988) AS ADAPTED BY SETH ET AL. (2005).

2.5.4 Performance Only Model (SERVPERF)

In 1992, Cronin and Taylor investigated the service quality and its relationship with customer satisfaction and purchase intentions, suggesting that conceptualization for service quality is based on a flowed paradigm. They tested a new paradigm called the SERVPERF (also called performance-only approach) using the perception of customer on service quality (perception was measured through distribution of 660 questionnaires in US market). In this model they illustrated that service quality is a form of consumer attitude, and the performance only measure of service quality is an enhanced means of measuring service quality. Moreover, they stated that service quality can be conceptualized as "similar to an attitude", and can be operationalized by the adequacy-importance model. In particular, they maintained that Performance instead of "Performance-Expectation" determines service quality.

2.5.5 Attribute and overall affect model

Dabholkar et al. (1996) developed two alternative models of service quality for technology-based self-service options. The first model was the attribute model (Figure 6), which combining customers' expectations and evaluations of the attributes associated with technology based self-service option to form expectation. It is based on cognitive approach to decision making, where consumers would use a compensatory process to evaluate attributes associated with the technology based self-service option in order to form expectations of service quality. The second model was the overall

affect model which combining customers' feeling towards the use of technology. It is based on an effective approach to decision making where consumers would use overall predispositions to form expectation self-service quality for a technology-based self-service option. In both models, expected service quality would influence intentions to use technology based self-service option.
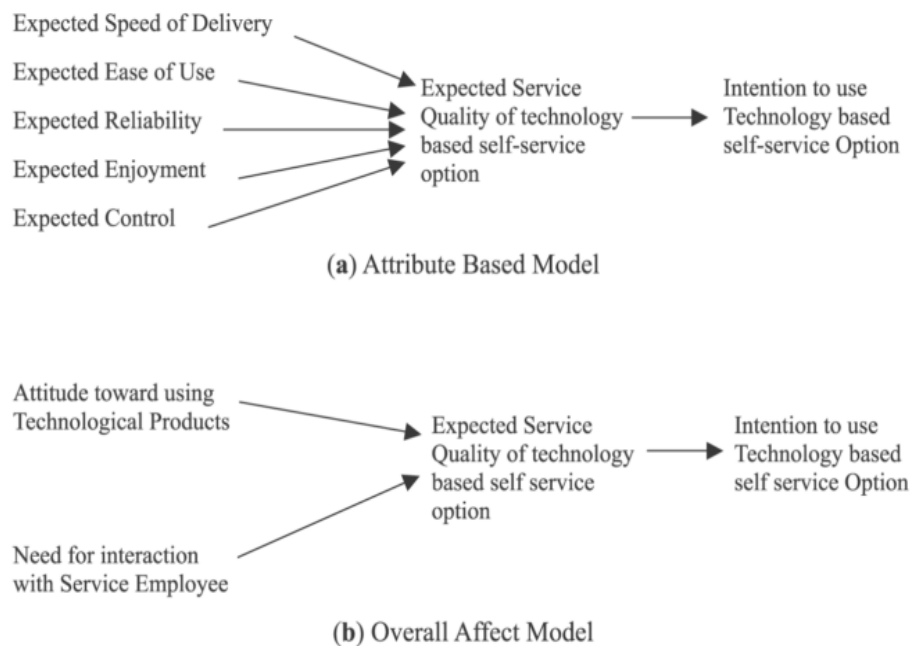
FIGURE 6: ATTRIBUTE AND OVERALL AFFECT MODEL – SOURCE: DABHOLKAR ET AL. (1996).

2.5.6 PCP attribute model

Philip and Hazlett (1997) proposed a hierarchical structure model called PCP attribute model (Figure 7). This model proposed that every service consisted of three attributes: 1) pivotal, 2) core and 3) peripheral. The most important attributes that impact the service quality was the pivotal attributes, they were seen as output, while core and peripheral attributes

were seen as inputs and processes. This model put these attributes in a hierarchical structure. The importance level decreased from top to bottom. The pivotal attributes were placed at the top, they were followed by the core attributes, and at the bottom peripheral attributes. The importance of the pivotal attributes comes from their location, they were placed at the core, therefore they affect the customer decision to deal with a specific firm, and significantly affect the satisfaction level. They were also defined as the "end product". According to Seth et al. (2005) the pivotal attributes could be described as "what the consumer expects to achieve and receive, perhaps even "take away, when the service process is duly completed". Core attributes were placed around the pivotal attributes, they can be best described as "the amalgamation of the people, processes and the service organizational structure through which consumers must interact and/or negotiate so that they can achieve/receive the pivotal attribute" (Seth et al., 2005). Peripheral attributes defined as the "incidental extras" or decoration considered to add a "roundness" to the service that enhances the customer feeling about the service and give him/her a big amount of gladness. When a consumer tries a service for the first time, the satisfaction level will depend mainly on the pivotal attributes if they were achieved, however when the customer uses this service regularly, the importance of core and peripheral attributes will increase.

Increasing importance of weighing of attributes

The service environment
Peripheral attributes
Incidental extras or frills designed to add a roundness
to the service encounter and make the whole
experience a complete delight

Core Attribute
The people, process, and organizational
structure with which a consumer must
interact and/or negotiate in order to achieve
And receive the pivotal attributes

Pivotal Attributes
The end product or output from
the service encounter, that is,
what the consumer expects to
achieve and perhaps take away
from the service process

FIGURE 7: PCP ATTRIBUTE MODEL – SOURCE: PHILIP AND HAZLETT (1997).

2.5.7 Internal service quality model

Frost and Kumar (2000) developed an internal service quality model called INTSERVQUAL (Figure 8) based on the concept of the GAP Model (Parasuraman et al., 1985) and the SERVQUAL model (Parasuraman et al., 1988). The model measures the service quality dimensions of internal customers such as front-line staff and support staff in airline industry. As a result of the study, it was found that internal service quality was affected by responsiveness mostly, however; reliability was found as the most important influencer in SERVQUAL. This model defined three internal

gaps; the first one is the difference in support staff's perception of front-line staff's expectation. The second one is the difference between service quality specifications and the service actually delivered resulting in an internal service performance gap. And the last one is the gap which focuses on the front-line staff. The main gap is the difference between front-line staff's expectations and perceptions of support staff's service quality.
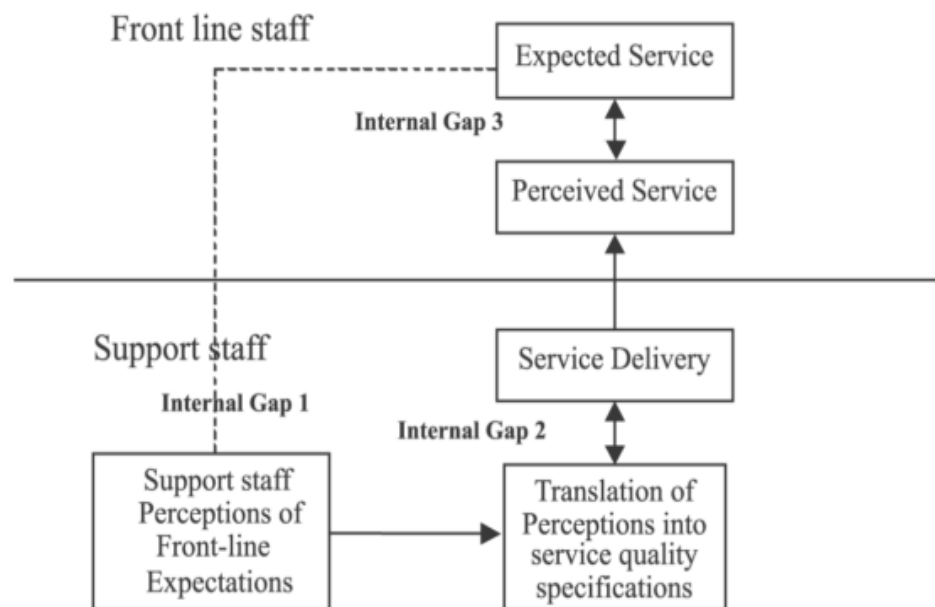
FIGURE 8: INTERNAL SERVICE QUALITY MODEL - SOURCE: FROST AND KUMAR (2000)

2.5.8 The Hierarchical Model of Service Quality

Brady and Cronin (2001) proposed three factors model for measuring service quality (Figure 9); they added an additional factor (service environment) to Gronroos's (1984) two factors model (i.e. technical quality and functional quality). This model is composed of: 1) interaction quality

which comprised of attitude, behavior, and expertise, 2) physical service environment quality which comprised of ambient conditions, design, and social factors, and 3) outcome quality which comprised of waiting time, tangibles, and valence affect service quality. They suggested that each primary dimension has three sub dimensions, and customers aggregate their evaluations of the sub dimensions to form their perceptions of firm's performance on each of the three primary dimensions. Customers form their service quality perceptions on the basis of an evaluations to arrive at an overall service quality perception. They used a seven-point Likert scale from to measure the consumers' attitudes towards the items under the dimensions.
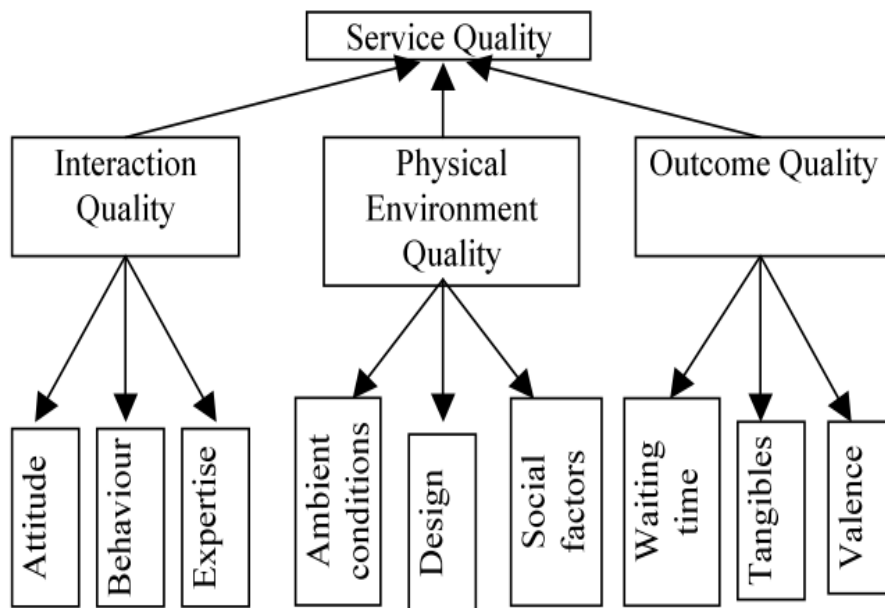
FIGURE 9: THE HIERARCHICAL MODEL OF SERVICE QUALITY - SOURCE: BRADY AND CRONIN (2001).

2.6 SERVQUAL VS. SERVPREF

Many service quality models were used by several researchers. For example, Spathis et al. (2004) in their research on managing service quality in Greece banks by looking at the customers gender effect, they studied the quality perceptions of male and female customers and the difference they attach to quality dimensions, therefore they used the Bank Service Quality (BSQ) scale, and they found that male customers have a more positive perception of the service quality they receive than do female customers. Morover, Tsoukatos and Mastrojianni (2010) studied quality of retail banking concluding a quality scale carved out from the combination of SERVQUAL (precise determinants are assurance, efficiency, reliability and confidence) and BSQ scale. Many other models were used in the literature, each of them has its advantages and also some disadvantages.

SERVQUAL is widely used in the literature as it became the best service quality model, and this was due to its superior effect on the business and academic communities. Buttle (1996) referred this success to the technique it uses for assessing and managing service quality. SERVQUAL consist of five dimensions: tangibility (physical appearance for objects), reliability (dependable service provider), assurance (features that diffuse customer confidence), responsiveness (quick assistant to customers), and empathy (available personal to help customers). While Angur et al. (1999) investigated service quality in banking sector in India (two major retail banks), the overall result of the study supported a multidimensional construct of service quality favoring the SERVQUAL model for its detailed

diagnostic information and emphasizing inapplicability of some factors. Under their context, assurance appeared to be the least important. Responsiveness and reliability were the most essential dimensions, followed by the empathy and tangible dimensions.

Nevertheless, this model was criticized by several researchers; Teas (1993) claimed that SERVQUAL model has uncertain validity because it has conceptual and definitional issues, such as the conceptual definition of expectations and measurement validity of expectation. However, Carman (1990) stated that researchers now agreed that the number of service quality dimensions depends on the provided service it self. Furthermore, Okoe et al. (2013) criticized this model because it neglects the effect of corporate image and reputation on the scores, and also it assumes that the respondents have prior knowledge about the service they are evaluating. Thus, several scholars pointed to the importance of the corporate image as an essential factor for firm success, and it can be significantly affected by the received services (Gronroos, 1984; Cham and Easvaralingam, 2012; Alfin et al., 2013). However, unlike SERVQUAL model, expectation is not an element in SERVPERF (Baumann et al., 2007). Babakus and Boller (1992) showed that service quality in SERVQUAL model, is affected only by perception of performance.

Many academics found that SERVEPRF is more efficient than SERVQUAL with respect to numbers of measured items; which is 44 in SERVQUAL as compared to only 22 in SERVEPRF model (Cronin and Taylor, 1992; Bolton and Drew, 1991). Also, this paradigm considers the

customer satisfaction a significant link between purchase and post-purchase process in terms of attitude change, repeat purchase and brand loyalty (Churchill and Surprenant, 1982). Furtheremore, Brady and Cronin (2001) supported Cronin and Taylor (1992) findings and prefered SERVPREF; they applied this model in additional sectors such as spectator sports, entertainment, helth care, and long-distance carries. However, Parasuraman et al. (1994) proved empirically Cronin and Taylor (1992) and Teas (1993) concerns, also Parasuraman et al. (1994) refined SERVQUAL's structure.

Post the two paradigms, several studies emerged in different countries covering the service quality in banking sector. Stafford et al. (2011) highlighted that SERVQUAL and SERVPREF models can be used as a measuring tool for service quality, while Angur et al. (1999) is favoring the SERVQUAL model for its detailed diagnostic information and emphasizing inapplicability of some factors. Even Blodgett and Wakefield (1999) discussed the integration of environmental psychology with SERVQUAL to make a fuller assessment of the role of tangible aspects of service delivery. They found that using SERVQUAL model is much better than using SERVPREF model for the measurement of service quality, even in a developing economy environment. Khan and Fasih (2014) used SERVQUAL model in their research and found a significant relation between the model dimensions and customer satisfaction and loyalty.

Despite the critics (e.g. Cronin and Taylor, 1992; Teas, 1993; Okoe et al., 2013) of SERVQUAL model, it is still widely used, and many researchers still consider it as an excellent instrument for measuring service quality. As it was shown above, SERVQUAL model has many advantages such as : 1) its estimation of the gap size, 2) the detailed diagnostic information it provides, and 3) it "provides a basic Skelton which can be adopted or supplemented to fit the characteristics or specific research needs of a particular organization" (Parasuraman et al., 1988; Buttle, 1996; Angur et al., 1999; Blodgett and Wakefield, 1999; Newman, 2001; Christopher et al., 2002; Santos, 2003; Khan and Fasih, 2014).

In this research there are two suitable models for measuring service quality in the banking sector, they are SERVQUAL and SERVPREF models. The researcher preferred to adopt the SERVQUAL model, due to its detailed daiagnostics. In addition, SERVQUAL model asks the customers after getting the service which is more accurate when mesuaring the quality of a service.

2.7 Service Sector in Palestine

Several studies were performed around the world about the service sector, this sector was growing in a high manner. In Palestine, which is a developing country, operating under a challenging environment conditions with low income and limited resources, the service sector is considered as an important player in the Palestinian economy. As a result, in the last twenty years the service sector was significantly increased. According to

El-Jafari et al. (2003), the contributions of services sector to Palestinian GDP has increased from 46.7% in the mid-1970s to 52.2% between 1995-2000. In a more recent study by Al Falah (2013), it was explained that the contributions of services sector to Palestinian GDP has increased to 57% in 2012, and that more than 62% of the Palestinian labor force was employed in the service sector. Furthermore, Morrar and Gallouj (2013) confirmed that Palestinian economy is a service economy.

There are two types of services: Traditional services (such as trade, transportation and distribution services), and Modern services; such as R&D, financial, and those services are linked to the information and communication sector (Morrar and Gallouj, 2013). In Palestine, the service sector is highly dependable on the traditional services, while modern services were very small in size until the mid-1990s. The 2012 statistics show that the traditional services share 85% of the contributions of services sector to Palestinian GDP and 98% of total employment, and till now some service sectors do not exist (such as air and sea transport) (Al Falah, 2013; Morrar and Gallouj, 2013).

Despite the importance of the service sector, a few studies where performed on the Palestinian service sector, such as El-Jafari et al. (2003). Authors in this study investigated the Palestinian services sector and its role in economic development. Also, Morrar and Gallouj (2013) discussed the service sector productivity in Palestine, they found that foreign direct investment has a positive and significant influence on the growth of labor productivity. capital intensive service sectors have a high influence on the

growth of labor productivity compared to other sectors. Moreover, Al Falah (2013) debated the expansion reasons in the services sector and its role in terms of employment and contribution to the formation of the Gross Domestic Product.

2.8 Service Quality Studies in Palestine

One of the most influencing service sectors in the Palestinian economy is the Banking sector. According to Palestinian central bureau of statistics – 2015, financial and insurance activities account for 4% of real GDP (PCBS, 2016). The overall percent contribution from this sector to real GDP, witnessed a large growth between 2014 and 2015 recorded at 19.2% (PCBS, 2016). The growth in this sector triggered high levels of competition with the aim of increasing customer satisfaction.

Despite the importance of the banking sector in Palestine, there is still scarcity of researches performed to assess its quality of provided services. In this section, a brief description will be shown on some of the previous service quality studies in Palestine.

Shu'sha (2005) measured the services quality level in one of the Palestinian Banks, from customer's perspective. SERVQUAL model was used in this study to measure the gap between the actual performance of the provided services and the expected performance. The study results figured a gap between the actual and the expected performance of the provided services. The study comes with two recommendations: 1) enhancing the quality of provided services provided in order to reach or exceed customer's

expectations level, and 2) adopting the service quality as a strategy for competition and improvements. Another study by Al Khaldy (2006) aimed to measure the level of services quality of the Palestinian Islamic banks, from customer's perspective. The SERVQUAL model was used to measure the level of services quality in the Islamic banks, between the actual performance of the offered services and its perceptive performance. The data was collected by distributing questionnaiers, and after analyzing the collected data, the results showed a gap between the expected services and the actual performance. The results of this study comes with a recommendation to these types of banks, which is improving and developing the banks services to reach the customers' expectations, and these banks should concentrate on training their employees especially the front line employees. Murad (2011) explored several direct and indirect factors that affect customer switching intentions from bank to another in two Palestinian banks. The direct factors were: service quality, price, commitment, and anger incident, and the indirect factors were customer involvement in decision making, switching costs, alternative attractiveness, and duration of customer relationship. The author adopted a different model than the one used by Shu'sha (2005) for measuring the service quality, which is the hierarchical model that proposed by Brady and Cronin (2001). This model consists of three dimensions; namely: outcome quality, interaction quality, and physical environment quality. The author found that regarding to the direct factors, the customer switching intentions vary according to the bank and customer's category. While switching costs have

no moderating effect, and alternative attractiveness increases switching intentions, while the long duration of customer relationship reduces customers' switching intentions.

ElHinnawi (2011) evaluated the effect of relationship marketing underpinnings on customer loyalty in one of the Palestinian banks. The gap approach was used to measure the relationship marketing underpinnings five dimensions (trust, commitment, conflict handling, values and empathy). The results of this study showed that the level of relationship marketing underpinnings is high from the perception of business customers in West Bank – Palestinian, while it was moderate in Gaza Strip – Palestine, and the loyalty level was higher in West Bank than Gaza. Therefore the study recommended that the banks have to enhance and reinforce the five relationship marketing underpinnings to keep and increase the customer's loyalty. AlFoqahaa (2012) studied the factors affecting customer satisfaction with Islamic banking services in Palestine. The study aimed to clarify the effect of the dimensions of perceived service quality of Islamic banks, and the role of Islamic banks' perceived image by customers. The author found a significant effect of reliability and assurance on customers' satisfaction, and he didn't found a significant effect of tangibility, responsiveness, and empathy factors. Also he stated that a "significant impact for the study's collective independent variables was found (The quality of Islamic banking services, trust, and corporate image)". All of the above studies were summarized in Table 2, in addition to this research summary.

TABLE 2: SUMMARY OF SERVICE QUALITY STUDIES IN PALESTINE.

Research	Used Model	Bank Type	Number of Banks	Key Recommendation
Shu'sha (2005)	SERVQUAL	Conventional Bank	1	Adopt Service Quality as Strategy for Competition and Improvement.
Al Khaldy (2006)	SERVQUAL	Islamic Bank	1	Training Front Line Employees.
Murad (2011)	The Hierarchical Model of Service Quality	Conventional Bank	2	Improve Employees Efficiency by Training them.
ElHinnawi (2011)	GAP Approch	Conventional Bank	1	Enhance and reinforce the five dimensions (trust, commitment, conflict handling, values and empathy) to keep and increase customers loyalty.
AlFoqaha a (2012)	SERVQUAL + Trust + Image	Islamic Bank	2	Significant impact for the study's collective independent variables was found.

This research will be different from previous researches in Palestine. This research respondents will be from all Palestinian conventional banks which are twelve banks, while other researches respondents were from one or two banks. Moreover, this research will use quantitative and qualitative methods, while the rest of the researches used quantitative methods only. Furthermore, this research will suggest a managerial model to enhance banks' service quality.

Chapter Three
Methodology

3.1 Overview

The researcher presented in this chapter a comprehensive presentation of the research methodology and procedures which have been followed in assessing service quality and customer satisfaction of Palestinian conventional banks. Also the researcher presented the population and the sample of the research, data collection and analysis methods, it also demonstrates how the validity and reliability of the questionnaire are assured.

3.2 Research Approach

This research tried to figure out the quality level of provided services in the Palestinian conventional banks from the customer's perspective, and also, the most significant criterions to evaluate service quality in order to improve banks performance by providing them with some essential recommendations.

To form the conclusion when conducting research, there are two theoretical approaches: inductive and deductive approaches. According to Ghauri and Gronhaug (2002), there are two different methods to determine what is true or false, as well to derive a conclusion. In addition, they stated that induction depends on empirical evidence, whereas deduction depends on logic. Moreover, Trochim (2006) stated that induction approach starts from

the specific and ends with the general. But deduction approach starts from the general until it reaches the specific (see Figure 10). In other words, deductive could be considered as a "top-down" approach. It begin with studying a known theory about the topic of interest. Then narrow it down to formulate hypotheses that could be tested. Furthermore, it narrows down when observations collected to address the hypotheses. Eventually this allows the researcher to test the hypotheses with specific data on a specific area. On the other hand, inductive approach could be considered as a "bottom-up" approach. It starts from specific observations, and ends with theories. While it depends on collecting empirical data, observations and measures, in order to identify uniformities and patterns, which formulate initial hypotheses to be explored, with the aim of developing theories or broad conclusions. (Trochim 2006, Creswell and Plano Clark, 2007).
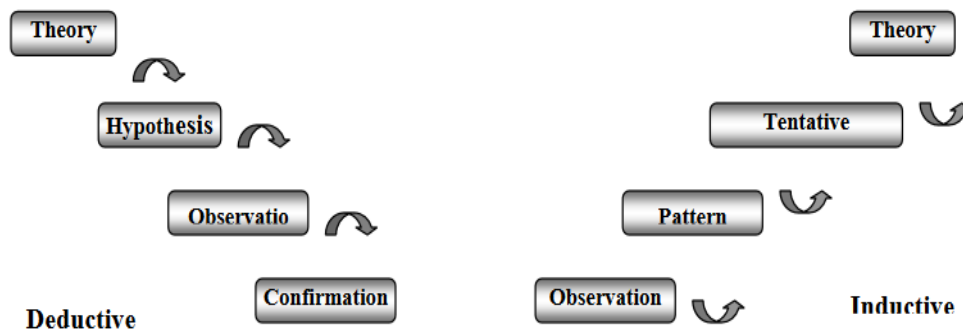
FIGURE 10: DEDUCTIVE AND INDUCTIVE REASONING. SOURCE: TROCHIM, 2006.

Normally, there are two analysis methods used in research, deductive method (quantitative) or inductive method (qualitative). Though, researchers disagreed of which method is the best to be used when steering a research and collecting data. Furthermore, deductive and inductive

methods are not mutually exclusive, therefore, different methods are used to address the same question. (Soiferman, 2010).

The researcher used a mixed method approach in this research. Deductive and inductive approaches were used to measure the service quality in Palestinian conventional banks. According to Lincoln and Guba (1985) qualitative research discovers people's special experiences better than quantitative research. While Creswell (1994) stated that quantitative research described a phenomena by gathering numerical data and analyzing it mathematically. This mixture enriched the research while the qualitative research reach the core of the problem using an inductive approach, whereas quantitative research reaches a wider part of the problem using the deductive approach. The researcher used questionnaires as a tool for deductive approach and interviews as a tool for inductive approach.

3.3 Research Strategy

Saunders et al. (2000), defined research strategy as a plan for drawing the research path; researchers determine how they will develop their questions, and in which manner these questions would be answered. Determining the data collection methods is the first step in this plan. Robson (2002) stated that it is essential to collect data in social science, while the next step after collecting the data will be data analysis and interpretation. The researcher illustrates this research strategy in Figure 11.
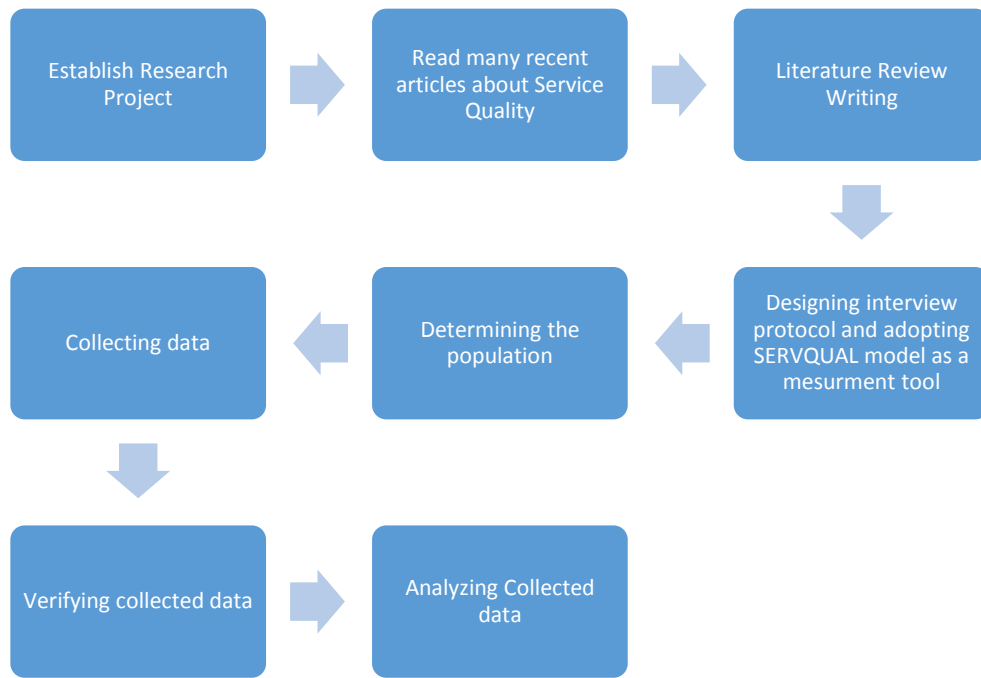
FIGURE 11: RESEARCH FRAMEWORK.

Yin (2003) mentioned three criteria to determine the research strategy, they are: types of research questions, control over behavioral events, and focus on present events. However the boundaries among the previous criteria are not completely clear, they may overlap each other. Therefore, Yin (2003) stated that there are five strategies that could be used to collect the data and get results: experiment, survey, archival analysis, history and case study. Still, every strategy has its advantages and disadvantages as shown in Table 3.

TABLE 3 APPLICABLE CASE FOR EACH RESEARCH STRATEGY. SOURCE YIN, 2003.

Strategy	Research Question	Control Over Behavioral Events	Contemporary Event
Experiment	How, Why	Yes	Yes
Survey	Who, What, Where , How many, How much	No	Yes
Archival Analysis	Who, What, Where , How many, How much	No	Yes/No
History	How, Why	No	No
Case Study	How, Why	No	Yes

Research question characteristics, determines the research strategy. This research contains two main goals, the first one is to identify the factors which impact service quality level of the Palestinian conventional banks, and to find the correlations between these factors. Therefore, the descriptive and explanatory research was used, which fit with quantitative approach and deductive approach. And the second goal is to better understand the reasons behind the service quality level. And to achieve this purpose, the exploratory research was selected, which is considered to be suitable with qualitative approach and inductive approach. These two approaches also fit with survey strategy.

Accordingly to the appropriate strategy in this research, is a mixed of qualitative and quantitative approaches with the aim of collecting the data. While quantitative questionnaires confirms the existence of patterns between large populations, and on the other hand qualitative interview data

often collect more detailed ideas about participant attitudes, thoughts, and actions (Kendall, 2008).

3.3.1 Quantitative Method – Questionnaire

Creswell (2003) stated that the quantitative approach objective "is to test hypotheses that the researcher generates". In the quantitative approach, a huge volume of numbers is generated and need to be summarized, described and analyzed. Khan (2010) argued that numerical data and statistics are used in quantitative approach, to characterize a phenomenon and discover the relationships between its variables. However, to simplify the data characteristics, it could be presented on graphs and charts, in addition to cross tabulation and calculating means and standard deviations (Lacey and Luff, 2007).

Regarding to this research and its questions and after extended literature review questionnaire was established using the SERVQUAL model, which was originally established by Parasuraman et al. (1988) (see Appendix A) as a main tool for quantitative data collection, while it saves time and effort. The questionnaire was translated to Arabic language, and it contains three main parts:

1. The definition of the research.

2. The primary information about the demographic specifications of the sample individuals.

3. A set of 22 questions. All these questions were closed-ended because all possible answers were given to the respondents. The seven-point Likert scale has been used for the main research questions. These 22 questions were categorized into 5 dimensions, namely: reliability, responsiveness, assurance, tangibles and empathy. Each dimension is measured by four to five items (please refer back to section 2.5.8 for more details on the SERVQUAL model).

3.3.2 Qualitative Method – Interview

Creswell (2003) mentioned that qualitative approach objective "is to discover and encapsulate meanings once the researcher becomes immersed in the data". Morvaridi (1998) considered the qualitative method as a critical approach for social world. And also, he stated that realizing the meanings and interpretations is the main objectives of this approach. However, qualitative and quantitative approaches differ from each other in the style, language usage, and also in ideas generation. Moreover, in qualitative approach, local population forms an important source of information to understand the research problem. While discovering specific populations' opinions, behaviors, and perceptions, provide information to the researcher about the phenomenon variables and values. Therefore, qualitative approach provides information and explanations about people opinions and experiences (FHI, 2005).

For qualitative analysis, interviews performed with 8 employees of the concerning banks. According to Saunders et al. (2007) interviews can be used as a helpful tool in collecting valid and consistent data, which are related to research questions and objectives. Therefore, interviews are considered data driven because they will be used to understand the relationship between different variables and dimension governing the Palestinian conventional banking environment. The input from these interviews is an important element for building the managerial model. According to Robson (2002), there are three types of interviews:

1. Structured interview: its' questions determined previously with static wording.

2. Semi-structured interview: its' questions determined previously. But questions wording changes and clarifies, to explain the questions to the interviewee.

3. Unstructured interview: the questions are developed during the interview conversation, while usually the interviewer has a broad area of interest and concerns.

Directing verbal questions to interviewees, considered as a powerful technique for interviews. While this technique allows the researcher to get special aspects of behavior, and gather comprehensive qualitative data about sensitive subjects. Semi-Structured interviews are used in flexible, qualitative designs widely, while it can be replicated easily (Robson, 2002). King (2004) stated that semi-structured interviews are designed to help

researcher covers the theme and possibly some key questions. Therefore, the researcher used the semi-structured interviews due to its flexibility, while the interview questions working and order may changes depending on interviewers' opinion of what looks more suitable to be asked first and how. In addition, some questions could be deleted, or adding new questions to a specific interviewee.

3.4 Sampling Technique

Sampling considered as an essential part of research. Where sample means selection a set of observations from the population. While population refers to the total set of observations, such as all customers of Palestinian banks, customers of Palestinian Islamic banks, or all customers of Palestinian conventional banks. The research sample is a subgroup from the whole group (population), which is selected according to specific procedures to represent that population. Sampling is practical, while if the researchers choose the right sample, they will get results that reflect the whole population on the large; therefore the sampling process saves time and money (Robson, 2002; Patton, 1990).

This research main objective is examining level of service quality as perceived by Palestinian conventional banks customers through determining the factors that influences it. So all customers of Palestinian conventional banks are accepted to be in the research population. Therefore, in the quantitative approach, probability sampling was chosen to get random sample where each customer in Palestinian conventional banks

can participate. Saunders et al. (2000) stated that researches depends on surveys as a data collection tool, mostly uses probability sampling, where researcher forms conclusions from the population sample in order to answer the research questions. Therefore, the population of this study consisted of all customers of Palestinian conventional banks, for the year 2017.

The total number of customers was (1.3 million) according to Palestinian Monetary (PMA, 2017). And by using sample size calculator (AAPOR and AMA, 2017), with confidence interval of 5% and 95% confidence level, the needed sample size is 384 customers. Here is the formula used in Sample Size Calculator (AAPOR and AMA, 2017).

Sample Size:

$$SS = \frac{(Z^2)(p)(1-p)}{C^2}$$

$$SS = \frac{(1.96^2)(0.5)(1-0.5)}{0.05^2}$$

$= 384.16$

Correction for Finite Population:

$$New\ SS = \frac{SS}{1 + \frac{SS - 1}{pop}}$$

$$New\ SS = \frac{384.16}{1 + \frac{384.16 - 1}{1300000}}$$

= 384.04

Where:

Z = Z value (confidence level)

P = percentage picking a choice, expressed as decimal

C = confidence interval, expressed as decimal (e.g., 0.03 = ±3)

Pop = population

On the other hand, qualitative interviews, gathers detailed data of participant attitudes, thoughts, and actions. Moreover, the interviewer can track comprehensive information about the subject. Also interviews are useful to clarify specific questionnaires responses (McNamara, 1999). In this research the interviews will get explanations from professionals and practitioners on why customers of Palestinian conventional banks think about their service quality. Therefore, non-probability sampling was chosen for this qualitative approach. In non-probability sampling the selection of elements for the sample is not necessarily made with the aim of being statistically representative of the population. However this sampling

method provides a different technique based on researcher subjective decision, to select the elements in the sample (Saunders et al., 2000). Convenience sampling, judgment (purposive) sampling and quota sampling are the most used non-probability sampling methods (Samuel et al., 2003), here is a brief description for each one:

1. Convenience Sampling: in this method the researcher selects the sample members by determining who can provide required information about the topic, and also, who are available to respond to the research interviews (Hair et al., 2003).

2. Judgment (Purposive) Sampling: this method is used to determine elements of the sample, and also it involves for exact purpose (Hair et al., 2003).

3. Quota Sampling: this method purpose is to obtain a proportional representation of the target population strata for total sample (Cooper and Schindler, 2003).

In interviews with quality specialists, the population was the Palestinian conventional banks. Interviews were meant to understand the problem area. In this case, specialists who have sufficient experience are needed, so non-probability sampling is selected, and the most suitable type of non-probability sampling fits this situation is judgment sampling, because this research want to reach a specific purpose from experts.

The research interviews were separated in two levels. The first level of interviews conducted with four front line employees (see Appendix D); the reason that front line employees were targeted is due to their daily contact with the customers. And the second level of interviews conducted with four quality managers (see Appendix E) who are responsible for the service quality.

3.5 Questionnaire Design

The questionnaire used in this research contains two types of variables: dependent and independent variables (see Figure 12). The independent variables were divided into three variables and each one have several levels: Respondent gender (two levels: male, and female), the bank size (twelve banks were grouped into four groups depending on the number of bank branches and offices: 1-10, 11-20, 21-30, more than 31), and number of years dealing with the bank (three levels: 1-4 years, 4-8 years, more than 8 years). On the other hand, there were five dependent variables, which represented in the respondent's responses to the questionnaire paragraphs that measures service quality in Palestinian conventional banks and the total score of the service quality domains. These variables were the SERVQUAL domains: Tangibility, Reliability, Responsiveness, Assurance, and Empathy.
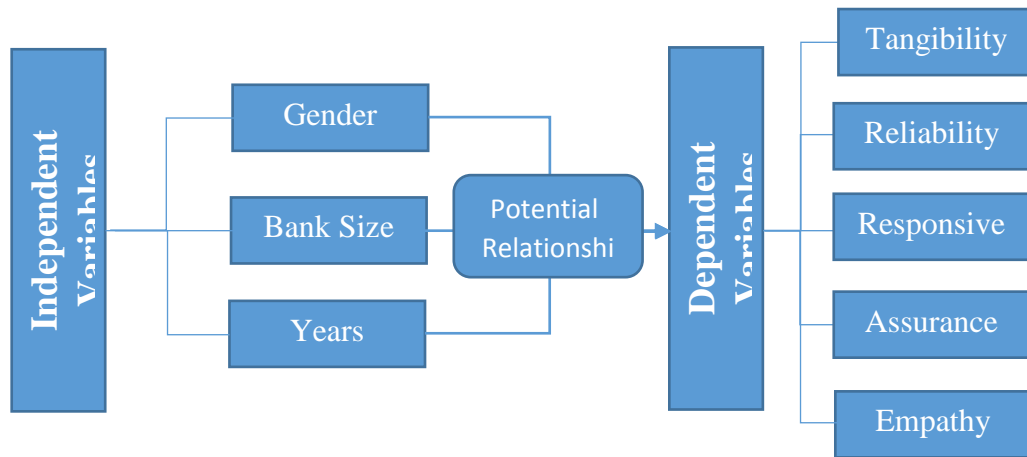
Figure 12: Questionnaire Variables.

3.6 Data Analysis Technique

The researcher distributed 450 questionnaires randomly in the main Palestinian cities. A hard copy of the questionnaire was printed out and received by each respondent, then a brief description was provided to him/her, the questionnaires were self-administrated, they were designed specifically to be completed by the respondent without any intervention of the researcher. 53 questionnaires were rejected due to incomplete data, and 397 questionnaires were accepted.

To complete the research, collected data must be analyzed and fully explained. Therefore, quantitative data analysis techniques helps in this regard. While it provide a range of statistical analysis tools, from simple tools such as table and diagrams that shows occurrence frequency, and going deeper by initiating statistical relationships between variables, until reaching complex statistical modeling (Saunders, et al., 2007). Moreover, quantitative data analysis may be used in hypotheses testing. These hypotheses were deductively derived from the theory. So, the data analysis

results, determine whether to accept or reject the theory. And also, quantitative data can be analyzed using variety of computer software, such as Microsoft Excel, or more complex and specialized data analysis software SPSS (Statistical Package for Social Sciences) (Saunders et al., 2007). Therefore, the accepted questionnaires were processed and analyzed using SPSS application.

This research used a mixed approach for data collection (quantitative and qualitative). For qualitative data collection, the researcher used semi-structured interviews. Analyzing qualitative data can be performed using codifying common sense, which represented in refinement interviewee answers to be better demonstrated and clarified. This method works with simple qualitative data, but if the data is more complicated, then it is essential to use different treatment (Robson, 2002).

The researcher used several statistics analysis tools to outline the statistical difference between respondents in this research. First of all, data normality was checked, to determine which appropriate tests to be used. Therefore, the "Kolmogorov-Smirnov Test" was performed, and resulted in data to be not normally distributed (see Table 4). Consequently, non-parametric tests must be used to get the accurate results. Means, frequencies and standard deviations were used to estimate the respondents' responses on each item and total score. Wilcoxon signed rank and Mann Whitney tests were used to explain the difference between respondents; these two tests were used because correlations between dependent and independent variables will be tested, as well as the researcher need to highlight whether the means of

several variables are equal or not. Wilcoxon signed rank method was used to check if respondent touches a significant difference between the expected and the perceived services. Whereas Mann Whitney test was used to check if the gender have any influence on the respondents' responses. On the other hand, Kruskal Wallis test was used to check the correlation between the year's intervals and other dependent variables.

TABLE 4 KOLMOGOROV-SMIRNOV TEST OF NORMALITY

Dependent variable	Independent variable		Statics	D.F	Sig
Expected	Gender	Male	0.157	238	0.0001*
		Female	0.1860	159	0.0001*
Perceived	Gender	Male	0.075	238	0.003*
		Female	0.1030	159	0.0001*
Expected	Years	1-4	0.142	136	0.0001*
		5-8	0.177	126	0.0001*
		More than 8	0.168	135	0.0001*
Perceived	Years	1-4	0.085	136	0.018*
		5-8	0.090	126	0.014*
		More than 8	0.097	135	0.003*
Expected	Bank Size	Group 1	0.196	54	0.0001*
		Group 2	0.167	53	0.001*
		Group 3	0.152	207	0.0001*
		Group 4	0.148	83	0.0001*
Perceived	Bank Size	Group 1	0.101	54	0.200
		Group 2	0.069	53	0.200
		Group 3	0.097	207	0.001*
		Group 4	0.118	83	0.006*

3.6 Validity and Reliability

Validity and reliability are vital for the research, while they reduce the possibility of getting wrong answers, and ensure that the research questionnaire and interviews are consistent, clear and understandable by all. (Saunders and Thonhill, 2003).

3.6.1 Reliability

The sample reliability of this research was tested by the researcher, using the Cronbach alpha coefficient. By using this method, the correlation between each item in the questionnaire and others can be measured. Cronbach alpha value normally ranging between (0) and (+1). Moreover, the higher Cronbach alpha value, represents a higher internal consistency degree. Table (5) shows the results of Cronbach alpha values for each questionnaire domain, and the entire questionnaire. Firstly, Cronbach alpha values for expected domains, were ranging between 0.701 and 0.914. Also, Cronbach alpha values for perceived domains, were ranging between 0.822 and 0.873. These ranges considered high, the results ensures the reliability of each domain of the questionnaire. Cronbach's Alpha equals 0.950 for the entire expected domains in the questionnaire, and 0.954 for the entire perceived domains in the questionnaire. Cronbach alpha results shows great reliability degree of the entire questionnaire.

TABLE 5 RELIABILITY COEFFICIENTS OF EACH PERCEIVED DOMAIN OF THE STUDY.

Domains	Number of items	Reliability coefficient	
		Expected	**Perceived**
Tangibility	4	0.866	0.843
Reliability	5	0.914	0.873
Responsiveness	4	0.897	0.867
Assurance	4	0.701	0.856
Empath	5	0.896	0.822
Total Score	**22**	**0.950**	**0.954**

3.6.2 Validity

Validity is defined as the data collection tool actually measures what it is supposed to measure. And also, validity measures the accuracy of data collection tool (Saunders and Thornhill, 2003). Therefore, it is very essential to confirm this research data collection tools validity.

The validity of used questionnaire was done on three steps:

1. The questionnaire is the same as the world wide SERVQUAL model questionnaire which developed by Parasuraman et al. (1988).

2. The questionnaire was shown to academic expert in the field of service quality who approved its suitability for the purpose of the study. All needed modifications were made and accepted from the expert side.

3. The questionnaire was translated to Arabic language, and it was shown to academic expert to ensure that it ptovides the same meaning of the original SERVQUAL questionnaire.

4. Many recent studies used the SERVQUAL model to assess the service quality level in the banking sector (see Table 6).

TABLE 6 SOME OF THE RECENT STUDIES USED SERVQUAL MODEL.

Author	Year
Akroush and Khatib	2009
Parida and Baksi	2011
Rahman, Khan and Haque	2012
Okoe, Adjei and Osarenkhoe	2013
Choudhury	2014
Al Karim and Chowdhury	2014
Khan and Fasih	2014
Hussein and Hapsari	2015

On the other hand, the validity of the interviews was judgmental and they were shown and reviewed by experts in this field (see Appendix F), and all needed modifications were applied.

3.7 Ethical Considerations

The researcher treated information from individuals confidentially without disclosing the respondent's identity. The interviewed employees and the questionnaire respondents were informed about the purpose of this research and approved their involvement. There were no modification on the collected information. The researcher was very appreciative of all literature that has contributed in any way to this research.

Chapter Four
Data Analysis

4.1 Overview

This chapter will analyze the data collected through questionnaire and interviews. Therefore, a specialized statistics application which is "Statistical Package for Social Science (SPSS)", will be used for analyzing the quantitative data. Whereas, the thematic analysis method will be used in analyzing the qualitative data. The main objective of this chapter is to show the findings of the analyzed data.

4.2 Demographic Information

4.2.1 Gender of Respondents

Gender of Respondents was an important variable in detecting the level of service quality. The results show a slight difference between respondents' genders. However, the majority of this research questionnaire respondents were males (59.9%), while (40.1%) were females (see Table 7). This difference is reasonable, since most of the Palestinian employees and investors were males, regarding to the Palestinian culture.

TABLE 7: DISTRIBUTION OF RESPONDENTS ACCORDING TO GENDER.

Gender	Frequency	Percentage %
Male	238	59.9
Female	159	40.1
Total	**397**	**100**

4.2.2 The Bank Size

There were twelve different commercial banks operating in the Palestinian market, however each bank has a different number of branches and offices. The researcher created four groups to distinguish between these banks depending on their size. The bank size was recognized by finding the number of branches and offices for each bank. These groups were: group (1) from 1 to 10 branches and offices, group (2) from 11 to 20 branches and offices, group (3) from 21 to 30 branches and offices, and group (4) more than 31 branches and offices. Figure (13) shows the distribution of respondents according to this variable. This figure indicates that most of the respondents were dealing with the banks that have 21 to 30 branches and offices, and they represents 52% of the total number of respondents. On the other hand, banks with branches and offices from 11 to 20 got the minimum number of respondents which was 13%.
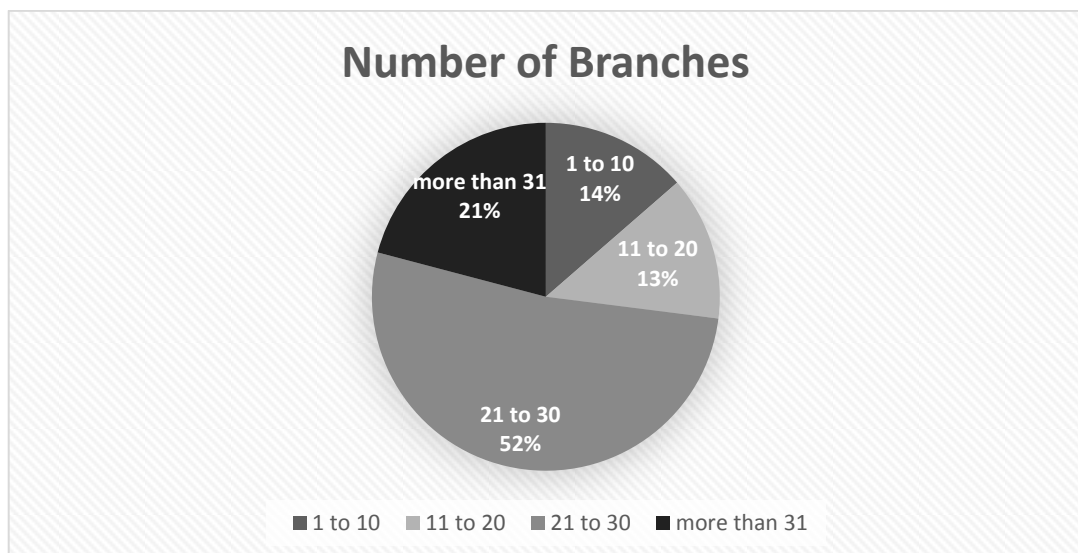
FIGURE 13: DISTRIBUTION OF RESPONDENTS ACCORDING TO BANK SIZE.

4.2.3 Number of Years the Respondents Deal with the Bank

The last variable was number of years, the respondent dealing with the same bank, Figure (14) shows the distribution of respondents according to this variable.
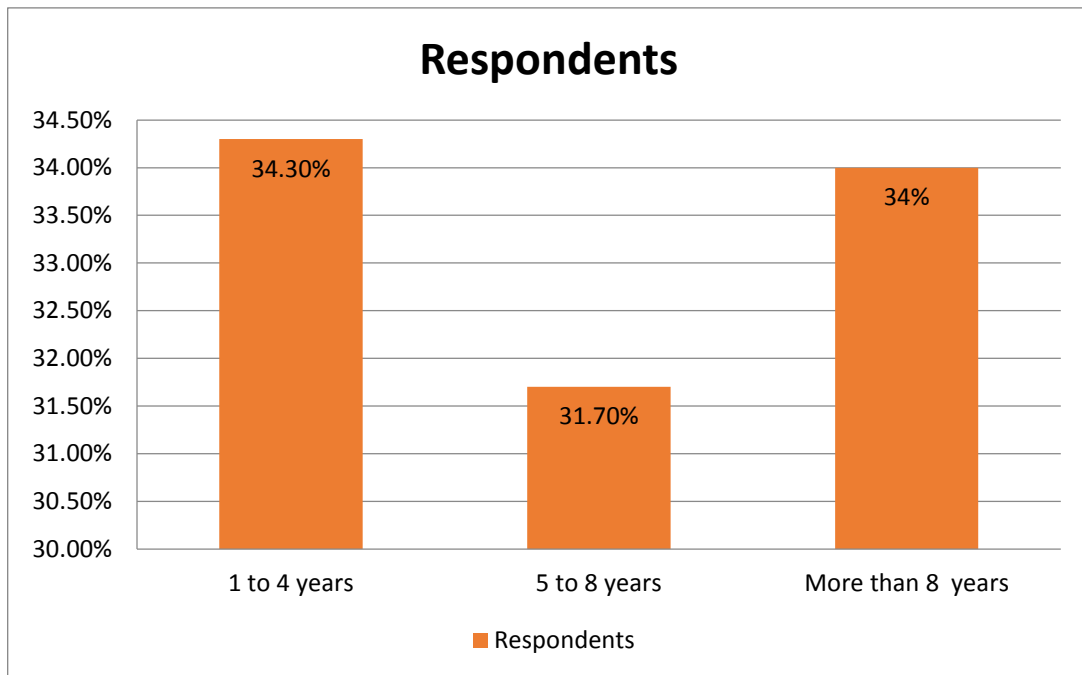
FIGURE 14: NUMBER OF YEARS THE RESPONDENTS DEALS WITH THE BANK**.**

The distribution of the respondents according to this variable was almost equal as shown in figure (13). This result will enrich the research analysis while different number of years reflects several experiences from the respondents, which will affect the expected level of the service quality.

4.3 Statistical Analysis for SERVQUAL Model

The difference between customer expectations and perception represents in the 5th gap of the SERVQUAL model which was described previously in section (2.5.8). The analysis of this research based on this gap and the level of service quality was measured by calculating the scores that was given by the SERVQUAL model.

The respondents were asked to answer 22 Likert scale questions (with rank 1-7) to find their expectations and perceptions about the service quality level provided by the banks. In this section every domain of SERVQUAL model will be shown separately. The researcher calculated the means for each domain, In order to know if there was a gap between the respondents' expectations and the perceptions.

4.3.1 SERVQUAL Model – Tangibles Domain

Starting with tangibles domain of the SERVQUAL model, questionnaire questions from 1-4 represented this domain. Table (8) shows the mean for each question, and for the entire domain. The total score for respondents' expectations of this domain was 5.69, while the perception was 5.08. Furthermore, the domain gap was -0.61. However, the question related to "bank modern looking equipment" has the biggest gap (-0.68) in this domain.

TABLE 8 MEANS OF TANGIBLES DOMAIN.

Q#	Question	Expectation	Perception	Gap
1	The bank has modern looking equipment.	5.64	4.96	-0.68
2	The bank's physical features are visually appealing	5.62	4.97	-0.65
3	The bank's reception desk employees are neat appearing	5.84	5.28	-0.56
4	Materials associated with the service (such as pamphlets or statements) are visually appealing at the bank	5.66	5.11	-0.55
Total score of customers' perspective about the appearance of the banks physical facilities, equipment, personnel and communication materials		**5.69**	**5.08**	**-0.61**

4.3.2 SERVQUAL Model – Reliability Domain

Questionnaire questions from 5 – 9 was representing the second domain of the SERVQUAL model (reliability domain). The calculated means of this domain of the five questions were shown in table (9). Therefore, the total score for respondents' expectations of this domain was 5.82, while the perception was 4.91. The gap in this domain was -0.91. Also, the main gap (-0.97) of this domain was found in question number eight "the bank promises to do something by a certain time, so it does".

TABLE 9: MEANS FOR RELIABILITY DOMAIN.

Q#	Question	Expectation	Perception	Gap
5	When the bank promises to do something by a certain time, it does so	5.66	4.73	-0.93
6	When you have a problem, the bank shows a sincere interest in solving it	5.81	4.87	-0.94
7	The bank performs the service right the first time.	5.76	4.91	-0.85
8	The bank provides its service at the time it promises to do so	5.84	4.87	-0.97
9	The bank insists on error free records.	6.05	5.18	-0.87
Total score of customers' perspective about the bank's ability to perform the promised service dependably and accurately		**5.82**	**4.91**	**-0.91**

4.3.3 SERVQUAL Model – Assurance Domain

Assurance questions were from 10 – 13, which represented the third domain of SERVQUAL model. Table (10) showed the means for each question. The total score for respondents' expectation of this domain was 5.77, while the perception was 4.86. The gap of this domain was -0.91. In addition, question number 13 "employees in the bank are never busy to respond to customer request" have the biggest gap (-1) of this domain.

TABLE 10: MEANS FOR ASSURANCE DOMAIN.

Q#	Question	Expectation	Perception	Gap
10	Employees in the bank tell you exactly when the services will be performed	5.69	4.77	-0.92
11	Employees in the bank give you prompt service.	5.79	4.86	-0.93
12	Employees in the bank are always willing to help you.	5.80	5.00	-0.8
13	Employees in the bank are never too busy to respond to your request	5.82	4.82	-1
Total score of customers' perspective about the banks willingness to help customers and provide prompt service		**5.77**	**4.86**	**-0.91**

4.3.4 SERVQUAL Model – Responsiveness Domain

SERVQUAL responsiveness domain was represented in the questionnaire questions from 14 – 17. Table (11) shows the means results for this domain. The total score for respondents' expectation of this domain was 5.95, while the perception was 5.06. The gap in this domain was -0.89. Moreover, the biggest gap (-0.99) in this domain appeared in question number 17 "employees in the bank have the knowledge to answer your questions".

TABLE 11: MEANS FOR RESPONSIVENESS DOMAIN.

Q#	Question	Expectation	Perception	Gap
14	The behavior of employees in the bank instils confidence in you	5.92	5.03	-0.89
15	You feel safe in your transactions with the bank	5.96	5.07	-0.89
16	Employees in the bank are consistently courteous with you	5.95	5.15	-0.8
17	Employees in the bank have the knowledge to answer your questions	5.98	4.99	-0.99
Total score of customers' perspective about the knowledge and courtesy of the bank's employees and their ability to convey trust and confidence		**5.95**	**5.06**	**-0.89**

4.3.5 SERVQUAL Model – Empathy Domain

The last SERVQUAL domain was empathy, which was formed from questionnaire questions 18 – 22. Furthermore, means were calculated and shown in table (12). The total score for respondents' expectation of this domain was 5.81, while the perception was 4.79. The domain gap was -1.02. Additionally, question number 19 "bank has operating hours, which convenient to all its customers" has the greatest gap (-1.25)

TABLE 12: MEANS FOR EMPATHY DOMAIN.

Q#	Question	Expectation	Perception	Gap
18	The bank gives you individual attention.	5.69	4.75	-0.94
19	The bank has operating hours convenient to all its customers.	5.87	4.62	-1.25
20	The bank has employees who give you personal attention.	5.64	4.78	-0.86
21	The bank has your best interests at heart.	5.92	4.93	-0.99
22	The employees of the bank understand your specific needs.	5.93	4.88	-1.05
Total score of customers' perspective about the caring individual attention the bank provides its customers		**5.81**	**4.79**	**-1.02**

4.3.6 SERVQUAL Model – Overall Results

Figure (15) shows the mean value of respondents' expectations and perceptions for each question of the 22 questionnaire questions.
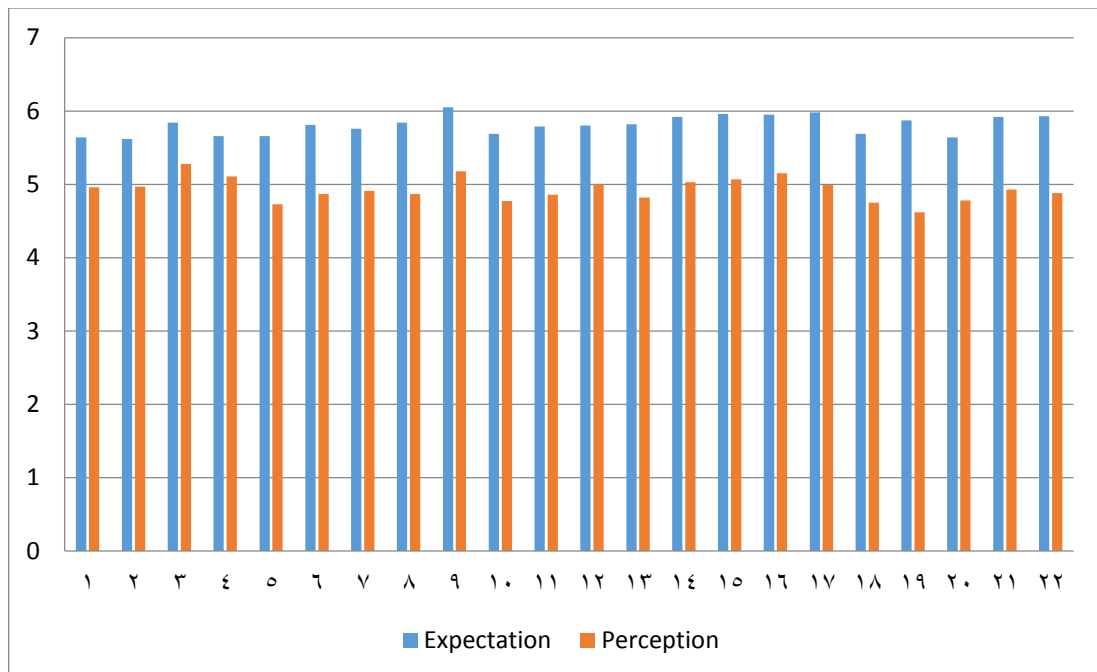
FIGURE 15: RESPONDENTS RESULTS OF ALL 22 QUESTIONNAIRE QUESTIONS (SEE APPENDIX A).

Table (13) summarize calculated values of the mean for SERVQUAL model domains (tangibles, reliability, assurance, responsiveness and empathy), and the total mean of service quality expectation and perception for all 397 respondents. And also, the weighted gap between customers' expectations and perceptions.

TABLE 13: MEANS OF SERVQUAL DOMAINS AND WEIGHTED GAP.

Domain	Expectation	Perception	Gap	Weighted Gap
Reliability	5.82	4.91	-0.91	-0.29
Responsiveness	5.95	5.06	-0.89	-0.20
Assurances	5.77	4.86	-0.91	-0.17
Empathy	5.81	4.79	-1.02	-0.16
Tangibles	5.69	5.08	-0.61	-0.06
Total	**5.81**	**4.93**	**-0.88**	**-0.88**

The results shows that the mean of total expectations of the five domains were 5.81 and the mean of total perceptions were 4.93. These results indicates a negative difference (-0.88) between the overall perception and the expectation of the respondents. In other words, respondent's expectations of the service quality level are higher than the perceived. Responsiveness domain which represents the knowledge and courtesy of the bank's employees and their ability to convey trust and confidence, that have the highest expectation level with a mean of 5.95, followed by reliability domain which represents the bank's ability to perform the promised service dependably and accurately with mean value of 5.82, then empathy domain which represents the caring individual attention to the bank provides its customers with mean value of 5.81. After that comes assurance domain which represents the banks willingness to help customers and provide prompt service with mean value of 5.77. The last domain was

tangibles which represents the appearance of the banks physical facilities, equipment, personnel and communication materials with mean value of 5.69. On the other hand, perception levels were not on the same order. Tangibles domain has the highest perception level with a mean of 5.08, followed by responsiveness 5.06, reliability 4.91, assurance 4.86 and the last one was empathy with mean of 4.79. These results were illustrated in Figure (16).
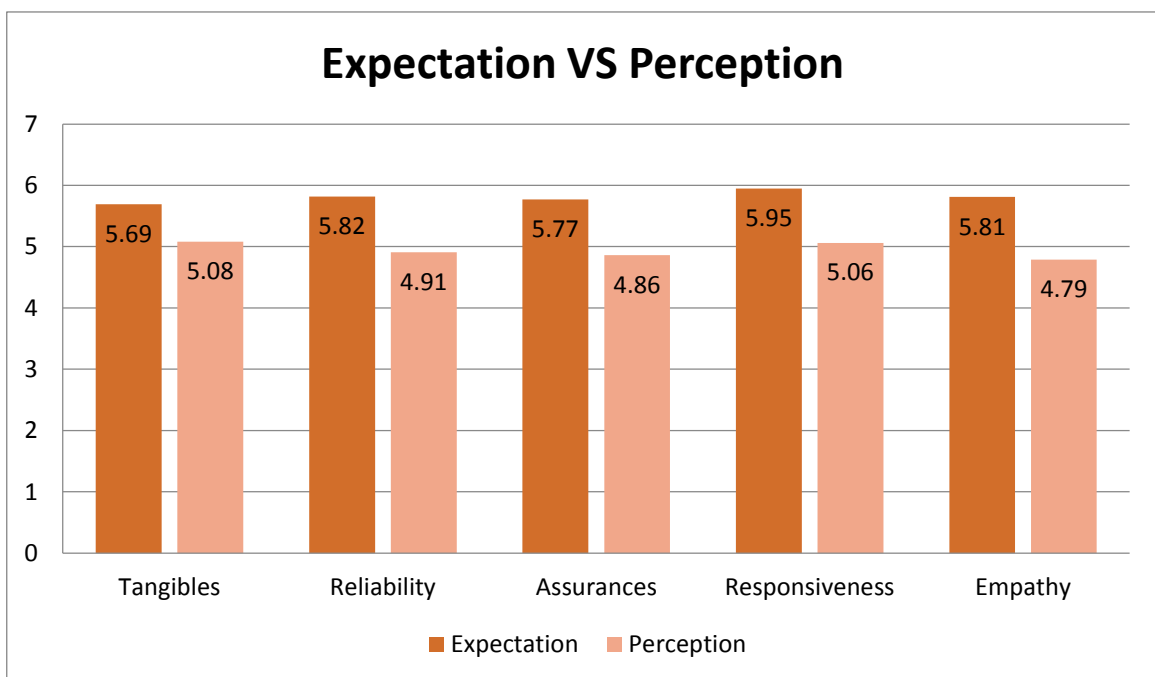
FIGURE 16: SERVQUAL DOMAINS EXPECTATIONS AND PERCEPTIONS.

However, the weighted gap clarified the importance of each domain. And according to Zeithaml et al. (1990) the relative importance of the SERVQUAL model dimensions are: Tangible (11%), Reliability (32%), Assurance (19%), Responsiveness (22%), and Empathy (16%). Therefore, reliability domain with weighted gap value of (-0.29) is considered the most important domain of service quality as seen by the respondents, while

tangibles with weighted gap of (-0.06) is considered the least important domain. In addition, the researcher suggested values intervals shown in table (14), while the range was (7-1=6) and the period length was (6/7=0.86). Therefore, the total mean value for customers' expectations (mean value = 5.81) rated as excellent, while the total mean value of customers' perceptions (mean value = 4.93) rated as very good. In other words, the customers expected excellent service quality, while they perceived very good service quality.

TABLE 14: MEAN SCORES INTERVAL RATING.

Rating	Interval
Very poor	$1 \geq 1.85$
Poor	$>1.85 \geq 2.7$
Fair	$>2.7 \geq 3.55$
Good	$>3.55 \geq 4.4$
Very Good	$>4.4 \geq 5.25$
Excellent	>5.25

4.4 Hypothesis Testing

The researcher formed four main hypotheses to be tested as shown below:

1. There is no significant difference between the expected and perceived service quality as seen by the respondents.

2. There is no significant difference between the expected and perceived service quality due to the respondent gender.

3. There is no significant difference between the expected and perceived service quality due to the number of years dealing with the bank.

4. There is no significant difference between the expected and perceived service quality due to the Bank size.

4.4.1 First Hypothesis: Testing difference between expected and perceived service quality

The researcher formulate two hypothesis for this test as shown below:

H_0: There is no significant difference between the expected and perceived service quality as seen by the respondents.

H_1: There is a significant difference between the expected and perceived service quality as seen by the respondents.

As seen before in section (4.3), there was a gap between the mean of customers' expectations and perception, for that reason, this hypothesis was formed. However, to test this hypothesis, the researcher has to check all the SERVQUAL five domains (Tangibles, Reliability, Assurances, Responsiveness and Empathy). The overall result determines whether to accept or reject this hypothesis. Thus, the non-parametric Wilcoxon Signed Rank Test was performed, which is similar to the parametric T-Test, to check the difference between scores in two related samples (expected and perceived), at significant level $\alpha=0.05$. The test results were listed inside Table (15). The p-value of each domain of the five domains was less than the significant level (p-value = 0.0001 < 0.05), which leads to reject the null hypothesis. In other words, there is a significant difference between the expected and perceived service quality as seen by

the respondents. In addition, the majority of the ranks were negative, which mean that the respondents' expectations were higher than their perception for the provided service quality.

TABLE 15: WILCOXON SIGNED RANKS TEST TO EXAMINE THE DIFFERENCES BETWEEN THE RESPONDENTS' EXPECTATIONS AND PERCEIVED SERVICES.

#	Domain		N	Mean Rank	Sum of Ranks	Z	P
1	The appearance of the banks physical facilities, equipment, personnel and communication materials	Negative Ranks	258	179.28	46253.50	-9.403	0.0001*
		Positive Ranks	83	145.27	12057.50		
2	The bank's ability to perform the promised service dependably and accurately	Negative Ranks	283	199.93	56579.00	-11.917	0.0001*
		Positive Ranks	79	115.49	9124.00		
3	The banks willingness to help customers and provide prompt service	Negative Ranks	275	192.72	52997.50	-11.353	0.0001*
		Positive Ranks	78	121.58	9483.50		
4	The knowledge and courtesy of the bank's employees and their ability to convey trust and confidence	Negative Ranks	284	185.71	52741.00	-11.643	0.0001*
		Positive Ranks	66	131.58	8684.00		
5	The caring individual attention the bank provides its customers	Negative Ranks	288	191.94	55278.00	-12.391	0.0001*
		Positive Ranks	66	114.50	7557.00		
	Total degree	**Negative Ranks**	**297**	**214.15**	**63603.00**	**-12.932**	**0.0001***
		Positive Ranks	**82**	**102.52**	**8407.00**		

* Significant at ($\alpha= 0.05$).

4.4.2 Second Hypothesis: Testing difference between expected and perceived service quality due to respondents' gender.

The researcher formulate two hypothesis for this test as shown below:

H_0: There is no significant difference between the expected and perceived service quality due to the respondents' gender.

H_1: There is a significant difference between the expected and perceived service quality due to the respondents' gender.

In order to test this hypothesis, the researcher has to check gender effect on all the SERVQUAL domains (Tangibles, Reliability, Assurances, Responsiveness and Empathy). The overall result determines whether to accept or reject this hypothesis. The non-parametric Mann Whitney Test was performed, which is used to determine whether two independent groups (males and females) having the same distribution at a significant level α=0.05. This test was performed to check if there was a significant difference between males and females responses on the expected and perceived service quality. For that reason the researcher divided this hypothesis into two sub hypothesis:

1. There is no significant difference between males and females on expected service quality.

2. There is no significant difference between males and females on perceived service quality.

4.4.2.1 Gender First Sub Hypothesis: Testing difference between males and females on expected service quality.

The researcher formulate two hypothesis for this test as shown below:

H_0: There is no significant difference between males and females on expected service quality.

H_1: There is a significant difference between males and females on expected service quality.

In general the test results showed the p-value = 0.022 < 0.05, therefore the null hypothesis was rejected, and there is a significant difference between males and females responses on the expected service quality (see Table 16). Furthermore, this difference was detected by checking the average rank, which was higher in the female group. In other words, expected service quality level in the eye of females group was higher than males group.

And to be more accurate, the researcher checked each domain separately to know if all of them have a significant differences between males and females responses. The test results mentioned in Table (16) shows that there is no significant difference between males and females responses for three domain: tangibles with p-value = 0.067 > 0.05, reliability with p-value = 0.051 > 0.05, and empathy with p-value = 0.129 > 0.05. However, assurance and responsiveness domains indicates a significant differences between males and females responses on the expected service quality,

while the p-value = 0.015 < 0.05 for assurance domain and p-value = 0.045 < 0.05 for responsiveness domain. Furthermore, these differences were detected by checking the average rank, which was higher in the female group. Thus, females group expect higher level of service quality than males group.

4.4.2.2 Gender Second Sub Hypothesis: Testing difference between males and females on perceived service quality.

The researcher formulate two hypothesis for this test as shown below:

H_0: There is no significant difference between males and females on perceived service quality.

H_1: There is a significant difference between males and females on perceived service quality.

Mann Whitney Test was performed again on two groups (males and females) to check if there was a significant difference between them on the perceived service quality. The test resulted p-value = 0.016 < 0.05, therefore the null hypothesis was rejected, and there is a significant difference between males and females responses as shown in Table (16). Moreover, this difference was detected by checking the average rank, which was higher in the female group. In other words, perceived service quality level in the eye of females group was higher than males group.

To get more details, the test was applied on the five domains. Tangibles, reliability and assurance domains shows a significant differences between

males and females responses, while the p-value was less than 0.05 (tangibles = 0.011, reliability = 0.008, assurance = 0.007). Also, according to the average rank, the perceived service quality in these three domain was higher in females group. On the other hand, responsiveness and empathy domains shows no significant differences between males and females responses, while their p-value was higher than 0.05 (responsiveness = 0.311 and empathy = 0.286).

TABLE 16 MANN WHITNEY TEST TO COMPARE THE RESPONDENTS' EXPECTED AND PERCEIVED SERVICES QUALITY DUE TO GENDER.

#	Domain		Rank Average	Sum of Ranks	U	Z	P
1	The appearance of the banks physical facilities, equipment, personnel and communication materials (Expected)	Male (N=238)	190.46	45328.50	16887.50	-1.829	0.067
		Female (N=159)	211.79	33674.50			
	The appearance of the banks physical facilities, equipment, personnel and communication materials (Perceived)	Male (N=238)	187.03	44514.00	16073.00	-2.547	0.011*
		Female (N=159)	216.91	34489.00			
2	The bank's ability to perform the promised service dependably and accurately (Expected)	Male (N=238)	189.93	45204.50	16763.50	-1.954	0.051
		Female (N=159)	212.57	33798.50			
	The bank's ability to perform the promised service dependably and accurately (Perceived)	Male (N=238)	186.60	44411.50	15970.50	-2.637	0.008*
		Female (N=159)	217.56	34591.50			
3	The banks willingness to help customers and provide prompt service (Expected)	Male (N=238)	187.72	44678.50	16237.50	-2.438	0.015*
		Female (N=159)	215.88	34324.50			
	The banks willingness to help customers and provide	Male (N=238)	186.43	44370.00	15929.00	-2.676	0.007*

	prompt service (Perceived)	Female (N=159)	217.82	34633.00			
4	The knowledge and courtesy of the bank's employees and their ability to convey trust and confidence (Expected)	Male (N=238)	189.79	45169.00	16728.00	-2.005	0.045*
		Female (N=159)	212.79	33834.00			
	The knowledge and courtesy of the bank's employees and their ability to convey trust and confidence (Perceived)	Male (N=238)	194.25	46230.50	17789.50	-1.012	0.311
		Female (N=159)	206.12	32772.50			
5	The caring individual attention the bank provides its customers (Expected)	Male (N=238)	191.91	45674.00	17233.00	-1.519	0.129
		Female (N=159)	209.62	33329.00			
	The caring individual attention the bank provides its customers (Perceived)	Male (N=238)	193.99	46168.50	17727.50	-1.067	0.286
		Female (N=159)	206.51	32834.50			
Total degree (Expected)		**Male (N=238)**	**188.26**	**44806.50**	**16365.50**	**-2.283**	**0.022***
		Female (N=159)	**215.07**	**34196.50**			
Total degree (Perceived)		**Male (N=238)**	**187.61**	**44651.00**	**16210.00**	**-2.240**	**0.016***
		Female (N=159)	**216.05**	**34352.00**			

* Significant at (α= 0.05).

4.4.3 Third Hypothesis: Testing difference between expected and perceived service quality, due to number of years dealing with the bank.

The researcher formulates two hypotheses for this test as they are shown below:

H_0: There is no significant difference between the expected and perceived service quality due to the number of years dealing with the bank.

H_1: There is a significant difference between the expected and perceived service quality due to the number of years dealing with the bank.

In this hypothesis the researcher tried to find if there is an effect on number of years that the respondent deals with a bank, and the level of expected and perceived service quality offered by the bank. The questionnaire contained three years intervals (1-4, 5-8 and more than 8 years). Hence there were three groups. The Kruskal Wallis Test was performed to check if there was a significant difference at $\alpha = 0.05$ between the different groups for both expected and perceived services. This test was repeated on the five domains of the SERVQUAL model to indicate the weakness of each domain alone, and the overall service quality provided by the Banks.

The test results listed in Table (17) showed that all domains p-value greater than the significant level $\alpha = 0.05$. Therefore, the null hypothesis was accepted. In other words, there was no effect for the number of years dealing with the bank on expected and perceived service quality.

TABLE 17: KRUSKAL WALLIS TEST TO COMPARE THE CUSTOMERS' EXPECTED AND PERCEIVED SERVICES QUALITY DUE TO YEARS.

Domain	Year	Freq.	Rank Average	D.F	Chi Square	Sig.*
The appearance of the banks physical facilities, equipment, personnel and communication materials (Expected)	1-4	136	190.39	2	1.751	0.417
	5-8	126	197.98			
	More than 8	135	208.62			
The appearance of the banks physical facilities, equipment, personnel and communication materials (Perceived)	1-4	136	190.68	2	3.558	0.169
	5-8	126	191.82			
	More than 8	135	214.09			
The bank's ability to perform the promised service dependably and accurately (Expected)	1-4	136	190.49	2	1.469	0.480
	5-8	126	199.47			
	More than 8	135	207.13			
The bank's ability to perform the promised service dependably and accurately (Perceived)	1-4	136	191.14	2	1.057	0.590
	5-8	126	200.99			
	More than 8	135	205.06			
The banks willingness to help customers and provide prompt service (Expected)	1-4	136	184.61	2	3.866	0.145
	5-8	126	201.39			
	More than 8	135	211.26			
The banks willingness to help customers and provide prompt service (Perceived)	1-4	136	187.35	2	3.469	0.177
	5-8	126	196.62			
	More than 8	135	212.96			
The knowledge and courtesy of the bank's employees and their ability to convey trust and confidence (Expected)	1-4	136	191.24	2	2.824	0.244
	5-8	126	193.33			
	More than 8	135	212.11			
The knowledge and courtesy of the bank's employees and their ability to convey trust and confidence (Perceived)	1-4	136	191.55	2	1.285	0.526
	5-8	126	198.19			
	More than 8	135	207.26			
The caring individual attention the bank provides its customers (Expected)	1-4	136	191.89	2	1.446	0.485
	5-8	126	196.88			
	More than 8	135	208.15			
The caring individual attention the bank provides its customers (Perceived)	1-4	136	195.88	2	1.637	0.441
	5-8	126	191.68			
	More than 8	135	208.97			
Total degree (Expected)	**1-4**	**136**	**188.89**	**2**	**2.464**	**0.292**
	5-8	**126**	**197.47**			
	More than 8	**135**	**210.61**			
Total degree (Perceived)	**1-4**	**136**	**188.97**	**2**	**2.908**	**0.234**
	5-8	**126**	**195.76**			
	More than 8	**135**	**212.13**			

* Significant at (α= 0.05)

4.4.4 Fourth Hypothesis: Testing the difference between expected and perceived service quality due to Bank size.

The researcher formulates two hypotheses for this test as shown below:

H_0: There is no significant difference between the expected and perceived service quality due to the Bank size.

H_1: There is a significant difference between the expected and perceived service quality due to the Bank size.

The bank size was an important variable for this research, therefore this hypothesis was formed to figure out if there is an effect of the bank size on the level of expected and perceived service quality, from the respondents' point of view. The questionnaire contained twelve different commercial banks. These banks were grouped into four different groups (see section 4.2.2). The Kruskal Wallis Test was performed to check if there was a significant difference at $\alpha= 0.05$ between the different groups for both expected and perceived services. This test was repeated on the five domains of the SERVQUAL model to indicate the weakness of each domain alone, and the overall service quality offered to the respondents.

The test results listed in Table (18). Most domains showed a p-value greater than the significant level $\alpha= 0.05$. Therefore, the null hypothesis was accepted. In other words, there was no significant difference of the offered service quality level, due to the bank size as perceived by this research respondents.

TABLE 18 KRUSKAL WALLIS TEST TO COMPARE THE CUSTOMERS' EXPECTED AND PERCEIVED SERVICES QUALITY DUE TO BANK SIZE.

Domain	Bank Size (Number of Branches)		Freq.	Rank Average	D.F	Chi Square	Sig.*
The appearance of the banks physical facilities, equipment, personnel and communication materials (Expected)	Group 1 (1-10)		54	229.18	3	4.560	0.207
	Group 2 (11-20)		53	191.53			
	Group 3 (21-30)		207	193.20			
	Group 4 (more than 31)		83	198.61			
The appearance of the banks physical facilities, equipment, personnel and communication materials (Perceived)	Group 1 (1-10)		54	236.62	3	11.245	0.010*
	Group 2 (11-20)		53	166.62			
	Group 3 (21-30)		207	193.34			
	Group 4 (more than 31)		83	209.33			
The bank's ability to perform the promised service dependably and accurately (Expected)	Group 1 (1-10)		54	225.47	3	3.723	0.293
	Group 2 (11-20)		53	201.04			
	Group 3 (21-30)		207	195.11			
	Group 4 (more than 31)		83	190.19			
The bank's ability to perform the promised service dependably and accurately (Perceived)	Group 1 (1-10)		54	218.19	3	1.788	0.618
	Group 2 (11-20)		53	195.56			
	Group 3 (21-30)		207	196.86			
	Group 4 (more than 31)		83	194.06			
The banks willingness to help customers and provide prompt service (Expected)	Group 1 (1-10)		54	229.26	3	5.246	0.155
	Group 2 (11-20)		53	204.48			
	Group 3 (21-30)		207	194.36			
	Group 4 (more than 31)		83	187.37			
The banks willingness to help customers and provide prompt service (Perceived)	Group 1 (1-10)		54	235.45	3	7.821	0.050
	Group 2 (11-20)		53	186.83			
	Group 3 (21-30)		207	189.60			
	Group 4 (more than 31)		83	206.50			
The knowledge and courtesy of the bank's	Group 1 (1-10)		54	226.19	3	4.048	0.256

employees and their ability to convey trust and confidence (Expected)	Group 2 (11-20)	53	200.27			
	Group 3 (21-30)	207	195.62			
	Group 4 (more than 31)	83	188.92			
The knowledge and courtesy of the bank's employees and their ability to convey trust and confidence (Perceived)	Group 1 (1-10)	54	231.33	3	5.260	0.154
	Group 2 (11-20)	53	199.44			
	Group 3 (21-30)	207	194.42			
	Group 4 (more than 31)	83	189.10			
The caring individual attention the bank provides its customers (Expected)	Group 1 (1-10)	54	213.90	3	1.285	0.733
	Group 2 (11-20)	53	202.77			
	Group 3 (21-30)	207	196.31			
	Group 4 (more than 31)	83	193.60			
The caring individual attention the bank provides its customers (Perceived)	Group 1 (1-10)	54	237.17	3	7.226	0.065
	Group 2 (11-20)	53	195.84			
	Group 3 (21-30)	207	190.34			
	Group 4 (more than 31)	83	197.80			
Total degree (Expected)	**Group 1 (1-10)**	**54**	**225.99**	**3**	**3.571**	**0.312**
	Group 2 (11-20)	**53**	**199.47**			
	Group 3 (21-30)	**207**	**194.00**			
	Group 4 (more than 31)	**83**	**193.61**			
Total degree (Perceived)	**Group 1 (1-10)**	**54**	**235.46**	**3**	**6.595**	**0.086**
	Group 2 (11-20)	**53**	**188.68**			
	Group 3 (21-30)	**207**	**192.27**			
	Group 4 (more than 31)	**83**	**198.64**			

* Significant at ($\alpha= 0.05$).

4.5 Qualitative Data Analysis

In this section, an attempt has been made to explore the reasons behind the gaps that identified in the SERVQUAL model, through formulating several questions inherited from the quantitative data results, and also from literature review (see Appendix B). The researcher collected data by using semi-structured interviews with eight different employees from the banking field. They were divided into two levels. The first level consisted of four customer relationship officers, with minimum of five years' experience, and the second level consisted of four customer care and marketing departments' managers with minimum of ten years' experience (see section 3.4). The answers of these questions were analyzed using the thematic analysis method, and the results were listed in Table (19).

TABLE 19 THEMATIC ANALYSIS RESULTS.

Codes	Issues Discussed	Central Theme
Technology **Culture** **Security** **Ease of use**	• Banks are using old technologies • Sustain a respectable e-service. • Sufficient and efficient banks' equipment. • Weak local technology providers. • The need of self-serve services • Wrong thoughts about using technology • Keep customers' Information confidential • Processing customers' transactions in a secure way.	Implement latest and up-to-date technologies
Regulations **Political Issues** **Procedures** **Time**	• Regulation limitation to use technology. • PMA requirements and roles. • Internal / external obstacles before grating a service for a customer. • Internal / external complicated procedures in providing services. • Branches / Regional Managements depends on headquarters. • Banks have to fulfilling its promises	The need of less complicated procedures (Internal and external)

Competition Financials Advertisements Customer Care Services	• High competition between 12 commercial banks and 3 Islamic banks • Limited offered services • Low budgets • Provide customers with gift items. • Provide different awards campaigns. • Bank facilities are not up-to-date due to renewing cost. • Providing appropriate facilities which makes Banks' customers comfortable. • Number of ATMs and Branches • Providing services that increase customers' trust and confidence. • Provide customers with precise personnel services • Offer after-sale services. • Customers classifications issues	Lack of investment in service quality
Employees Experience Training Trust	• High employees' turnover • Number of employees serving customers. • Ineffective employees' training • Limited training sessions • Employees' experiences are not as required • Employees' capability to handle customers complains. • Employees' capability to provide suitable clarification to the customer. • Employees' capability to realize Banks' financial products • Provide Banks' customers with realistic and clear information • Employees have to provide correct information to the customer.	Enhancing employees Knowledge and Loyalty

4.5.1 First Theme: Implement latest and up-to-date technologies

The first theme was focusing on the necessity of implementing up-to-date technologies and how it will improve customers' satisfaction level. Interviewees' feels that most banks used old technologies, for example printing customers' transactions statement and invoices, using dot matrix printers. Also, they stated that banks should upgrade the existing equipment

to modern and efficient equipment such as: queuing machines, ATMs, teller PCs, and currency rates board. Furthermore, interviewees' feels wrong thoughts about using technologies when dealing with some customers, these thoughts were limiting the optimal use of technology.

On the other hand, interviewees stated that many customers were looking for self-serve services. These services would help banks' customers to minimize their efforts when requesting a service and also save their time. However, banks have to sustain a respectable e-services. Regardless, if the provided services were electronic or not, interviewees agreed that customers' satisfaction level would improve if banks sustained reliable services, and also kept customers' information confidential. Moreover, processing customers' transactions must be in a secure way to eliminate the hacking possibilities. These elements will make banks' customers feels secure when they use the bank services.

4.5.2 Second Theme: The need of less complicated procedures (Internal and external)

The second theme was dealing with complications that may face the bank decision makers, which affects service quality levels. The interviewees divided the barriers into two groups, internal and external barriers. Internal barriers, have the greatest effect on customers' satisfaction level, since it could be enhanced or even eliminated. While, external barriers were uncontrollable by banks, and also, customers will face same external barriers with all Palestinian banks.

The Palestine Monetary Authority (PMA) is the emerging central bank of Palestine. It is the official party that forms general banks regulations. However, there were some limitations of using the latest technologies to facilitate retrieving needed services for the customers, for example till now digital signature was not officially approved by PMA. Moreover, there were other PMA requirements that prevent serving customer on spot without an interaction from Bank employee, such as the need of making inquiry with PMA system before granting loan or cheque book for a customer. Another external barrier is the political issues in Palestine, these issues prevents Palestinian service providers from importing needed technologies such as 4G (or higher) technology on the mobile network, which if exists, it will provide many different of services.

On the other hand, internal barriers have major effect on customers' satisfaction, while these barriers could be reduced to the minimum. Eight out of the twelve commercial banks are foreign banks. Hence, they have regional management inside Palestine and Headquarter outside Palestine. Service creation is centralized in most of the Palestinian banks, so the authority will be in banks' regional management or headquarter, and in both cases the branch who deals with the customer will wait until get the needed approvals, which could take days. Additionally, banks have to fulfill its promises to customers in the specified date, but with the centralization issue it will be hard to achieve this goal.

However, internal and external barriers have a common problem, which is complicated procedures when providing a service. These complications, resulted from long workflow placed long time ago without continuously reviewing and improving it. Sometimes, an obstacle face an employee who works on granting a service, such as approval on account overdraft, and so, delivery of the needed service will be delayed, which impacts service quality level in a negative way.

4.5.3 Third Theme: Lack of investment in service quality

The aim of the third theme was highlighting financial roles in improving service quality level. The existence of twelve commercial banks and three Islamic banks makes the banking sector very competitive inside Palestine. However, offered services still limited to basic services, especially when comparing with banking sector worldwide. Interviewees feels that by providing new services that increase customers' trust and confidence, and also, offering different awards campaigns regularly will improve customers' satisfaction which certainly will improve service quality level. Furthermore, some interviewees stated that providing customers with precise personnel services for example VIP services, plays an important role in competing with other banks. Some banks classifying their customers differently due to customers': salary, account balance for specific period, account depositing frequency or other methods. However, some complains were raised to quality managers due to these classifications, while less priority customers have to wait for longer time than VIP customers, which increases the chance for competing banks to attract complaining customers.

Therefore, banks must offer after-sale services to check if the offered service fits all of its customers and satisfied them.

An interviewee stated that "competing other banks is not easy, banks have to invest more on marketing". The majority of interviewees agreed that banks are not investing properly on enhancing their service quality, while limited budget is insufficient for competing other banks. In addition, customers need to locate banks' branches and ATMs easily and everywhere. When the bank spreads its' branches and ATMs widely, they will attract more customers. Yet, spreading banks' branches and ATMs is very costly. Thus, branches and ATMs locations must be studied carefully to satisfy as many customers as possible. Moreover, renewing banks facilities that makes banks' customers comfortable such as: air conditions, and comfortable seats, will provide a positive impact to banks' service quality. And also, this issue is limited because of low budgets. Additionally, interviewees agreed that, the majority of banks' customers satisfaction level increased when branches employees provides them with gift items, it is cheap and effective, but still, these items needs an extra cost.

4.5.4 Fourth Theme: Enhancing employees Knowledge and Loyalty

The last theme was concentrating on bank employees as a success key factor. Employees plays an important role in improving bank service quality level, by enhancing customers' satisfaction level. Customers are looking to be served accurately and in the shortest period, and to reach such goal, banks have to increase number of employees serving their customers, and also, improve employees' knowledge, especially employees who have direct contact with customers. This knowledge could be summarized in employees' capability to provide suitable clarification to the customer, and provide them with realistic and clear information about the needed service. Also, employees have to realize banks' financial products and convince customers about these products, taking into consideration to provide the customers with correct related information. Moreover, bank employees should have the needed capabilities to handle customers complains.

Some interviewees stated that number of employees in Palestinian banking sector is relatively small. Consequently, number of experienced employees is very small, in addition to the high salaries they got. So, when a bank wants to hire new employee, they may have to pay a lot for an employee with good experience, moreover, they have to convince this employee with the offered position benefits. Otherwise, banks could hire fresh or average experienced employee. This type of employees needs a lot of effective training sessions, in order to enhance their experiences. Moreover, training sessions must be held regularly to keep banks employees up-to-date.

On the other hand, some interviewees stated that employees' turnover is very high. And it is a critical issue for banks, while all investments on such employees were wasted. Therefore, banks have to minimize this issue by enhancing employees' loyalty. However, employees' turn over affect customers' comfortability, while some customer's feels very comfortable when dealing with an employee, due to the trust that employee built between him and the customer.

Chapter Five
Discussion

5.1 Overview

In this chapter, the researcher will discuss the research results, by combining quantitative and qualitative results for each variable. In addition, the researcher will compare and contrast this research results with previous studies from literature. And at the end of this chapter, the researcher will propose a managerial model that could help in improving service quality of conventional banks.

5.2 Reliability Domain

Another domain of SERVQUAL model was reliability. This domain means that banks have to accomplish promised services in an accurate and dependable way. Additionally, banks' performance must consist on the highest standard. As well, Gronroos (2007) stated that reliability is connected to performance.

The reliability domain gap was calculated and it was (-0.91). This result was confirmed with other researches results (Kabir and Carlsson, 2010; Okoe, 2013). While Eleboda (2014) research results showed that reliability have the largest gap between SERVQUAL domains. However, Ilyas et al. (2013) didn't confirm this result while reliability domain gap in their research was positive which indicates that perceived reliability exceeds the expectations. Moreover, Shanka (2012) research results found that banks

were good in reliability. However, the weighted gap was (-0.29) for this domain which is the largest one, therefore, it is the most important domain between the five domains.

The researcher investigated the reasons behind this gap deeply. The quantitative data analysis results related to customer dependency on bank promises were negative. Therefore, customers couldn't depend on banks promises when requesting a service. The research results showed that services delivery time is very sensitive for the customer, for example when requesting a cheque book or even a credit card. Moreover, interview results showed that customers were looking to be served accurately in the shortest period (see interviews results in section 4.5.4). This goal could be reached by expanding banks staff in order to minimize the waiting time for the customers, or even by offering a variety of electronic services (see interviews results in section 4.5.1). Furthermore, todays' customers are looking for self-serve services that allows them to get the required service without any interaction form bank employees, therefore, no need to reach banks branches and wait until get the needed services. Still, banks' service developers were aware about this need, but due to wrong thoughts from number of customers about using technologies, they were very careful in offering self-serve services, while these thoughts were limiting the optimal use of these services. This result was confirmed with Kumar et al. (2009), while they stated that customers' still performing their requests through the traditional ways by using banks branches and ATMs, regardless to the availability of latest technologies. Additionally, such services need to

implement the latest technologies. However, there were some limitations from PMA to use these technologies, in addition to lack of regulations that allows dealing officially with these technologies, for example: digital signature till now was not approved (see interviews results in section 4.5.2). Furthermore, the political issues in Palestine form additional barrier that prevents service providers from importing needed technologies, such as 3G service on the mobile network (Paltel Group, 2015). Similar technologies could lead to major changes in the banking sector and service sector in general.

In addition, banks showed some weaknesses in customer problem solving mechanism. Interviewees stated that many complaints were raised to quality managers in a daily basis, some banks are not interested in these complains (see interviews results in section 4.5.3), for example: some banks classified their customers as regular and VIP. Therefore, VIP customers don't have to wait when requesting a service, so when they need a service, they will pass regular customers who were waiting to be served. Such service creates major complains for regular customers, and so, some banks didn't care about these regular customers. Consequently, the chance for competitor banks increases to attract complaining customer. Also, some customers' complains are not raised to quality managers, instead of that, branches employees have to resolve it immediately, to avoid losing complaining customer. Yet, banks should improve their employees capabilities to handle customer complains (see interviews results in section 4.5.4).

However, customers' satisfaction level was relatively high regarding to error free records. Such results indicates that customers don't want any error in their records, while any error could impact their accounts in a way or another. But still, customers' showed dissatisfaction about the delivered services, which indicates a weakness in employees' knowledge. Therefore, when banks provides expert employees to their customers, those employees who can get error free and on time services to the customers as promised, then customers' satisfaction level will be enhanced, which will produce a positive word of mouth to others about this bank, then the potential of attraction new customers will increase. Moreover, Hinson et al. (2006) supported this idea, while they stated that high service quality level will attract new customers, while current customers will spread a positive word of mouth. In addition, Aborampah (2010) stated that reliable banks have two advantages, the first one is building confidence of current customers, and the second advantage is attracting new customers.

5.3 Responsiveness Domain

Responsiveness domain represented quick assistant to customers, which means helping banks' customers and provide them with prompt attentiveness, not in emergency cases only, but in everyday requests. This domain is connected to banks' performance (Gronroos 2007).

The research results showed customers' dissatisfaction from responsiveness domain in the banks. This dissatisfaction was indicated by calculating the gap between customers' expectations and perceptions, and it was negative

(-0.89). Moreover, this result was confirmed by previous studies (Ananth el al., 2011; Shanka, 2012; Okoe, 2013). In addition, Ravichandran et al (2010) found that responsiveness is the only domain that was related to customers' satisfaction. On the other hand, this result didn't confirm with Alkarim and Chowdhury (2014) research results, which placed responsiveness in the first place of dissatisfaction between all of SERVQUAL domains. However, the researcher calculated the weighted gap for this domain and it was (-0.20), which place it in the second place of importance after the reliability domain.

However, this result puts responsiveness domain in third place of customers' dissatisfaction about the overall service quality satisfaction level. This result highlighted an important problem about customers' confidence and trust of their banks. Interviews results illustrated possible reasons for this problem (see interviews results in section 4.5.4). One of these reasons was due to employees' insufficient knowledge, especially employees who have direct contact with customers. This knowledge could be summarized in employees' capability to provide suitable clarification to the customer. And so, if this knowledge is insufficient, then employees will not understand customers' needs, and they will ask for additional help from other employees. As a result of such behavior, customers' confidence about banks' employees will decrease. Hinson et al. (2011) confirmed this result and stated that banks should consider employees training as a critical factor to improve their knowledge, in order to ensure delivering services successfully, which in turn will improve customers' confidence.

Additionally, another reason for customers' confidence and trust problem is customers' fear of data leakage outside their bank. Consequently, banks should ensure to their customers that data is protected well. This result was supported by Lau et al. (2013), they emphasize on the necessity of protecting customers data from being exposed to marketers. Additionally, building confidence with customers is important to share their significant information and thought about repurchasing.

Moreover, employees' loyalty plays an important role in this problem, while regular dealing with same employees creates a kind of comfortable atmosphere to the customers, this atmosphere builds trust between customers and the employees serving them. Therefore, employees' turnover affects customers' comfortability, which indeed affects their trust about new employees. And so, by enhancing employees' loyalty, their turnover will decrease, and that will sustain a comfortable atmosphere for the customers, which in turn will sustain a high level of customer trust and confidence of the bank. Shanka (2012) stated that banks should honor employees that were providing customers with quality services, and were appreciated from customers, with special rewards, in order to improve their loyalty.

Interviews results support the idea of offering new services, that increase customers' trust and confidence (see interviews results in section 4.5.3). Moreover, these services must use high security features, in order to process customers' transactions securely and to minimize the hacking possibilities. Furthermore, banks services must keep customers'

information confidential (see interviews results in section 4.5.1). Ganguli and Roy (2010) stated that customers' behaviors are changing due to implementing new technologies in the banks to accelerate service delivery, and also banks should enhance customers' confidence to encourage them to accept new electronic service delivery channels.

5.4 Assurance Domain

Assurance domain is related to features that diffuse customer confidence. Therefore, banks' customers must feel that banks' employees are the experts of the provided services. Gronroos (2007) stated that assurance is another SERVQUAL model domain connected to functional quality. However, the results showed customers were dissatisfied with this domain, and it was statistically proved that there is a significant difference between expected and perceived assurance domain items, which illustrates customers' dissatisfaction.

Assurance domain gap was calculated for this domain and it was (-0.91), this result supported by previous research result by Ilyas et al. (2013). Furthermore, Shanka (2012) research results found that banks were good in assurance. However, the weighted gap for this domain was calculated and it was (-0.17), which place it in the third place of importance after the responsiveness domain.

In addition, this research results showed that customers were dissatisfied in employees' availability to help them. In fact, this result occurred due large number of customers compared to the number of employees serving their requests. However, banks normally depend on serving their customers to survive in the competitive market, but when banks' employees are always busy to respond to customers' requests, then as a normal reaction, customers will start searching for other competitor who responds to their requests, and also, they will spread a negative word-of-mouth about this bank, which may lead to a significant loss in the bank profit. This result was supported in Mohsan et al. (2011) research, while dissatisfied customer could badly affect the business more than ten satisfied customers. Also, Kumar et al. (2010) confirmed that banks which care about their service quality could compete in retaining their customers, and improving banks' revenue.

Additionally, customers were dissatisfied about not providing them with promoted service, and inaccurate service delivery date. Nevertheless, two reasons might be behind this issue, the first one because of the insufficient employees' knowledge, so customers have to wait until employees get the needed information about the requested service, or the employee might provide the customer with inaccurate period for delivering the needed service (see interviews results in section 4.5.4). Moreover, Quyet et al. (2015) stated that banks employees should understand the depth of the banks products, in order to appropriately advise their customers. The second reason of this issue, is due to long procedures adopted by banks' top

management, or even from PMA (see interviews results in section 4.5.2). Furthermore, most banks in Palestine are using centralized services generation methods, which moves the authority of granting a service from branches to banks' regional managements of headquarters. Then, branches have to wait until get the needed approvals, and get back to its' customer. In spite of centralization advantages, it could lead to time wasting. Therefore, these procedures must be refined, in order to avoid any delay in delivering the needed services to the customers. In addition, external issues may affect service delivery such as some of PMA requirements. However, internal complicated workflow placed long time ago have greater impact on service delivery than external issues. Consequently, banks have to continuously review and improve its internal procedures in order to fulfill its promises of service delivering to customers in the specified date.

Moreover, banks' employees have to provide their customers with kind and warm responses, when offering a service, which will lead to improve customer confidence. This result was supported by Quyet et al. (2015) and Kumar et al. (2010).

5.5 Empathy Domain

Empathy domain is one of SERVQUAL model domains. It is associated to available personal provided from the bank who help customers and take care of them, in addition to understand the customers' needs in the proper manner. Furthermore, Gronroos (2007), stated that this domain is

connected to firm functional quality, which was described by the way employee presents a service to the customer.

Additionally, the results showed that empathy domain have the largest gap (-1.02) between all SERVQUAL domains. This result confirmed with previous researches results (Ilyas et al., 2013; Ananth el al., 2011; Shanka, 2012). On the other hand, Eleboda (2014) research result showed that empathy domain has the smallest gap between all SERVQUAL domains. In addition, the weighted gap for this domain was calculated and it was (-0.16), which place it in the fourth place of importance after the assurance domain.

However, banks have to look after this domain, and to do so, the researcher investigated deeply inside it. Therefore, the researcher checked empathy domain items, and one of these items was the most important for the customers, which is banks' operating hours, and it was obvious that customers were dissatisfied with it. But banks inside Palestine were committed to PMA instructions, which determines banks operating hours (from 8:30 am until 2:30 pm). Furthermore, majority of banks' customers are employees, and in the specified period they will be at their offices, so they will be unable to reach banks' branches or offices. Consequently, respondents were expecting appropriate working hours. In addition to provide banks' customers with alternative solutions, that could increase their satisfaction level. Such solutions could be reached by offering different electronic services that allow customers to perform most of their needs without existing inside banks' branches, for example: direct

depositing using ATMs, or money transfer for other customers using Mobile or Internet banking. Moreover, Okoe et al. (2013) confirmed that banks should improve their services accessibility. This result was also supported by Hinson et al. (2006), they stated that banks have to offer many services and not only the basics in order to compete other banks.

Also, customers were dissatisfied due to employees' related problems, such as: weakness in understanding customers' specific needs, and employees were unable to provide them with precise personnel services. Interviews results showed weakness in banks' employees' knowledge, and inappropriate customer care level (see interviews results in section 4.5.4). This result was supported with Aborampah (2010) research results. He stated that banks have to be thoughtful about their customers' financial circumstances, and so banks have to offer special services to their customers. Moreover, Ehigie (2006) stated that recognizing and satisfying customers' needs, is essential to enhance banks services, since banks could distinguish themselves from competitors by their own offered services. In addition, Malhotra and Mukherjee (2004), confirmed this result. They stated that customers' needs always change, so recognizing these needs and implementing latest technologies is very critical for a bank to compete other banks.

Furthermore, employees' weaknesses were due to their slight experience, and ineffective customer care training courses. Therefore, banks' must improve their employees' customer care behavior continuously, especially for employees who have direct contact with customers. Normally, this

problem occurs with fresh employees, while needed skills still not transferred to them completely. The researcher thought about two choices to avoid this problem: first by hiring experienced employees, and these employees have the needed skills to deal with customers and their needs. Or the second choice was arranging regular training courses for fresh employees. Nonetheless, both solutions are costly, while experienced employees' salaries are high, and arranging training courses needs experienced trainees and banks have to pay a lot for them. This result was supported by Quyet et al. (2015), while they stated that banks should minimize the gap between them and their customers, by improving their employees' professional skills. And also, Shanka (2012) supported this result and stated that banks should train and improve their employees' skills continuously, in order to provide caring for their customers, and deliver services quickly. Furthermore, inappropriate customer care may lead to many problems with banks' customers, one of them is creating bad feelings toward the bank, and then customers will see their bank as an organization that is not interested in their needs. For that reason, some interviewees were aware about this point (see interviews results in section 4.5.3), and they confirmed the need of precise personnel services, in addition to provide them with gift items, in order to improve customer care level, to gain a competitive advantage in the market. This result was supported with previous research, according to Ndubisi (2006), reaching customers' satisfaction could be done by offering precise personnel services that is flexible and adjustable in its nature, to suit customers'

needs. However, interviewees stated that gift items considered as additional cost to the bank, and due to limited budgets, this feature is not available in most banks.

Further, interviews results added another related problem, which is low level of employees' loyalty (see interviews results in section 4.5.4), also it may lead to employees' resigns. Therefore, all investments (investments in time and knowledge) on resigned employees were wasted. Moreover, employees' loyalty problem maybe reflected on the bank image. In the same vain, Hinson et al. (2006) stated that by offering high service quality, employees' turnover will decrease.

5.6 Tangibles Domain

The last domain of SERVQUAL model is Tangibles, it represents the physical appearance for objects, including staff appearances, attractive advertisement billboards, and physical facilities. These elements are essential for producing a comfortable atmosphere. Also, Gronroos (2007) stated that this domain could be connected to functional quality.

Bank managers could evaluate and enhance this domain without asking their customers about it. Consequently, the calculated gap (-0.61), and it was the smallest one between all SERVQUAL domains. Moreover, this result confirmed with Alkarim and Chowdhury (2014). And also, Shanka (2012) and Okoe et al. (2013) found that banks were relatively doing well on tangible domain. However, the weighted gap for this domain was

calculated and it was (-0.06), which place it in the last place of importance after the empathy domain.

Additionally, most banks' quality managers were reviewing and evaluating this domain elements regularly. Yet, banks have to enhance some of this domains elements, banks' equipment must look modern to give banks' customers the feeling that they are dealing with civilized bank. While some banks still use old technologies, such as: dot matrix printers, which are used to print customers' invoices. Moreover, banks should upgrade their existing equipment to modern and efficient equipment (see interviews results in section 4.5.1). And also banks have to develop the attractiveness of their physical features, by renewing banks' facilities that make banks' customers comfortable. However, limited budgets prevent banks from upgrading and renewing their facilities and equipment easily (see interviews results in section 4.5.3).

5.7 Independent variables

The researcher tested the gender effect on all service quality domains, and the results showed that there is a significant difference between expected and perceived service quality due to respondents' gender, which means that both males and females were not satisfied, while each gender has its own perceptions and expectations, and normally they were not at the same level. Moreover, females group were expecting and perceiving a higher level of service quality than males. The researcher thought that due to the nature of females, they always looking for highest possible level of service quality.

This result was supported by Quyet et al. (2015) in their research, while they stated that service quality standards are higher in females' customers' than males' customers. However, Ilyas et al. (2013) stated that there is a difference in perceived service quality due to customers' gender.

In addition, the researcher checked the effect of number of years dealing with the bank. The results showed that this variable didn't have any effect on customers' perceived and expected service quality domains. Normally, the length of dealing with the bank represents the relationship strength between banks and their customers. However, the results indicated bad experiences, related to all service quality domains regardless, if customer was new with this bank or not.

Another test was performed concerning to service quality domains, was about the effect of the bank size (number of bank branches and offices). The results didn't show any effect of bank size on most of service quality domains (empathy, assurance, reliability and responsiveness), while it has an effect only on perceived tangibles domain. Usually, customers prefer banks that are widespread, in order to reach their accounts easily. Nevertheless, customers have the same feeling about this domain without paying attention to the bank size, which forms a big problem for most banks, while an important strategic goals for spreading the bank widely is to serve their customers and make the bank reach easily. But this was not the result appeared in this research.

5.8 Managerial Model

The researcher developed a managerial model that could help service managers to improve their customers' satisfaction levels by enhancing their service quality. This model used the power of both qualitative and quantitative data. Therefore, it is based on SERVQUAL model and employees knowledge in order to enhance customers' satisfaction level. Figure (17) shows this model.

This model starts with top management involvement, which is vital to improve banks' service quality successfully. Top management have the power to force all departments to participate in changing current service quality level. And also, monitor improvement process and provide resources and support, they needed. Top management will interact directly with strategic planning functions. In some banks this function could be represented as a separate department. This party should provide feedback to the top of the management and interact with middle management.

Strategic planning function is considered as the main function in organizational orientation section of this model. Also, it has three sub functions that all are interrelated. The first sub function is capacity building, which is normally a human resource department job. This model suggested to start with banks' employees. While banks' employees are banks' interface, and service quality depends mainly on how employees deliver services to customers. However, capacity building is very critical, and it must be checked regularly in order to enhance if it needed.

One of the capacity building function is staff expansion, while numbers of offered services and customers in banking sector are growing, therefore, human resource department should check bank staff size, because when a customer needs a service, he/she will wait in a queue until a free employee responds to his/her request. Therefore, service quality managers have to check customers' queue waiting time and if it is long, they have to feedback to human resource department, in order to provide them with additional resources to serve more customers' request, in the minimum possible time. Moreover, employees' training is another important function of capacity building, and it could be separated into two types of training. The first one is employees' knowledge training. The expected result of this training is to ensure that the employee have to know banks' procedures, services, boundaries, PMA instructions, and country regulations accurately, in order to provide customers with accurate answers about their requests. According to Jun et al. (2006) training is the way to extend employees' knowledge and reach individual development. The second type of training is employees' professional skills improvement. These skills allow employee to absorb customers' complains and provide them with kind and warm responses, in order to create comfortable feelings toward the bank. Moreover, employees' training will lead to loyal employees. And also, employees' motivation plays important role in developing employees' loyalty. According to Turkyilmaz et al. (2011) research results, there are five factors effect on employees' loyalty, respectively: training and personnel development, working conditions, reward and recognition,

empowerment, participation and teamwork. Moreover, by enhancing these factors, banks will create loyal employees. Therefore, loyal employee will not easily resign from a bank, and so, all investments on this employee won't be wasted. In addition, this employee will strive to reflect a good image of the bank. Employee's loyalty improvements are very essential in improving customers' satisfaction. Acheampong and Asamoah (2013) explained, that links between employees' loyalty and customers' satisfaction as: 'Profit and growth, stimulated by customer satisfaction and loyalty which results from employee satisfaction and loyalty'. Therefore, capacity building will improve two service quality domains: empathy and assurance.

Another function of strategic planning is infrastructure enhancement, which should improve two of service quality domains: tangibility and reliability. This could be done by improving current information technology hardware and software. These improvements should build robust base for offering new services, and creating different ways to deliver services to customers. Furthermore, banks should improve their offered services. Moreover, banks have to distinguish themselves by offering outstanding services. And to achieve this goal, electronic services concept should be implemented, because customers today tend to perform regular services by themselves. For example, banks should spread multifunctional ATMs that allow customers to withdrawal, deposit, printing account statement, and printing cheque book. In the same time, banks should offer different electronic services, while allow customers to perform all possible requests using

mobile, internet or even ATMs. Moreover, electronic services should implement the highest security levels to protect customers data from any leakage could occurred. However, to build such infrastructure, appropriate employees should be available. Therefore, a direct interaction between infrastructure enhancement and capacity building function must be established.

Strategic planning has another key function, which is competition follow-up. Banking sector is very competitive. So, banks should scan local market and compare their offered services with other banks' services, and try to offer better services than others. In addition, banks should check worldwide services, and implement the applicable services, while sometimes not all services could be implemented. Furthermore, to gain a competitive advantage, innovative services must be implemented, these services will make the bank a market leader, and so, improve banks' profit. Therefore, a direct link with capacity building and infrastructure enhancement functions must be established to interact together quickly, to gain a competitive advantages by implementing outstanding services.

The second section of this model concern process orientation, which is represented in procedures enhancement function. This function is directly monitored by strategic planning function, while improving procedures, starts with business procedures reengineering and simplification, by looking deeply into banks' internal procedures which affect service delivery time, which is precious for customers, and so, banks should minimize service delivery time to the minimum, by checking each process

in the procedures and eliminate unnecessary processes, or using electronic systems that saves efforts and time such as workflow systems. Such systems minimize wasted time in moving papers from one to another employee. Also, updating employees' knowledge of new enhanced procedures is a vital success to take the advantage from these procedures. Moreover, some internal procedures were developed long time ago. Therefore, reviewing and improving procedures continuously is very essential to sustain effective internal procedures. Besides, when service delivery time is minimized, responsiveness domain of service quality will be improved.

As an output of this model enhancements, all the service quality domains were improved. For that reason, customers' satisfaction should be improved. Furthermore, monitoring customers' satisfaction regularly is the most important function of strategic planning functions. However, caring about customers' feedback of service quality, allows strategic planning to review and enhance weak functions of this model, and to use it as the way to sustain loyal customers.

The previous model was presented to three senior experts in banking sector (see Appendix C) to verify and provide their feedback about it. These experts look at this model and understand it by asking the researcher some questions, then they added innovation function to compete other banks. And also, they added procedures simplification when enhancing procedures, which minimize service delivery time.

Top Management

Service Quality Domains

Organizati
onal
Orientation

Strategic Planning Function

Capacity Building

Staff Expansion

Employees' Training
- Knowledge
- Professional Skills

Employees' Motivation

Employees' Loyalty

Infrastructure Enhancement
- Information Technology
- Electronic Services

Competition Follow-up
- Market Scanning
- Worldwide Services

Empathy

Tangibility

Assurance

Reliability

Process Orientation

Procedures Enhancement
- Business Procedures Reengineering and Simplification
- Continuous Improvements

Responsive ness

Customer Orientation

Feedback

Customer Satisfaction

Monitorin

Customer Loyalty

FIGURE 17 : RESEARCH MANAGERIAL MODEL.

Chapter Six
Conclusions and Recommendations

6.1 Overview

This chapter will present research conclusions and recommendation in order to improve service quality in Palestinian conventional banks. And also, the researcher will suggest future studies to provide research direction for future researchers, in order to explore and build upon this research.

6.2 Conclusions

This research assessed service quality in conventional banks inside Palestine, mainly by calculating the gap between expected and perceived service quality, using SERVQUAL model. Also, the researcher tried to find if there was an effect of three independent variables (customers' gender, number of years dealing with bank and bank size) on perceived and expected service quality. Moreover, the researcher supported the quantitative results by performing several semi structure interviews. Therefore, the researcher figure out several conclusions:

1. Perceived service quality level was less than customers' expectations, while they perceived very good service quality, but they were expecting excellent service quality.

2. Banks' employees didn't provide services in proper manner and correct way, from the first time and within specified time.

3. Employees' behavior didn't provide confidence to customers.

4. Bank has a chance to improve service quality to reach customers' expectations, and satisfying them, to gain their loyalty, which could be used as a strategy to gain competitive advantage and compete other banks, and also attract new customers.

5. Customers' expected service quality level was high.

6. Empathy domain was the weakest domain between all of service quality domains due to the gap size.

7. Service quality was affected by customers' gender.

8. Number of years dealing with the bank, didn't have any effect on customers' perceived and expected service quality.

9. Bank size affects tangibles domain of service quality, while empathy, assurance, reliability and responsiveness didn't affected by bank size.

6.3 Recommendations

The researcher suggested several recommendations:

1. Banks' managers must determine factors that affects customers' satisfaction which is a very important issue. Therefore, monitoring customers' satisfaction periodically, to determine these factors is essential to sustain loyal customers.

2. Bank methods of assessing customers' satisfaction is not powerful, therefore, the researcher recommends to use SERVQUAL model as an instrument, for measuring service quality in the Palestinian conventional

banks. While including SERVQUAL model domains in banks' strategy to enhance customers' satisfaction.

3. Using this research managerial model as bank strategy, in order to enhance service quality level, which in return will improve customers' satisfaction in a way to gain loyal customers.

4. Initiate sufficient training courses for banks' employees that enhances their professional skills and knowledge, which in return will affect customers' satisfaction by enhancing empathy, assurance and reliability elements of the bank.

5. Involve banks' front line employees in developing new services. While these employees are in direct and daily contact with banks' customers. Therefore, they aware of new services aspects that customers prefer.

6. Most of banks' customers are full time employees, and have the same working hours as banks' branches. So, banks' management should customize branches working hours to satisfy all customers, especially customers with full time jobs.

7. Today's trend goes to electronic services. Therefore, banks should strive to satisfy their customers by offering outstanding electronic self-services as a way to improve banks' productivity and profitability.

8. This research results indicated procedures that contains unnecessary processes. Thus, business procedures reengineering concept should be implemented in the Palestinian conventional banks.

9. Pay more attention to customers' complains, in order to figure out their needs, and satisfy them in a better way. This could be done by improving the communication between customers themselves and banks' customers care department.

6.4 Limitation of the study

The first limitation was facing difficulties in convincing respondents to give this research questionnaire time and complete it. And also, banks' policy of not disclosing sensitive data, and so, the interviewees could provide useful information for this research. Moreover, paucity of previous studies tackling service quality in Palestinian conventional banks, forms another limitation of this research.

6.5 Future Research Directions

A fruitful area of future research is to perform a comparative study between conventional and Islamic banks inside Palestine, in order to figure out satisfaction levels between these different banks types. Also, another direction is to compare service quality level between Palestinian banks and other nearby countries such as Jordan and Egypt. Moreover, future researches may consider additional variable that may affects customers' satisfaction of service quality, which is pricing of banks' services.

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Appendix

Appendix A

Thesis Survey

<div dir="rtl">

استبيان لقياس مدى جودة الخدمة ورضا العملاء في البنوك الفلسطينية

اسمحوا لي في البداية أن أقدم نفسي. اسمي جمال الدين كمال عوكل وأنا مرشح للحصول على درجة الماجستير في كلية الدراسات العليا – جامعة النجاح الوطنية . كجزء من أطروحتي، يجب ان اقوم بإجراء مسح ميداني لقياس مدى جودة الخدمة و رضا العملاء في البنوك الفلسطينية. وسأكون ممتنا للغاية إذا امكنكم مساعدتي من خلال استكمال الاستبيان ادناه. حيث سيتم استخدام كافة البيانات لأغراض علمية فقط.

الوقت المقدر لإكمال هذا الاستبيان حوالي خمس دقائق

جمال الدين كمال عوكل
طالب ماجستير ادارة هندسية
نابلس – فلسطين
Jamal.okal@gmail.com
00972598910833

اولاً: البيانات الاولية

جنس معبئ الاستبيان : (___) ذكر ، (___) انثى

1- اسم البنك الذي تتعامل معه :

(___) البنك العقاري المصري العربي	(___) البنك العربي	(___) البنك الاهلي الاردني	(___) بنك فلسطين
(___) بنك الاستثمار الفلسطيني	(___) بنك القاهرة عمان	(___) البنك الاردني التجاري	(___) بنك الاردن
(___) بنك الاسكان للتجارة و التمويل	(___) بنك القدس	(___) البنك الاردني الكويتي	(___) البنك الوطني

</div>

2- عدد سنوات التعامل مع البنك :

(___) من 1 الى 4 سنوات	(___) من 4 الى 8 سنوات	(___) اكثر من 8 سنوات

ثانيا : مظهر المرافق المادية والمعدات والأفراد والمواد الإعلامية

	الخدمات التي كنت تتوقعها من البنك المثالي							الخدمات التي تلقيتها فعلا من البنك الذي تتعامل معه						
	غير مهم ابدا						مهم جدا	غير موافق اطلاقا						موافق بشدة
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
1- يمتلك البنك أجهزة ومعدات حديثة														
2- المظهر العام للبنك جذاب														
3- يتمتع موظفو البنك بمظهر أنيق وحسن														
4- المواد المتعلقة بخدمات البنك جذابة المظهر (مثل نشرات أو بيانات)														

ثالثا: القدرة على أداء الخدمة الموعودة بثقة وبدقة

	الخدمات التي كنت تتوقعها من البنك المثالي							الخدمات التي تلقيتها فعلا من البنك الذي تتعامل معه						
	غير مهم ابدا						مهم جدا	غير موافق اطلاقا						موافق بشدة
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
5- عندما تعد إدارة البنك بالقيام بعمل ما في وقت محدد ، فإنها تلتزم بذلك														
6- عندما يواجه عميل البنك مشكلة ما ، فإن موظفو														

													البنك يبدوا اهتماما صادقا بحلها
													7- يقوم موظفو البنك بتقديم الخدمات التي يقدمها البنك ، بالشكل الصحيح والمطلوب ومن المرة الأولى
													8- يقوم موظفو البنك بتقديم خدمات البنك ، بالمواعيد المتفق عليها
													9- تحرص إدارة البنك على أن تكون سجلات العملاء خالية من الأخطاء

رابعا: الاستعداد لمساعدة العملاء وتقديم الخدمة السريعة

الخدمات التي تلقيتها فعلا من البنك الذي تتعامل معه							الخدمات التي كنت تتوقعها من البنك المثالي							
موافق بشدة						غير موافق اطلاقا	مهم جدا						غير مهم ابدا	
7	6	5	4	3	2	1	7	6	5	4	3	2	1	
														10- يقوم موظفو البنك بإبلاغ عملاء البنك بشكل محدد عن الوقت المطلوب لإنجاز خدمة معينة
														11- موظفو البنك مستعدين ومتحفزين لتقديم الخدمات لعملاء البنك بصورة فورية
														12- موظفو البنك

													مستعدين وراغبين في تقديم المساعدة لعملاء البنك
													13- لا يمنع انشغال موظفو البنك بإعمالهم الداخلية في الإستجابة الفورية لطلبات العملاء

خامسا: المعرفة ومجاملة الموظفين وقدرتهم على نقل الثقة

	الخدمات التي تلقيتها فعلا من البنك الذي تتعامل معه							الخدمات التي كنت تتوقعها من البنك المثالي						
موافق بشدة						غير موافق اطلاقا	مهم جدا					غير مهم ابدا	
7	6	5	4	3	2	1	7	6	5	4	3	1	
													14- إن سلوك موظفو البنك ، يعطي انطباع بالثقة لدى عملاء البنك
													15- يشعر عملاء البنك بالأمان في تعاملاتهم مع البنك
													16- يتمتع موظفو البنك باللباقة والمجاملة عند تعاملهم مع عملاء البنك
													17- يمتلك موظفو البنك المعرفة التامة للإجابة على أسئلة واستفسارات عملاء البنك

سادسا : توفير الرعاية والاهتمام الفردي للعملاء

	الخدمات التي تلقيتها فعلا من البنك الذي تتعامل معه							الخدمات التي كنت تتوقعها من البنك المثالي							
موافق بشدة						غير موافق اطلاقا	مهم جدا						غير مهم ابدا		
7	6	5	4	3	2	1	7	6	5	4	3	2	1	
														18– يولي البنك عملائه الإهتمام الشخصي
														19– إن ساعات عمل البنك ملائمة لجميع فئات عملاء البنك
														20– يولي موظفو البنك عملاء البنك اهتماما شخصيا
														21– يضع البنك مصلحة عملائه في مقدمة اهتماماته
														22– يتفهم موظفو البنك الإحتياجات المحددة لعملائهم

شكرا جزيلا لوقتكم في تعبئة الاستبيان.

Appendix B

Interviews Questions

1. What are the most common factors that prevent meeting customers' needs?

2. Based on your experience, what would you say make the customer satisfied/dissatisfied with the service?

3. What are the most common factors that impact managers' and customers' perception of the service quality?

4. Why the customers see the appearance of the banks physical facilities, equipment, personnel and communication materials below their expectation?

5. Why the customers see the bank's ability to perform the promised service dependably and accurately below their expectation?

6. Why the customers see the banks willingness to help them and provide prompt service below their expectation?

7. Why customers feels the knowledge and courtesy of the bank's employees and their ability to convey trust and confidence below their expectation?

8. Why customers feels that the bank caring about them is below their expectations?

What are the necessary action should be taken by the bank to improve the service quality?

Appendix C

Experts from banking sector

Current Position	Years of experience	Expertise area
Department Manager	25 years	Strategic Planning and Project management
Department Manager	31 years	Information Technology and information security and project management.
Department Manager	20 years	Business operations in banking sector

Appendix D

Front Line Bank Employees

Current Position	Years of experience	Selection Reason
Head Customer Relationship Officer	13 years	Have enough experience in dealing with customers in daily bases.
Head Customer Relationship Officer	10 years	Switched from his old bank to better position in the current bank. So, he know different banking procedures, in addition to his experience.
Customer Relationship Officer	8 years	His experience let him to understand banks' policy and procedures, in addition to customers' needs.
Customer Relationship Officer	3 years	An employee with fresh mind and ideas that let us to know if understanding the procedures is complicated or not.

Appendix E

Bank Quality Managers

Current Position	Years of experience	Selection Reason
Quality Assurance Manager	20 years	Expert in determining the quality of offered services worked in a large bank.
Quality Assurance Manager	18 years	Expert in determining the quality of offered services worked in a small bank.
Marketing Department Manager	20 years	Expert in marketing and know what services exists in the market (locally and worldwide).
Branches Manager	16 years	Expert in managing branches and dealing with customers complains.

Appendix F

Experts reviewed the interviews questions

Current Position	Years of experience	Selection Reason
Quality Assurance Manager	20 years	Expert in determining the quality of offered services worked in a large bank.
Quality Assurance Manager	18 years	Expert in determining the quality of offered services worked in a small bank.
Marketing Department Manager	20 years	Expert in marketing and know what services exists in the market (locally and worldwide).
Branches Manager	16 years	Expert in managing branches and dealing with customers complains.
Academic expert	13 years	The academic point of view is very important to be considered in interviews questions.

جامعه النجاح الوطنية

كليه الدراسات العليا

تقييم جودة الخدمة ورضا الزبون باستخدام نموذج SERVQUAL: دراسة حالة البنوك الفلسطينية

اعداد

جمال الدين كمال نايف عوكل

إشراف

د. ايهم جعرون

قدمت هذه الأطروحة استكمالاً لمتطلبات الحصول على درجة الماجستير في الإدارة الهندسية،
في كلية الدراسات العليا، في جامعة النجاح الوطنية، نابلس– فلسطين.

2018

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الملخص

يعتبر القطاع المصرفي احد اهم القطاعات المؤثرة في الاقتصاد الفلسطيني. ولكن هذا القطاع يفتقر الى جودة الخدمة المقدمة الى العملاء. لذلك تهدف هذه الدراسة الى تقييم جودة الخدمة ومدى رضا العملاء عن الخدمات المقدمة لهم من قبل البنوك التقليدية في فلسطين. حيث ان لرضا العملاء دور فعال و مؤثر في القطاع المصرفي. كما يسعى هذا البحث إلى فهم كيفية تنفيذ جودة الخدمة في البنوك التقليدية الفلسطينية وما يترتب على ذلك من آثار على السوق المحلي. ويعتبر هذا البحث من أوائل البحوث التي تقييم مستوى رضا العملاء في البنوك التقليدية الفلسطينية، بسبب قلة البحوث المماثلة في القطاع المصرفي الفلسطيني.

قام الباحث باستخدام منهجية مختلطة لجمع البيانات بالطرق الكمية والنوعية. اولا تم استخدام نموذج SERVQUAL لإنشاء استبيان وذلك ليتم استخدامه كأداة لجمع البيانات الكمية. وعليه قام الباحث بتوزيع 450 استبيان، وتم تحليل 397 استبيان معبأ بشكل كامل، وتم تحليل هذه الاستبيانات باستخدام برنامج حاسوبي متخصص وهو برنامج SPSS. كما قام الباحث باستخدام طرق الاحصاء اللامعلمي مثل: مان وتني، ووليكسون للحصول على نتائج دقيقة، وذلك لان البيانات كانت موزعة توزيع غير طبيعي. ومن ناحية اخرى قام الباحث بدعم وتفسير نتائج تحليل البيانات الكمية باستخدام الطرق النوعية، حيث تم عمل مقابلات شبه منظمه وتحليلها باستخدام طرق تحليل الموضوعات.

ومن ثم قام الباحث بفحص المجالات الخمس الخاصة بنموذج SERVQUAL، واظهرت النتائج ان العملاء يعتقدون ان البنوك التقليدية الفلسطينية تواجه ضعف عام في مستوى جودة الخدمة، كما تبين ان اكبر ضعف كان في مجال التعاطف، وذلك بسبب كبر الفجوة بين تصورات العملاء وتوقعاتهم بالنسبة للخدمات المقدمة من قبل البنوك. ويتبعه مجال الثقة ومن ثم الاعتمادية ومن ثم الاستجابة. اما اصغر فجوه فكانت في مجال العناصر الملموسة. كما قام الباحث بفحص تأثير ثلاث متغيرات مستقلة على مستوى جودة الخدمات المقدمة للعملاء. وقد اظهرت النتائج ان جنس العميل له تأثير على مستوى الخدمة المدركة والمتوقعة. ولم تظهر النتائج اي تأثير لعدد السنوات التي تعامل بها العميل مع البنك او حجم البنك على مستوى جودة الخدمة.

وفي ضوء نتائج هذه الدراسة، فام الباحث بتطوير نموذج اداري يمكن ان يساعد مدراء جودة الخدمة في البنوك التقليدية الفلسطينية، لتحسين مستوى رضا العملاء عن الخدمات المقدمة لهم، من خلال تحسين جودة الخدمات المصرفية.