



The impact of service quality on customer satisfaction: An empirical study on banking services in Djelfa.

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Abstract: From the customer's perspective a service is an experience, but from the service company's perspective a service is a process which should be designed and managed to create a desired customer's satisfaction. Additionally, it can be an important component of a company's competitive strategy and a way to differentiate it from competitors. Service process is also linked with service quality evaluations and service outcome is linked with customer satisfaction evaluations

This study aims to identify service quality concepts & dimensions, and its relationship with the customer satisfaction, and trying to evaluate the impact of service quality with its different dimensions such as; reliability, Responsiveness, assurance, empathy and tangible on customer satisfaction in different banking industries in Djelfa province. ALGERIA.

A statistical analysis was designed to test the relationship between banking service quality and clients satisfaction. The Results indicated that the five service quality' dimensions - reliability, Responsiveness, assurance, empathy and tangible- have a significant positive impact on the customer behaviors and attitudes. The Responsiveness was most affected element in term of reaching customer satisfaction while the assurance had the lowest impact on customer satisfaction

Key words: Service quality. Customer satisfaction. Service quality dimensions. Bank.

Jel Classification Codes : C10, C12, C83,G21.

Introduction:

The increasing interest in services sector has drawn the considerable attention to the discussions over what constitutes a service and whether services' marketing is a distinctive subject to study. While the banking services sector plays an important role in the economies of different countries and banks seek to achieve their customer satisfaction, which enables them to remain in the market and stand in the face of competition. The quality of service has become one of the modern issues in marketing thought.

The quality of banking service is mainly related to the human resources that provides the service and the requirements for providing it in a distinctive way, so they must be carefully selected and trained to perform their work efficiently to achieve the desires and requirements of customers.

1. Research methodology

1.1 The study Problem

To achieve The research objectives, the research were designed based on a main question ; **Does the service quality have a significant impact on customer satisfaction in the banking industry?**

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1.2 Research hypothesizes :

The research main hypothesis is based on ; the statistical significance of the impact of the service quality offered by the banking industries on their Customer satisfaction.

While the Sub-hypotheses are ;

- ✓ There is no a statistical significance of the impact of reliability dimension on the customer satisfaction.
- ✓ There is no a statistical significance of the impact of Responsiveness dimension on the customer satisfaction.
- ✓ There is no a statistical significance of the impact of assurance dimension on the customer satisfaction.
- ✓ There is no a statistical significance of the impact of empathy dimension on the customer satisfaction.
- ✓ There is no a statistical significance of the impact of tangible dimension on the customer satisfaction.

1.3 Research target

The research works to achieve several targets as following;

- ✓ Discuss the service quality concept and customer satisfaction.
- ✓ Analyze the impact of the service quality offered by different banking industries and the impact of each dimension such as; reliability, Responsiveness, assurance, empathy and tangible on the customer satisfaction.
- ✓ Highlight the most important dimensions of the banking service quality for the customer satisfaction.
- ✓ Try to conclude with some suggestions in terms of increase the quality of services provided and achieve the customer satisfaction.

1.4 Research importance

The importance of the service sector in national economies is unquestionable. Moreover, as a consequence of the rapid development of service industry, world economy is experiencing a substantial change in its history causing many far-reaching effects. For that the importance of this research can be well recognize in highlighting the impact of the banking services quality on achieving the customer satisfaction, which can help the banking industries to understand their needs and wants to save the current customers and attract more new ones.

Another point this research is based on which is analyzing of the impact of each dimension on the customer satisfaction, and which one is more important for the customer.

1.5 previous studies

1.5.1 Study by (Ansari & Al Habsi, 2010) *Measuring the quality of banking services in the UAE: A field study on a sample of banks in the UAE (Abu Dhabi, Dubai, Sharjah and Al Ain).*

The study aimed to test the main dimensions that can be used to measure the quality of banking services for local and foreign commercial banks in the UAE, and what are the most important dimensions of banking service quality that affect the customer's perception of the quality of banking service.

The results of the study were that the most influential dimensions for a customer to the quality of banking service are reliability, assurance, Responsiveness and tangible capacities.

1.5.2 Study by (Biljana & Jusuf, 2011). *Measuring Customer Satisfaction with Service Quality Using American Customer Satisfaction Model (ACSI Model)*

The aim of the study was to measure customer satisfaction with service quality delivered by the three mobile operators in Macedonia. The study was carried out using a quantitative method of collecting primary data, out of 1150 questionnaires, 1048 were analyzed. The empirical findings from customers' opinions, mobile users of the three mobile operators in Macedonia were not satisfied with service quality offered by the mobile operators. Findings also showed that customers' expectations were higher than customer perception. Significance tests for measuring the mean rating for satisfaction provided strong evidence for rejecting the null hypothesis, so the tests proved with 95 % confidence that customers were not satisfied with service quality.

1.5.3 Study by (Sanjiv, Rajat, & Dharminder, 2015) *An evaluation of an integrated perspective of perceived service quality for retail banking services in India*

The purpose of the study was to extract and validate the dimensions of service quality in retail banking services in India by adopting an integrated and hierarchical perspective of service quality determinants. The paper empirically validates a parsimonious (multi-dimensional and multi-level) model of service quality in retail banking services in India. The analysis was conducted using structural equation modeling. A hypothesized second-order model was tested and compared with a first-order model of service quality.

The second-order service quality model was accepted based on parsimony as it consisted of five primary dimensions: Service delivery (describing the efficiency with which the service is provided), tangibles (the quality of physical service environment), reliability (the promise of right service being provided), core service (the attributes and features of the service product) and competence (the capability of employees and systems for providing the service). The second-order model enhances the understanding of the structure of service quality for retail banking services in India. The most important dimension was tangibles, especially the physical environment which facilitates efficient delivery of service.

1.5.4 Study by (Mohamed & Abdelattif, 2020) *An applied study to measure the quality of banking services and customer loyalty "Case study of the banks of the city of SAIDA"*

The study assesses the service quality for banks in City SAIDA the Country of Algeria .A SERVQUAL model was used and tests the effect of five SERVQUAL dimensions on the loyalty of customers. The analysis of data using the partial least squared (PLS) based Structural Equation Modeling technique reveals a positive effect of reliability and assurance dimensions on loyalty.. The findings revealed that three dimensions of service quality namely tangibles, reliability and empathy have significant positive effect on customer loyalty. Further service quality dimensions alone explain 46.3% of the variance in customer loyalty.

1.6 Evaluation of previous studies

One of the studies discussed the relationship of customer satisfaction with service quality in other service sector (mobile industries), in addition, some of others focused on testing the main dimension that can be used to measure the banking services' quality. While other studies discussed the role of service quality dimensions in on retailing banking services and reaching the customer' loyalty.

This study focused on discussing the main five service quality dimensions in banking sector in Djelfa province, and its impact on achieving the customer' satisfaction, in addition to evaluate which dimension has the higher significant effect.

1.7 Limitations of the study:

- ✓ The main challenge faced the author during this study is how to communicate with clients of the case study banks in terms of the health situation in the country due to Covid-19 pandemic.
- ✓ The study didn't use a statistical model which can identify the most important dimensions of quality that have the most impact on customer satisfaction with banking services.
- ✓ The study couldn't reach all the clients of the three banks but in same time it tried to make a balance among the number of target clients for each bank.

2. Literatures Background

2.1 Service concept

According to A. Payne "a service is an activity which has some element of intangibility associated with it, which involves some interaction with customers or with property in their possession, and does not result in a transfer of ownership. A change in condition may occur and production of the service may or may not be closely associated with a physical product". (Payne, 1993, p. 06)

" A service is any act or performance one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product. Increasingly, manufacturers, distributors, and retailers are providing value-added services, or simply excellent customer service, to differentiate them. Many pure service firms are now using the Internet to reach customers; some operate purely online." (Kotler & Keller, 2016 , p. 184)

Kotler suggested that "a service is an activity or benefit that one party can offer to an- other that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product" (Kotler, 1991, pp. 75-83).

Categories of Service

The service component can be a minor or a major part of the total offering. We distinguish five categories of offerings: (P.Kotler & Kevin, 2011, pp. 356-57)

- ✓ Pure tangible good—a tangible good such as soap, toothpaste, or salt with no accompanying services.
- ✓ 2. Tangible good with accompanying services—a tangible good, like a car, computer, or cell phone, accompanied by one or more services. Typically, the more technologically advanced product, the greater the need for high-quality supporting services.
- ✓ Hybrid—an offering, like a restaurant meal, of equal parts goods and services. People patronize restaurants for both the food and its preparation.
- ✓ Major service with accompanying minor goods and services—a major service, like air travel, with additional services or supporting goods such as snacks and drinks. This offering requires a capital-intensive good—an airplane—for its realization, but the primary item is a service.

Pure service—primarily an intangible service, such as babysitting, psychotherapy, or massage.

Characteristics of Services

- ✓ **Intangibility** Services are intangible in that they do not have a physical shape. Unlike physical products, services cannot be seen, tasted, felt, heard, or smelled before they are bought. This intangibility makes the task of decision makers more complex. The consumer also finds it difficult to measure service value and quality. To overcome this, consumers tend to look for evidence of quality and other attributes.
- ✓ **Inseparability** Services often cannot be separated from the person of the service provider. Moreover, some services must be created and dispensed simultaneously. For example, dentists create and dispense almost all their services at the same time. From the marketing point of view, direct sale is the only channel of distribution of services.
- ✓ **Heterogeneity** It is not possible for a service firm to standardize its service. Each unit of the service is somewhat different from the other units of the same service. For example, an airline does not provide the same quality of service on each journey. The primary reason for such inconsistency is the effort to satisfy the customer's need to the fullest. This requires the interaction of customers and service providers. They should do everything to ensure the consistent quality of the service.
- ✓ **Perishability** Services are highly perishable and they cannot be stored. In the context of services, if we fail to sell the services, it is lost forever.
- ✓ **Ownership** Lack of ownership is a basic feature of the service industry. A customer may only have access to or use of a facility. Payment is for the use, access or hire of the service. Thus the ownership is not affected in the process of selling the services.

2.2 Service dimensions

- ✓ **Reliability:** Reliability has been classed as the first dimension of the SERVQUAL service quality model. Studies of Lam (Lam.T.K, 2002, pp. 43-58).ranked reliability as first in the dimensions of the service quality model. It refers to the ability to perform the promised service dependably and accurately.
- ✓ **Responsiveness:** willingness of bank staff to help customers and the readiness to respond to customers' requests, making customers feel safe and secure in their transactions, giving caring and individual attention to bank customers by having the customers' best interests at heart etc.
- ✓ **Assurance:** which is an important factor to transact through the bank teller process without making any mistake. Courtesy is important for bank employees to have a pleasant behavior and to show the politeness consistently when answering the various questions of their customers.
- ✓ **Empathy** Customers need to feel that they are made priority by the organization providing services. Empathy means caring, paying personal attention, and providing services to customers (Parasuraman.A, Zeithaml.V, & Berry, 1994, pp. 111-24). The core of empathy is conveying the feeling that the customer is unique and special.
- ✓ **Tangible** Tangibles of service (services capes) in the banking sector includes the ambient conditions such as temperature, ventilation, noise and odour prevailing in the bank's premises, extent of the physical layout of equipment and other furnishings being comfortable for customers to interact with bank staff.

2.3 Service quality

Parasurman et al.(1985) (Parsu, Valarie, & Leonard, 1985, pp. 41-50) defined service quality as “ the global evaluation or attitude of overall excellence of services”. While Nitecki et al (2000) (Nitecki & Hernon, 2000, pp. 4-5)defined service quality in terms of “meeting or exceeding customer expectations, or as the difference between customer perceptions and expectations of service”. (Ming, Wang; Chich, Jen Shieh, 2006, p. 195) So the service quality is the total difference between what the customer expect and what the actual services delivered to him by the service providers.

Bolton and Drew (1991) (Bolton & Drew, 1991, pp. 375-84); and Oliver (1980) (Richard, 1980, pp. 460-69) defined customers' service quality as the difference between the actual service performance and their expectations. The services marketing literature reveals that "service quality has been variously defined as focusing on meeting needs and requirements, and how well the service delivered matches customers' expectations" (Alamgir & Shamsuddoha, 2003, p. 02).

2.4 Location strategy as a key factor for service quality

Place and time decisions are crucial for service delivery. When deciding on where and how services should be offered to customers, it is important to consider the nature of the interaction between a service company and customers, and whether the firm should maintain a single outlet or multi-site locations. There are possible options for service delivery, with regards to the type of interaction between a service provider and customers, and availability of service sites. (lovelock & Wirtz, 2011, p. 112) .When customers visit a service site, location decisions become very important. In such services as banks, restaurants, cafes, pubs and clubs they can be even critical to success of a business. Service companies which maintain a number of sites like fast-food chains, hotels, car rentals and banks should develop a location strategy. It involves identifying company's needs and objectives, formulating requirements with regards to prospective locations, considering different sites basing on costs and benefits offered by each location, and selecting locations that satisfy these criteria and meet company's needs.

2.5 Customer satisfaction

Kotler defined customer satisfaction as “ the level of a person felt state resulting from comparing a product's perceived performance or outcome in violation to his/her own expectations”. So customer satisfaction could be considered a comparative behavior between inputs beforehand and post obtainments (Ming, Wang; Chich, Jen Shieh, 2006, p. 196).

The physical environment affects customers' experience during the service encounter enhancing or undermining customer satisfaction. In some services such as theme parks, restaurants, cafes, and hotels service environment might even be a key to customer satisfaction, making great impression and leaving long-lasting memories. Thus, physical evidence is an important component of a service company marketing-mix strategy and overall value proposition. Due to the intangibility of services, customers rely on physical evidence when assessing the expected quality level, so careful design of all tangible elements can increase perceived value of the market offering. (Maria, 2015, p. 75)

3. Interpretation of results

3.1 Statistical Data

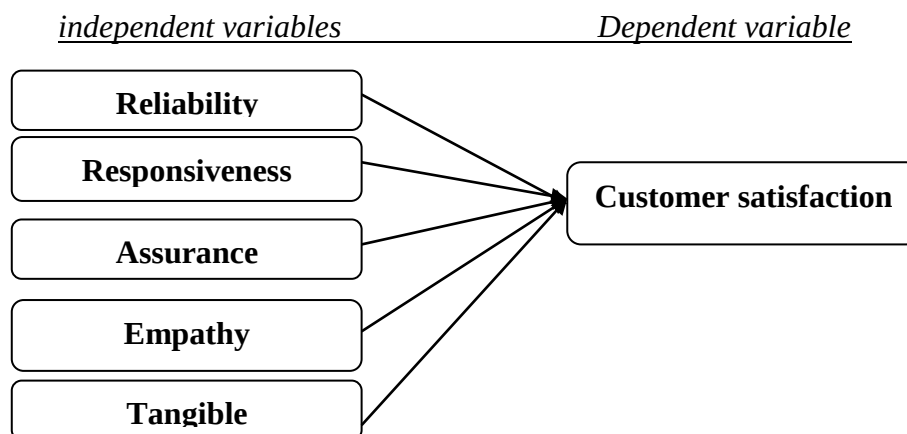
✓ Data collection

In primary data we a survey –questionnaire- was used to collect the relevant data to study the impact of service quality on customer satisfaction. Where the secondary sources of the research was collected from different sources; Books, reports, journals, research papers and the Internet .

The study was conducted between 10/10/2020 to 01/04/2021, and targeted a group of clients of three banks in the province of Djelfa: the Agriculture and Rural Development Bank, the Local Development Bank and the Algerian National Bank. 200 questionnaires were distributed, 185 were retrieved, and 180 questionnaires were approved for the statistical study. The questionnaire was designed to cover all the five dimensions of the service quality, Reliability. Responsiveness. Assurance. Empathy and Tangible.

- ✓ **Research framework** Service quality includes a number of dimensions that have an influence on customer satisfaction. The model was designed to show the service quality model with its dimensions as following : **Reliability. Responsiveness. Assurance. Empathy and Tangible.**

Figure 1. Research Framework



Source; made by Author

- ✓ **statistical methods:** Statistical methods were used to analyze the data and test the hypotheses of the study: Stability test of the study tool., Correlation and regression test..etc

3.2 Case study Banks profiles:

- ✓ **The National Bank of Algeria BNA** is the first national commercial bank. The National Bank of Algeria was established on June 13, 1966, where it practiced all activities licensed for commercial banks with a network, and was devoted in addition to this in financing the agricultural sector.

In June 2018, the capital of the National Bank of Algeria was raised from 41,600 billion Algerian dinars to 150,000 billion Algerian dinars.

Since its establishment in 1966, the National Bank of Algeria has accompanied every natural and corporate person. The National Bank of Algeria has more than 2.7 million private and business customers of all sizes.

With more than 5000 employees, the National Bank of Algeria supports all local activists in the realization of their projects, and this is through appropriate financing offers and follow-up of quality and quality, which contributes to the development and prosperity of the national economy.

The Algerian national bank has expanded its network, placing it at the disposal of its customers by 214 commercial agencies distributed all over the national territory, supervised by 17 regional directorates for exploitation.)National Bank of Algeria(

In order to develop cash, the National Bank of Algeria provides its customers with bank cards that facilitate them to carry out their various daily banking operations by placing 97 automatic bank counters and 145 automatic dispensers of banknotes at the level of various agencies.

- ✓ **Bank of Local Development**, in short, **BDL** is a public bank with a capital of 36.800 billion Algerian dinars.

The Local Development Bank has a network of 155 agencies tightly spread over the national territory, including 147 agencies charged with conducting banking operations that were placed

under their responsibility and 06 agencies specialized in granting mortgage loans, an activity that is unique to the Local Development Bank and distinguishes it from the rest of the banks.

The Local Development Bank is first the bank of small and medium enterprises / small and medium industries and trade in the broadest sense, then the bank of free professions, individuals and families.

The Local Development Bank seeks to actively participate in the development of the national economy, and in particular to promote investment by encouraging small and medium enterprises / small and medium industries in all sectors of their diversity through participation in all procedures set by the public authorities ANSEJ, CNAC, ANGEM, so that the Local Development Bank is committed to Willingness to meet the financing needs of individuals. On the other hand, the Local Development Bank has a major role in financing housing projects by supporting and accompanying the owners of real estate upgrade projects, as well as people who want to buy housing)Bank of Local Development(.

- ✓ **The Bank for Agriculture and Rural Development BADR** is a national financial institution that was established on March 13, 1982 and is legally considered as a joint stock company.

The bank has been working for more than forty years to actively support the projects of its customers, including financing agricultural projects, food industries, and fishing, which are areas that make it a support for the development of the national economy.

In order to achieve customer satisfaction, the bank employs a team of 7,000 employees, including 1,200 employees charged with listening to customers 'concerns through 321 agencies and 39 regional exploitation complexes distributed across the country. In addition to a modern banking information system for more safety, ease, speed and efficiency banking service providing)Bank of Agriculture and Rural Development(.

- ✓ **Validity**

The Cronbach alpha test was used to measure the stability of internal consistency, where the value of α (for all paragraphs of the questionnaire) was 86 percent, which is higher than the acceptable percentage for analysis (60 percent).

Table1: Cronbach alpha test results

	Validity indicator α
Reliability	0.843
Responsiveness	0.795
Assurance	0.882
Empathy	0.756
Tangible	0.912
Total	0.865

Source: SPSS data.

- ✓ **Results of descriptive statistical analysis of the study variables**

The following table shows the arithmetic mean and standard deviation of customers' evaluation of the banking services;

Table2: results of Arithmetic mean and standard deviation

	Arithmetic mean	standard deviation
Reliability	3.428	0.587
Responsiveness	3.15	1.627
Assurance	4.218	0.461
Empathy	3.536	1.012
Tangible	3.879	0.54
Service quality	3.16	0.947

Source: *Source: made by author depends on Questionnaire outputs.*

From the table above we recognize that the customer' satisfaction about the banking services provided to them is medium which reflects that the quality of services does not live up to the client's aspirations.

While the **Arithmetic mean** and **standard deviation** for the **Reliability**, **Assurance** and **Tangible** dimensions were; 3.428/ 4.218/ 3.879 and 0.587/ 0.461/ 0.54 respectively. Which reflect the positive trends of each dimension and the customer satisfaction. This means that clients have confidence in the employees' ability to provide better services and the confidence in the performance of banks' efforts in providing the required services in the appropriate form and time. In addition to the banks' interest in the external appearance of the bank, its employees, and the waiting rooms.

On the contrary the **Arithmetic mean** and **standard deviation** for both of **Responsiveness** and **Empathy** were; 3.15/3.536 and 1.627/ 1.012 respectively. This indicates the clients' belief that the three banks do not understand the needs of their clients, and the constant communication with them. In addition ; the Services provided sometimes need a longer time, and there is no willingness to respond to all customer needs.

We can conclude the order of service quality' dimensions depending on the client's responses as following;

- ✓ *Responsiveness at first level with Arithmetic mean 3.15 and medium accepted degree.*
- ✓ *Reliability at second level with Arithmetic mean 3,428 and high accepted degree.*
- ✓ *Empathy at third level with Arithmetic mean 3,536 and medium accepted degree.*
- ✓ *Tangibility at fourth level with Arithmetic mean 3,879 and high accepted degree.*
- ✓ *Assurance at last level with Arithmetic mean 4.218 and high accepted degree.*

3.2 Results and discussions

H_0 There is no a statistical significance of the impact of **Service Quality** on the customer satisfaction.

Table3: Test results of the impact of Service Quality on the customer satisfaction.

Dimension	R	R²	T	Sig
Service Quality / customer satisfaction	0.813	0.661	1.372	0.000

Source: SPSS data.

The table shows the effect of the response in achieving the satisfaction of bank customers, as it appears that there is a statistically significant effect between the **Service Quality** and customer satisfaction. The correlation coefficient **R** reached **0.813** at the level of significance $\alpha \leq 0.05$. and the determinant coefficient **R²0.661**: meaning that its value **0.661** from changes in customer satisfaction results from the change in **Service Quality**. While the value of the **T** calculated

1.372 which is greater than the value of **T** tabular at the level of significance $\alpha \leq 0.05$ which confirms the incorrectness of the sub-hypothesis **H₀** and the acceptance of the alternative hypothesis **H₁**.

Result: Service Quality Positively Influences Customer Satisfaction

H₀ There is no a statistical significance of the impact of *Reliability* dimension on the customer satisfaction.

Table4: Test results of the impact of Reliability on the customer satisfaction.

Dimension	R	R²	T	Sig
Reliability/ customer satisfaction	0.466	0.217	4.328	0.001

Source: SPSS data

The table shows the effect of the response in achieving the satisfaction of bank customers, as it appears that there is a statistically significant effect between the **Reliability** and customer satisfaction. The correlation coefficient **R** reached **0.466** at the level of significance $\alpha \leq 0.05$. and the determinant coefficient **R²0.217**: meaning that its value **0.217** from changes in customer satisfaction results from the change in **Reliability**. While the value of the **T** calculated **4.328** which is greater than the value of **T** tabular at the level of significance $\alpha \leq 0.05$ which confirms the incorrectness of the sub-hypothesis **H₀** and the acceptance of the alternative hypothesis **H₁**.

Result: Reliability Positively Influences Customer Satisfaction

H₀ There is no a statistical significance of the impact of Responsiveness dimension on the customer satisfaction.

Table5: Test results of the impact of Responsiveness on the customer satisfaction.

Dimension	R	R²	T	Sig
Responsiveness/ customer satisfaction	0.702	0.492	7.921	0.000

Source: SPSS data

The table shows the effect of the response in achieving the satisfaction of bank customers, as it appears that there is a statistically significant effect between the **Responsiveness** and customer satisfaction. The correlation coefficient **R** reached **0.702** at the level of significance $\alpha \leq 0.05$. and the determinant coefficient **R²0.492**: meaning that its value **0.492** from changes in customer satisfaction results from the change in **Responsiveness**. While the value of the **T** calculated **7.921** which is greater than the value of **T** tabular at the level of significance $\alpha \leq 0.05$ which confirms the incorrectness of the sub-hypothesis **H₀** and the acceptance of the alternative hypothesis **H₁**.

Result: Responsiveness Positively Influences Customer Satisfaction

H₀ There is no a statistical significance of the impact of Assurance dimension on the customer satisfaction.

Table6: Test results of the impact of Assurance on the customer satisfaction.

Dimension	R	R²	T	Sig
Assurance / customer satisfaction	0.621	0.385	7.518	0.000

Source: SPSS data

The table shows the effect of the response in achieving the satisfaction of bank customers, as it appears that there is a statistically significant effect between the **Assurance** and customer satisfaction. The correlation coefficient **R** reached **0.621** at the level of significance $\alpha \leq 0.05$. and the determinant coefficient **R²0.385** : meaning that its value **0.385** from changes in customer satisfaction results from the change in **Assurance**. While the value of the **T** calculated **7.518** which is greater than the value of **T** tabular at the level of significance $\alpha \leq 0.05$ which confirms the incorrectness of the sub-hypothesis **H₀** and the acceptance of the alternative hypothesis **H₁**.

Result: Assurance Positively Influences Customer Satisfaction

H₀ There is no a statistical significance of the impact of empathy dimension on the customer satisfaction.

Table7: Test results of the impact of empathy on the customer satisfaction.

Dimension	R	R²	T	Sig
Empathy / customer satisfaction	0.753	0.567	5.942	0.000

Source: SPSS data

The table shows the effect of the response in achieving the satisfaction of bank customers, as it appears that there is a statistically significant effect between the **Empathy** and customer satisfaction. The correlation coefficient **R** reached **0.753** at the level of significance $\alpha \leq 0.05$. and the determinant coefficient **R²0.567** : meaning that its value **0.567** from changes in customer satisfaction results from the change in **Empathy**. While the value of the **T** calculated **5.942** which is greater than the value of **T** tabular at the level of significance $\alpha \leq 0.05$ which confirms the incorrectness of the sub-hypothesis **H₀** and the acceptance of the alternative hypothesis **H₁**.

Result: Empathy Positively Influences Customer Satisfaction

H₀ There is no a statistical significance of the impact of tangible dimension on the customer satisfaction.

Table8: Test results of the impact of tangible on the customer satisfaction.

Dimension	R	R²	T	Sig
Tangibility / customer satisfaction	0.541	0.292	6.017	0.000

Source: SPSS data

The table shows the effect of the response in achieving the satisfaction of bank customers, as it appears that there is a statistically significant effect between the **Tangibility** and customer satisfaction. The correlation coefficient **R** reached **0.541** at the level of significance $\alpha \leq 0.05$. and the determinant coefficient **R²0.292** : meaning that its value **0.292** from changes in customer satisfaction results from the change in **Tangibility**. While the value of the **T** calculated **6.017**

which is greater than the value of T tabular at the level of significance $\alpha \leq 0.05$ which confirms the incorrectness of the sub-hypothesis H_0 and the acceptance of the alternative hypothesis H_1 .

Result: Tangibility Positively Influences Customer Satisfaction

4. Conclusion

Rapid customer feedback enables the banks to make necessary adjustments, enhance customer relationships, and increase service quality. Challenges of distributing services through electronic channels involve lack of control of the electronic environment and security of information which undermine customer trust, increased price competition, consumer reluctance to change buying patterns, and inability to deliver and customize many services due to lack of personal contact.

Case study' results:

Through the field study of the clients of a group of banks in the province of Djelfa, we reached a set of results, which are summarized as follows:

- ✓ By testing the hypotheses of the study by regression analysis: we found a significant effect for all dimensions of the banking service quality on customer satisfaction at the level of $\alpha \leq 0.05$.
- ✓ Responsiveness at first level with Arithmetic mean 3.15 and medium accepted degree.
- ✓ Reliability at second level with Arithmetic mean 3.428 and high accepted degree.
- ✓ Empathy at third level with Arithmetic mean 3.536 and medium accepted degree.
- ✓ Tangibility at fourth level with Arithmetic mean 3.879 and high accepted degree.
- ✓ Assurance at last level with Arithmetic mean 4.218 and high accepted degree.

Recommendations and suggestions

- ✓ Banking Service providers have a wide choice of channel alternatives; however, they have to evaluate each option carefully to choose the best and most suitable way to distribute their services to customers.
- ✓ After choosing the best channel alternative, the Banks need to select intermediaries and decide how to train and motivate them as well as what measures to use to evaluate their performance.
- ✓ Should design and implement training programs for employees to improve their performance. the front office employees need to be motivated to achieve better results, so service providers should understand intermediaries' needs and offer them adequate financial and non-financial incentives. However, system of rewards should be linked to evaluation standards set by the bank.
- ✓ Banks should facilitate work procedures and reduce the time for providing service to the customer, And developing the offered services by motivating employees and enabling them to provide new services.

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