

Assignment 2 - Week 8

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Course: 5

Topic: Service Quality

1. Introduction

Service quality has become one of the most important factors for success in the banking sector. With increased competition between banks, providing high quality service is the main way to attract and retain customers. Customer satisfaction depends largely on the level of service they receive. This study focuses on measuring service quality at Al Rajhi Bank Jeddah Branch and its effect on customer satisfaction.

2. Problem Statement

Many banks face challenges in providing consistent service quality to all customers. Some customers complain about waiting time, employee behavior, and lack of responsiveness. Therefore, it is important to measure the current level of service quality and identify the main areas that need improvement at Al Rajhi Bank Jeddah Branch.

3. Significance of the Study

This study is important for three reasons.

First, it helps the bank management to understand customer expectations.

Second, it provides practical recommendations to improve service quality.

Third, it adds to the literature about service quality in Saudi banks.

4. Research Questions

What is the level of service quality at Al Rajhi Bank Jeddah Branch from the customers perspective?

What is the relationship between service quality dimensions and customer satisfaction?

Are there statistically significant differences in service quality evaluation due to age, gender, and education level?

5. Research Objectives

To measure the level of service quality at Al Rajhi Bank Jeddah Branch.

To examine the relationship between service quality dimensions and customer satisfaction.

To identify the most important service quality dimension that affects satisfaction.

To provide recommendations to improve service quality at the bank.

6. Research Hypotheses

Main Hypothesis:

There is a significant relationship between service quality and customer satisfaction at Al Rajhi Bank Jeddah Branch.

Sub Hypotheses:

There is a significant relationship between Tangibility and customer satisfaction.

There is a significant relationship between Reliability and customer satisfaction.

There is a significant relationship between Responsiveness and customer satisfaction.

There is a significant relationship between Assurance and customer satisfaction.

There is a significant relationship between Empathy and customer satisfaction.

7. Research Model

This study is based on the SERVQUAL model developed by Parasuraman, Zeithaml and Berry. The model includes five dimensions of service quality. These dimensions are the independent variables. Customer satisfaction is the dependent variable.

Service Quality Dimensions

1. Tangibility: Physical facilities, equipment, and appearance of employees
2. Reliability: Ability to perform the service dependably and accurately
3. Responsiveness: Willingness to help customers and provide prompt service
4. Assurance: Knowledge and courtesy of employees and their ability to inspire trust
5. Empathy: Caring and individualized attention the bank provides to customers

All these dimensions lead to Customer Satisfaction

8. Literature Review

Service quality is defined as the difference between customer expectations and actual performance. According to Parasuraman et al, service quality has five dimensions. Many previous studies have shown a positive relationship between service quality and customer satisfaction. For example, a study in Saudi banks found that reliability and responsiveness are the most important factors for customer satisfaction.

9. Proposed Place of Study

The field study will be conducted at Al Rajhi Bank Jeddah Branch. This branch was chosen because it serves a large number of customers daily. Also, Al Rajhi Bank is one of the largest banks in Saudi Arabia. The study will include customers who visit the branch during working hours. The questionnaire will be distributed inside the branch and through online channels.

10. Expected Research Methodology

The study will use the descriptive analytical method. This method is suitable to describe the current situation and analyze relationships between variables.

Population: All customers of Al Rajhi Bank Jeddah Branch

Sample: 200 customers selected by simple random sampling

Data Collection Tool: A questionnaire with three parts. Part one for demographic information. Part two for service quality 22 questions. Part three for customer satisfaction 5 questions. All questions use a five point Likert scale.

Data Analysis: SPSS software will be used. Descriptive statistics, correlation analysis, and regression analysis will be applied to test the hypotheses.

11. Project Plan

Phase 1: Prepare the questionnaire and get approval from supervisor - Week 8

Phase 2: Distribute questionnaires and collect data - Week 9

Phase 3: Data entry and statistical analysis using SPSS - Week 10

Phase 4: Write results, discussion and recommendations - Week 11

Phase 5: Final review and submission - Week 12

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