

**THE EFFECT OF SERVICE QUALITY ON CUSTOMER
SATISFACTION
IN THE CASE OF ETHIOPIAN SHIPPING AND LOGSTICS
SERVICE ENTERPRISE**

A Thesis Submitted to the school of Graduate Studies of Jimma University in
Partial Fulfillment of the Requirement for the Award of the Degree of
Master of Business Administration (MBA)

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**AUGUST, 2020
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DECLARATION

I, declared that research report entitled “The effects of service quality on customer satisfaction in the Case of Ethiopian Shipping and Logistics Service Enterprise” submitted to Research and Postgraduate Studies’ Office of Business and Economics College is original and it has not been submitted previously in part or full to any university.

Researcher’s Name

Signature

date

CERTIFICATION

We certify that the research report entitled “The effect of service quality on customer satisfaction” in the case of Ethiopian Shipping and Logistics Service Enterprises was done by Mr. Muluneh Gona for the partial fulfillment of Master’s Degree under our supervision.

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ACKNOWLEDGEMENT

First and foremost I would like to thank the Almighty God for his will in helping me to accomplish this thesis.

I would also like render my gratitude to my advisors, Chalchissa Amentie (PHD) and Mr.Belay Chekole for their patience ,understanding and guidance throughout the process and completion of the thesis. Lastly, I would also like to thank all of my friends, Dawit Ayele and Teklemariam Yemanekrstos,who have given support to complete this thesis.

Acronyms

ANOVA	Analysis of Variance
ESLSE	Ethiopian Shipping and logistics Service Enterprise
SERVPERF	Service quality model (Perception)
SPSS	Statistical Package for Social science
SQ	Service quality
VIF	Variance Inflation Factor

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ABSTRACT

The objective of the study was to measure effect of service quality on customer satisfaction in the case of Ethiopian shipping and logistics Service Enterprises head office in Addis Ababa. The study has used the SERVPERF model of service quality with the application of the five service quality dimensions. This service quality dimensions which were developed by Cronin & Tyler (1992), namely tangibility, reliability, responsiveness, assurance and empathy were used to measure the level of customers satisfaction & service quality of Ethiopian shipping and logistics service enterprise .The study used quantitative and qualitative research approach. This research has been used both descriptive and explanatory type of research design .In order to achieve the objectives primary & secondary source of data was used .Primary data were collected from the customer using self-administered questionnaires. From the total population 234 of sample respondents was selected using simple random sampling method and out of sample 215 questionnaires were properly filled & returned for data analysis. Both descriptive and inferential statistics have been used to find mean score, standard deviation ,percentage ,correlation and regression of the study. The study tested hypothetical relationships between five dimensions of service quality and customer satisfaction. The result of the analysis shown that empathy and tangibility have positive and significant effect on customer satisfaction however responsiveness, assurance and reliability have positive and insignificant effect on customer satisfaction. Pearson correlation analysis was conducted to examine the relationship between service quality dimensions and customer satisfactions and the result shows that all the five service quality dimensions have moderate or average positive relationship with customer satisfaction. So the researcher has recommended Ethiopian shipping and logistics service enterprise needs to give more emphasis to empathy and tangibility dimensions of service quality to improve the level of customer satisfaction.

Keywords:-*Service, Quality, Service quality ,Customer satisfaction ,SERVPERF.*

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The service industry is highly dynamic industries as customers often demands change. These changes further drive the service provision and delivery forward with increasing demand for quality (Biljana & Jusuf ,2011). Since services are intangible in nature their success and failure is not easily measured or quantified. The success of any service delivering organization can be measured in terms of its customers' attitude towards the service delivery practiced which means service quality will be the dominant element in customers' evaluations of a given service (Oliver, 1997). Customers' go to service providers expecting to get a quality service and the level of expectation among each individual varies. Finding out what customers' expect is essential in providing a quality service. This can be done through marketing research focusing on issues such as what features are important to customers, what levels of these features customers expect and what customers think the company can and should do when problem occur in service delivery (Miles, 2013). Services vary in many ways and include various stages (Lovelock & Wirtz,2004) defined service as "an actor performance made by one party to another although the process may be tied to a physical product, the performance is transitory, often intangible in nature and does not normally result in ownership of any of the factors of production". It is an economic activity that creates value and provides benefits for customer at specific time and place by bringing about a desired change in or on behalf of the recipient of the service (Parasuraman, 1985).

In a service business, the customer and the front-line service employee interact to create the service. Effective interaction, in turn, depends on the skills of front-line service employees and on the support processes backing these employees. Thus, successful service companies focus their attention on both their customers and their employees (Oliver, 1997). Unlike product Manufacturers who can adjust their machinery and inputs until everything is perfect, service quality will always vary, depending on the interactions between employees and customers (Kotler & Armstrong, 2012). In the service sector, the quality of service is a key strategic Value and has become a strategic instrument for firms since 1990s. Because; service quality has close relationship with customer satisfaction, customer retention, and positive word of mouth

(Zeynep & Mutlu,2009).Service providing is characterized by its intangibility or lack of physical attributes of its outcome. Customers evaluate the quality of a service with regard to the element they actually experience in the course of the service delivery and of course, on their perception of the outcomes .Service is inseparable of production and consumption. The service quality can only be assessed against customer's subjective, nebulous expectation and past experiences. Services are produced and consumed simultaneously therefore they cannot be stored, inventoried or inspected prior to delivery as manufactured goods are (Grönroos, 1990 cited by Maria & Katerina, 2008).As competition in the services sector is constantly increasing, the ability of companies to understand their customers and ensure their satisfaction with the services received is becoming more and more significant. Most scientists in their work, such as: (Campos & No'brega, 2009), (Chee & Noorliza,2010),(Chen, Chang & Lai,2009),(Huang & Huang,2012),(Davidavičienė & Meidutė, 2011), (Jaiswal ,2008),(Jayawardhena ,2010),(Juga, Juntunen & Grant, 2010), (Lu & Jang, 2010),(Meidutė, Litvinenko & Aranskis ,2012),(Mentzer, Flint & Kent ,1999),(Mentzer, Flint & Hult,2001),(Kilibarda, Zečević & Vidovic, 2012)and(Panayides, 2007) note that the client is the most important part of any business of the service sector. Assessing this, it is important to keep in mind that the activity of the service sector oriented exactly to the clients and its results directly dependent on customer choice. According to (Liu & Xie ,2013),(Xie, Wang & Lai ,2011),(Rahman, 2008),(Tapiero & Kogan ,2007), (Hays &Hill ,2006) and (Balachandran & Radhakrishnan ,2005), quality is the basis for the functioning of the service sector, thus one of the main tasks of the rapidly growing service sector is to ensure the quality of service to the customers. Considering this, it is safe to say that one of the most important current logistics business success guarantors is the quality of the provided services, especially knowing that a service is an impalpable act or process (Chen, Chang, & Lai, 2009) and (Huang, Wang, & Xue, 2012), therefore it is closely related to the satisfaction of the clients' needs .According to many authors (Zeithaml, Berry, & Parasuraman, 1993), (Woodall, 2001),(Chapman, Soosay, & Kandampully, 2003) and (Gorla, Somers, & Wong, 2010), expectations' manifestation depends on how customers perceive and interpret the environmental factors influencing the formation of expectations. Some factors may be controlled by a company, foreseen and be prepared for, but other factors depend on the clients in a larger extent (psychological, cultural, social), therefore logistics companies face a huge challenge to understand their customer, find out his needs and strive to meet customer expectations.

Considering this, logistics companies need to keep in mind that seeking competitive advantage and customer circle's growth, they must immediately ensure the customer's acknowledgement as a service provided one time is remembered for a long time and the fact whether it was qualities or no further will determine the client's choice; and this means to the logistics company whether it was able to attract or retain a customer or not.

Satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Failure to meet needs and expectations is assumed to result in dissatisfaction with the product or service (Zeithaml & Bitner, 2000). According to Kottler and Keller (2006), customer satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied if the performance exceeds expectations; the customer is highly satisfied or delighted. Derive from the service industry's advertising, the customers form service expectations, by word of mouth, and based on their past experiences, they would in turn compare the perceived service against the expected service. Realistically, if the perceived service is below the expected service, the customers will feel disappointed. On the other hand, if the perceived service meets or exceeds their expectations, they will be willing to patronize again (Kotler, 2003).

Due to growing competition in the shipping industry, providing high level of customer satisfaction is an important element to sustain in the dynamic business environment (Midorio, 2005). In general, as shipping firm can satisfy its customers by offering low-cost or differentiated services can sustain and be profitable in the industry (Kotler & Armstrong, 2010). One way to differentiate a firm's services from its competitors is by offering high quality services (Dadfar & Brege, 2012). However, service quality (SQ) is abstract measurement, and numerous models were proposed in the literature to measure the service. The most prominent models are SERVQUAL and SERVPERF, which consists of five service quality dimensions. They are tangibles, reliability, responsiveness, empathy, and assurance (Parasuraman et al., 1985)

The models were claimed to be broad and can be applied invariantly across all contexts. However, there have been growing conditions that the interpretation of SQ differs across industries, customer groups and cultures (Ladhari, 2009). In the context of shipping,

Chen,2009) found that SERVQUAL suffers from both discriminate and convergent validity when it was applied to samples consisting of shippers and freight forwarders. Attributing to the aforementioned criticisms, a few SQ models that tailor to the shipping industry were subsequently proposed (Kang & Kim,2009).Some of the models further accounted for sector differences. For example, SQ in tramp shipping was recently studied (Thai,2014). However, research on defining SQ in shipping is scant, despite its dominant role in transporting semi-processed components and finished products globally (Lobo,2010).

Service quality and customer satisfaction have been proven from past researches to be positively related (Kuo, 2003). It has been proven that service quality could be evaluated with the use of SERVQUAL and SERVPERF dimensions of service quality models that is technical and functional (Bennett&Barkensjo,2005) with the customer perspective, yet SERVPERF model is a method of evaluation for service quality particularly it is very important for shipping customers.

1.2 Back ground of the organization

To maintain the commendable economic growth that has been registered in the country over the last several years, one of the strategic measures taken by the Federal Government of Ethiopia is merging the former three public enterprises that have until recently been operating separately and interdependent maritime sub-sectors; namely, Ethiopian Shipping Lines S.C, Maritime& transit Services Enterprise and Dry Port Enterprise.

This newly amalgamated enterprise came into being following the issuance of Regulation by the Council of Ministers (Regulation No. 255/2011),and is vested with the huge responsibility of rendering sea-transport & logistics services to the country's importers, exporters, and investors in a more effective and efficient way, by reducing transit time, cost and handoffs. Besides, a truck operating company named Comet Transport SC has recently been transferred to ESLSE following a government decree issued in the mid of 2014.

1 Major Services Delivered by Shipping Sector

Sea Transport Services:- The main focus of the Shipping Sector of ESLSE is to provide Coastal and International Marine Transport services to and from Djibouti Port, through the Ports of: Gulf and Indian sub-Continent, China, Korea, Japan, Singapore, South Africa, and Indonesia. The Shipping Sector provides uninterrupted sea transport service in and around the above ports with own ships as well as via slot chartering of major global carriers.

Agency Services:- ESLSE's Shipping Sector branch office, at city and port of Djibouti makes prompt notification to port authorities, whenever its own ships as well as other principal ships call to port and process all due formalities. It makes all the necessary provisions available for the ships and their crew. It prepares timely notifications for importers, and facilitates seamless flow and recollection of containers at Djibouti port. It also provides booking and canvassing services for huge amount of Ethiopian export goods destined to various parts of the world.

Stevedoring:- ESLSE is one of the major stevedores in the port of Djibouti that provide efficient loading and discharging service of import and export cargoes, by making use of modern port equipment. In this case, ESLSE discharges various types of import cargoes from ships. It also renders stuffing service, thus facilitating the loading of cargoes for shipment. It also avails needed containers timely and expedites the recollection of empty containers to carriers.

Shore handling:-This service includes safe storage of discharged cargoes from vessels in Djibouti Port until they have been transported to their destination in the country. ESLSE's Djibouti branch provide coordinated and efficient shore handling services with its CLT (Container Lifting Trucks), trucks, truck trailers, tractors and forklifts of various capacities. Cargoes under ESL's custody are handled with care and maximum discharging and dispatching rates. In case of bulk cargoes and other containerized goods, a quick direct delivery service is provided with minimum transit time. In this manner a number of gangs are operated in all the three shifts throughout the day.

2 Services Delivered by Freight forwarding sector

The freight forwarding Sector of the enterprise is mainly concerned with multimodal and unimodal service provisions of import and export cargoes.

Multimodal transport service: this is a door-to-door cargo service with SAD

(single administrative document) from the point of origin to the point of destination.

In ESLSE's case, the cargoes are shipped all the way from the port of their origin via Djibouti port and finally to Modjo Dry Port as well as other inland ports. Therefore, ESLSE as official Multimodal Operator /MTO/, takes all possible care to the cargo under its custody, as of the time the shipment is confirmed and ordered.

Uni-modal transport service:- involves one mode of transportation, i.e. Sea, Rail or Road or Air freight of cargo. Here services are disintegrated with many operators and agreements involved. In ESLSE's case, the uni-modal service ends at port of Djibouti, after which the consignee will choose his/her transporter and/or transporter and enter agreement with to receive cargo in the hinterland of the country.

Custom and Port Clearing:- Introducing time saving and reliable documentation process, ESLSE accomplishes, with utmost care, port and customs formalities and enables import-exported cargoes to arrive at appropriate destination.

Trucking:- ESL is equipped with modern heavy trucks with the objective of speeding up transportation of freight from Djibouti to inland ports or other designated destinations and vice versa. In this regard, ESL originally had 60 heavy duty trucks with a total lifting capacity of 2400 tons of dry cargo at a time. Its recently transferred company, Comet Transport SC, runs around 205 heavy duty trucks of its own. With Comet now merging with ESLSE, the Enterprise's (ESLSE's) current fleet size has increased to 265. Besides, last years, ESLSE and Comet jointly entered into Agreement Contract with Renault Trucks for the supply of 215 brand new heavy duty trucks by early 2015. This will soon raise the land fleet capacity of ESLSE to 480 trucks. Apart from its own trucks, ESLSE sub-contracts all the necessary trucks for direct or consolidated cargo delivery from private and public transport operators.

3 Services Delivered by Port & Terminal sector

It is essential that all imported goods have to timely serve the purpose they are intended for. They should reach the ultimate user at the right time. However, just before the import cargoes are supplied to the desired clients, they should be safely kept and processed in the dry ports. The Port & Terminal Sector of the Enterprise is a point of destination to Ethiopia's imports and a point of consolidation for exports, where goods are loaded and unloaded; customs formalities are completed; goods are temporarily stored, stuffed and un-stuffed, made ready for transport, and dispatched to their final destinations.

Major services delivered in Port and Terminal Sector

includes:

- ✓ Receiving and delivering cargoes
- ✓ Cargo loading and unloading
- ✓ Stuffing and un-stuffing of container goods
- ✓ Temporary storage for import and export cargoes
- ✓ Container cleaning and maintaining
- ✓ Weight bridge
- ✓ Customs control and clearance
- ✓ Banking and Insurance

The Enterprise endeavors to make these services more efficient and convenient to importers and exporters and play a crucial role in the logistics value chain.

1.3 Statement of the problem

Customer satisfaction is the key for the success of businesses and all marketing mix elements in addition of that in the world of competition, service quality is the most important parameter that needs critical attention for an organization to exceed its competitors (Kotler,P &Keller,KL 2009). This is especially true in the service sector where there is frequent interaction with customers which hold the highest stake in ensuring the organization exceeds its competitors and enhance in the service it provides. In winning this competition, it is obvious that customer satisfaction is a critical issue as it is highly correlated with the quality of services provided by competing organization (Sivadas & Baker-Prewitt, 2000).

Ethiopian shipping and logistics service Enterprise is the only enterprise in Ethiopia provide sea and in land transport services from Djibouti port to different dry ports found in different selected regions like Modjo, Comet, Semera, Mekele, Gelan, Combolcha, Adama Nazareth and in to bonded warehouse specially for those customer get license permit from Ethiopian custom authority with the help of its own trucks and hired trucks from higher transportation companies. Due to the rapid growth of Ethiopia economy and the globalization of the world the amount and the types of cargoes deliver to Ethiopia increased in higher rate and Ethiopian shipping and logistics enterprise in logistics transport sector uses its own efforts in order to satisfy its customer.

Several studies done on service quality and customer satisfaction in service organization in Ethiopia. Those studies were conducted on other service organization like banks, hotels and Ethiopian electric power corporation. Few studies have been done on logistics practice and customers satisfaction in Ethiopian shipping and logistics transport service, the result indicates that Ethiopian Shipping and Logistics Service Enterprise at logistic transport sector faces various problems especially with rendering quality service by designed delivery system for their customers and those study are not enough to give generalization about the effect of service quality on customers satisfaction on logistics transport service sector. (Fekadu,2013 & Asfaw ,2014)

Being one of service offering organization the quality of service offered by Ethiopian Shipping and Logistics Service Enterprise crucial for its survival and profitability. However customers is complaining with regarding to service quality provide by the organization because of different factors mentioned below those identified from annual reports and researcher informal observation:

- ✓ The existence of inconsistency and variation between service quality specifications of the organization and the service actually provided to customers.
- ✓ Unavailability of improved technology and know-how to provide services to customers they need, due to that customers are complaining in delay of delivery cargo.
- ✓ Un reasonable service selling price
- ✓ Other related factors

1.4 Research questions

The following were the research questions of the study:-

1. What is the effect of tangibility on customer satisfaction?
2. What is the effect of reliability on customer satisfaction?
3. What is the effect of responsiveness on customer satisfaction?
4. What is the effect of assurance on customer satisfaction?
5. What is the effect of empathy on customer satisfaction?

1.5 Objectives of the study

1.5.1. General objective

The general objective of this study is to assess the effect of service quality on customer satisfaction in the case of Ethiopian Shipping and logistics service enterprise.

1.5.2. Specific objectives

1. To assess the effect of tangibility on customer satisfaction
2. To assess the effect of reliability on customer satisfaction
3. To examine the effect of responsiveness on customer satisfaction
4. To analyze the effect of assurance on customer satisfaction
5. To assess the effect of empathy on customer satisfaction

1.6 Hypothesis

Based on research objectives and theoretical reviews, the research hypotheses were derived as follows:-

1. Tangibility has positive effect on customer satisfaction
2. Reliability has positive effect on customer satisfaction
3. Responsiveness has positive effect on customer satisfaction
4. Assurance has positive effect on customer satisfaction
5. Empathy has positive effect on customer satisfaction

1.7 Significance of the study

The study will add new knowledge to the existing literature and stepping stone for academicians to carry out further studies on the area. Also the study will be used for managements of the enterprise to identify strengths and weaknesses of the service delivered by the enterprise and effect on customer satisfaction. Moreover, as employees are one of the stakeholders, it will help to evaluate service delivery through the eyes of the customer.

1.8 Scope of the study

The study focused on the effect service quality on customer satisfaction based on five service quality dimensions such as tangibility, reliability, responsiveness, assurance and empathy by using SERVPERF model. However there are a number of newly emerging branches and dry ports under Ethiopian Shipping and Logistics Enterprise this study has been geographically delimited in the head office, Addis Ababa due to time and budget constraint.

1.9 Organization of the paper

The study is organized in five chapters. The first chapter is the introductory part composed of background of the study, statement of the problem, basic research questions, objectives of the study, Significance of the Study and Scope the study. The second chapter deals with review of related literature and previous study related to the topic. The third chapter contains research design and methodology of the study. The fourth chapter presents results and discussion. The fifth chapter presents summary of finding, conclusion, recommendations, limitations and suggestions for future research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical Literature Review

2.1.2 Service

According to Kotler and Armstrong (2012), “service can be defined as economic activities that produce time, place, form, or psychological utilities”. Many service firms have become successful by identifying a previously unrecognized or unsatisfied customer wants. (Messay, 2012) stated “services are identifiable, intangible activities that are the main object of a transaction designed to provide want satisfaction to customers”. (Messay, 2012) also stated that the travel, hospitals, finance, entertainment, health care communications, utilities and professional services fields are prime examples. Recognizing the importance of marketing, many of these industries and organizations within them are now adding marketing-related personnel. According to (Kotler, 2012) “services are growing ever faster in the world economy, marketing up a quarter of the value of all international trade”. A service is an act or performance that one party can offer to another that is essentially intangible and doesn’t result in the ownership of a thing. Its production may or may not be tied to a physical product. (Kotler, 1998)

2.1.3 Nature and Characteristics of Services

According to Bitner et al. (1993) service has four characteristics:-intangibility, inseparability, heterogeneity and perish ability.

Intangibility of Services (Regan,1963):- Introduced the idea of services being activities, benefits or satisfactions which are offered for sale or provided in connection with the sale of goods. The degree of intangibility has been suggested as a means of differentiating tangible products with services. Most of the time, services are explained as being intangible since their outcome is considered to be an action rather than a physical product highlight the fact that the degree of tangibility has implications for the ease with which consumers can evaluate services and products (Zeithmal et al. 1985).

Inseparability of Services:-is taken to show the simultaneous delivery and consumption of services and it is believed to enable consumers to affect or shape the performance and quality of the service (Zeithmal et al. 1985).

Heterogeneity of Services: - reveals the degree of high variability in service delivery. This is Particular problem for services with high labor involvement, as the service performance is delivered by different people and the performance of people can vary from day to day and also from person to person. Besides, it offers the opportunity to provide high degree of flexibility and customization of the service and this can be used as a benefit and point of differentiation (Wolak et al., 1998). **Perish ability of Services :-** The notion of perish ability reflects services cannot be stored and carried forward to a future time period and suggest that services are time dependent and time important which make them very perishable. The issue of perish ability is primarily the concern of the service producer and that the consumer only becomes aware of the issue when there is insufficient supply and they have to wait for the service (Bitner et al.,1993).

2.1.4 Quality

There are many definitions of quality derived by different scholars. According to Crosby (1984), quality is defined as conforming to requirements. This implies that service providers should establish requirements and specifications and once these specifications are established, the quality goal of the various functions of the service providers is to comply strictly with them. Deming (1983) as cited by Juran (1988) defined quality as those features of products which meet customer needs and thereby provide customer satisfaction. Adrian (1995) united these two definitions and stated the concept of customer perceived quality: quality can be defined only by customers and occurs when an organization supplies goods or services to a specification that satisfies their needs. The purpose of higher quality is to provide greater customer satisfaction. However, providing better quality features usually requires an investment and hence usually involves increases in costs. Good quality means a predictable degree of uniformity and dependability with a quality standard suited to the customer. The level of quality to which a service is designed is a crucial element in the total service offer. Quality is an important factor used by customers to evaluate the service of one organization in comparison with the offers of others.

In service marketing, quality is the perceived level of performance of a service, but it can be difficult to measure quality parameters and also to identify which quality factors customers attached importance to. The intangible nature of service quality standards is reflected in the difficulty that services companies have in designing quality standards that will be readily accepted by potential customers. Customer expectations form an important element of quality, a service that fails to meet the expectations of one customer may be considered to be poor quality, while another cus-

customer receiving an identical service but not holding such high expectations may consider the service to be a high quality standard, Andria Palmer(1995).

2.1.5 Service quality

In today's increasingly competitive business environment, service quality is essential for the success of any organization. Service quality is important aspect that affects the competitiveness of business. Organizations should always increase the quality of service continuously since there is no assurance that the current outstanding service will be suitable for future. Thus, they should develop new strategy to satisfy their customer and should provide quality service to gain competitive advantage over competitors (Siddiqi, 2011).

Service quality is considered an important tool for a firm's struggle to differentiate itself from its competitors (Ladhari, 2009). The relevance of service quality to companies is emphasized especially the fact that it offers a competitive advantage to companies that strive to improve it and hence bring customer satisfaction. The challenge in defining service quality is that it is a subjective concept, like beauty. Everyone has a different definition based on their personal experiences. It has also received a great deal of attention from academicians, practitioners and services marketing literature, service quality is defined as the overall assessment of a service by the customer. Researcher points out that, by defining service quality, companies will be able to deliver services with higher quality level presumably resulting in increased customer satisfaction. Understanding service quality must involve acknowledging the characteristics of service which are intangibility, heterogeneity and inseparability. In that way, service quality would be easily measured (Negi et al., 2009). (Crosby,1984) defined quality as conformance to requirements. This definition implies that organizations must establish requirements and specifications. Once these requirements and specifications are established, the quality goal of the various functions of an organization is to comply strictly with them. Quality also defined from different point of views, from customer point of view quality means fitness for use and meeting customer satisfaction and from process point of view it means conformance with the process design, standards and specifications. Quality may also be defined as the degree of excellence at an acceptable price from product point of view and from the cost point of view it means best combination between costs and features. A solid foundation in defining and measuring service quality was emanated in the mid-eighties by (Gronroos, 1984) and (Parasuraman et al. 1985). They were amongst the earliest scholars laid down the foundation for the definitions as well as development of service quality.

Service quality defined as the degree and direction of discrepancy between consumer's perceptions and expectations in terms of different but relatively important dimensions of the service quality, which can affect their future purchasing behavior. This definition clearly shows That service quality is what customers assess through their expectations and perceptions of a service experience. Customer's perceptions of service quality result from a comparison of their before-service expectations with their actual service experience. Service quality is based on a comparison between what the customer feels should be offered and what is provided (Parasuraman et al., 1985).

If the customer's expectations are meeting or exceeded, then the company is perceived to be offering higher service quality. But if on the other hand, if the expectations of the customers are not meet, the company is on its way not only to face displeased and hostile customers, which in turn leads to defection to competitors. Customer's expectation serves as a foundation for evaluating service quality because, quality is high when performance exceeds expectation and quality is low when performance does not meet their expectation. Expectation is viewed in service quality literature as desires or wants of consumer that is, what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988).

2.1.6 Dimensions of Service Quality

Silvestro (2005) states that, "the only criteria that count in evaluating service quality are those defined by the customer" According to Nowacki (2005), Parasuraman, Zeithaml and Berry established 10 service quality dimensions that customers use to judge the quality of the service offered in 1984. The ten dimensions are not necessarily independent of each other. There could be some overlap between the categories. As a result of a further study, Parasuraman *et al* (2000) combined the ten original determinants into five dimensions of quality: tangibles, reliability, responsiveness, assurance (including competence, courtesy, credibility, security) and empathy (including access, communication and understanding).

These five dimensions are found relevant for various business services. Customers will use all or some of the dimensions to determine service quality perceptions. Research suggests that cultural differences will also affect the relative importance placed on the five dimensions. Tangible features, such as the personnel's or exhibition's appearance, are relatively easy to assess. However, intangible features such as safety and understanding clients' needs, may be very difficult for the professional and the client to evaluate (Zeithaml et al., 2006).

Tangibles

According to Khan and Fasih (2014, after, Blery, Batistatos, Papastratou, Perifanos, Remoundaki and Retsina, 2009), tangibles are seen to be perceptible by touch or a visible existence. Information and Communication Technology (ICT), tool, sites, company's employees and any visible facilities form the tangible dimension of service quality. However, these tangibles are applied in various ways by the service providers and are perceived and experienced on different levels by the end users. Tangibles are especially important to service delivery firm's as they are crucial variables to developing strong, positive and inspiring customer association and experience, through its proprietary assets (Naidoo, 2014).

Reliability

The process in which service provider remains faithful in rendering services to its customers can be considered as the reliability dimension of service quality (Khan & Fasih, 2014, after, Blery, et al., 2009). Reliability assures the customer of a service provider's ability to consistently provide a perceived quality of service. Reliability has an impact on trust and the overall impression left in the mind of a customer after service consumption (Abd-El-Salam, et al., 2013). The reliability dimension of service quality is vital and perceived through the people aspect of service quality (Kaura, et al., 2012).

Assurance

Khan and Fasih (2014, after, Blery, et. al., 2009), states that the process of acquired knowledge being showcased by staffs in executing their term of preferences during service delivery can be highly assuring to customers this gives customers the confidence that the service delivery representative will perform his/her duty professionally and ethically. Naidoo (2014) argues that not all customers have the expertise to understand the quality of service and values they received, and as such may require effective communication or personal explanations to understand the value they receive. This service quality dimension is performed through the people aspect of service quality (Kaura, et al., 2012).

Empathy

Khan and Fasih (2014, after, Blery, et. al., 2009) state that empathy is the ability for service delivery firms to pay attention to individual customer problems and demands, then address these issues effectively. Khan and Fasih (2014, after, Blery, et. al., 2009) also argues that the way the company takes responsibility to address problems faced by their customers on an individual or group

level is classified as empathy. This service quality dimension is perceived through the people aspect of service quality (Kaura, et al., 2012).

Responsiveness

The process in which service providers react quickly to resolve customer problem positively within a given time is called responsiveness (Blery, et. al., 2009). This dimension of service quality is perceived through the people aspect of service quality. However, information technology advancement like emails, webpage and customer service interface improves the responsiveness of service delivery firm (Kaura, et al.,2012).

2.1.7 Service Quality Models

Some of the main and most used service quality models which are more accepted in field of service quality measurement evaluated in this section. Strengths and weaknesses of each model discussed in order to represent the best fit model in the service quality measurement.

2.1.7.1 Gronroos Model

The early conceptualization of service quality model is formed by Gronroos (1982 & 1984). He believed that if a firm wants to be successful, it is vital for the business operator to understand the customers' perception on the service provided. Service quality management means matching the perceived quality with expected quality and keeping this distance as small as possible in order to reach customers' satisfaction. He suggested three dimensions of service quality. The first dimension, Technical (outcome) means what customers received as a result of interaction with a service firm. The other component is Functional (process) which means how a technical service received by customer. The way of service process is very important in customers' evaluation on the service quality. However, the service outcome received by the customers is upon their desire and the process of receiving service has influence onto the customers' evaluation and view of the service. By comparing these two factors of service the quality expected and received by the customers, we can get the perceived service quality. The third dimension of service quality in this model is Corporate Image which is the customers' view of corporate or brand. The customers' expectation is influenced by their view of the firm and it is the result of how customers perceived firm services. Therefore, the image is built up by the technical quality and functional quality. There are other less important factors that can affect image such as: traditional marketing activities (i.e., advertising, pricing, and public relations), ideology, tradition, and word-of-mouth. It was the first attempt to introduce a real model for measuring perceived service quality. The main problem of this model was the lack of

explanation for measuring technical quality and functional quality. In the years after, Rust and Oliver (1994) developed this model by adding one more dimension to Gronroos' (1984) model that is Service Environment. The other two dimensions suggested by them were called service product (i.e., technical quality) and service delivery (i.e., functional quality) but they did not test their model and a few supports were found using and testing this model.

2.1.7.2 GAP model

Gronroos model was based on disconfirmation model that puts perceived service against expected service. Disconfirmation model is based on product quality literature which is the base of service quality. Based on disconfirmation model, Parasuraman, Zeithaml, and Berry (1985) suggested a new model for service quality measurement by measuring the gap between perceived service and expected service. The construction of their theory for using the gap analysis in service quality is shown in figure 2.1. In this exploratory study, they found five gaps between expectation and perception in service quality to be measured.

They proposed the gap analysis for service quality by measuring the difference between expectation and service performance. In this model they found five gaps to be measured:-

Gap 1: The difference between consumers' expectations and management perceptions of the customers' expectations

Gap 2: The difference between management perceptions of consumers' expectation and service specifications

Gap 3: The difference between service quality specifications and service provided

Gap 4: The difference between service provided and external communications to the customers

Gap5: The difference between customers' expectation and consumers' perception of the service. This gap depends on four gaps associated with service quality delivered on marketer side. Gap 5= f (Gap1, Gap2, Gap3, Gap4)

Frost and Kumar (2000) have developed an internal service quality gap model based on the concept of GAP model (Parasuraman et al., 1985). The purpose of this model is to evaluate the dimensions, and their relationships that determine service quality among internal customers (front-line staff) and internal suppliers (support staff) within a large service organization.

Gap 1 shows the difference between support staff's perception (internal supplier) and the front-line staff's expectation (internal customers). Gap 2 is the significant difference between

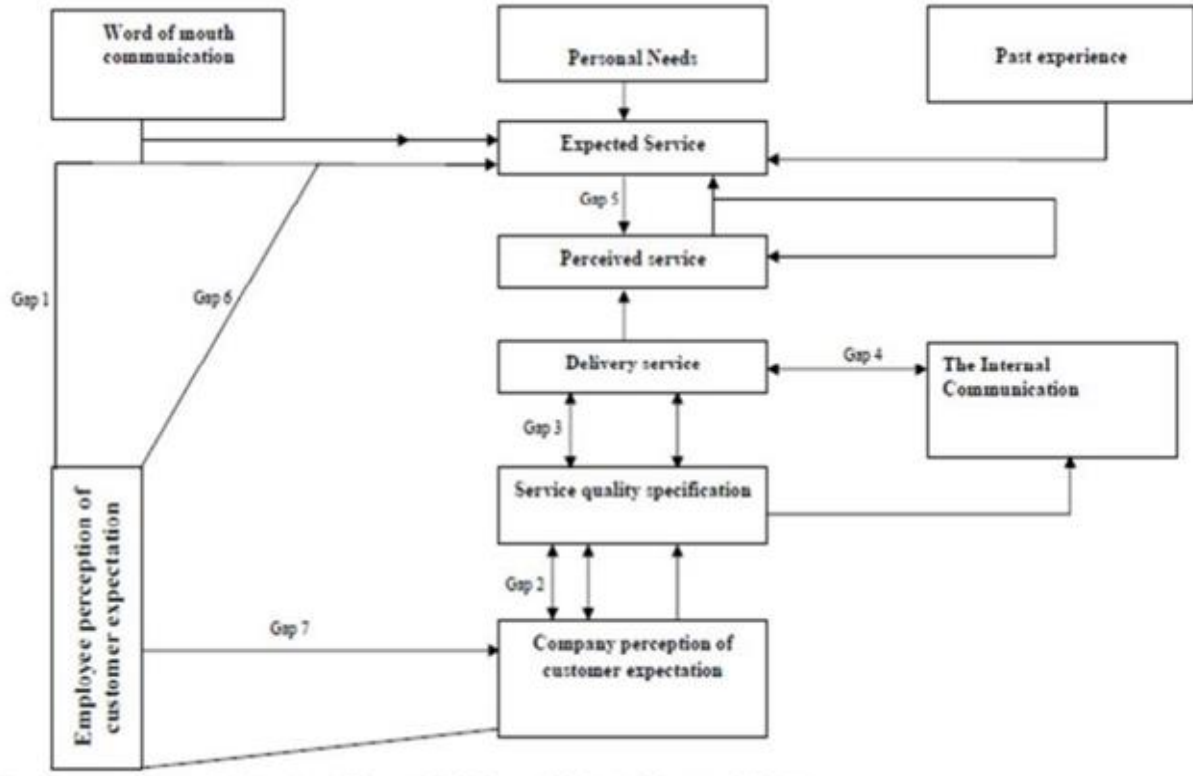
service quality specifications and the service actually delivered resulting in an internal service performance gap. Gap 3 focuses on the front-line staff (internal customers). The gap is based on the difference between front-line staff's expectations and perceptions of support staff's (internal supplier) service quality.

Moreover, Luk and Layton (2002) developed the traditional GAP model of Parasuraman et al. (1985) by adding two more gaps. They believe employees are also involved separately from managers to the measurement. As a result, they add the employees' perceptions of consumers' expectation and found the gap between expected services by consumers and employees' perceptions of consumers' expectation. The second gap added was the difference between employees' perceptions of consumers' expectation and the management perceptions of Consumers' expectations.

Based on the gap between expectations and perceptions of the consumers, Parasuraman et al., (1985) suggested 10 dimensions for measuring the gaps in their service quality model; reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding, and tangibles. In 1988 they refined their finding and model but the construction of the model and theory remains the same with the dimensions reduced into five, reliability, responsiveness, assurance (which contains communication, competence, credibility, courtesy, and security), tangibles, and empathy (which contains access and understanding). They named the refined model as SERVQUAL. This model was revised in 1991 and 1994, but its construction and dimensions remain the same with the five suggested dimensions.

Parasuraman et al., (1985&1988) attempted to take the advantage of comparing with Gronroos model by suggesting the measurement for service quality. SERVQUAL model is a useful tool for managers to identify the gaps in their service (Seth, Deshmukh, & Vrat, 2005). This model is the most used by scholars and practitioners. Although SERVQUAL is the most famous model in service quality after years of researching in this model, scientists noted that the method offered in this model for measuring gaps in different levels is not clear (Brady & Cronin, 2001a; Seth et al., 2005). Most researchers believe that measuring the gap between expectation and perception is not psychometrically able to obtain superior assessment of service quality (Brady & Cronin, 2001a

Fig.2.1 Service quality gaps model



Source ;Parasurmane etal,1985.

2.1.7.3 SERVPERF model

Although SERVQUAL model is a good measurement for many industries, researchers reported that this model is not suitable for some others business environment (Dabholkar, Thorp & Rentz,1996). By years of study on this model and more debates among scientists, some stated that this model is not comprehensive in different applications (Brady & Cronin, 2001a; Dabholkar et al., 1996; Shahin & Samea, 2010). In 1992,Cronin and Taylor suggested the refined model by considering performance as the only factor needs to be measured for service quality. They argued that service quality is a consumers' attitude and the performance (perceived service) of the service is the only measurement for service quality. Investigating service quality relationship with consumers' satisfaction and purchase intention was their study; they believe service quality is an antecedent of consumers' satisfaction. They suggested a new model for service quality based on SERVQUAL with respect to the conceptualization and measurement of service quality which used performance as the only measurement for service quality model called SERVPERF. In this new model, Cronin and Taylor (1992) proceeded

to measuring performance (perceived service) with the same dimensions as reliability, responsiveness, assurance, tangibles, and empathy for service quality measurement instead of “expectation-perception” difference. The research finding showed SERVQUAL factors are inconsistent, and SERVPERF is a more accurate measurement for service quality in comparison with SERVQUAL (Cronin & Taylor, 1994; Seth et al., 2005).

2.1.8 Customer Satisfaction

Customer satisfaction has been one of the top tools for a successful business. Customer satisfaction is defined as an overall evaluation based on the total purchase and consumption experience with the good or service over time (Fornell, Johnson, Anderson, Cha & Bryant, 1996). With marketing, customer satisfaction also comes along with it which means it ascertains the expectation of the customer on how the goods and services are being facilitated by the companies. Actionable information on how to make customers further satisfied is therefore, a crucial outcome (Oliver 1999.) At a glance, customer satisfaction is a crucial component of a business strategy as well as customer retention and product repurchase. To maximize the customer satisfaction companies should sell ideas and methods after the completion with all the necessary documents. As for example, customers will buy a car after taking a closer look at it such as how is the engine, what is its model, how many kilometers it has been traveling, and is there any cracks or not. Therefore, they do not feel disappointed after purchasing it. Otherwise, if the company uses only their sell and build method customers might expect that the car is exactly the same as what they see in the pictures or during the exhibition and later on the company might receive complaint if anything is wrong. Customer satisfaction is a barometer that predicts the future customer behavior (Hill, Roche & Allen, 2007.) However, the product and its features, functions, reliability, sales activity and customer support are the most important topics required to meet or exceed the satisfaction of the customers. Satisfied customers usually rebound and buy more. Besides buying more they also work as a network to reach other potential customers by sharing experiences (Hague & Hague, 2016) The value of keeping a customer is only one-tenth of winning a new one. Therefore, when the organization wins a customer it should continue to build up a good relationship with the client. Providing the quality of goods and services in the 20th century is not only to satisfy the customers but also to have a safe position. Indeed, this has benefited the customers significantly on consuming qualitative products (Rebekah & Sharyn, 2004.)

Customers often look for a value in the total service which requires internal collaboration among the department that is responsible for different elements of the offering, such as the core product (goods or services) delivering the product, product documentation, etc. Moreover, from profitability and productivity perspectives only activities that produce value for customers should be carried out. Hence, firms have to get to know their customers much better than has normally been. However, the company should be able to build trust with the customer so it is easy to get the feedback from the customer. This is how customer oriented product or service could be developed (Hill, Brierley & MacDougall, 2003.) Customer satisfaction is dynamic and relative. Only the idea “customer-centric” can help companies improve satisfaction and keep customer truly, conversely, if competitors improve customer satisfaction, then it may loss corporate customers. While improving customer satisfaction, customer expectations should be noticed. Service quality, product quality and value for money have a direct positive impact on customer satisfaction. Employee satisfaction is equally important before achieving the customer satisfaction. If employees have a positive influence, then they can play a big role to increase customer satisfaction level. Satisfaction is a dynamic, moving target that may evolve overtime, influenced by a variety of factors. Particularly when product usage or the service experience takes place over time, satisfaction may be highly variable depending on which point in the usage or experience cycle one is focusing. (Lovelock, C & Wright, L.2007)

Customer satisfaction is influenced by specific product or service features and perceptions of quality. Satisfaction is also influenced by customer’s emotional responses, their attributions neither perception of equity (Zeithal & Bitner,2003) Increased customer satisfaction can provide company benefits like customer loyalty, extending the life cycle of a customer expanding the life of merchandise the customer purchase and increases customers positive word of mouth communication. When the customer is satisfied with the product or service of the company, it can make the customer to purchase frequently and to recommend products or services to potential customers. It is impossible for a business organization to grow up in case the company ignores or disregards the needs of customers (Tao, 2014.)

2.1.9 Customer Dissatisfaction

When customer did not meet their needs or did not accomplish the expectations it leads to dissatisfaction. If the client is dissatisfied the results can be no action or total ignorance of the emotions or react on it. The actions can be public. First of all, ask for a refund or any other

way of compensation straight from the company which have supplied the product or service. Secondly, complain to the authorities and governance of the company. Thirdly, if the dissatisfaction is caused by the damage or serious risk client can take legal actions in order to seek a redress. The second possible way of the action is a private reaction. Dissatisfied clients can be make anti commercial for the company with spreading the information about their negative.

2.1.10 Importance of customer satisfaction

In modern business philosophy business should be customer oriented and the implementation of the main principles of continuous improvement, justifies the importance of evaluating and analyzing customer satisfaction. In short, customer satisfaction is considered as baseline of standardize and excellence of performance for many business. It also helps to identify the potential market opportunities. (Evangelos & Yannis, 2010).

Mentioning about importance of customer satisfaction in business perspective Zairi (2000) said in one magazine ‘Customers are the purpose of what we do and rather than them depending on us, we very much depend on them. The customer is not the source of a problem, we shouldn’t perhaps make a wish that customers ‘should go away’ because our future and our security will be put in jeopardy.’ However, the concept of customer satisfaction is not a new one. It hit the business sectors in early 1980’s where some researchers considered that customer satisfaction is the best window into loyalty. They also found that it has direct relationship with company profitability, ROI (return on investment), or share of market. Satisfied customer think twice or several times before switching to alternatives because they become attached emotionally and also afraid to believe on alternatives quality. Oliver (1997) and Zairi (2000) mention more about the importance as- ‘numerous studies that have looked at the impact of customer satisfaction repeat purchase, loyalty and retention. They all bring the similar message. First, satisfied customers share their experience with average five or six people and dissatisfied customers normally tell ten people about their unfortunate experience. Secondly, many customers do not complain about dissatisfaction but it is needs to realize by the company and it differs from industry to industry. Finally, people do not think dealing customer satisfaction is not as costly as to recruit a new customer. Actually it is only twenty five percent of the recruit a new customer’.

2.1.11 Factors affect Customer Satisfaction

There are many factors that affect customer satisfaction. Such factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service (Hokanson, 1995). From the studies carried out in many countries, factors like: transport goods quickly, safely, economically and reliably are the key constructs affecting the customer's Satisfaction with logistics transport services. Building customer relationship is a backbone for all organizations in general, and companies in service industries in particular. Issues like: customer satisfaction, service quality, customer perception, customer loyalty, is the main concerns of the nowadays service companies, which improves organization's performance and translates into more profits.

2.1.12 Customer Expectations

According to Oliver (1981)"... expectations are consumer- defined probabilities of the occurrence of positive and negative events if the consumer engages in some behavior me behavior” Expectations play an important role in the satisfaction formation. The extent to which a product or service fulfills a customer's need and desire may play an important role in forming feelings of satisfaction because of the impact of confirmation or disconfirmation that have on satisfaction. Consumers expect to be delivered quality products and services; therefore companies try to offer quality products and services.

2.1.13 Customer Perception

Perception is an opinion about something viewed and assessed and it varies from customers to customers, as every customer has different beliefs towards certain services and products that play an important role in determining customer satisfaction. Customer satisfaction is determined by the customers' perceptions and expectations of the quality of the products and services. Customer perception and customer satisfaction are very closely linked together, because if the perceived service is close to customer's expectations it leads to satisfaction. Satisfied customers provide recommendations; maintain loyalty towards the company and customers in turn are more likely to pay price premiums (Reichheld, 1996).

2.1.14 Relationship between Service Quality and Customer Satisfaction

Lovelock and Wright (2002) define customer satisfaction as a sort of emotional reaction that arose from an actual experience. Metters *et al.* (2006) also indicate that satisfaction is the consumer's fulfillment response. Satisfaction is the customer's evaluation of a product or service in terms of whether that product or service has met the customer's needs and expectations (Bruhn & George, 2006). According to Truong and Foster (2006), customer satisfaction takes place in two situations. One is the result of a product or actual service meets the customer's expectations. The other is the result exceeds the expectations. Dissatisfaction will occur when the actual service is below the expected level. So, satisfaction and dissatisfaction are the outcome of a subjective evaluation process. The relationship between service quality and customer satisfaction is still a mystery, whether customer satisfaction is an antecedent of service quality or vice versa. Several researchers suggest that customer satisfaction leads to service quality (Lee & Yoo, 2000). However, an approach most frequently applied in the commercial sector suggests that customer satisfaction with a service is related to the perceived discrepancy between actual and ideal levels of service delivery. If experience of the service greatly exceeds the expectations that clients had of the service, then Satisfaction will be high and vice versa (Mori, 2002). This should not, of course, be taken by service providers as license to drive down expectations to achieve surprise and concomitant customer satisfaction with moderate service quality: service quality is seen as an antecedent of customer satisfaction (Brady et al, 2002).

2.2 Empirical Literature Review

There are works done related many research with this study. The topics and major findings are discussed below to have an insight about these studies.

1. Meron (2015) conducted a research on impact of service quality on customer satisfaction: the case of Bank of Abyssinia S.C. The researcher used SERVPERF model to identify the relationship between service quality y dimensions (tangibility, reliability, responsiveness, assurance and empathy) and customer satisfaction. She also used quantitative research method and descriptive and explanatory research designs. 12 branches were selected using disproportionate stratified sampling technique and 399 customers were selected from sample branches using proportionate stratified sampling technique. Out of the 399 questionnaires distrib-

uted to the sample customers, 341 questionnaires were collected and used in the analysis. The mean result showed that customers were most satisfied with Assurance followed by Responsiveness. The correlation result indicated that the service quality dimensions have positive and significant relationship with customer satisfaction and the service quality dimension which has the highest correlation with customer satisfaction is Assurance. The regression analysis also revealed that all service quality dimensions have a positive impact on customer satisfaction and assurance is the dominant service quality dimension that affects customer satisfaction

According to the result of the study, 44% of variation in customer satisfaction was explained by the service quality dimension in Bank of Abyssinia S.C. Therefore, the researcher recommended the Bank to work hard on all service quality dimensions in order to improve and maintain its customers' satisfaction.

2 Tizazu (2012) has conducted a research on the effect of customer service quality in customer satisfaction in four selected private banks: Awash International Bank, United Bank, Nib International Bank and Lion International Bank. The researcher selected 365 sample customers from the four banks using simple random sampling technique and distributed questionnaires of which 342 questionnaires were filled and returned back. The study used quantitative research method and descriptive and explanatory research design. The results of the descriptive statistical analysis indicated that, out of the service quality dimensions, customers were most satisfied with assurance followed by tangibility and responsiveness and they were less satisfied with reliability and empathy. The correlation result showed a positive and significant relationship between the four service quality dimensions (tangibility, reliability, assurance and empathy) and customer satisfaction. But, it showed negative and insignificant relationship between responsiveness and customer satisfaction. The highest relationship was found between tangibility and customer satisfaction and the lowest relationship was between responsiveness and customer satisfaction. The multiple regression analysis indicated that the service quality dimensions have positive and significant effect on customer satisfaction except responsiveness. tangibility was the most dominant factor that has positive effect on customer satisfaction followed by empathy, assurance and reliability. The study also indicated that 80.4% of variation in customer satisfaction was accounted by service quality dimension.

Girma (2015) has undertaken a research on assessment of service quality and its influence on customer satisfaction in the case of Oromia International Bank S.C. SERVQUAL method was used to determine customers' expectation and perception of service quality. The researcher selected 40 branches using simple random sampling and 365 customers from these branches using systematic simple random sampling technique. 365 questionnaires were distributed to the selected customers and 211 duly filled questionnaires were collected and used to undertake the research. The study applied quantitative research method and descriptive and explanatory research design

.The result of the study revealed that the average perception and expectation gap for all service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) was a negative disconfirmation score of 1.53. The highest mean score was for tangibility followed by reliability and assurance and the lowest mean score was for empathy and responsiveness.

There was a significant and positive relationship between the five service quality dimensions and customer satisfaction. The highest correlation was between assurance and customer satisfaction followed by responsiveness and customer satisfaction and empathy and Customer satisfaction. The least correlation was between tangibility and customer satisfaction and reliability and customer satisfaction. The analysis also indicated that the service quality dimensions have positive and statically significant influence on customer satisfaction except reliability 77.3% of the variation in customer satisfaction was explained by the service quality dimensions. The researcher recommended development of skill and knowledge of employees and prioritizing investment outlay for physical elements of the service like equipment, physical facilities and communication materials.

4. Saghier and Nathan (2013) have conducted a research on service quality dimensions and customers' satisfaction of banks in Egypt using SERVQUAL model. The purpose of the study was to measure the quality of service from customers' perspective in the Egyptian banking. The study used primary data collected through scientifically developed questionnaires that has been personally administered on a sample size of 150 customers chosen from Egyptian banks.

The research result indicated that customer satisfaction in Egyptian banking services was significantly affected by reliability, empathy, assurance and responsiveness whereas the

effect of tangibility did not have any significant impact on customer satisfaction. It also revealed that customer perception is highest in reliability and lowest in assurance.

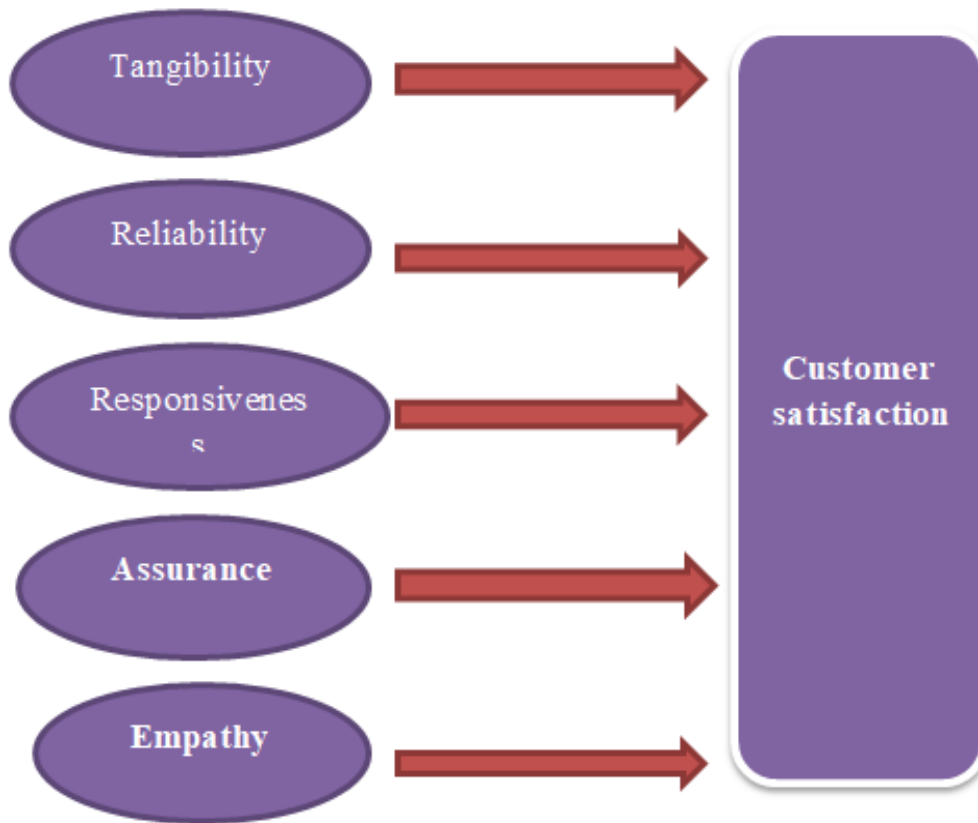
5. Al-Azzam (2015) has undertaken a research on the impact of service quality dimensions on customer satisfaction on Arab banks in Irbid city, Jordan. The study used simple random sampling technique to select 400 respondents from four banks sited in Irbid city. Primary data was collected using questionnaire. The questionnaire measured the quality of services by implementing the five dimensions SERVQUAL instruments (tangibility, reliability, responsiveness, empathy and security) and the 5-point Likert scale was used for all responses. The research has applied quantitative research approach and analyzed using SPSS version 19.

The researcher came up with the result that the customer satisfaction in the Jordanian banking services is significantly affected by tangibility, reliability, responsiveness, empathy and security. It also demonstrated that customers' perception is the highest in reliability area.

2.3 Conceptual Frame work

The conceptual frame work indicates the crucial process, which is significant to show the direction of the study. It shows the relationship between the five service quality dimensions and customer satisfaction.

Fig 2.2 Conceptual framework of the study



Source:-adopted (Parasuraman et al,1988)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2004). The methodological parts of the study were focused on; selection of study area, research design, sampling size, techniques, source of data and method of data analysis.

3.1 Research Design

The descriptive and explanatory research design was used for this study. The descriptive research design was chosen as the researcher is interested in describing the existing situation, narrating facts and investigating phenomena in their natural setting and explanatory is help for explaining, understanding and controlling the effect level and relationship between variables and across with independent variable.

3.2 Research Approach

The study used qualitative and quantitative research approach. According to Mark et al. (2009:101) the pragmatic or mixing of qualitative and quantitative approaches gives the potential to cover each method's weaknesses with strengths from the other method. Quantitative is numerical in nature, it was obtained by assigning numerical values to responses whereas qualitative is contextual, that was obtain from open ended questioners.

3.3 Population, Sample Size and Sampling Methods

3.3.1 Target population

Sampling is the process of choosing, from a large population, a group about which wish to make generalized statements so that the selected part represent the total Group (leedy, 1989;pp. 158) .

The target populations of this study were customers of ESLSE in the head office at Addis Ababa. According to the information obtained from marketing department of the enterprises 566 customers were identified as active and loyal customers existed at the head office. Based on this the researcher used 566 customers as target population of this study and samples were drawn out of these customers based on Taro Yamane (1967) formula. Since the population known, the sample size of the study is determined by using the formula developed by (TaroYamane,1967)

$$n = \frac{N}{(1 + N(e^2))}$$

Where, **n**= is the sample size
N= is the population size,
e= is the level of precision or sampling, error= (0.05) Confidence Level =95%

$$n = \frac{566}{1 + 566(0.05)^2}$$

$$n = 566 / (1 + 566 * 0.0025) = 566 / 2.415 = 234$$

Sample sizes of 234 customers were selected from 566 of the total population. These 234 customers were selected using simple random sampling technique because of the company provides similar service to all customers.

3.4 Sources of Data and Data Collection Techniques

In this study primary and secondary source of data was used as important sources. The study used questionnaires to collect primary data. The questionnaires were designed in English and Amharic languages for the customers to create proper report and get better responses from those who may not clearly understand the English language.

Secondary data was collected from the company manuals, previous studies, journals, articles conducted on service quality and customer satisfaction, other related unpublished materials and company web sites.

3.5 Method of Data Analysis and Presentation

After the required data collected, the necessary data processing such as editing, coding and quantifying data were performed on it. The data processing task was accomplished with the help of statistical package for social science (SPSS).V20 software. The major statistical Analysis techniques applied in this study was descriptive statistics (mean, Standard deviation, frequency and percentage) and inferential statistical techniques (correlation analysis, regression analysis and anova test).The data presentation was prepared in the form of figures, charts and tables.

The model of linear multiple regressions is presented as below,

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + e$$

Where, Y = customer satisfaction, X1= empathy, X2= tangibility, X3= responsiveness, X4= Assurance, X5= reliability and e=error term.

β_0 is the intercept term- it gives the mean or average effect on Y and interpretation is the average value of Y when the stated independent variables are set equal to zero. β_1 , β_2 , β_3 , β_4 and β_5 refer to the coefficient of their respective independent variable which measures the change in the mean value of Y, per unit change in their respective independent variable.

3.6 Validity and Reliability

Validity and reliability are interconnected concepts. This can be demonstrated by the fact that a measurement cannot be valid unless it is reliable (Sullivan & Feldman, 2015). Validity defined as the extent to which data collective methods accurately measure what they intended to measure (Sounders et.al 2003). Measuring and evaluating the questionnaire consider some specifications for measurement tools such as validity of questionnaire. Content validity was used for measuring the validity of questionnaire. For this purpose the content of questionnaire was prepared by adopting theories and model relevant to the study, research questions and the validity of the questioners was tasted through pilot test.

Reliability was assessed using Cronbach's alpha test, it is the most commonly used test to determine the internal consistency of an instrument. Based on Roberta and Alison the Cronbach's alpha result is number between 0 and 1. An acceptable reliability score is one that is 0.7 and higher.

3.7 Ethical Considerations

There is a growing emphasis on overcoming the ethical issues in business research because of the increased involvement of social responsibility and consumer's wellbeing (Ghauri & Gronhaug, 2005). All the information treated and kept secretly with high confidentiality without disclosure of the respondents' identity. No information is changed or modified, hence the information is presented as collected and the same with the literatures collected for the purpose of this study. There is no any intention to use unfair means to influence the participants to obtain information. The questionnaire anonymous and high level of confidentiality is considered.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter is emphasized on the analysis of data and discuss on the finding of the study in relation to the effects of service quality dimensions on customer satisfaction. The findings of the study were analyzed based on the objectives, research questions and hypothesis of the study. In this chapter respondent's profile, descriptive analysis, regression & correlation analysis were discussed.

4.2 Rate of Response

A total 215 questionnaires were returned out of 234 questionnaires distributed to respondents which provide a response rate of, 92%. It is an acceptable figure to make the study effective and conducting the necessary statistical tests. In this section of data analysis and interpretation, the first part presents and discusses descriptive statistics results related with the demographic factors and the independent variables of the study and then followed by analysis of variance to examine in the variation on the customer satisfaction in relation to the independents variables of the study.

4.3 Reliability

In order to test the internal consistency of variables in the research instrument cronbach's alpha coefficient were calculated .As cooper and shinder (2013) state scales with coefficient greater than 0.7 is acceptable .For this study cronbach's alpha score higher than 0.7 is considered to determine reliability and acceptability of the scale for further analysis.

Table 4.1 Reliability tests

No	Service quality dimensions	Number of items	Alpha value
1	Tangibility	4	.748
2	Reliability	5	.796
3	Responsiveness	4	.779
4	Assurance	4	.815
5	Empathy	5	.795

Source:-Own survey, 2020

4.4. Discussion about demographic factors

Table 4.2 Demographic profile and work experience of the respondents with ESLSE

Variables	Category	Frequency	Valid Percent
Gender	Male	132	61.4
	Female	83	38.6
	Total	215	100
Age	18-25	39	18.1
	26-34	95	44.2
	35-43	58	27
	44-52	16	7.4
	53&above	7	3.3
	Total	215	100
Educational back ground	Primary school	34	15.8
	Secondary school	36	16.7
	Diploma	50	23.3
	Degree	79	36.7
	Master & above	16	7.4
Total	215	100	
Working experience with ESLSE	< 1 year	39	18.1
	1-5 years	97	45.1
	5-10 years	49	22.8
	> 10 years	30	14
Total	215	100	

Source:-Own Survey 2020

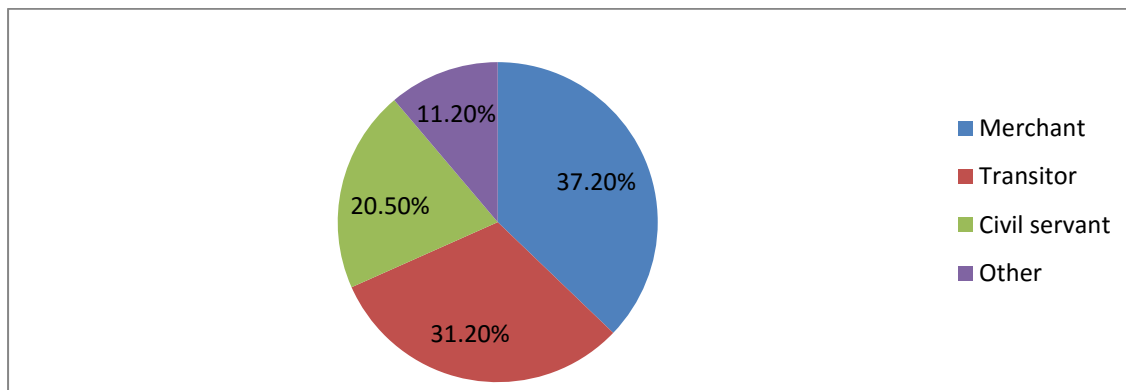
As shown in table 4.2 above 132 (61.4%) of respondents are males and 83(38.6%) respondents are females. The result shows that the numbers of male respondents are greater than female. Regarding the age 95(44.2%) of respondents are in the age group 26-34 years old, 58(27%) of respondents are in the age group 35- 43 years old, 39(18.1%) of respondents are in the age group 18-25 years old, 16(7.4%) of respondents are in the age group 44-52 years old and the rest 7(3.3%) of respondents are 53 and above 53 years old. The result shows that the majority 95 (44.2%) respondents are in the age group 26-34 years.

With regard to educational background, 79(36.7%) of respondents are degree holders, 50(23.3%) of the respondents are diploma holders, 36(16.7%) of respondents are secondary school certificate holders, 34 (15.8%) of respondent are primary school certificate holders and the rest 16(11.1%) respondents are master's degree and above holders. This result implies that most of the customers 79(36.7%) have a university degree and they understand the importance of

the study in regard to service quality on customer satisfaction. Therefore the response given by those customers are a fruit full, because they can respond question's based on knowledge and experience.

Regarding customer working experience with ESLSE, 97(45.1%) of respondents are customers for one to five years, 49(22.8%) of the respondents are customer for five to ten years, 39(18.1%) of the respondents are customers for less than one year and the rest 30(14%) respondents are customer for more than ten years. This implies that majority of the respondents 97(45.1%) have interacted with ESLSE for one to five years which is enough to understand the quality of service provided. Therefore the responses collected from such respondents are relevant to recommend whether the service quality dimensions affect the customer's satisfaction or not.

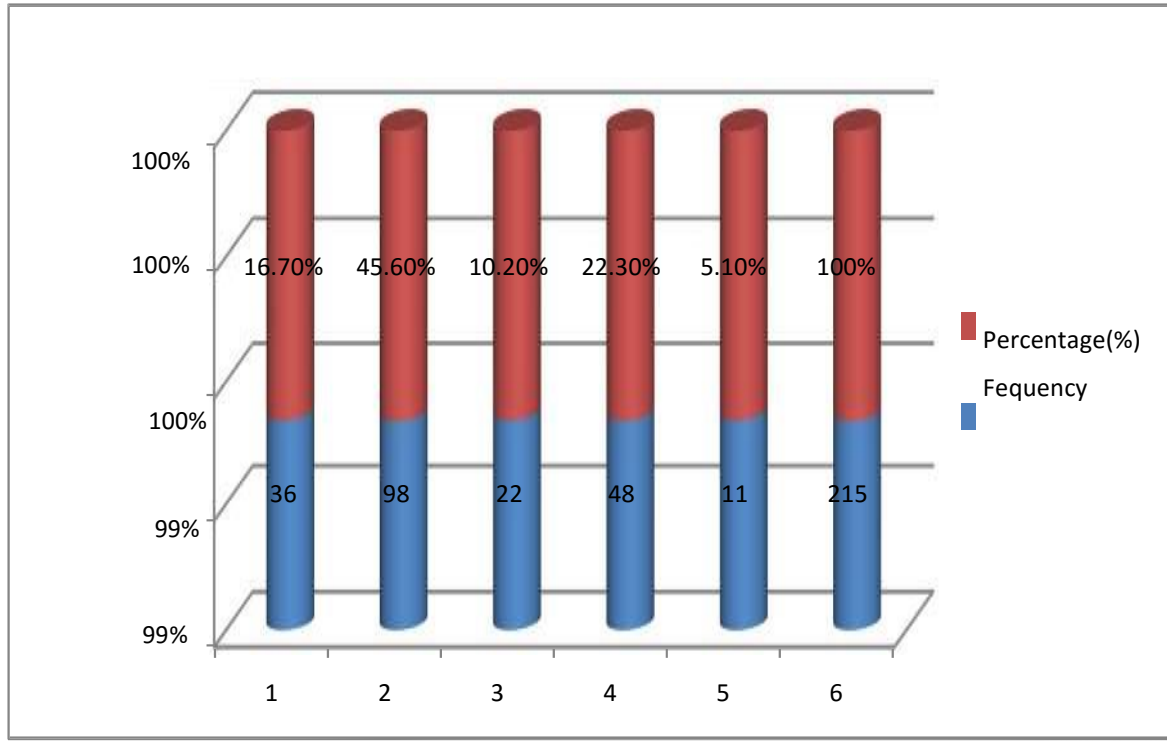
Fig 4.1 Occupation of the respondents



As shown in the figure 4.1 above concerning the occupation 80(37.20%) of the respondents are merchant, 67(31.20%) of the respondents are transitor, 44(20.50%) of the respondents are civil servant and the rest 4(11.20%) of the respondents are from other sector. This indicates that the majority of the respondents 80(37.20%) are merchant.

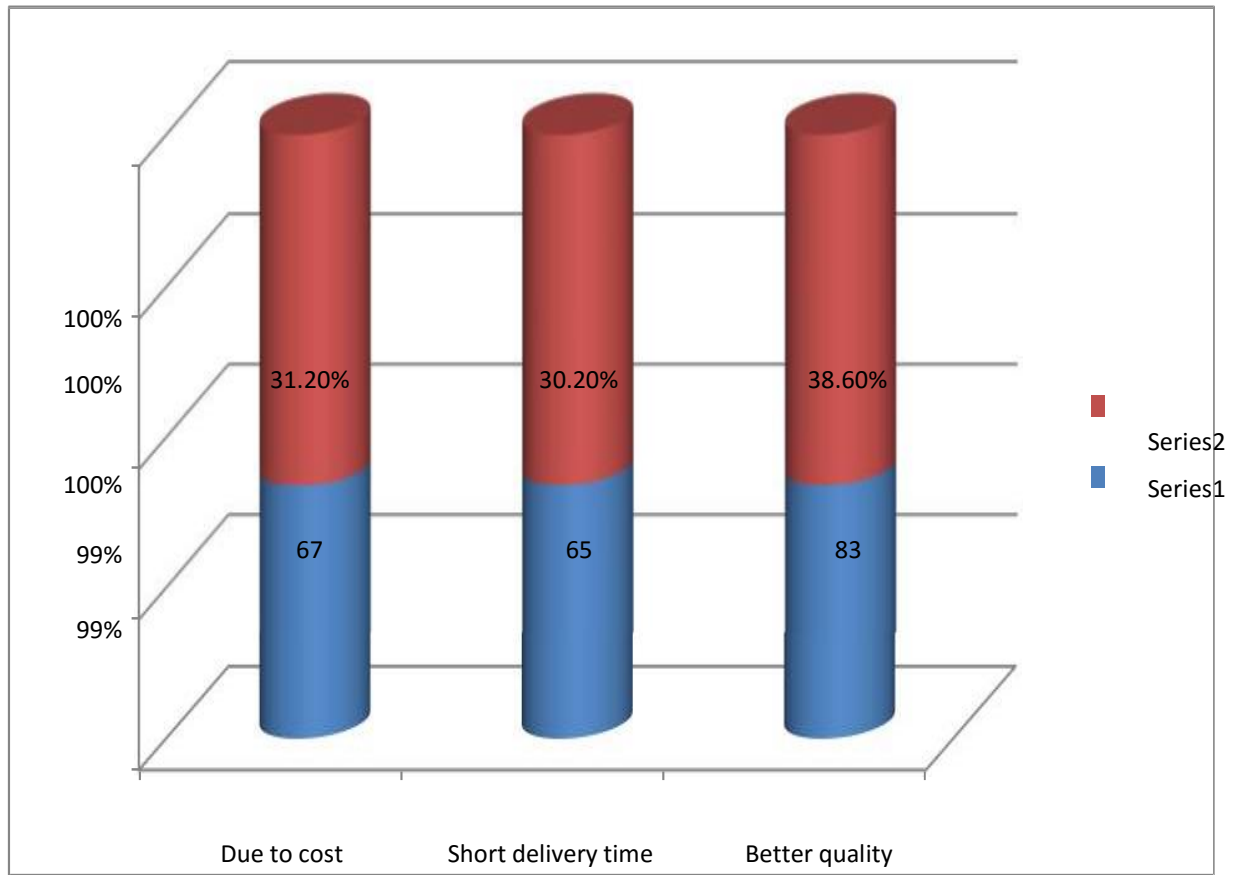
N.B:- In this study Civil servants are employed in different governmental organization, like Ministry of Education, Health and Agriculture and so on.

Fig 4.2 Type of trade route mostly used by respondents



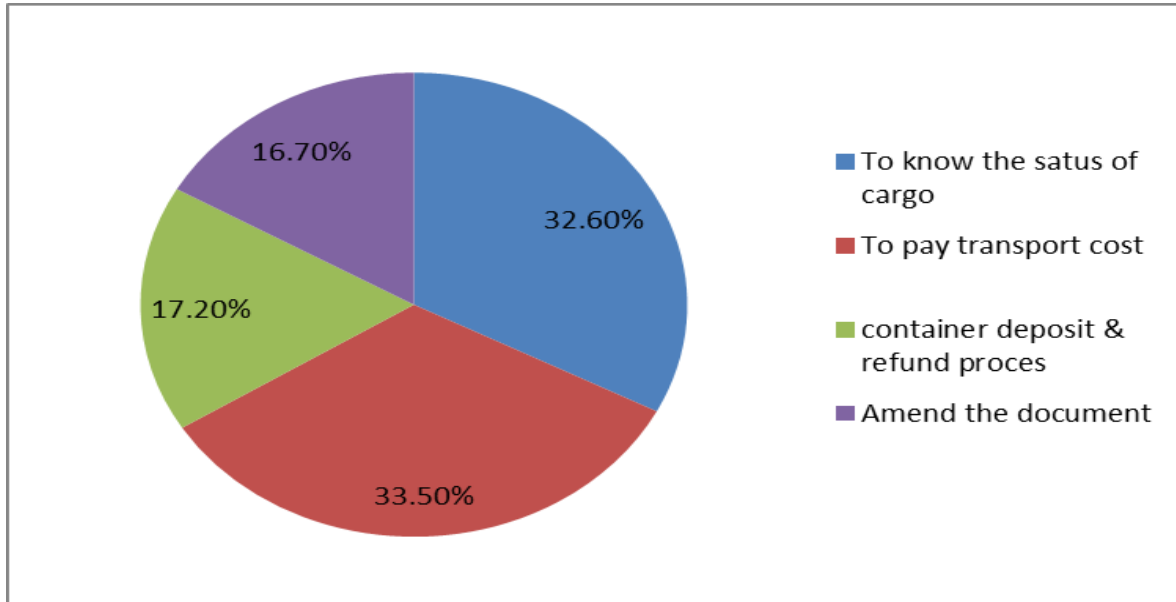
As shown in the figure 4.2 above regarding the type of trade route mostly used, 98(45.60%) respondents are from Fareast(china), 48(22.30%) respondents are from all routes, 36(16.70%) respondents are from Europe and Africa ,22 (10.20%) respondents are from Gulf(Dubai) & India and the rest 11 (5.10%) respondents are from other routes.

Fig 4.3 Reason of choosing the routes



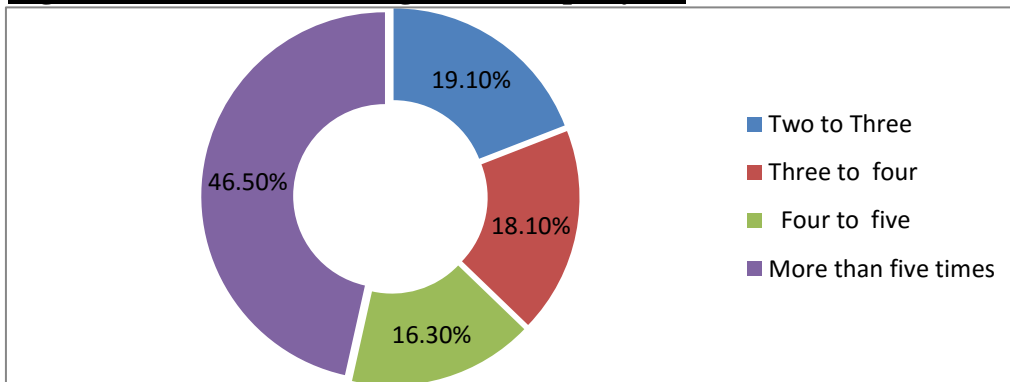
As shown in the figure 4.3 above the reason to choose the routes, 83 (38.60%) of respondents are because of better quality of service delivered, 67(31.20%) respondents are select the route from cost perspective and the rest 65(30.20%) respondents are select the route from short delivery time perspective.

Fig 4.4 Purpose of coming office



As shown in the figure 4.4 above purpose of coming office 72(33.50%) of the respondents are came to pay transport cost, 70(32.60%) of the respondents are came to know the status of cargo, 37(17.20%) of the respondents are came for container deposit & refunding process and the rest 36(16.70%) of the respondents are came for amend the document.

Fig 4.5 How often came to get service per year



With regard to the frequency came to the ESLSE per year to get the service as the survey result shows in figure 4.5 above , 100(46.50%) respondents are came more than five times per year, 41(19.10%) respondents are came 2 to 3 times per year ,39(18.10%) respondents are came 3 to 4 times per year and the rest 35(16.30%) respondents are came 4 to 5 times per year. This implies that majority of the respondent 100(46.50%) are came to the office more than five times per, so this help the respondent's to measure the progress of service delivered by the

enterprise and it also simultaneously used for researcher to collect more reliable data's for the research conclusion.

4.5 Descriptive analysis of service quality Dimensions

The study used SERVPERF model to measure the customers perception on the service provided by Ethiopian shipping & logistics service enterprise .The model contains 22 questions related to the five service quality dimensions namely tangibility ,reliability, responsiveness, assurance and empathy. Used the five likert scale to measure the performance of service provided by the organization .The results obtained from the study are described as below. The mean value represents the values of all customer response certain dimension while standard deviation shows how diverse the response of the respondents that means if the standard deviation shows smaller number ,it indicates that the response of respondents shows close opinion and when the standard deviation is high it indicates the response of the respondents show high variation. According to Hair et al.(2006).

Table 4.3 Decision criteria

Mean Value	Decision
1-2.49	Low level
2.5- 3.49	Moderate level
>3.5	High level

Adopted from Hair et al.(2014)

4.5.1 Tangibility

According to (Hennayake, 2017), tangible represent physical aspects of the services and all tools and equipment's used to provisions of services.

Table 4.4 Perceptions toward items of tangibility

Tangibility	N	Mean	Std. deviation	Rank
The enterprise has up-to-date equipment's.	215	3.17	1.099	3 rd
The enterprise has neat and disciplined employees.	215	4.01	.870	1 st
The enterprise physical facilities are visually appealing.	215	3.11	1.082	4 th

The appearance of the physical facilities of the enterprise is in keeping with the type of service provided.	215	3.22	.998	2 nd
Valid N(list wise)	215			
Grand mean & standard deviation		3.38	1.117	

Source:-Survey result 2020

Table 4.4 above shows the mean value and standard deviation the four items of tangibility dimension of service quality. According to the result, the enterprise has neat and disciplined employees a mean value 4.01 with standard deviation value .870, the appearance of the physical facilities of the enterprise is in keeping with the type of service provided a mean value equal to 3.22 with standard deviation value .998, The enterprise has up-to-date equipment a mean score value of 3.17 and standard deviation value equal to .1.099 and the enterprise physical facilities are visually appealing a mean value equal to 3.11 with standard deviation value 1 .082 . This result indicated that Ethiopian Shipping and logistic Service Enterprise the type of service provided in all tangibility dimensions scored above the midpoint or the average according to Hair et al,(2006). This implies related to the tangibility dimension relatively customers are agree level or satisfied by the physical aspects of ESLSE to provide service. Previous study have confirmed that tangibles are important to service delivery firm's as they are crucial variable to developing strong ,positive and inspiring customer association and experience through its propriety assets Naidoo,(2014).

4.5.2 Reliability

Safwan et al, (2010) argued that reliability shows the service provider's ability to perform services in a dependable and accurate manner. Furthermore, it involves doing it right the first time and it is a crucial service component of customers (Messay, 2012).

Table 4.5 Perceptions toward items of reliability

Reliability	N	Mean	Std. deviation	Rank
The enterprise provides its services at promised times.	215	3.14	1.57	4 th
When customer has a problem the employees shows a sincere interest in solving it.	215	3.76	.921	1 st
The employees insist on error free records.	215	3.31	1.115	2 nd
The enterprise provides its services as promised.	215	3.30	1.117	3 rd
Employees provide right services at the first time	215	2.83	1.025	5 th
Valid N(list wise)	215			
Grand mean & standard deviation		3.27	0.998	

Source:-Survey result 2020

Table- 4.5 above shows the mean value and standard deviation of five items of reliability dimension. According to the result, for the statement when customer has a problem the employees shows a sincere interest in solving it a mean value 3.76 with standard deviation value .921, the employees insist on error free records a mean value 3.31 with standard deviation value 1.115, the enterprise provides its services as promised a mean value 3.30 with standard deviation value 1.117, the enterprise provides its services at promised times a mean value of 3.14 and standard deviation value equal to 1.57 and employees provide right services at the first time a mean value 2.83 with standard deviation value 1.025. Based on the descriptive analysis result the enterprises has not any critical challenge to provide the reliable service for the customers in spite of that it also confirmed from the open ended findings which was collected from some loyal customers those are work with the enterprise for more than ten years even though the enterprise has still a problem regarding provision of expected service of the first time.

4.5.3 Responsiveness

Table 4.6 Perceptions toward items of responsiveness

Responsiveness	N	Mean	Std. deviation	Rank
Employees are happy and willing to serve the customer.	215	3.90	.906	1 st
Employees gives quick response to customer requests	215	3.81	.939	2 nd
Employees of the enterprise are never busy to re- spond to customer's requests	215	3.69	.901	3 rd
Employees of the enterprise tell customers exactly when services will performed	215	3.58	.953	4 th
Valid N(list wise)	215			
Grand mean & standard deviation		3.75	0.921	

Source:-Survey result 2020

Table 4.6 above shows the mean value and standard deviation of four items for responsiveness dimension. According to the result, the employees are happy and willing to serve the customer a mean value 3.90 and standard deviation value .906, for the statement employees gives quick response to customer requests a mean value 3.81 with standard deviation value .939, employees of the enterprise are never busy to respond to customers' requests a mean value 3.69 with standard deviation value .901 and employees of the enterprise tell customers exactly when services will performed a mean score value 3.58 with standard deviation value .953. This result indicated that the type of service provided in all responsiveness dimensions scored above the midpoint or the average. Which implies that the enterprise has not any significant problem regarding responsiveness issue that affect its customers satisfaction, even though the enterprise still required some additional improvement to cop up its prompt and exact response for customers using technology, it help the enterprises to increase customers satisfaction level, and it also supported by previous researchers like ;Gupta & Agarwal, 2013), responsiveness is a firm's willingness to assist its customers by providing fast and efficient service performance. Further, it is reached that willingness or readiness of employees to provide the required customer service without any inconvenience at any time will strongly influence the level of customer satisfaction (Parasuraman et al., 1988). Providing service in a timely manner is highly appreciated by customers. Good service providers understand this aspect (Iqbal et al., 2010). Furthermore, firms that

value efficiency pay attention to the services that they offer so that they can have an advantage and use this to keep off competitors (Karim & Chowdhury,2014)

4.5.4 Assurance

Table 4.7 Perceptions towards items of assurance

Assurance	N	Mean	Std. deviation	Rank
Employees have the required skill & knowledge in providing services.	215	3.91	.902	1 st
Employees make customers feel safe in their transactions.	215	3.66	.882	4 th
Employees instill confidence in customers.	215	3.88	.792	3 rd
Employees are consistently polite.	215	3.90	.848	2 nd
Valid N(list wise)	215			
Grand mean & standard deviation		3.84	0.792	

Source:-Survey result 2020

Table 4.7 above shows the mean score and standard deviation of four items for assurance dimension. According to the result, employees have the required skill & knowledge in providing services a mean value 3.91 and standard deviation value .902, employees are consistently polite a mean value 3.90 with standard deviation value .848, employees instills confidence in customers a mean value 3.88 with standard deviation value .792, employees make customers feel safe in their transactions a mean value 3.66 with standard deviation value .882. This result indicated that the type of service provided in all assurance dimensions scored above the midpoint or the average. This implies related to the assurance dimension relatively customers are closer to agree or satisfied by the service they receive. In addition to that the way and process of the enterprise to serve the customers give confidence and feel safe, that leads the satisfaction level high from assurance dimension. This finding also supported by previous researchers Khan & Fasih (2014, after, Blery, et. al., 2009), states that the process of acquired knowledge being showed by staffs in executing their term of preferences during service delivery can be highly assuring to customers This gives customers the confidence that the service delivery representative will perform his/her duty professionally and ethically. . .

4.5.5 Empathy

Empathy means taking care of the customers by giving individual attention to them, (Blery et al.,2009)

Table 4.8 Perceptions toward items of empathy

Empathy	N	Mean	Std. deviation	Rank
The enterprise gives individual attention to customers.	215	3.05	1.149	4 th
The enterprise has Convenient business hours to customers	215	3.94	.835	1 st
The enterprise has employees who give customers personal attention	215	3.43	1.034	2 nd
The enterprise assists customers best interest at heart	215	3.43	1.141	2 nd
Employees of the enterprise understand the specific needs of their customers	215	3.41	1.085	3 rd
Valid N(list wise)	215			
Grand mean & standard deviation		3.45	1.034	

Source:-Survey result 2020

Table 4.8 above shows the mean value and standard deviation of five items for empathy dimension. According to the result, the enterprise has Convenient business hours to customers a mean value 3.94 with standard deviation value .835, the enterprise has employees who give customers personal attention a mean value 3.43 with standard deviation value 1.034, the enterprise assists customers best interest at heart a mean value 3.43 with standard deviation value 1.141, employees of the enterprise understand the specific needs of their customers a mean value 3.41 with standard deviation value 1.085, the enterprise gives individual attention to customers a mean value 3.05 and standard deviation value to 1.149. This result indicated that the type of service provided in all empathy dimensions scored above the midpoint or the average except question the enterprise gives individual attention to customers was mean value (3.05) which is neutral. This implies related to the empathy dimension customers are relatively agreed or satisfied the service delivered with ESLSE.

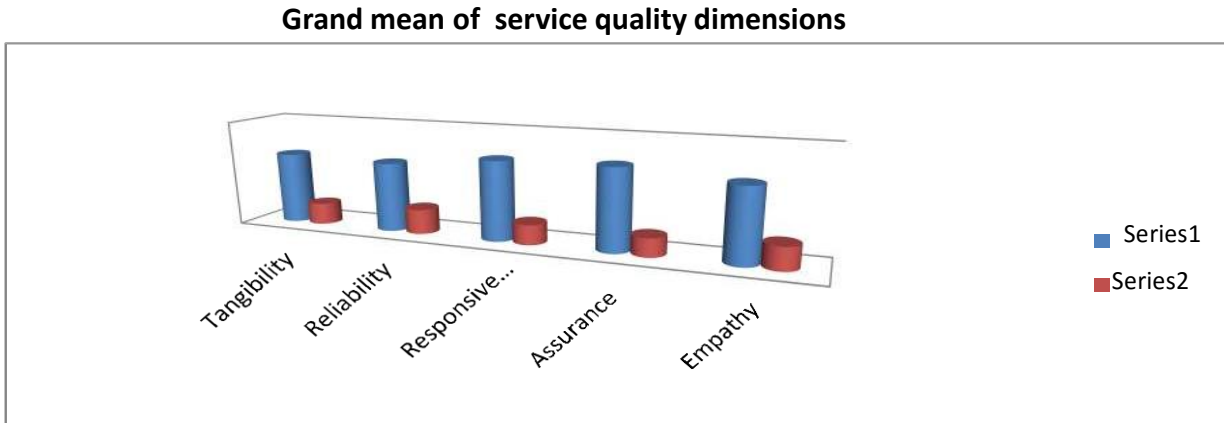
Customers may remain unsatisfied with the service quality if gap is left in empathy (Iglesias & Guillen, 2004). The basis of empathy is rooted in understanding the needs of customers and giving them individual attention. Employee and customer interactions are reflected through the empathy dimension, (Armstrong, 2012).

Table 4.9 The Grand mean & standard Deviation of service quality dimensions

S.N	DESCRIPTIVE STATISTICS			Rank
	Service quality dimensions	Grand Mean	Grand Standard Deviation	
1	Tangibility	3.38	1.117	4 th
2	Reliability	3.27	0.998	5 th
3	Responsiveness	3.75	0.921	2 nd
4	Assurance	3.84	0.792	1 st
5	Empathy	3.45	1.034	3 rd

Source:-Survey result 2020

Fig 4.6 Statistical representation of grand mean of service quality dimensions



Source:-Survey result 2020

As shown in table 4.9 and figure 4.6 the mean value of five service quality dimensions, the highest mean value is scored for assurance followed by responsiveness and empathy. The least mean value scored for tangibility followed by reliability. According to the result assurance dimension of service is carried superior to the other four dimensions with mean score 3.84. This implies that customers in the ESLSE have good feeling & agreed that, employees have the required skill & knowledge in providing services, employees make customers feel safe in their transaction, employees instill confidence in customers and employees are consistently polite. The second dimensions as per the rating of the customer is responsiveness the mean score of 3.75, the customer perceived that employees are happy and willing to serve the customer, employees give quick response to customer requests, employees of the enterprise are never busy to respond to cus-

customer's requests, employees of the enterprise tell customers exactly when services will be performed. The third dimension is empathy with the mean score of 3.45 the customer perceived that, the enterprise gives individual attention to customers, the enterprise has convenient business hours to customers, the enterprise has employees who give customers personal attention, the enterprise assists customers best interest at heart, employees of the enterprise understand the specific needs of their customers. The least performed dimensions are reliability and tangibility with the mean score of 3.27 and 3.38 respectively. As per the response of the customers ESLSE is low in tangibility and delivering reliable service to the customers.

4.5.6 The overall level of customer satisfaction

Customer satisfaction identifies significant relationship between customer and service provider (Khan&Fasih,2014).This relationship help the business to emphasis specific customer needs & expectation at each stages (Ravald&Gronross,1996).if company or business firm maintain highly satisfied customer, they will take experience about higher economic returns (Bolton,1998; Munusamy, Chelliah &Mun,2010;Yeung,Ging&Enew,2002).

Table 4.10 Level of Customer satisfaction

Level of satisfaction	Frequency	Valid Percent
Highly Dissatisfied	8	3.7
Dissatisfied	38	17.6
Neutral	27	12.6
Satisfied	124	57.7
Highly satisfied	18	8.4
Total	215	100

Source:-Survey result 2020

Regarding the level of customer satisfaction as described in table 4.10 above, 124(57.7%) of respondents are satisfied, 38 (17.6%) of respondents are dissatisfied, 27 (12.6%) of respondents are neutral which is neither satisfied nor dissatisfied, 18 (8.4%) of respondents are highly satisfied, 8 (3.7%) of the respondents are highly dissatisfied. This implies that the majority of the respondents are satisfied the service delivered by Ethiopian shipping and logistics service enterprise.

4.6 Correlation

4.6.1 Pearson's product Moment correlation coefficient

In this section Pearson's correlation coefficient is used to determine the relationship between service quality dimensions with customer satisfaction .According to Patton,(2002),Duncan C. and Dennis H.(2004),correlation coefficient is between -1 to 1.The value of -1 represents a perfect negative correlation coefficient while a value of +1 represents a perfect positive correlation. A value of 0 correlations represents no relationship. The results of correlation coefficient were interpreted as follows. First the Spearman's Rho would be testified in order to identify the relation of independent variable. .

Table 4.11 The correlation matrix between independent variables

SPEARMAN'S RHO		INTER ITEM CORRELATION MATRIX					
		Tangibility	Reliability	Responsiveness	Assurance	Empathy	Overall satisfaction
Tangibility	Correlation coefficient	1.000	.319**	.316**	.374**	.305**	0.598**
	Sig.(2tailed)	.	.000	.000	.000	.000	.000
	N	215	215	215	215	215	215
Reliability	Correlation coefficient	.319**	1.000	.382**	.388**	.552**	.579**
	Sig.(2tailed)	.000	.	.000	.000	.000	.000
	N	215	215	215	215	215	215
Responsiveness	Correlation coefficient	.316**	.382**	1.000	.562**	.413**	0.543**
	Sig.(2tailed)	.000	.000	.	.000	.000	.000
	N	215	215	215	215	215	215
Assurance	Correlation coefficient	.374**	.388**	.562**	1.00	.400**	.526**
	Sig.(2tailed)	.000	.000	.000	.	.000	.000
	N	215	215	215	215	215	215
Empathy	Correlation coefficient	.305**	.552**	.413**	.400**	1.000	.568**
	Sig.(2tailed)	.000	.000	.000	.000	.	.000
	N	215	215	215	215	215	215
Overall satisfaction	Correlation coefficient	0.598**	.579**	0.543**	.526**	.568**	1
	Sig.(2tailed)	.000	.000	.000	.000	.000	.
	N	215	215	215	215	215	215

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey, SPSS 2020

Generally we can conclude that there is positive relationship between tangibility, reliability, responsiveness, assurance and empathy at Ethiopian Shipping and Logistic Service Enterprise head office in Addis Ababa (at $P < 0.01$). The next step is to test the assumption to find out multiple linear regression analysis of the study.

As shown in table 4.11 above there is no strong pair –wise correlation between independent variables. As rule of thumb, Ryman and Cramer (1999,) stated that the independent variable that show a relationship at or in excess of 0.8 suspected of exhibit the nonexistence of multicollinearity problem. Finally the result observed from the table is generally indicates that the correlation coefficients for the relationship between independent variables are linear and positive correlation coefficients.

Value of correlation coefficient between dependent and independent variable	Interpretation of the result	Direction of relation between dependent and independent variable
-1 to -0.8	Strong	Negative
-0.8 to -0.6	Substantial	
-0.6 to -0.4	Medium(moderate)	
-0.4 to -0.2	Low	
		Very low
0.2 to 0.4	Low	Positive
0.4 to 0.6	Medium(moderate)	
0.6 to 0.8	Substantial	
0.8 to 1.00	Strong	

Source:-Duncan .Cand Dennis H.(2004:38-41)

Table 4.12:-The correlation between independent variables and Dependent Variable

		Overall Customer satisfaction
Tangibility	Pearson Correlation	0.598**
	Sig. (2-tailed)	0.000
	N	215
Reliability	Pearson Correlation	0.579**
	Sig. (2-tailed)	0.000
	N	215
Responsiveness	Pearson Correlation	0.543**
	Sig. (2-tailed)	0.000
	N	215
Assurance	Pearson Correlation	0.526**
	Sig. (2-tailed)	0.000
	N	215
Empathy	Pearson Correlation	0.568**
	Sig. (2-tailed)	0.000
	N	215
**. Correlation is significant at the 0.01 level (2-tailed).		

Source:-Own Survey, SPSS 2020

The above tables 4.12 justify that, the relationship between the service quality dimensions and the overall customer satisfaction. From the correlations table the following results obtained:-

- There is a moderate positive significant correlation between tangibility and customer satisfaction ($r=0.598$, $p < .01$).

- There is a moderate positive significant correlation between reliability and customer satisfaction ($r=0.579$, $p < .01$).
- There is a moderate positive significant correlation between responsiveness and customer satisfaction ($r=0.543$, $p < .01$).
- There is a moderate positive significant correlation between assurance and customer satisfaction ($r=0.526$, $p < .01$).
- There is a moderate positive significant correlation between empathy and customer satisfaction ($r=0.568$, $p < .01$).

Based on the correlation relation between independent and dependents variable findings we can conclude that there is positive relationship between independent and dependents variables at Ethiopian Shipping and Logistic Service Enterprise head office in Addis Ababa (at $P < 0.01$).

4.7 Regression analysis

Regression analysis was performed using all service quality dimensions as independent variables and customer satisfaction as dependent variables. Here, the main aim was to see the extent to which customer satisfaction affected by service quality dimensions shown in terms of coefficients of determination (R squared value), the regression coefficients (Beta coefficients) and the p-Values for the significance of each relationship.

4.7.1 Testing assumptions of multiple linear regression

According to Julie (2005) before proceeding to multiple regressions analysis, first the researcher has to check the following assumptions such as sample size, outliers, normality, linearity, multicollinearity and singularity and found they were not a problem for the researcher. Then the researcher proceeds to the regression analysis.

4.7.1.1 Multicollinearity Test

Multicollinearity is refers to the relationship among the independent variables. Multicollinearity exists when the independent variables are highly correlated ($r=.9$ and above) (Julie, 2005)

Table 4.13 Multicollinearity statistics

Model	Collinearity statistics	
	Tolerance	VIF
Tangibility	.810	1.234
Reliability	.643	1.556
Responsiveness	.629	1.590
Assurance	.612	1.635
Empathy	.631	1.158

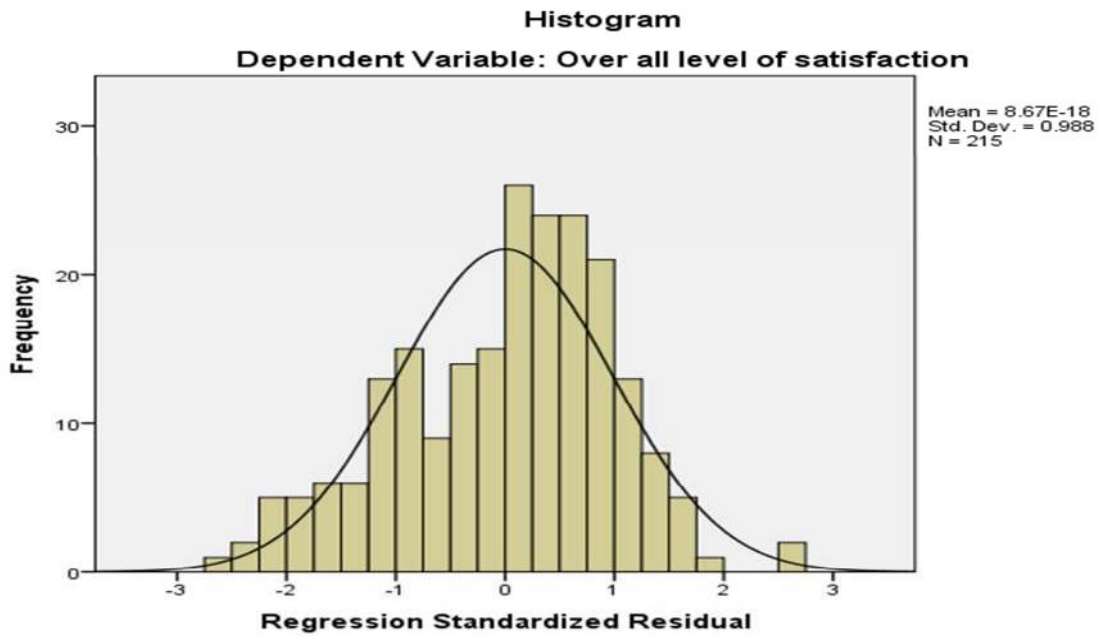
Source:-Own Survey, 2020

According to Julie (2005) to check multicollinearity effect two things should be checked Tolerance and VIF from the coefficient table. If the value of Tolerance is very small (less than 0.10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. The second value given is the VIF (Variance inflation factor), which is just the inverse of the Tolerance value (1 divided by Tolerance). If VIF values shows above 10 would indicating multicollinearity. The value of VIF does not exceed 10 and the value of tolerance is not below 0.1. It indicates that there is no multicollinearity among the predictor variables therefore the study does not violate the assumption.

4.7.1.2 Test of Normality

The distribution of scores on the dependent variable should be normal describing a symmetrical, bell-shaped curve, having the greatest frequency of scores around the mean, with smaller frequencies towards the extremes. For this research, the visualized histogram indicates that data used in the study is normally distributed therefore it has fulfilled the assumption.

Fig 4.7:-Normality of bell shape

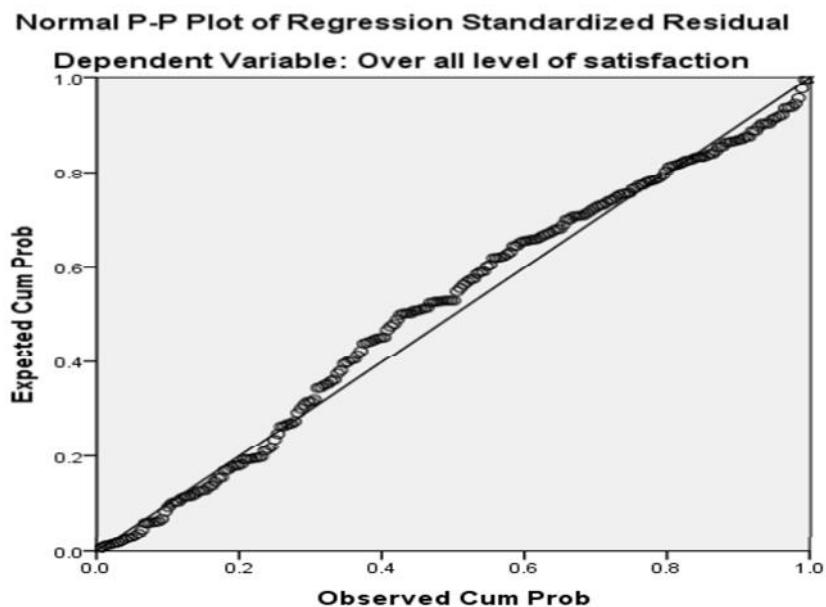


Source: Own Survey, 2020

4.7.1.3 Test of linearity

Linearity assumption of multiple regressions was tested using scatter plot test (Kothari, 2004). It was found that there is linear relationship between independent and dependent variables. According to the linearity result, the distributions of residuals are near to the mean zero.

Fig 4.8:-Linearity test



Source: Survey result, 2020

Therefore, based on the above result of assumptions multicollinearity, normality, linearity, outlier effect, missing data are not a problem for this study and we can proceed to multiple linear regression analysis.

4.7.1.4 Multiple Regression Analysis

Multiple regression analysis is a statistical measure that attempts to determine the strength of the relationship between one dependent variable and a series of other changing variables (known as independent variables). More specifically, regression analysis helps one understand how the typical value of the dependent variable (criterion variable) changes when any one of the independent variables is varied, while the other independent variables remain constant. For the purpose of determining the extent to which overall customer satisfaction (dependent) on the independent variables such as tangibility , reliability, responsiveness, assurance and empathy variables. To carry out this the researcher used multiple regression analysis models.

Table 4.14:-Regression model summary

Model	R	R square	Adjusted R square	Std.Error of the Estimate
1	.562 ^a	.316	.300	0.836

a. Predictors: (Constant), tangibility, reliability, responsiveness, assurance and empathy.

b. Dependent Variable: Overall customer satisfaction.

Source: Own Survey, 2020

The results of multiple regressions as presented table 4.14 above revealed that the service quality dimensions (tangibility and empathy) combination statically significant effect on the customer’s satisfaction. R square of the model is .316 indicate that 31.6% of the variation in the dependent variable (customer satisfaction) can be predicated by the service provided.

The rule- of-thumb for the significance of R square of the predicated variables should be greater than 0.10(Falk&Miller,1992).

4.7.1.5 ANOVA

Table 4.15:- ANOVA

Model	Sum of squares	Df	Mean square	F	Sig.
Regression	67.618	5	13.524	19.343	.000 ^b
Residual	146.122	209	.699		
Total	213.740	214			

a. Dependent Variable: overall customer satisfaction

b. Predictors: (Constant), tangibility, reliability, responsiveness, assurance and empathy.

Source: Own Survey, 2020

ANOVA result shows overall goodness of fit of the model. As shown in table 4.15, F-value is 19.343 with a P-value of 0 .000. As the P- value of ANOVA is less than the significance level which is 0.05, it means all independent variable (service quality dimensions) have significant effect on dependent variable (customer satisfaction). Overall the model is significant to carry out regression analysis.

4.7.1.6 Coefficients for customer satisfaction

Table 4.16:- Coefficients

Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	.003	.379		.007	.995
Tangibility	.046	.020	.143	2.252	.025
Reliability	.027	.018	.112	1.566	.119
Responsiveness	.039	.023	.121	1.682	.094
Assurance	.039	.026	.107	1.458	.146
Empathy	.071	.018	.281	3.906	.000

Dependent Variable: Overall customer satisfaction

Source:- Own Survey, 2020

The model of multiple linear regressions is presented as below:-

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon_i$$

$Y = 0.003 + 0.071(\text{empathy}) + 0.046(\text{tangibility}) + 0.039(\text{responsiveness}) + 0.039(\text{assurance}) + 0.027(\text{reliability}) + \epsilon_i$, from this general econometrics model result we can conclude that the two variables such as empathy & tangibility has statically positive effect on the customer satisfaction, it shown as follows.

$$Y = 0.003 + 0.071 (\text{Empathy}) + 0.046 (\text{Tangibility}) + \epsilon_i$$

Where: Y is Overall customer satisfaction, X1 is Empathy and X2 is Tangibility.

The result of this study indicates that the service quality dimensions (tangibility and empathy) were found to have positive and significant effect on customer satisfaction. The remaining three dimensions (reliability, responsiveness and assurance) are positive and insignificant effect on customer satisfaction. In other words since the observed significance level is less than 0.05, it indicates that the mentioned service quality dimensions are good predictors of customer satisfaction. Therefore the regression analysis shows that if no initiatives are taken to improve the level of identified variables (empathy and tangibility) the level of customer satisfaction will decrease. In addition, ESLSE must put more effort into improving the empathy and tangibility dimensions since the two are the most significant factors influencing customer satisfaction. McDougall & Levesque (1994), have claimed that knowing the relative importance of each dimension of service quality can help service providers to priorities their efforts and resources and deploy them more effectively to improve each dimension of service quality. Furthermore, this knowledge allows managers to concentrates on those dimensions that offer the greatest opportunity to enhance customer satisfaction.

Table4.17:-Hypothesis Summary

Hypothesis		Significance
Ha.1.	Tangibility has positive & significant effect on customer satisfaction.	Accepted
Ha.2.	Reliability has positive & significant effect on customer satisfaction.	Rejected
Ha.3.	Responsiveness has positive & significant effect on customer satisfaction.	Rejected
Ha.4.	Assurance has positive effect & significant on customer satisfaction.	Rejected
Ha.5.	Empathy has positive effect & significant on customer satisfaction.	Accepted

N.B:-The above three variables (reliability, responsiveness and assurance) have insignificant effect on the dependent variable, due to the sig level greater than the confidence level (the sig level or p -value > 0.05). Nevertheless if the error term is wide-ranging more than 5% each independent variables effect is significantly increased .

Analysis of Open Ended Questions

In addition to close ended questions intended to examine the effect of service quality on customer satisfaction ,the researcher asked customers to answer questions such as strength, weakness and any comment:-

- ✓ **The first open ended question asked to the respondents to list strength of the company regarding its service delivery.** Majority of the respondents answer, the enterprises has ethical & responsible employees, the existence of cooperative employees for customers, safe & secure delivery of items. According to Khan & Fasih .(2014), customer satisfaction identifies significant relationship between customer & service provider. This relationship helps to business to emphasize specific customer needs & expectation at each stage Ravald & Gronors.(1999). If company or business firm maintain highly satisfied customers, they will take experience about higher economic returns, Bolten (1988),Munusamy ,Chelliah & Mun ,(2010),Yeung,Ging&Ennew (2002).
- ✓ **The second open ended question was asked to the respondents is the overall weakness of the company on its service delivery.** even if the enterprise has provided better service still there is some issues that required additional improvement to make the service more better than the previous service which was already offered on the following perspective:- the delay of information, frequent interruption of communication network, lack of problem solving capacity and unable to handle customers' needs by management and employees, inconvenience & un attractiveness of reception and waiting area .

Most study supported that customer satisfaction try to reduce the likelihood of exception and /or positively act with retention Anderson & Sullivan (1993), repurchase motives Mittal,kumar & Tsiros (1991) and loyalty oliver (2009),as well as customers judge products or service features of business by satisfying their pleasure consumption related activities Oliver ,(1980).

- ✓ **Lastly customers were asked to suggest any comment on the overall service delivery of the company.** Most of respondents suggest that providing continuous task oriented and ethi-

cal training for new and existing employees help to provide better quality service and simultaneously improve customer satisfaction, there should be frequent follow up of customer about the service provided and feedback, using new technology & improving the existing one.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

This study was aimed at conducting the effect of service quality on customer satisfaction in the case of Ethiopian shipping and logistics enterprise. It was undertaken to know the relationship between service quality dimensions and customer satisfaction, the effect of service quality on customer satisfaction and to identify the dominant service quality dimension that has a strong relation with customer satisfaction in ESLSE. The study used a modified SERVPERF model with self-administered questionnaire that contained 22 performance or perception statements related to the five service quality dimensions. The data was analyzed using Statistical Package for Social Science (SPSS) software version 20 through descriptive and inferential statistics.

In order to undertake the study, 234 questionnaires were distributed out of these 215 has been duly filled and returned. The demographic data showed that majority of the respondents 132(61.4%) are males. Regarding the age majority of respondents, 95(44.2%) are the age range 26 to 34 years old. Regarding the educational level, 79(36.7%) of the respondents are first degree holders and with regard to working experience with ESLSE, 97(45.1%) of the respondents are customer for one to five years. The mean value for service quality dimensions of assurance, responsiveness, empathy, tangibility and reliability were 3.84, 3.75, 3.45, 3.38 and 3.27 respectively. Here the mean value for assurance is highest and the mean value for reliability is the lowest. This implies that customers have good feelings and agreed in assurance dimension while customers have not good feeling in reliability dimension.

Regarding the overall level of customer satisfaction the majority of the respondents 124(57.7%) are satisfied, 38 (17.6%) are dissatisfied, 27(12.6%) are neutral, 18 (8.4%) are highly satisfied and the rest 8 (3.7%) are highly dissatisfied the service provided.

The Pearson's correlation coefficient was used to know the relationship between service quality dimensions and customer satisfaction and the result showed that there is a moderate and positive relationship between the five service quality dimensions and customer satisfaction as shown below:-

- There is a moderate positive significant correlation between tangibility and customer satisfaction ($r=0.598, p<.01$).
- There is a moderate positive significant correlation between reliability and customer satisfaction ($r=0.579, p<.01$).
- There is a moderate positive significant correlation between responsiveness and customer satisfaction ($r=0.543, p<.01$).
- There is a moderate positive significant correlation between assurance and customer satisfaction ($r=0.526, p<.01$).
- There is a moderate positive significant correlation between empathy and customer satisfaction ($r=0.568, p<.01$).

The regression analysis results showed that among five service quality dimensions, empathy and tangibility have significant and positive effects on customer satisfaction however responsiveness, assurance and reliability have insignificant and positive effects on customer satisfaction.

5.2 Conclusions

The main objective of the study is to examine the effect of service quality on customer satisfaction. Based on the data collected, analyzed and interpreted using various methods the following conclusion is drawn:-

- With the descriptive statistical analysis result ESLSE customers are agreed the positive effect of the five service quality dimensions on their own satisfaction, tangibility, reliability, responsiveness, assurance and empathy. Therefore, the service quality dimensions in ESLSE were successfully satisfying the customers.
- Regarding the independent variable (customer satisfaction) majority of the respondent 142 (66.1%) was satisfied with the service they receive and on the way they were served. Overall, we conclude that customers were satisfied the service delivery of the ESLSE.
- The correlation analysis result shows that all five service quality dimensions tangibility, reliability, responsiveness, assurance and empathy have medium & positive effect on customer satisfaction. In conclusion this means that delivering service with high quality lead to a higher customer satisfaction.

- With regard to the service quality dimensions of contribution or their significant effect towards customer satisfaction the result indicated that two service quality dimensions empathy and tangibility have positive and significant effect on customer satisfaction. However reliability, responsiveness, and assurance have insignificant effect on customer satisfaction.

5.3 Recommendations

On the basis of the above findings and conclusions, the following recommendations can be forwarded.

- According to the research finding empathy is the most influencing service quality dimension that affects customer satisfaction in ESLSE. As indicated by study, Empathy has significant effect on customer satisfaction. The elements which constituted empathy in the study were the enterprise gives individual attention to customer, the enterprise has convenient business hours to customers, the enterprise assists customers best interest at heart, the enterprise has employees who give customers personal attention and understand the specific need of the customers. So, management of ESLSE should be work to improve items of empathy dimension so as to improve service delivery and increase customer satisfaction.
- As per the study finding customers are sensitive on tangibility dimension of the ESLSE and has significant effect on customers satisfaction .The tangibility elements of the study were up –to- date equipment’s, neatness and discipline of employees, visually appealing of physical facilities and the appearance of the physical facilities of the enterprise is in keeping with the type of service provided. Since tangibility dimension is the second most influencing factor that customer satisfaction in this study, ESLSE managers should give focus to improve the tangibility elements of the enterprise.
- Human resource is a base for providing a quality service. Therefore, the management should focus on training employees to improve empathy (provision of caring and individual attention to customers).

5.4 Limitation of the study

Although this thesis is based on sound literature & methodological foundations, specific limitations are acknowledged. Methodologically the study has been limited on survey strategy because of cross-sectional in nature and using explanatory and descriptive research design. Due to broad nature of the study it couldn't access all literature concerning service quality and customer satisfaction, thus it is limited within the literature of customer satisfaction and service quality dimension of SERVPERF model.

5.5 Suggestions for Future Research

In addition to the limitations identified above, the following are additional directions for future research that may explore.

- As the study focused on ESLSE head office customers in Addis Ababa .Based on this finding it is difficult to generalize the effect service quality on customer satisfaction ,therefore the researcher recommends further studies to be carried out including ports and branches .

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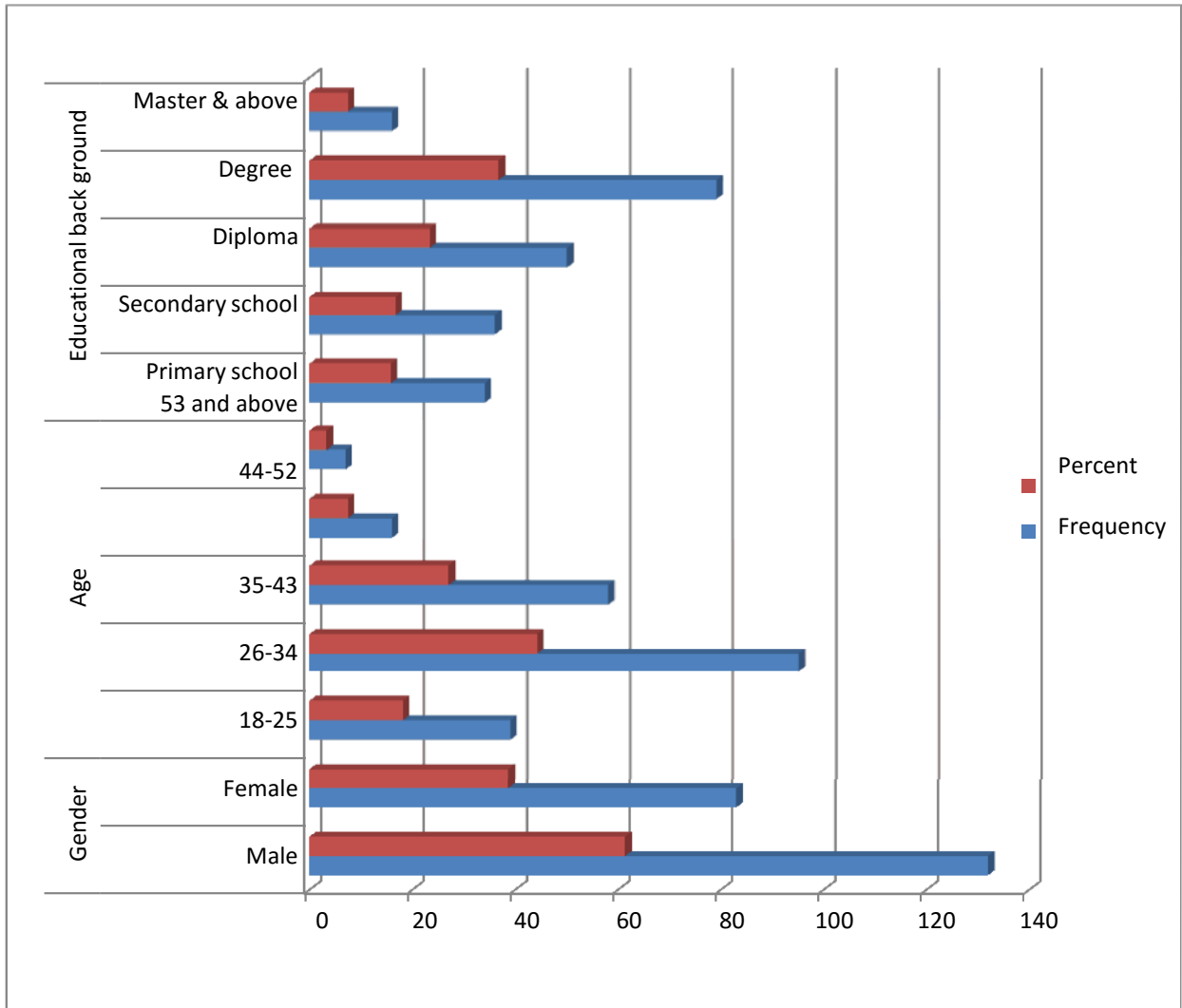
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Appendix

Frequency and percentage of gender, age and educational background of respondents.



Questionnaire
Jimma University
MBA program
Department of Management, College of Business & Economics

Dear respondents;

First I would like to thank you for your time. I am a graduate student in the MBA program. I am conducting this study for the completion of my Masters Degree in Business Administration. This questionnaire is prepared to collect data on “The effect of service quality on customer satisfaction – in the case of Ethiopian shipping and logistics enterprise” for academic purposes only. Your kind cooperation will help me to find reliable data and will be used only for this study. Please try to answer all stated questions and I would like to thank you in advance for your cooperation again.

Instruction:-

No need of writing your Name

For multiple choice questions indicate (√) sign in one of the box provided .

For Likert scale type statements mark (√) sign only once for the given variables depending on your level of agreement.

Part 1: General information

1. Gender Male Female

2. Age 18-25 26-34 35-43 44-52 53and above

3. Educational background Primary school Secondary school Diploma
Degree Master & above

4. Occupation Merchant Transitor Civil Servant Other

Part 2:-

5. For how many years have you worked with Ethiopian shipping and logistics service enterprise?

Less than one year 1 to 5 Years 5 to 10Years More than 10 Years

6. From which route do you ship mostly?

Europe & Africa Far East (China) Gulf (Dubai) & India Others

7. What is the reason to choose the above route? Due to cost Short delivery time

Better quality service

8. For what purpose do you come office today?

To know the status of the cargo

To pay transport cost

Container deposit and refund process

Amend the documents

9. How often do you come to get the service per year?

Two to three times Three to four times Four to five times More than five times

Part 3 : Service Quality Dimensions

Instructions: Please put (√) sign in the number that you feel most appropriate, using the scale from 1 to 5 (Where 1 = strongly disagree, 2 = disagree, 3 = Neutral, 4 = agree and 5 = strongly agree).

Tangibility	1	2	3	4	5
The enterprise has up-to-date equipment's.					
The enterprise has neat and disciplined employees.					
The enterprise physical facilities are visually appealing.					
The appearance of the physical facilities of the enterprise is in keeping with the type of service provided.					

Reliability	1	2	3	4	5
The enterprise provides its services at promised times.					
When customer has a problem the employees shows a sincere interest in solving it					
The employees insist on error free records.					
The enterprise provides its services as promised.					
Employees provide right services at the first time.					

Responsiveness	1	2	3	4	5
Employees are happy and willing to serve the customer.					
Employees gives quick response to customer requests					
Employees of the enterprise are never busy to respond to customer's request					
Employees of the enterprise tell customers exactly when services will performed					

Assurance	1	2	3	4	5
Employees have the required skill & knowledge in providing services.					
Employees make customers feel safe in their transactions.					
Employees instill confidence in customers.					
Employees are consistently polite.					

Empathy	1	2	3	4	5
The enterprise gives individual attention to customers.					
The enterprise has Convenient business hours to customers.					
The enterprise has employees who give customers personal attention.					
The enterprise assists customer's best interest at heart.					
Employees of the enterprise understand the specific needs of their customers.					

Part 4: Level of Customer Satisfaction

Instruction:- The following statement describes you feel about Ethiopian shipping and logistics services Enterprise. Please (√) sign that shows your own perception.

Over all what is your level of satisfaction regarding the services provided by Ethiopian shipping and logistics services Enterprise from time, quality and others related factors (tangibility, reliability, responsiveness, assurance and empathy).

- 1 Highly dissatisfied
- 2 Dissatisfied
- 3 Neutral
- 4 Satisfied
- 5 Highly satisfied

Part 5: Strength, weakness and any other comments:-

A . Strength.

B .Weakness.

C. Any other comments

ጂማ ዩኒቨርሲቲ

የቢዝነስ እና የኢኮኖሚክስ ትምህርት ክፍል

የማናጅመንት (Management) ድህረ ምረቃ ፕሮግራም

መጠይቅ

ውድ የጥናቱ ተሳታፊዎች፡ -

በቅድሚያ መጠይቁን ለመመለስ ፍቃደኛ ሰለሆኑ እየመሰገንንሁ፡ ይህ መጠይቅ የተዘጋጀው፡ በኢትዮጵያ ባህር ትራንስፖርት እና ሎጂስቲክስ አገልግሎት ድርጅት የሚሰጠው የአገልግሎት ጥራት፡ በደንበኞች እርካታ ላይ ያለውን ተጽእኖ ለማጥናት የሚያስፈልጉ መረጃዎችን ለማሰባሰብ ይረዳዎታል፡ ጥናቱም ለድህረ ምረቃ ትምህርት ጥናታዊ ጽሁፍ ዓላማ ብቻ የሚውል ሲሆን የእርስዎ ትብብር ለጥናታዊ ጽሁፍ ተጨማሪነት ያለው ድጋፍ የሚያደረግልኝ መሆኑን ከወዲሁ እየገለጽኩ፡ ሁሉንም ጥያቄዎች በመመለስ እንደምትተባበሩኝ በመተማመን፡ ለሚያደርጉልኝ ትብብር በድጋሚ አመሰግናለሁ፤፤

ከትህትና ጋር
ሙሉነህ ጎና

መመሪያዎች

በዚህ መጠይቅ ስምዎን መፃፍ አይጠበቅበትም
የምርጫ መልስ ስለላለባቸው ጥያቄዎች ከምርጫ አጠገብ ባለው ክፍት ቦታ ይህን (✓) ምልክት ያስቀምጡ
በሰንጠረዥ መልኩ ለተሰጡት አማራጮች ውስጥ ይህን (✓) ምልክት ያስቀምጡ

ክፍል አንድ የተሳታፊዎች አጠቃላይ መረጃ

- 1. ፆታ :- ወንድ ሴት
- 2. እድሜ :-18 - 25 26 - 34 35 - 43 44 - 52 53 እና ከዚያ በላይ
- 3. የትምህርት ደረጃ :- የመጀመሪያ ደረጃ ሁለተኛ ደረጃ ዲፕሎማ ዲግሪ ሁለተኛ ዲግሪና ከዚያ በላይ
- 4. የተሰማሩበት የሥራ መስክ (ስራ):- ንግድ የጉምሩክ አስተላላፊ የመንግስት ሰራተኛ ሌላ

ክፍል ሁለት

- 5. ለምን ያህል ጊዜ ከድርጅቱ ጋር (ከኢባትሎአድ) ደንበኛ ነዎት?
 ከ1 ዓመት በታች ከ1- 5 ዓመት ከ5- 10ዓመት ከ10 ዓመት በላይ

6. አብዛኛውን ጊዜ ከየትኛው የንግድ መስመር ያስመጣሉ ወይም ይልካሉ?

አውሮፓ እና አፍሪካ ሩቅ ምስራቅ (ቻይና) ከመካከለኛው ምስራቅ (ዱባይ) እና ህንድ ከሁሉም ከሌሎች

7. ንግድ መስመሩን የመረጡበት ምክንያት፤

ከወጪ አንፃር ከጊዜ አንፃር አጭር ስለሆነ ከአገልግሎት ጥራት አንፃር

8. ወደ መስሪያ ቤቱ (ኢባትሎኦድ) ምን ዓይነት አገልግሎት ለማግኘት መጡ?

የጭነት ሁኔታ ያለበትን ደረጃ ለማወቅ (የት እንደደረሰ)

የትራንስፖርት ክፍያ ለመፈጸም

የኮንቴነር ማስያዣ ክፍያ ለመክፈል እና ተመላሽ ለመውሰድ

ይክመንት ለማስተካከል

9. በዓመት ወደ ድርጅቱ አገልግሎት ለማግኘት ስንት ጊዜ ይመጣሉ?

ከሁለት እስከ ሶስት ጊዜ

ከሶስት እስከ አራት ጊዜ

ከአራት እስከ አምስት ጊዜ

ከአምስት ጊዜ በላይ

ከፍ ልሦሥት ። ከአገልግሎት ጥራት ጋር ተያያዥን ት ያላቸው ተፅእኖ ፈጣሪ ምክንያቶችን በተመለከተ የተዘጋጀ ማጠይቅ፡

እባክዎን ለእያንዳንዱ ጥያቄ አማራጮች የእርስዎን ስሜት በሚገልጹ ምላሾች ላይ ይህን (/) ምልክት ያስቀምጡ፡

የሥያሜ ቁጥሮች ትርጉም እንደሚከተለው ነው፡ 1፡ - በጣም አልስማማም 2፡- አልስማም 3፡- ገለልተኛ ነኝ

4፡- እስማማለሁ 5፡- በጣም እስማማለሁ

ተ.ቁ.	ተጨማሪ (Tangibility)	1 (በጣም አልስ)	2 (አልስማም)	3 (ገለልተኛ ነኝ)	4 (እስማማለሁ)	5 (በጣም እስማማ)
1	ድርጅቱ ዘመናዊ የሆኑ መሳሪያዎች አሉት					
2	ድርጅቱ ገጹህና በስነ ምግባር የታነጹ ሰራተኞች አሉት					
3	ድርጅቱ ለዓይን ማራኪ የሆኑ አገልግሎት መስጫ የሚያገለግሉ መሳሪያዎች አሉት.					
4	የድርጅቱ መገልገያ መሳሪያዎች ገጽታ ከሚቀረቡ አገልግሎት አይነት ጋር የሚጣጣም ነው።					

	ተግባራዊነት (Reliability)	1 (በጣም አልሰማም)	2 (አልሰማም)	3 (ገለልተኛነት)	4 (እስማማለሁ)	5 (በጣም እስማማለሁ)
1	ድርጅቱ ለደንበኞች አገልግሎት ለመስጠት ቃል በገባው ጊዜ መሰረት ተግባራዊ ያደረጋል (ይፈጽማል)፡፡					
2	ድርጅቱ ሰራተኞች የደንበኞችን ችግር ባግባቡ ይፈታሉ					
3	ድርጅቱ ሰራተኞች ከስህተት የጸዳ ዶክመንት ያዘጋጃሉ					
4	ድርጅቱ ለደንበኞች አገልግሎት ለመስጠት ቃል በገባው መሰረት ተግባራዊ ያደረጋል፡፡					
5	ድርጅቱ የሚሰጣቸው አገልግሎቶች ከመጀመሪያው ትክክለኛና ምንም ስህተት የሌለው ነው					

	ምላሽ ሰጭነት (Responsiveness)	1 (በጣም አልሰማም)	2 (አልሰማምም)	3 (ገለልተኛነት)	4 (እስማማለሁ)	5 (በጣም እስማማለሁ)
1	ሰራተኞች ደንበኞቻቸውን በፈቃደኝነትና በደስታ ያስተናግዳሉ					
2	ሰራተኞች ለደንበኞች ፈጣን ምላሽ ይሰጣሉ					
3	ሰራተኞች ለደንበኞቻቸው ጥያቄ ምላሽ ለመስጠት በሌላ ስራ መጠመድን ምክንያት አያደርጉም					
4	ሰራተኞች ለደንበኞቻቸው የድርጅቱን አገልግሎት በምን ያህል ጊዜ እና ሰዓት እንደሚሰጥ በትክክል ይገልጻሉ					

	አስተማማኝነት (Assurance)	1 (በጣም አልሰማም)	2 (አልሰማም)	3 (ገለልተኛነት)	4 (አስማማለሁ)	5 (በጣም አስማማለሁ)
1	የድርጅቱ ሰራተኞች የደንበኞቻቸውን ጥያቄ ምላሽ ለመስጠት በቂ እውቀት እና ክህሎትን የተላበሱ ናቸው፡፡					
2	ደንበኞች ከድርጅቱ ጋር በሚፈጽሙት ግብይት ሁሉ ደህንነት ይሰማቸዋል					
3	የሰራተኞች ባህሪ ደንበኞች በድርጅቱ ላይ እምነት እንዲኖራቸው ያደርጋል					
4	የድርጅቱ ሰራተኞች አገልግሎት ሚስጠብት ወቅት ለደንበኞቻቸው ትሁት ናቸው					
	የሰውን ችግር እንደራስ ማየት (Empathy)	1 (በጣም አልሰማም)	2 (አልሰማም)	3 (ገለልተኛነት)	4 (አስማማለሁ)	5 (በጣም አስማማለሁ)
1	ድርጅቱ ለእያንዳንዱ ደንበኛ በግል ተገቢውን ትኩረት ይሰጣል					
2	የድርጅቱ የአገልግሎት ሰአት ለደንበኞች ምቹ እና ተስማሚ ነው					
3	ድርጅቱ ለእያንዳንዱ ደንበኛ በግሉ እንደሚመቸው አድርገው አገልግሎት የሚሰጡ ሰራተኞች አሉት					
4	ድርጅቱ የደንበኞችን ዋነኛ ፍላጎት ለማሟላት ከልብ ይሰራል					
5	የድርጅቱ ሰራተኞች ሁሉም የደንበኞቻቸውን ልዩ ፍላጎት ይረዳሉ					

ክፍል አራት: -አጠቃላይ ደንቦችን እርካታ በተመለከተ ለመዳሰስ የተዘጋጀ መጠይቅ

1. በአጠቃላይ ከድርጅቱ ያገኙትን አገልግሎት ከግምት ውስጥ በማስገባት ከዚህ በታች ከቀረቡት ምርጫዎች ውስጥ ይህን (✓) ምልክት በማስቀመጥ : በአገልግሎት አሰጣጡ ላይ ያለዎትን የእርካታ መጠን ያሳውቁን : የስያሜ ቁጥሮች ትርጉም፤ - 1: - በጣም እርካታ አይሰማኝም 2: - እርካታ አይሰማኝም
 3: - አስተያየት የለኝም 4: - እርካታ ይሰማኛል
 5: - በጣም እርካታ ይሰማኛል

ተ.ቁ	አጠቃላይ ደንቦች እርካታን በተመለከተ	1 (በጣም እርካታ አይሰማኝም)	2 (እርካታ አይሰማኝም)	3 (አስተያየት የለኝም)	4 (እርካታ ይሰማኛል)	5 (በጣም እርካታ ይሰማኛል)
	በአጠቃላይ ድርጅቱ በሚሰጠው አገልግሎት ከጊዜ ፣ ከጥራት እና ከመሰል ተያያዥ ተግባራት አንጻር የእርስዎ የእርካታ ደረጃ በተመለከተ፤					

ክፍል አምስት: በድርጅቱ አገልግሎት አሰጣጥ ዙሪያ ያዩትን ጠንካራ ጎንደካ ጎን እና አጠቃላይ አስተያየት ከታች ባለው ክፍት ቦታ ይግለጹ:

ሀ. ጠንካራ ጎን

ለ .ደካማ ጎን

ሐ. አጠቃላይ አስተያየት
