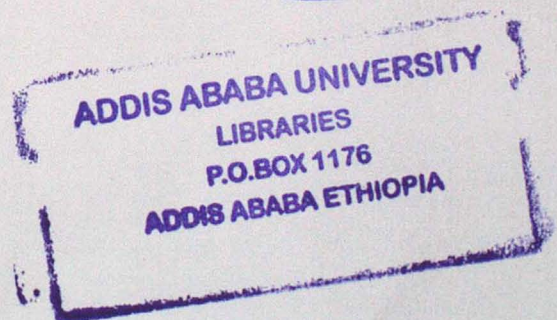


**ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**EXPECTATION AND PERCEPTION OF STUDENTS
FOR SERVICE QUALITY IN BAHIR DAR
UNIVERSITY**



YOHANNES TEFERA GELAGL

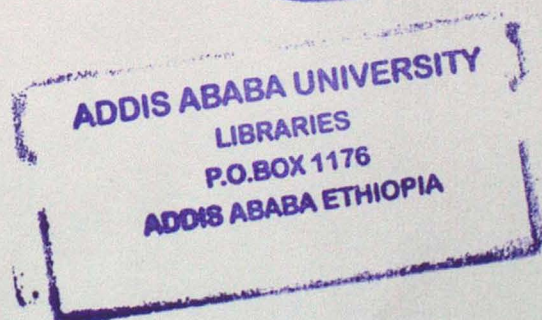


**MAY 2011
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**MAY 2011
ADDIS ABABA**

DEDICATION

This thesis is entirely dedicated to my beloved mother Lengocha Shewamene. What word of phrases enables me to express her strong moral encouragement, kindness and generosity. Simply I LOVE YOU MOM!!!

ACKNOWLEDGEMENTS

First and foremost, I would like to express my gratitude to God for helping me to pass all the ups and downs of my life, especially on the closing session of this thesis. I also wish to express my sincere appreciation to my advisor Girma Zewdie (Associate Professor), for his intelligent guidance, encouragement and helpful advices during the whole process of the study. His willingness to help me was beyond the ordinary.

Special thanks also go to all undergraduate students of the college of business and economics in Bahir Dar University who involved in this study for their cooperation in responding to the questionnaire and sharing information.

My sincere appreciation also goes to all my colleagues and friends specially Ato Girmay Tesfay and Ato Abraham Tilahun who have provided me with assistance at various occasions. Last but not least, a very special appreciation goes to my beloved parents for their continuous supports, love and care.

Yohannes Tefera

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ABSTRACT

Service quality has become predominant part of all advanced organization's strategic plan. Higher attention on service quality has resulted in increasing and profit of organizations. Higher education possesses all the characteristics of service industry such as intangibility, reliability, responsiveness, assurance and empathy. According to some scholars, the strategic success of a service organization depends on its ability to consistently meet or exceed customer service expectations. It is apparent that there is a need to measure students' perceptions of service quality at the college of business and economics in Bahir Dar University. To investigate students' expectation and perceptions of service quality, descriptive survey study has been conducted and a study was guided by four objectives. These objectives were: firstly, to identify students' expectations in terms of higher educational services provided; secondly, to ascertain the perceptions of students towards the service of the college of business and economics provides; thirdly, to measure the gaps between the expectations and perceptions, using the modified SERVQUAL score, and fourthly, to measure the score of the seven SERVQUAL dimensions. The instrument used to assess the students' expectation and perceptions of service quality was the modified SERVQUAL questionnaire, measuring expectations and perceptions according to the seven service quality dimensions. The finding shows high reliability to all items in the modified questionnaires. This indicated that gap scores, as produced by this scale are valid measurement for overall satisfaction of undergraduate students with the delivery of services by the college of business and economics. The result also showed that the gap of all dimension of service quality were negative (students' expectations of service quality exceeded their perceptions). "Delivery" and "tangibility" were identified as the most critical dimension for the college of business and economics in Bahir Dar University. Thus, improvements are required across all seven dimension of service quality especially "empathy" and "delivery".

CHAPTER ONE

INTRODUCTION

This chapter presents the over view of the entire thesis. It covers the background of the study, problem statement, purpose of the study, research questions, significance of the study, limitation, scope and organization of the thesis.

1.1. Background of the Study

We all consume service as part of our everyday life. A day in our life may involve, for example, listening to a favorite radio programme, travelling on a train or bus, arranging a dental appointment, attending lectures and tutorials, and buying a book via internet. At work, we may rely on administrative, technical and clerical support services, and come to expect that offices, rooms are regularly cleaned. Furthermore, we probably have an opinion on the level of service offered in all these areas, and are quite prepared to share our feelings of satisfaction/dissatisfaction (with the services) with others (Baron and Harris, 2003). For many of us, we are not simply service consumers (or customers); we also provide service. We are both consumers and providers of service for example one higher education instructor provides services like teaching, research, student counseling, consulting and editing, and he/she also consumes different services from the institution i.e. parking, cafeteria, internet, and so on.

To provide excellent service, service provider should understand the expectation of its customers, in spite of the fact that a genuine interest in meeting customer expectations, many companies miss the market by thinking inside-out: They believe they know what customers should want and deliver that, rather than finding out what they do want. When this

happens, companies provide services that do not match customer expectations: important features are left out, and the levels of performance on features that are provided are inadequate. Because services have few clearly defined and tangible cues, this difficulty may be considerably larger than it is in manufacturing firms. A far better approach involves thinking outside-in: Determining customer expectations and then delivering to them. Thinking outside-in involves using different researches to understand customers and their requirements fully (Ling, Chai and Piew, 2010).

A higher education institution (HEIs), like any other business institution, needs to satisfy its clients in order to survive in the business, a customer with a positive attitude towards a business, engages in positive word-of-mouth communication which affects the bottom line of the business. Teaching is one of the core services of a higher education institution, it is the intangible dominant service that lacks physical evidence, the intangibility of teaching services forces a consumer to rely on source of information such as word- of- mouth recommendations to arrive at their own rational decisions. Specifically, a prospective student comes to know about a higher education institution and/or forms expectations about the quality of service he/she would receive from the institution, from others who have attended and/or are attending the institution, parents, friends, relatives, and other sources of information such as institutional advertisements and university guides will also impact on university choice (Joseph M. and Joseph B, 2010).

Students need accurate information about educational quality to help them choose between different courses of study. Academicians and university administrators need information to help them monitor and improve their courses and programmes. Institutions need information about quality to help them benchmark and market their performance. Governments and other bodies need information to assist with funding, policy development

and accountability. For these reasons, quality assurance has become vital in the higher education system (Coates, 2005).

Ethiopia is radically expanding its higher education sector: from two federal universities to 22 in just over a decade and another 10 to open soon. The expansion of numbers alone would not satisfy the needs of the country, Higher Education Proclamation 351(Ethiopian Federal Ministry of Education, 2003) made provision for the creation of the Higher Education Relevance and Quality Agency (HERQA) and this was established in 2003 (Higher Education Proclamation no.351/2003) with the aim of safeguarding and enhancing the quality and relevancy of higher education in the country. Its mission includes: ensuring that accredited HEIs are of an appropriate standard; establishing that the programs of study offered by these HEIs are of an appropriate quality and relevance to the world of work and the development needs of the country; and supporting the country's higher education sector in enhancing the quality and relevancy of its education provision.

Bahir Dar University (BDU) was inaugurated in May 2000 (1992 E.C.) when the former Bahir Dar Teachers College and Bahir Dar Polytechnic Institute joined to become the Education and Engineering Faculties, respectively, of the new University. It is one of the largest universities in Federal Democratic Republic of Ethiopia, which has more than 45,000 students and over 53 undergraduate and 30 graduate programmes. Bahir Dar University has 1125 instructors (first degree & above) and now four colleges, three faculties, five schools and two institutes (<http://www.bdu.edu.et>).

Students' satisfaction feedback is regarded as an important information requirement for the quality assurance process in higher education (Hassan, Ilias, Rahman and Razak, 2008). Therefore this research will determine

students' expectation and perceptions of service quality at the Bahir Dar University.

1.2. Statement of the problem

The quality of service in society is more than just a market share issue, a profit and loss issue and a business issue. Improving services quality also is a quality of life issue; the better the service quality of our doctors, grocers, bankers, restaurant, government agencies, department stores, transportation services, educational services and other providers, the better the quality of our daily living (Kasper, Helsdingen and Vries, 1999).

Everyone wins if services are excellent: The customers win because the quality of daily life is better; the employees win because striving for excellence at work is more fun than accepting mediocrity and the owners of the company win because their businesses are competitively stronger and the quality of everyday living is better.

As a service industry higher educational institution needs to adopt the techniques in measuring the quality of its services and the satisfaction of its customers. Service quality also has become a predominant part advanced organization's strategic plan. Increasing attention paid to service quality has resulted in more progress and profit in organizations. Higher education possesses all the characteristics of service industry, i.e., intangibility, variability, inseparability, perishability, and the customer (student) participates in the process. However, quality measurement in higher education continues to be a vexing and difficult issue. Most evaluation of higher education has primarily used tangible criteria (O'Neill and Palmer, 2004).

Higher education is crucial for the production of vital human resources, such as teachers, healthcare professionals, lawyers, engineers, managers, businessmen, and researchers critical for socio-economic development of a

nation. Furthermore, higher education is a center for knowledge and skills creation, adaptation and dissemination. It also plays a significant role in providing relevant and quality community and public services. Higher education is therefore critical for economic progress, political stability and peace, as well as building democratic culture and cohesive societies. This is why quality education system plays a key role in setting up a framework to ensure that an adequate supply of qualified, highly skilled and well trained manpower is structurally placed.

As a higher education Bahir Dar University, college of business and economics have the responsibilities to contribute for economic progress, political stability, and providing relevant quality community and public services of a nation through keeping and enhancing the quality of its service, but many students in the college of business and economics complained and communicates bad/negative word of mouth about the service quality of the college, therefore it is important to identify the area/s which service quality is lower than expected by the students.

According to Berry and Parasuraman (1992) the strategic success of a service organization depends on the ability of service providers to enhance their images by consistently meeting or exceeding customers' service expectation. These mechanisms must be measured regularly to respond to the changes of the environment and the expectation of the stakeholder is becoming higher. In addition, literature shows the benefits of student feedback at universities, enables management to develop quality assurance programs to help meet the expectations of the students as key stakeholders (Hassan et al., 2001).

It is vital to consistently measure the performance of service quality from students' perspective because they are directly involved in the education process. They can be seen and act as a consumer or customer as well as a product of the education institution. Therefore this study will try to

examine if a gap exists between students' expectations of service quality and actual service delivery at the Bahir Dar University, College of Business and Economics. Specifically the researcher will be expected to answer the following basic questions.

1. What is the expectation level of students towards the quality of higher education?
2. To what extent does Bahir Dar University fulfill the expectation of students?
3. In which service dimensions is students' quality expectation high?
4. In which service dimensions is students' perceived quality high?
5. What are the differences between expectations and perceptions (gap 5 in the SERVQUAL-model)?

1.3. Objectives of the study

General objective

The general objective of this research is to examine students' expectation and perception of service quality at College of Business and Economics in Bahir Dar University.

Specific objectives

This research also has the following specific objectives:

- To identify students' expectations in terms of higher educational services provided
- To ascertain the perceptions of students towards the service of the college of business and economics provides
- To measure the gaps between the expectations and perceptions, using the modified SERVQUAL dimensions.
- To measure the score of the seven SERVQUAL dimensions.

1.4. Significance of the study

The significance of conducting this study on expectation and perception of students for service quality in Bahir Dar University lies on the following important points:-

- ❖ This research will be useful for the management and staffs of the college to continuously improve the service quality of education. The results of the improvement effort finally will benefit the students as well.
- ❖ It helps governmental bodies (policy makers, MOE) to give due attention for the students needs/ expectation.
- ❖ It can also be used as a springboard for those researchers who may intend to make further study on this or related topics.

1.5. Scope of the study

In any research work it is important to limit the scope of the study to a manageable size, in order to investigate the problem effectively and efficiently. Then, it will not be quite possible practically and easily to conduct the study in all institutions, colleges, school, and faculties of Bahir Dar University. Therefore, this study will focus only on college of Business and Economics regular undergraduate students. In addition to this the researcher will omit first year students as they would be new to the college and would not have spent enough time developing a perception of the service quality.

1.6. Limitation of the study

This study assessed the perception and expectation of students for the service quality of college of business and economics in Bahir Dar University. It is difficult to say the college provides quality service or not based on this study rather it shows areas which needs improvement,

because due to time and financial constraint this study does not include other stakeholders such as employer, management, government bodies and the like.

The other constraint of this study was lack or inadequacy of accessibility of resources related to the area considered- Students perceived service quality which constrained the researcher's ability to look at the issue from different perspectives and make the analysis accordingly.

1.7. Organization of the study

This study consists five chapters; the first chapter discuss on the introduction part of the thesis i.e. the objectives of the study, the scope of study, significance of the study, limitation of the study and organization of the study, the second chapter presents the review of related literature, and it covers concepts of service, service quality in higher education, customers' expectations of service quality, customers' perceptions of service quality and gaps model of service quality, chapter three describes the research methodology, such as explanations on data collection instruments and data analysis method, The findings of the study presents in the forth chapter. In this chapter the feedback of questionnaires and analyses of the data presents in order to achieve the objectives of the study, the last chapter, chapter five contains the summery of the findings, conclusions, and recommendations.

1.8. Definitions of key terms

The researcher uses the following technical terms in the study as defined as follows:

Customer: - someone who makes uses of or receives the products or services of an individual or organization (<http://en.wikipedia.org>). In terms of this study the customers or consumers are the students at the Bahir Dar University College of Business and Economics.

Expectation: - refers to the student's expectation about the service qualities of the universities before they join.

Perception: - refers to what students actually experienced with service quality of the college.

SERVQUAL - an instrument developed and refined by Parasuraman, Zeithaml, and Berry (1988, 1991) for measuring service quality, from a customer's perspective. The instrument measures customers' expectations and customers' perceptions. The end result is a SERVQUAL difference score, customers' perceptions scores minus their expectations scores, item by item.

Tangibles: is defined as the appearance of physical facilities, equipment, personnel, and communication materials in the college.

Reliability: means the ability to perform the promised service dependably and accurately.

Responsiveness: means willingness to help students and provide prompt service.

Assurance: is defined as employees' knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence.

Empathy: is defined as the caring, individualized attention the college provides its customers/students.

Delivery: is the ability of instructors to transfer/teach their knowledge and experience for their students.

Information: the availability of information related to available departments, courses and graduation requirements.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter discusses what service and service quality means from different academic points of view, why it is important for organizations to understand service quality, and how customers evaluate it.

Furthermore, it also discusses why service quality needs to be measured to understand the customers' expectations and perceptions in order to gain numerous advantages. In addition to that, it discusses service quality models.

*Finally, it will lead to an understanding of how service quality measurement instruments evolve, specially the **SERVQUAL** instrument; and why there are some concerns about measuring service quality using the **SERVQUAL** instrument.*

2.1. Concepts of Service

Services are behavioral rather than physical entities, and have been described as deeds, performances or effort (Rathmell, 1966); deeds, acts or performances (Berry, 1980); activities or performance (Gronroos, 1991, all cited in Hill, 1995).

Services also defined as a type of economic activity that is intangible, is not stored and does not result in ownership. A service is consumed at the point of sale. Services are one of the two key components of economics, the other being goods. Examples of services include the transfer of goods, such as the postal service delivering mail, and the use of expertise or experience, such as a person visiting a doctor ([http:// www.investorwords.com](http://www.investorwords.com)).

On the other hand Paerrearault and Mccarthy also stated; service is a deed performed by one party for another. When you provide a customer with a service, the customer can't keep it. Rather, a service is experienced, used, or consumed. Customer can't hold a service. And it may be hard to know

exactly what customer will get when he/she buy it (Paerreault and Mccarthy 2005).

2.2. Characteristics of Services

According to Baron et al., (2003) the services have unique characteristics which make them different from that of goods. The most common characteristics of services are; intangibility, variability, inseparability, and perishability.

2.2.1. Intangibility

Intangibility refers to the lack of tangible assets which can be seen, touched, smelled, heard, or tasted prior to purchase. Services vary in the degree to which they are intangible. Services such as a college education, air travel, and sporting events are highly intangible. However, for each of these services there are tangible items which are used to perform the service. Consider a college education: there are the physical structures such as the buildings and classrooms which can be seen during a campus visit (Kurtz & Clow, 1998).

A service such as travel, entertainment or education is purchased; there is nothing tangible to show for it. After a day of buying service, the customer still has an empty market basket what the customer is buying is a performance provided by the seller (Venugopal and Raghu, 2001). Since, services are not tangibles, they do not have features that appeal to the customers senses, their evaluation, unlike goods, is not possible before actual purchase and consumption.

Not all the service product has similar intangibility. Some services are highly intangible, while the others are low i.e. the goods (or the tangible component) in the service product may vary from low to high. For example: Teaching, Consulting, Legal advices are services which have almost nil tangible components; While restaurants, fast food centers, hotels and

hospitals offer services in which their services are combined with product (tangible objective) , such as food in restaurants, medicines in hospitals, or teaching materials/aid in education etc.(<http://www.citeman.com>).

2.2.2. Variability

Service industries tend to be labor intensive, whereas manufacturing is more capital intensive. As a result services are much less standardized than products (Baron et al., 2003; Venugopal and Raghu, 2001).

Services are highly variable, as they depend on the service provider, customer and where and when they are provided. For example Students may obtain different service from a single instructor in different session because human beings cannot provide exactly similar service in different situation or environment.

2.2.3. Inseparability

Inseparability refers to the notion that, in many service operations, production and consumption cannot be separated; that is, a service is to a great extent consumed at the same time as it is produced. For instances, getting a haircut involves a customer going to a hair stylist and being present while the service is being produced (Baron et al., 2003; Kurtz and Clow, 1998)

Products are generally produced, sold and then consumed whereas services are usually sold first, then produced and consumed at the same time. Students first register by paying some amount of fees, but service is produced and consumed at the same time because teachers deliver the topic or knowledge only when the students available at the class room (Venugopal, and Raghu, 2001; Paerreault and Mccarthy, 2005).

2.2.4. Perishability

Pershability of a service means the service cannot be inventoried or stored. If a pair of jeans does not sell today, a retailer can store it and sell it at a

later time. For services, this is not possible (Kurtz and Clow, 1998; Baron et al., 2003).

2.3. Customers expectations of service quality

The importance of expectations has been acknowledged in different researches on services quality (Gronroos, 1982) and customer satisfaction (Oliver, 1981a, both cited in Zeithaml, Berry and Parasuraman, 1993). Organizations need to understand expectations and, if appropriate, manage those expectations. Indeed it may be appropriate to try to rein in customers' expectations in order to keep them at the right level that can be met or just exceeded by service delivery. This is a key challenge for service operations managers (Johnston and Clark, 2005).

Customer expectations are pretrial beliefs about a product (Olson and Dover 1979, cited in Zeithaml et al., 1993). According to Zeithaml and Bitner (2003); Venugopal and Raghu (2001) and Kurtz and Clow (1998), customer expectations are beliefs about service delivery that is used as a basis against which the performance of the service is judged. Because customers compare their perceptions of performance with these reference points when evaluating service quality, thorough knowledge about customer expectations is critical to services marketers. Knowing what the customer expects is the first and possibly most critical step in delivering quality service. Being wrong about what customers want can mean losing a customer's business when another company hits the target exactly. Being wrong can also mean expanding money, time, and other resources on things that don't count to the customer. Being wrong can even mean not surviving in a fiercely competitive market.

Managers need to understand and define expectations in order to: create a detailed service specification in line with the service concept, design and deliver the appropriate service at the appropriate cost, encourage marketers to try to influence customers' prior expectations so that those expectations

can be delivered, understand how to manage, indeed manipulate, customer perceptions during the service to achieve the desired level of satisfaction (Johnston and Clark, 2005).

2.3.1. Level of service expectation

According to Zeithaml and Bitner (2003) and Kurtz and Clow (1998) consumer expectations consist of different levels, the level of expectation can vary widely depending on the reference point the customer holds.

Ideal service level: the ideal service level is defined as the “wished for” level of service performance.

Desired service level: the desired service level is the level of performance the customer wants or hopes to receive from the service or is a blend of what the customer believes “can be” and “should be”.

Adequate service level: the adequate level of service is the minimum level of service the consumer will tolerate and accept without being dissatisfied.

Predicted service level: the predicted service level is the level of service consumers actually expect from the service firm. The predicted level of service can range from the ideal level of service to the adequate level of service.

2.3.2. Zone of Tolerance

Zeithaml and Bitner (2003) and Kurtz and Clow (1998) Services are heterogeneous in that performance may vary across providers, across employees from the same provider, and even with the same service employee. The extent to which customers recognize and are willing to accept this variation is called the zone of tolerance. If a service drops below adequate service i.e. the minimum level considered acceptable, customers will be frustrated and their satisfaction with the company will be undermined. If service performance is higher than the zone of tolerance at the top end i.e. where performance exceeds desired service, customers will

be very pleased and probably quite surprised as well. Organization might consider the zone of tolerance as the range or window in which customers do not particularly notice service performance. When it falls outside the range (either very low or very high), the service gets the customer's attention in either a positive or negative way.

Different customers possess different zones of tolerance some customers have narrow zones of tolerance, requiring a tighter range of service from providers, whereas other customers allow a greater range of service. For example, very busy customers would likely always be pressed for time, desire short wait times in general, and also hold a constrained range for the length of acceptable wait times. An individual customer's zone of tolerance increases or decreases depending on a number of factors, including company- controlled factors such as price when prices increase customers tend to be less tolerant of poor service. In this case, the zone of tolerance decreases because the adequate service level shifts upward. Zones of tolerance also vary for different service attributes or dimensions, customers are likely to be less tolerant about unreliable service than other service deficiencies (Zeithaml and Bitner, 2003).

2.3.3. Factors that influence customer expectations of service

Zeithaml and Bitner (2003); Venugopal and Raghu (2001) and Baron et al. (2003) explained four key factors that might influence a customer's expectations:

Personal needs: the requirements those are essential for physical and psychological well being of the customer. This depends on individual factors and may differ from one customer to another.

External communication of the service provider: Advertising, publicity and other methods of communication from the service provider to attract customers.

Word of mouth: these personal and non personal statements made by others apart from the service provider influence the expected service as they convey to the customer what the service will be like.

Past experience: the customer's previous exposure to the service will also influence the expectations of future services from the service firm.

In addition to the above factors Johnston and Clark (2005) described the following factors:

Price: the higher the price, the higher up the continuum towards ideal is customers' expectations.

Alternative services available: alternative services available will also help define and set expectations.

Customers' mood and attitude: can affect their expectations. Someone in a bad mood or with a poor attitude to an organization may have heightened expectations; someone less concerned and more tolerant may have a wider zone of tolerance and thus a wider range of expectations.

Confidence about an organization: even before we have used an organization, will also influence our expectations. If we have confidence in our child's new school because of its reputation, for example, we may have a higher set of expectations as to how we and our child will be treated.

Expectations are dynamic, they are not fixed at a single point on a continuum between intolerable to ideal, and will change over time and indeed during the service itself. Customers are continually experiencing many service situations and consuming services. Their expectations are under continual review and change. What an organization may have defined as adequate last month may be inadequate this month. As more and more organizations dealing with customer complaints, for example, try

to resolve them by phone rather than letter, customers will start to expect similar treatment, whatever the industry.

2.4. Customers perceptions of service quality

Perceived quality is the consumer's judgment about an entity's overall excellence or superiority. It differs from objective quality; it is a form of attitude, related but not equivalent to satisfaction, and results from a comparison of expectations with perceptions of performance (Parasuraman, 1988).

According to Venugopal and Raghu (2001) perceptions are consumer judgment about the actual service performance or delivery by a company. Perceived value is the customers' overall assessment of the organization service based on the complete experience of the service delivery process, they are subjective. As services are intangible, customers search for evidence of service in every interaction they have with a service firm. The evidence of service as experienced by the customer are – people, process and physical evidence.

People – who may be the contact employees, other customers or the customer himself who participates in the service delivery process.

Process – the operational flow of the activities, the steps involved in the process reflect the reliability and the promptness of the service.

Physical evidence – the tangible aspects of service dimensions will be reflected in the physical evidence. It includes the service space, brochure, the equipment and any other tangible aspects, which implies quality. Apart from the tangible aspects, the corporate image of the service provider as well as the price of the service can also influence the perceived quality.

2.5. Service quality

2.5.1. Concept of service quality

Service quality is an elusive construct, mainly because of the unique features that differentiate services from goods. Intangibility, inseparability of production and consumption, heterogeneity and perishability are the four well documented features of services acknowledge in the service marketing literature (Berry, 1980; Bitner, 1992; Lovelock, 1983; Zeithaml et al., 1985 all cited in LeBlanc and Nguyen, 1997). Because of these unique features, and the difficulties of defining and delimiting quality as it applies to intangibles, the measurement of service quality in specific service industries still remains a challenge (Leblanc et al., 1997). Delivering quality service is considered to be essential strategy for success in today's competitive environment (Parasuraman, Zeithaml and Berry, 1985; Zeithaml, Berry and Parasuraman, 1996).

According to Baron et al. (2003) defining and monitoring the quality of a service is very different from defining and monitoring the quality of a tangible product. From the internal perspective, a manufacturer can grade pieces of fruit received from a supplier according to certain objective quality criteria, and from an external perspective, that is customer view point, a quality assessment of the fruit can be made in the supermarket prior to purchase, by touching or feeling the merchandise, albeit at a more subjective level. In both cases, the quality assessment relates clearly to the finished product. With services, in contrast, customers make judgments about the quality of the service delivery process, as well as on the final outcome, because a service is usually made up of both tangible and intangible components.

Similarly Berry, Zeithmal, and Parasuraman (1985); Walker and Baker (2000) customers assess service quality by comparing the service they receive (perceptions) with the service they desire (expectations). A company

can achieve a strong reputation for quality service only when it consistently meets customer service expectations.

Berry, Parasuraman and Zeithaml (1988) see consumers as being the sole judge of service quality. In terms of how consumers actually assess service quality, Berry et al. (1985) conclude that consumer perceptions of service quality result from comparing expectations prior to receiving the service, and their actual experience of the service. Not surprisingly, if the consumer's expectations are met, service quality is perceived to be satisfactory: if they are not met, it is perceived to be less than satisfactory: and if they are exceeded, it is perceived to be more than satisfactory (delighting the customer). A similar approach is taken by Gronroos (cited in Hill, 1995).

The complicate matters, service quality can be broken down in to two subcomponents, namely technical quality and functional quality. Technical quality relates to what is provided during the service process (knowledge, tangibles, technical solutions, etc.). Functional quality, on the other hand, refers to how the service is provided, the interpersonal behaviors contributed by the service employee during the service encounter (Venugopal and Raghu, 2001; Baron et al., 2003).

Recognizing the role of the consumer in the service delivery process Kelly et al. (cited in Hill, 1995) add two further components to this service quality framework- customer technical quality and customer functional quality. The former refers to what the consumer contributes to the service encounter, while the latter refers to how the consumer behaves during service provision – friendly, respectful, co-operative behaviors would be relevant in this regard, as would aggressive, abusive, disrespectful ones. The significance of the above discussion on service and service quality is that, in attempting to manage service quality, it is not enough to focus on

service provider personnel; attention must also be paid to the motivation and behavior of the consumer as well.

Berry, Zeithaml and Parasuraman (1985) also described the following points related to service quality:

- Service quality is more difficult for the consumer to evaluate than goods quality.
- Service quality perceptions results from a comparison of consumer expectations with actual service performance.
- Quality evaluations are not made solely on the outcome of a service; they also involve evaluation of the process of service delivery.

Therefore, service quality is a measure of how well the service level delivered matches customer expectations. Delivering quality service means conforming to customers' expectations on a constant basis. Using this definition of service quality, one of the first steps before implementing a quality improvement programme involves establishing precisely which components of the service influence the consumer's perception of quality (Baron et al., 2003).

2.5.2. Service quality dimensions

Johnston et al., (cited in Kitchroen, 2004), identify fifteen dimensions of service quality categorized as "hygiene factors", "enhancing factors" and "dual-threshold factors". "Hygiene factors" are expected by the customer and dissatisfaction of customers would occur if they are not delivered. "Enhancing factors" will lead to customer satisfaction but will not necessarily lead to customer dissatisfaction if they are not delivered. Failure to deliver "dual - threshold factors" will cause dissatisfaction and will enhance customer's perceptions of service and lead to satisfaction if they are delivered above a certain threshold.

Zeithaml and Bitner (2003); Baron et al., (2003) customers do not perceive quality in un-dimensional way, but rather judge quality based on multiple factors relevant to the context. For example, quality of automobiles is judged by such factors as reliability, serviceability, prestige, durability, functionality, and ease of use, where as quality of food products might be assessed on other dimensions like flavor, freshness, aroma, and so on. Similarly, specific dimensions of service quality have been identified through the pioneering research of Parasuraman, et al., (1985) Their research identified ten specific dimensions of service quality that apply across a variety of service contexts.

- *Reliability*: this relates to the ability of the service provider to perform the promised service dependably and accurately.
- *Access*: is the service accessible and delivered with little waiting.
- *Security*: is the freedom from danger, risk or doubt.
- *Credibility*: involves trustworthiness, believability and honesty. It involves having the customer's best interests at heart.
- *Understanding the customer*: involves making the effort to understand the customer's needs.
- *Responsiveness*: concern the willingness or readiness of employee to provide service. It involves timeliness of service.
- *Competence*: means possession of the required skills and knowledge to perform the service.
- *Courtesy*: involves politeness, respect, consideration and friendliness of contact personnel.
- *Tangibles*: what assessment can be made of the appearance of the physical facilities, equipment, personnel and communication materials
- *Communication*: means keeping customers informed in language they can understand and listen them.

Parasuraman et al. (1988) subsequently reduced these ten determinants to five, the following first three being the original ones and the other seven original ones categorized into (4) and (5): (1) Tangibles; (2) Reliability; and (3) Responsiveness; (4) Assurance (knowledge and courtesy of employees); and (5) Empathy (caring, individualized attention the firm provides its customers). They identified these five principle dimensions that customers use to judge service quality, which are listed and defined below in order of declining relative importance to customers.

1) Tangibles: *Representing the Service physically* tangibles are defined as the appearance of physical facilities, equipment, personnel, and communication materials. All of these provide physical representations or images of the service that customers, particularly new customers, will use to evaluate quality. Although tangibles are often used by service companies to enhance their image, provide continuity, and signal quality to customers.

2) Reliability: *Delivering on promises* Reliability means the ability to perform the promised service dependably and accurately- promises about delivery, service provision, problem resolution, and pricing. Customers want to do business with companies that keep their promises, particularly their promises about the service outcomes and core service attributes.

3) Responsiveness: *Being Willing to Help* Responsiveness means willingness to help customers and provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints, and problems. Responsiveness is communicated to customers by the length of time they have to wait for assistance, answers to questions, or attention to problems. Responsiveness also captures the notion of flexibility and ability to customize the service to customer needs.

To excel on the dimension of responsiveness, a company must be certain to view the process of service delivery and the handling of requests from the customer's point of view rather than from the company's point of view.

4) Assurance: Inspiring Trust and Confidence Assurance is defined as employees' knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence.

5) Empathy: Treating Customers as Individuals Empathy is defined as the caring, individualized attention the firm provides its customers. The essence of empathy is conveying, through personalized or customized service, that customers are unique and special. Customers want to feel understood by and important to firms that provide services to them. Personnel at small service firms often know customers by name and build relationships that reflect their personal knowledge of customer requirements with larger firms, the ability to be empathetic may give the small firm a clear advantage.

Parasuraman, *et al.*, (1988) marketing researchers use these five dimensions to form an assessment of service quality, based on the comparison between expected and perceived service. As suggested by Parasuraman, *et al.*, (1988), it can be appropriate to modify the items of the SERVQUAL instrument to make the survey more relevant to the context of a particular service environment. Also, it can be appropriate to add or drop items. In the case of this study, the new items were added to the instrument. Engelland, *et al.* (as cited by Tyran and Ross, 2006) found that the provision of information and delivery can be an important aspect of service quality for the academic environment. Drawing on this work, the researcher added Information and delivery as a new dimension.

2.5.3. Gaps model of service quality

The model developed by Parasuraman et al., (1985) indicated that consumer quality perceptions was influenced by a series of five distinct gaps- where there may be a short fall between expectation of service level and perception of actual service delivery. This gap model is widely used by many service firms to measure the gap between expected and perceived service through a customer feedback process.

CONSUMER

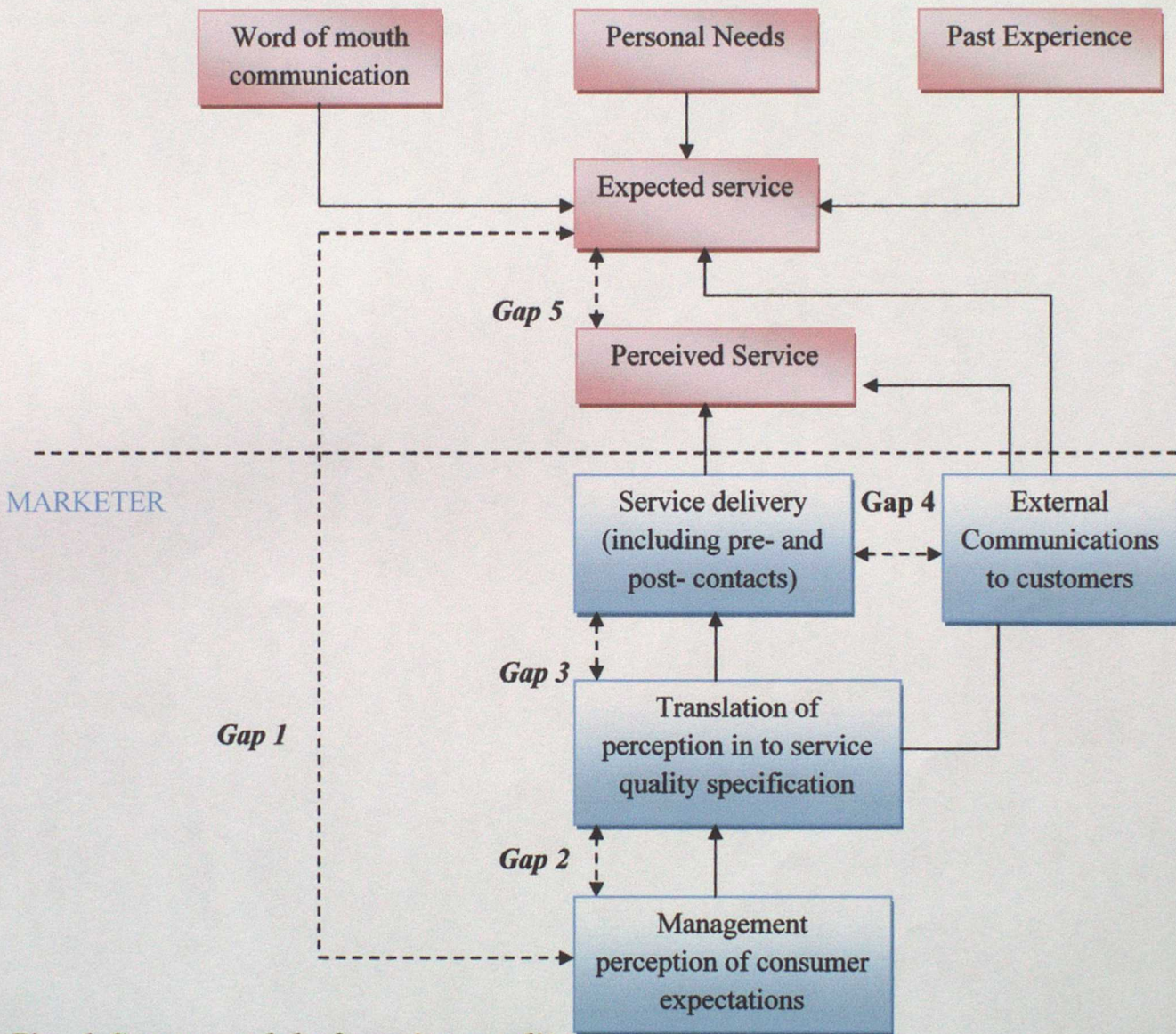


Fig. 1 Gapes model of service quality

Source: Parasuraman et al., (1985). A conceptual model of service quality and its implications for future research, *Journal of marketing*. Vol. 49, pp 41-50

A model of service quality identifies five potential gaps as shown on fig. 2.1 The horizontal dashed line divides the service quality gaps that the firm related from the one gap (above the dashed line) that is consumer oriented (Kurtz et al.,1998). The gap analysis is useful in setting priorities for actions to improve company's image in the eyes of the customer (Venugopal and Raghu, 2001).

2.5.3.1. Gap 1 Management Perception Gap

Service firm may not always understand what features are regarded as high quality by the customer and what attributes a service must have in order to meet consumer needs. The reasons for this gap may be due to lack of adequate market research, lack of upward communication from the front line staff to the top management or interaction with customers and also lack of market segmentation to identify specific needs of the customer. This gap can be narrowed through adequate research programmes to find customer needs and the sources of their expectation and to improve the communication system.

2.5.3.2. Gap 2 Service Quality Specification Gap

Managers of service firms often experience difficulty in attempting to bring about standards of specification to match customer expectation. This gap exists in service firms for various reasons the lack of wholehearted commitment of management to service quality as they may perceive that customer expectations are unreasonable and it may not be feasible for the management to meet the expectations. Lack of goal setting inadequate service leaderships and vague undefined service design are also added reasons. This gap can be closed by standardizing service delivery process wherever possible and also setting proper organizational goals and to realize that customer service is of prime importance.

2.5.3.3. Gap 3 Service Delivery Gap

Though the service firm develops customer driven standards, there still might be discrepancies in the actual service delivery, this can also be referred as service performance gap that is the extent to which services providers do not perform at the level expected by management. The reason for this gap can be analyzed as ineffective recruitment, role ambiguity lack of proper incentives and motivation, failure to match supply and demand and also lack of knowledge on the part of the customer of their role in the service delivery process. This gap can be eliminated by providing the employees with adequate support system, better human resource policies and programmes and by enhancing team work.

2.5.3.4. Gap 4 External Communications Gap

Promises made by a service company through its sales force, advertising and other communication may potentially raise customer expectations. These expectations serve as basis against which customers assess service quality. Discrepancies in this gap may arise not only due to exaggerated promise or ineffective communication to the customer but also due to lack of proper horizontal communication within the organization. This discrepancy can be overcome through efficient and effective communication system and also by not inflating promises to customers leading to higher expectations.

2.5.3.5. Gap 5 Perceived Service Gap (Service performance Gap)

Parasuraman et al. (1985) Gap 5 is the difference between expected service and perceived service, which supported the notion that the key to delivering quality is to meet or exceed customer expectations. Gap 5 is defined as service quality. Parasuraman et al. (1988) argue that gap 5 is the sum total of the preceding four gaps. Thus, if management want to close the gap between performance and expectations, it becomes important to design procedures for measuring service performance against expectations. While the other gaps play an important role in the delivery of quality service, it is

Gap 5 which ultimately must be closed if an organization is to succeed in the long-run (Parasuraman et al., 1988).

2.6. Service Quality in Higher Education

The concept of quality is not well defined in higher education (Cheng and Tam, 1997; Pounder, 1999) according to Mukhopadhyay (cited in Kwek, Lau and Tan, 2010), the term 'quality in education' has been defined by various scholars, such as "excellence in education"(Peters and Waterman, 1982), "value addition in education"(Feigenbaum, 1951), "fitness of educational outcome and experience for use" (Juran and Gryna, 1988),"specifications and requirements" (Gilmore, 1974; Crosby, 1979), "defect avoidance in education process"(Crosby, 1979) and "meeting or exceeding customer's expectations of education"(Parasuraman, Zeithaml and Berry, 1985). Therefore, a single definition of education quality is not possible. However, since students are now being viewed as the primary customers of the higher education institutions, one approach to service quality management which to some extent circumvents the performance measure difficulty, would be attempting to align, as closely as possible, students' expectations with their perceptions of service performance. Service expectations play a key role regarding the quality perceptions which consumers ultimately develop. It follows then, that organizations should take appropriate steps to manage such expectations. As a minimum, this involves informing consumers of what is, and what is not possible, and outlining the reasons why (Berry *et al.*, 1985; King, 1985; Zeithaml *et al.*, 1990, cited in Hill, 1995).

As discussed earlier, some of the factors which can influence consumer expectations and which are relevant in the context of higher education include: word-of-mouth communications, personal needs of consumers, past experience of the service, and external communications from the service provider. Thus it might be politic to make greater use of existing

students on occasions such as school visits and universities sport festival days, when there are opportunities to shape the expectations of prospective students and make them as realistic as possible. In addition, greater efforts should be made to gather information about the needs of students across their time at college or university, as these may not always be apparent to service providers (Hill, 1995).

The factors which can influence the consumer's perception of service performance already alluded to have obvious implications for personnel employed in higher education institutions generally and for academic staff in particular. For instance, lecturers who appear clean, neat and well organized are more likely to be perceived as competent and in control than those who do not. The personal interactions between academics and students are also crucial in regard to perceived service performance. Tutors and lecturers who fail to turn up to classes without good reason, or who persistently arrive late, are unlikely to project an image in keeping with service quality. Moreover, effort expended on preparation of lecture/tutorial material actually delivered, could well be devalued by such behaviors. Even in situations where a member of academic staff can do little to help a student directly, the simple act of listening is often appreciated. It has to be admitted, however, that with growing student numbers it is becoming increasingly difficult for academic staff to provide this kind of pastoral care, a fact which may well have negative implications for perceived service performance (Hill, 1995).

According to Parasuraman et al. (1988), characteristics associated with services include intangibility, perishability, inseparability of production and consumption, and heterogeneity. In contrast to products, services are usually short-lived as they are consumed as long as the activity or process lasts. Hence, service processes are perishable and cannot be stored in the way physical products can. Further, services are consumed at the same time as they are produced without any clear transfer of ownership. As such,

the customer plays an integral part in the transaction of most services. For instance, each customer's expectation of service quality is different and this has led to a lack of standardization as it varies from situation to situation (Boulding et al., 1993; Douglas et al., 2006 as cited by Yeo, 2008). In this context, educational processes in the form of lesson delivery, advising, counseling and project supervision can be regarded as a type of service provided to students who assume the role of customers. The service quality of each learning experience, particularly in higher education, is unique as it is largely determined by the expectation of the student, also the individual customer. This expectation varies between experiences derived from intellectual engagement and outcomes of examination (Yeo, 2008).

The higher education sector is ardently seeking marketing strategies to help them succeed in a competitive marketplace. Sander, Stevenson, King and Coats (2000) recommended that higher education management should apply market oriented principles and strategies similar to those used in profit making institutions. Therefore, the strategies normally used to enhance perceived service quality and customer satisfaction in other service industries have also attracted the interest of higher education management.

Student feedback about educational services is also useful for several reasons. It can be used in quality improvement programs to help educators recognize opportunities to improve services and establish positive student perceptions. Service quality assessments can also identify gaps between students' perceptions of education and that of educators. Educators often have misconceptions of student attitudes because of the anecdotal manner in which student comments are received. Systematic service quality evaluations can help identify the incidence and strength of student feelings. Finally, service quality assessments can be used as a strategic tool for marketing educational programs. Universities are in an increasingly competitive market for students. Universities that do not fulfill the needs

and desires of their students will be at a competitive disadvantage in the marketplace (Holdford and Patkar, 2003).

2.7. SERVQUAL

2.7.1. Concept and Utilizing of SERVQUAL

A sound measure of service quality is necessary for identifying the aspects of service needing performance improvement, assessing how much improvement is needed on each aspect, and evaluating the impact of improvement efforts. Unlike goods quality, which can be measured objectively by such indicators as durability and number of defects, service quality is abstract and is best captured by surveys that measure customer evaluation of service (Zeithaml and Bitner, 2003).

The SERVQUAL scale was first published in 1988 and has undergone numerous improvements and revisions since then. The scale containing 22 services attributes, grouped in to the five services quality dimensions of reliability, responsiveness, assurance, empathy, and tangibles. The survey often asks customers to provide two different ratings on each attribute one reflecting the level of service they would expect from excellent companies in a sector and the other reflecting their perceptions of the service delivered by a specific company with in that sector.

The gap score is calculated by the perception statements being deducted from the expectation statement. If any gap scores to be positive then this implies that expectations are actually being exceed. This allows service managers to view whether they need to redeploy resources to areas of underperformance. This could be particularly important in a public sector organization where budgets are under great pressure (Douglas and Connor, 2003).

2.7.2. Reliability of SERVQUAL

Critics of the SERVQUAL instrument include Brown, Churchill and Peter (1992), who tested the instrument and showed strong reliabilities for both the expectation (0.94) and perception (0.96) component of the questionnaire using cronbach's Alpha, suggesting high levels of reliability and internal consistency (Parasuraman et al., 1988).

According to Zeithaml et al (2003), SERVQUAL served as the basis for measurement approaches used in published studies examining service quality in a variety of contexts including real estate brokers, a business school placement center, hospitals, bankers and higher education. Arambewela and Hal (2006) also described some researches and areas of application as shown table 1.

Table 1. Major application of SERVQUAL

<i>Areas of application</i>	<i>Authors</i>
Banking	Lassar et al, 2000; Marshall and Smith, 1999; Angur et al, 1999
Brokerage services	Lin and Wei, 1999
Building maintenance	Siv et al, 2001
Higher education	Engelland et al 2001 and 200; Comm et al, 2000; Housten and Ress 1999; Kwan and Ng, 1999; Hampton, 1993; Davis and Allen, 1990.
Information services	Jiang et al, 2000; Van, D, et al, 1999; Kettinger and Lee, 1999
Local authority services	Wisniewski, 2001; McFadyen et al, 2001; Donnelly and Shiu, 1999
Market reaserch	Donnely et al, 2000
Medical and health care services	Dean, 1999; Curry et al, 1999; losa et al, 1988; o'connor and Bowers, 1990
Restaurant service	Heung et al, 2000
Retailing	Matha et al, 2000a, 2000b
Shipping	Duruasula et al, 1999
Travel service	Kayanama and Black, 2000

Source; Arambewela and Hall, a comparative analysis of international education satisfaction using SERVQUAL, Journal of services research, volume 6, special issue (july, 2006)

Based on the fact that SERVQUAL has proven to be the most extensive utilizing instrument in the service quality filed of study, the researcher opted to use SERVQUAL as the basis for measuring students' perception of service quality.

2.8. Customers Satisfaction

According to Hansemark and Albinsson (cited in Singh and Khanduja, 2006)

“Satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire”.

It also defined as:

“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” Kotler (2000);

“The levels of service quality performance that meets users’ expectations” Wang and Shieh (2006);

“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 and Bitner, 2003).

Venugopal and Raghu (2001); Johnston and Clark (2005) similarly explained comparing the expected and perceived service quality, the outcome will reveal the satisfaction of the customer. If the perceived is greater than the expected quality, it results in a delighted customer. When the perceived quality equals expected quality, then the result is a satisfied customer. But, when the perceived quality is less than the expected quality, then it results in a dissatisfied customer. To provide excellent service, an organization needs to exceed customer expectations, an important factor in improving service quality is to always keep promises and not guarantee things, which the service firm cannot deliver.

There are many factors that affect customer satisfaction. According to Hokanson (cited in Singh, 2006), these 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.

In order to achieve customer satisfaction, organizations must be able to satisfy their customers' needs and wants (La Barbera and Mazursky, cited in Singh et al., 2006). According to Kotler (2000) customers' wants refer to "the form taken by human needs as they are shaped by culture and individual personality".

3.1 Framework of the study

This study assesses expectations and perception of students for service quality at the college of business and economics in Bahir Dar University. Different study suggested that tangibility, reliability, responsiveness empathy, assurance, delivery and information are important features of the service sector including education (Commetal, 200; Kwan, 1999 and Davis and Allen, 1990 all are cited in Arambewela and Hall, 2006). Hence, this study employed these variables in its investigation. Figure 2 presents the conceptual structure of this study.

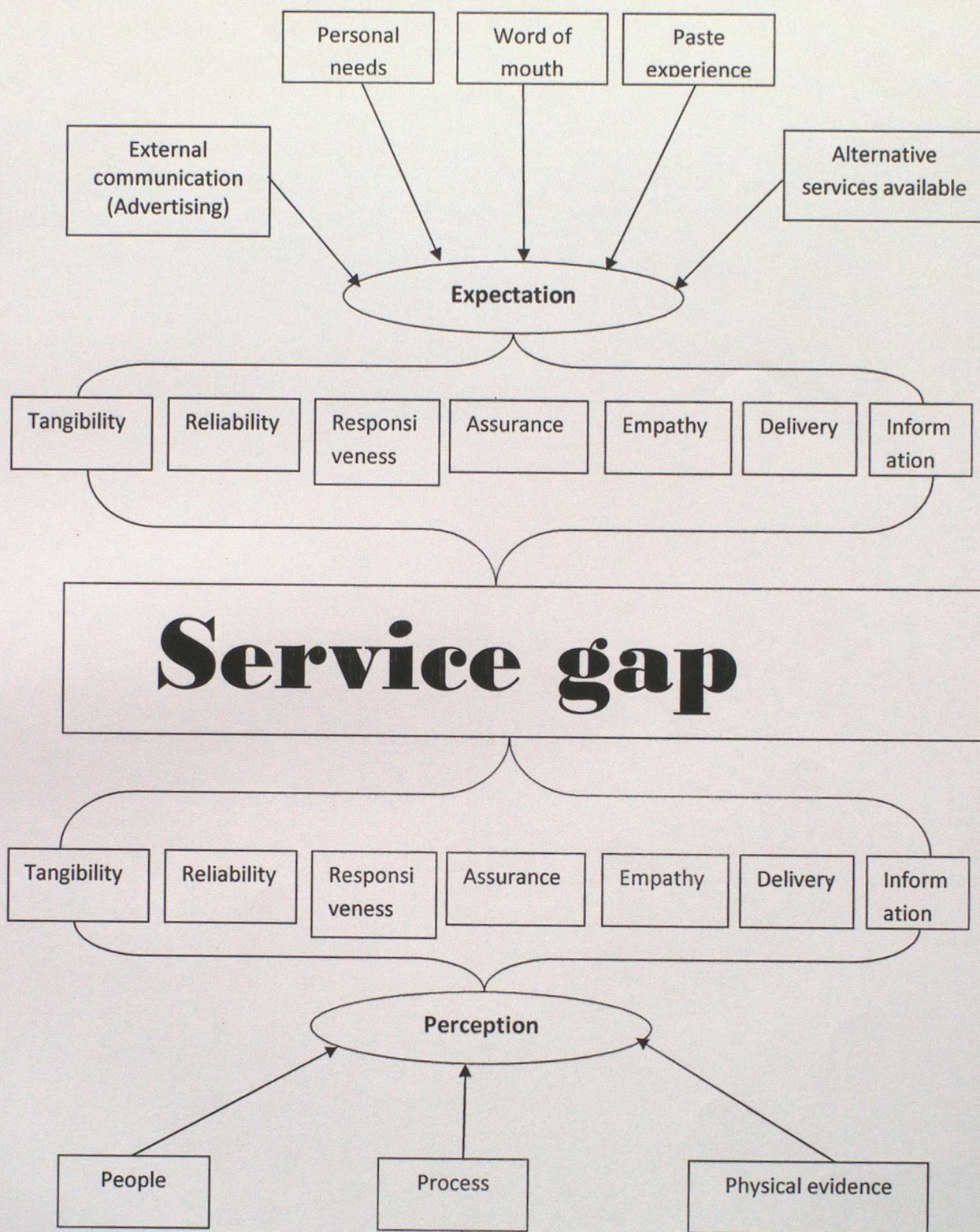


Figure 2:
Conceptual framework of the study

CHAPTER THREE

RESEARCH METHODOLOGY

This Chapter discusses the research methodology that guided the research and enabled the researcher to collect and analyze data. The chapter covers instrument design, target population, sampling method, data collection procedure and statistical techniques for data analysis.

3.2 Design of the Study

A descriptive study was undertaken to investigate expectation and perception of students for service quality at the college of business and economics in Bahir Dar University. The researcher gathered data by administering a questionnaire and then uses appropriate descriptive statistical techniques to evaluate the data and reach conclusions. The study is defined a quantitative descriptive survey study. The questionnaire consists of the modified 32 question SERVQUAL questionnaire, developed by Parasuraman et al. (1985) for both expectations and perception sections, and a 5 point Likert scale ranging from 1 - strongly disagree, to 5 - strongly agree was attached to each question (refer to appendix A).

3.3 Sampling

The sampling process begins by defining the population, thus the population used in this study is all 1463 regular undergraduate students registered in the college of business and economics in Bahir Dar University. The researcher omitted first year students as they were new to the institution at the time of data collection and they have not spent enough time developing a perception of the service quality.

3.3.1 Sample size

Determining an adequate sample size is one of the most controversial aspects of sampling. There are suggested sample size method is available for every research method or statistical procedure. According to Tayie

(2005) and Dornyei (2007) the size of the sample required for a study depends on at least one or more of the following points: project type, project purpose, project complexity, amount of error willing to be tolerated, time constraints, financial constraints, previous research in the area, stress, administrative support, the number of researcher, the size of the population and the amount of heterogeneity in the population. On the other hand Borg and Gall, (cited in Cohen, Manion and Morrison, 2005), suggest that survey research should have no fewer than 100 sample size/ participants. By considering the above literature, in this study, the researcher selected two hundred fifty four respondents out of the sample frame of one thousand four hundred sixty three based on stratified sampling technique.

3.3.2 Sampling method

The researcher employs a stratified random sampling technique, with a proportional allocation method for determining the number of sampling units to select from each of the available stratum.

Table 2. Respondents and overall population

No.	Name of Department	Year of study	Number of Population	Number of Sample size	Sample size (%)
1	Marketing management	2 nd	141	31	21.99
		3 rd	83	15	18.07
2	Logistics and supply chain management	2 nd	144	32	22.22
		3 rd	85	18	21.18
3	Management	2 nd	160	31	19.38
		3 rd	172	23	13.37
4	Accounting	2 nd	185	31	16.76
		3 rd	136	18	13.24
5	Economics	2 nd	184	31	16.85
		3 rd	173	24	13.87
	Total	2nd & 3rd	1463	254	

Therefore the researcher divided the population based on department i.e. Marketing management, Logistics and supply chain management,

Economics, Accounting and Management. And based on the year of the study i.e. 2nd year student and 3rd year student, the sample populations were selected from each stratum randomly (see table 2).

3.4 Data collection instrument

Questionnaires are probably the most commonly used in research method. Questionnaires are extremely flexible and can be used to gather information on almost any topic from large or small number of people. In this study the modified SERVQUAL questionnaire was used as data collection instrument.

The researcher administered modified SERVQUAL Questionnaires personally to the respondents at the end of a class session with the researcher introducing himself and outlining the purpose of the research and its significance. This enables the researcher to collect all the complete responses within a short period of time. Doubts that the respondents raised regarding expectation, perception and other clarification were clarify on the spot.

3.4.1 Structure of Questionnaire

The objective of the questionnaire designed was to gather the information related to expectation and perception of respondents about the service quality provided by college of business and economics in Bahir Dar University. In this research, the writer divided the questionnaire into three sections, which are:

- a) Section One: Demography
- b) Section Two: Expectation and perception statements
- c) Section Three: General questions related to service quality of the college

3.4.2 Framework of Questionnaire

For this research, the researcher adapted the SERVQUAL instrument to design the questionnaire. In the difficult process of determining service quality in higher education, Parasuraman *et al.*, (1988) have developed the

SERVQUAL approach to measure service quality. In constructing SERVQUAL instruments, Parasuraman *et al.*, (1988) used disconfirmation paradigm, where the individuals compare their experiences with related expectation. This instrument is based on five dimension of service quality, that is; tangibles, reliability, responsiveness, assurance and empathy. The SERVQUAL authors have not restricted the use of the instrument, and recommend adaption to reflect the service being evaluated (Parasuraman *et al.*, 1991). The original SERVQUAL instrument consists of two sections. The first section consists 22 items that records customer expectation of excellent firms in the specific service industry. The second section consists 22 items that measures consumer perceptions of a particular company in that service industry. The results from the two sections are then compared to arrive gap scores for each of the five dimensions of service quality. For this research, the researcher have modify the original SERVQUAL instrument by divided the questionnaire into three section. The first section consist the question about the demography of respondent, the second section consist the statement record the expectations and perceptions of respondents. In this part of the questionnaire, the respondents asked to state their level of agreement of each statement for seven modified SERVQUAL dimensions of service quality on a five-point Likert type scale (1 represent "strongly disagree", 2 represents "disagree", 3 represents "neutral", 4 represents "agree", and 5 represent "strongly agree");. And the last section consist a statement measured the general attitude of respondents towards service quality of the college. Besides that, modifications to the SERVQUAL instrument presented by Parasuraman *et al.*, (1991) were made prior to the implementation of this research. As suggested by Parasuraman, *et al* (1991), it can be appropriate to modify the items of the SERVQUAL instrument to make the survey more relevant to the context of a particular service environment. Also, it can be appropriate to add or drop items. In this case of this research, the ten items was added.

According to Tyran and Ross, (2006) for the academic service quality, he was identified the following three new items:

- i) Full orientation about readily available departments will be available
- ii) Information regarding graduation requirements will be available
- iii) Complete information regarding courses will be available

On the other hand delivery or teaching methodology is important dimension in education sector therefore the following four new items was added:

- i) Lecturers uses effective class room management
- ii) Lecturers maintain the consistency of contents at the lecturing time
- iii) Lecturers uses adequate and appropriate procedures of knowledge delivering
- iv) Communication between students and lecturers in class are good/ effective

In the tangibility dimension the researcher also added the following four new items in order to make more specific and comprehensive:

- i) The library is a quite place to study
- ii) The library has an extensive collection available(e.g. books, periodicals)
- iii) Classes are well prepared and organized
- iv) Lecture rooms are comfortable (e.g. lights, seats, heating)

All these new items were appeared in section II of the questionnaire. The reason why these ten items must add in questionnaire is that the provision of information and delivery can be an important aspect of service quality for the academic environment (Tyran and Ross, 2006). Drawing on this work, in this study the researcher added ten new items to the new version of the SERVQUAL instrument to capture "Information" and "delivery" factors/dimensions (see appendix A).

3.5 Statistical techniques for data analysis

The responses obtained from the questionnaire were analyzed by using statistical package for social science (SPSS) 15.0 version and Microsoft Excel.

3.5.1 SERVQUAL calculation

1. Firstly, the expectation and perception mean was calculated by using statistical package for social science (SPSS) 15.0 version.
2. Deduct the expectation mean from the perception mean by using Microsoft excel
3. For each of the seven dimensions, the score was averaged. For example, the first eight questions relate to tangibility and the individual score for each question were added together and divided by eight, which gave a score for that dimension.
4. The scores for each dimension and item were then compared (refer to appendix B, C and D).

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter presents the analysis of the data and the resultant findings from the data collections. Frequency analysis was used to analyze the respondents' profile while analysis of mean was used to rank the expectations and perceptions accordingly to their dimension of service quality. Then, the mean gap analysis used to determine the gap between perception and expectation. The researcher measured perceived service quality according to the formula developed by Parasuraman et al. (1985), and is stated as follows:

$$Q \text{ (Quality)} = P \text{ (Perceptions)} - E \text{ (Expectations)}$$

Meanwhile, analysis cronbach's alpha was used in order to test the reliability of the instrument of SERVQUAL. Accordingly, the results were carefully interpreted and discussed throughout this chapter.

4.1. Reliability of scale

A composite score for each dimension of the questionnaire was obtained by summing the scores of individual statements. Reliability tests were run to determine how strongly the attributes were related to each other and to the composite score. The internal consistency reliability test is deemed to be acceptable for basic research when the Service Gap reliability coefficient exceeded Nunnally's reliability criterion level of 0.70 (Nunnally, 1998).

Besides, to test the reliability of the SERVQUAL instrument, which helps to review the internal consistency of each scale item, a cronbach coefficient (alpha) were computed for both the expectation and perception items.

Table 3: Reliability Test for the Expectation Statements

Dimension	Items code	Alpha coefficients for dimension	Alpha coefficients if Item Deleted
Tangibility*	ET1	0.829	0.924
	ET2		0.925
	ET3		0.925
	ET4		0.925
	ET5		0.926
	ET6		0.925
	ET7		0.925
	ET8		0.925
Reliability	ER9	0.719	0.927
	ER10		0.925
	ER11		0.924
	ER12		0.924
	ER13		0.923
Responsiveness	ERs14	0.713	0.923
	ERs15		0.923
	ERs16		0.935
Assurance	EA17	0.739	0.924
	EA18		0.928
	EA19		0.923
	EA20		0.925
Empathy	EE21	0.772	0.927
	EE22		0.926
	EE23		0.922
	EE24		0.923
	EE25		0.923
Delivery**	ED26	0.800	0.925
	ED27		0.922
	ED28		0.924
	ED29		0.925
Information**	EI30	0.734	0.928
	EI31		0.925
	EI32		0.927
Reliability of the total scale		0.927	

* Modified dimension

** New dimension

According to table 3, the cronbach alpha coefficient for expected service quality items range from 0.734 to 0.829, which are greater than the cut off value of 0.7 suggested in the literature (Nunnally, 1998). The new scale of service delivery and information in this study also demonstrates high internal consistency with a cronbach coefficient of 0.800 and 0.734 respectively. And the overall cronbach alpha coefficient for expected scale items is 0.927.

Table 4: Reliability Test for the Perception Statements

Dimension	Items	Alpha coefficients for dimension	Alpha coefficients if Item Deleted
Tangibility*	PT1	0.697	0.876
	PT2		0.878
	PT3		0.875
	PT4		0.872
	PT5		0.877
	PT6		0.877
	PT7		0.876
	PT8		0.878
Reliability	PR9	0.714	0.875
	PR10		0.874
	PR11		0.872
	PR12		0.871
	PR13		0.873
Responsiveness	PRs14	0.766	0.870
	PRs15		0.873
	PRs16		0.870
Assurance	PA17	0.712	0.869
	PA18		0.870
	PA19		0.879
	PA20		0.880
Empathy	PE21	0.778	0.877
	PE22		0.876
	PE23		0.877
	PE24		0.869
	PE25		0.871
Delivery**	PD26	0.738	0.871
	PD27		0.870
	PD28		0.876
	PD29		0.871
Information**	PI30	0.766	0.874
	PI31		0.870
	PI32		0.870
Reliability of the total scale		0.877	

* Modified dimension

** New dimension

As shown table 4, the cronbach alpha coefficient for perception service quality items range from 0.697 (almost 0.70) to 0.778, which are again equal to or/and greater than the cut off value of 0.7 suggested in the literature (Nunnally, 1998). The new scale of service delivery and information in this study also demonstrates high internal consistency with a cronbach coefficient of 0.733 and 0.766 respectively. And the overall cronbach alpha coefficient for expected scale items is 0.877. All of the statements both in expectation and perception are ranges alpha values exceed 0.7. Thus, it is reliable to conclude that the level of service quality in education for the college of business and economics.

4.2. General Background of Respondents

The overall profiles of the respondents are analyzed using a descriptive statistics. From 254 distributed questionnaires 216 (85.04%) have been returned and calculated. The first section of questionnaire asked about the respondents' profile to identify the respondent's gender, age, year of study and department. The results were presented within tables as follows.

Table 5: General Background of Respondents.

Gender	Frequency	Percentage (%)
Male	115	53
Female	101	47
Total	206	100
Age		
Below 18	3	1.4
18-21	123	56.9
22-25	82	38
26-29	7	3.2
30 and above	1	0.5
Total	216	100
Department		
Accounting	40	18
Management	47	22
Economics	41	19
Marketing management	43	20
Logistics and supply chain management	45	21
Total	216	100
Year of Study		
2 nd year	102	47
3 rd year	114	53
Total	216	100

Table 5 indicates that most of the respondents are male with 115 respondents which equals to 53%. The female respondents were 101 which are 47%. The gender proportion was considered sufficient since the majority of the students were male.

Regardless of respondents' age, there were five categories of age which are less than 18 years, 18 to 21 years, 22 to 25 years, 26 to 29, and more than 29 years. Table 4.3 shows that most of the respondents were in age between 18 - 21 years old equals to 123 (56.9%) from the sample. The second large group of age was age 22 to 25 years old which equals to 82 (38%), followed age 26 to 29 years old equals to 7 (3.2 %). For the age below 18 years old the numbers of the respondents were 3 which are equal to 1.4

% and only one respondent was 30 and above years old which are equals to 0.5%, therefore the majority of students' age lays between 18 and 25.

The respondents' department also shows in the table (table 5). There were five departments which are Accounting, Management, Economics, Marketing management and Logistics & supply chain management. Among 216 respondents, 47 (22%) of respondents were from management, 45 (21%) from logistics and supply chain department, while the other 41 (19%) and 40 (18%) of the students were from Economics and Accounting departments respectively.

With regard to the year of study, table 5 shows the majority of the respondents were from third year which is equals to 114 (53%) of the respondents. Therefore the remaining 102 (47%) of the respondents were from second year.

4.3. Compare mean expectation and mean perception

Compare mean were used to analyze the data for the section II in the questionnaire. There were five point answer scale. For the section II the student expectation and perception are measured on five point likert scales of 'strongly disagree' and 'strongly agree'. Compare mean analysis is used to determine the highest score for both of expectation and perception statements. The highest mean score showed that statement was the most important among the respondents.

4.3.1. Expectation Section

Expectations are formed before purchasing the service (Muddie and Pirrie, 2006). Suggest that customer's expectations form an important element of quality; Parasuraman et al. (1988) reinforce this point by stating that companies need to be aware of customers' expectations and strive to meet or exceed them.

There were 32 item from seven dimension were available in the expectation section. The respondents' expectation level of the service quality in Bhir Dar University College of Business and Economics was calculated (show appendix B). Table 6 and 7 showed the eight highest and eight lowest mean for an expectation statement.

A) The Eight Highest Expectations

Table 6: The Eight Highest Expectations

No.	Dimension	Expectation statement	Mean
E31	Information	Information regarding graduation requirements will be available.	4.884
E5	Tangible	The library has an extensive collection available (e.g. books, periodicals).	4.88
E20	Assurance	Lecturers have good teaching ability.	4.861
E29	Delivery	Communication between students and lecturers in class are good/effective	4.801
E3	Tangible	The course materials (e.g. handouts, textbooks) are useful.	4.796
E7	Tangible	Lecture rooms are comfortable (e.g. lights, seats, heatings).	4.796
E26	Delivery	Lecturers uses effective class room management system	4.778
E6	Tangible	The library is a quiet place to study.	4.769

Table 6 indicates the eight highest mean for the expectation statements. The highest mean was from the Information dimension and the statement was "The college has information regarding graduation requirements will be available". It showed the respondents expected that they want information regarding graduation requirements from the college. The second highest expectation was from the Tangible and the statement was "The library has an extensive collection available (e.g. books, periodicals)". Although the "Assurance" and "Delivery" got the highest mean score, but the respondents expected that the "Tangible" and "delivery" was the most important dimensions. Because four of the highest expectation statements were

selected out of eight “tangible” related statements and two of the highest expectation statements were selected out of four “delivery” related statements. This indicates that tangible and delivery dimensions were the most crucial indicators for the students to influence their expectation of service quality.

B) The Eight Lowest Expectation

Table 7: The Eight Lowest Expectations

No.	Dimension	Expectation statement	Mean
E16	Responsiveness	I can contact lecturers with minimum difficulty.	3.782
E21	Empathy	The college gives you individual attention.	4.185
E30	Information	The college providing you full orientation about readily available departments.	4.185
E18	Assurance	Lecturers are polite and courteous.	4.213
E32	Information	The college will have complete information regarding course which will be available.	4.352
E9	Reliability	Marked assignments are returned from lecturers at a promised time.	4.5
E2	Tangible	Classes are well prepared and organized.	4.528
E22	Empathy	The college has employees who give you individual attention.	4.537

Table 7 shows the eight lowest expectation statements. The lowest expectation has related to “Students contact lecturers with minimum difficulty” which is 3.782 from the “Responsiveness” dimension. The second lowest expectation was the statement related to “individual attention” from the “Empathy” dimension, the “full orientation about readily available departments” from the “Information” dimension and “Lecturers are polite and courteous” from the “assurance” dimension which was the third and forth lowest expectation respectively.

4.3.2. Perception Section

Perceptions are considered relative to expectations. Customers perceive service in terms of the quality of the service they receive and whether they are satisfied with their experiences or not (Parasuraman et al. 1988). According to Brown et al (1992), service organizations know that if their customers do not enjoy the experience, they do not value it, and do not think it meets their needs and expectations, they will not return.

There were 32 items from seven dimensions available in the perception section. The respondents' perception level of the service quality in Bahir Dar University College of Business and Economics has been calculated (see appendix C). Table 8 and 9 show only the eight highest and the eight lowest perceptions among the respondents. The highest mean score showed that students experienced better service related to that statement.

A) The Eight Highest Perception

Table 8: Eight the Highest Perception

No.	Dimension	Statement	Mean
P6	Tangible	The library is a quiet place to study.	2.958
P9	Reliability	Marked assignments are returned from lecturers at a promised time.	2.727
P31	Information	The college has information regarding graduation requirements will be available.	2.671
P30	Information	The college providing you full orientation about readily available departments.	2.662
P19	Assurance	Lecturers have the knowledge to answer your questions.	2.662
P5	Tangible	The library has an extensive collection available (e.g. books, periodicals).	2.662
P29	Delivery	Communication between students and lecturers in class are good/effective	2.574
P32	Information	The college will have complete information regarding course which will be available.	2.537

As table 8 shows, among the seven dimensions of service quality, the highest perception related to “The library is a quiet place to study” from the “Tangible” dimension. The second highest perception among the respondents have related to “Marked assignments are returned from lecturers with in a promised time” which is from the “Reliability” dimension. Among eight indicators, three of them were identified from information dimension. These responses showed that college of business and economics has complete information regarding course, graduation requirements and readily available departments.

B) The Eight Lowest Perception

Table 9: The Eight Lowest of Perception

No.	Dimension	Statement	Mean
P20	Assurance	Lecturers have good teaching ability.	1.394
P21	Empathy	The college gives you individual attention.	1.431
P7	Tangible	Lecture rooms are comfortable (e.g. lights, seats, heatings).	1.458
P8	Tangible	The college has excellent facilities (e.g. parking, accommodation, cafe).	1.5
P22	Empathy	The college has employees who give you individual attention.	1.505
P28	Delivery	Lecturers uses adequate and appropriate procedures of knowledge delivering	1.546
P23	Empathy	Lecturers are concerned about student welfare and interests.	1.583
P10	Reliability	When you have a problem, the college shows a sincere interest in solving it.	1.625

Table 9 shows the eight lowest perceptions among the students response. The worst perception was the statements related to the “Lecturers have good teaching ability” from the “Assurance” dimension. The second and third lowest perception were related to “Lecture rooms are comfortable (e.g. lights, seats, heating)” from “Tangible” dimension and “The college gives you individual attention” from “Empathy” dimension respectively. Among the eight lowest perceptions, the worst perception was from the “empathy” and “Tangible” dimensions.

4.4. Gap Analysis

By analyzing the expectation and perception data shown in appendix B and C, the researcher calculate the gap between the student's perception and expectation by deducting expectation score from perception score. This section describes each statement service gap score based on their dimension.

4.4.1. Mean Expectation, Mean Perception According to the Dimension

Table 10 and figure 3 shows the mean expectation, mean perception and service gap according to each dimension.

Table 10: Mean Expectation, Mean Perception and Service Gap According to Dimension

No.	Dimension	Mean Expectation	Mean Perception	Service Gap
1	Tangibility	4.7	2.16	-2.54
2	Reliability	4.58	2.29	-2.29
3	Responsiveness	4.34	2.36	-1.98
4	Assurance	4.57	2.11	-2.46
5	Empathy	4.53	1.77	-2.75
6	Delivery	4.72	2.15	-2.57
7	Information	4.47	2.62	-1.85

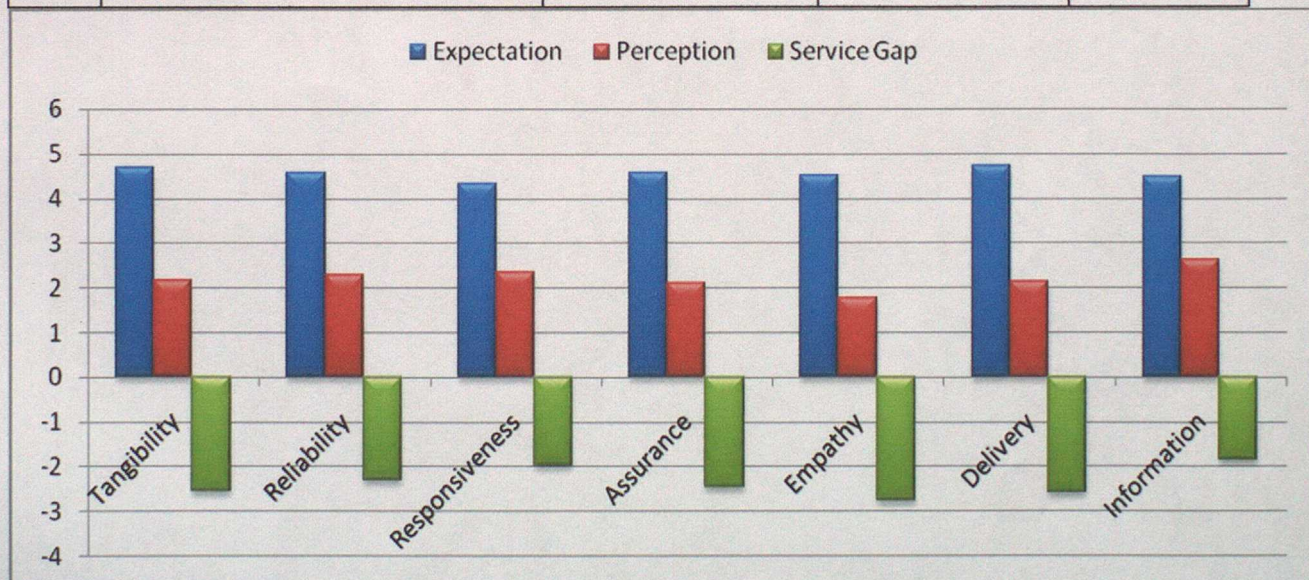


Figure 3: Mean Expectation, Mean Perception and Service Gap According to Dimension

Source: questionnaire

The largest mean expectation score (4.72) and mean perception score (2.62) was delivery and information dimension respectively. When we come to service gap empathy has rated the worst dimension with a score of -2.75 (refer to table 10 and figure 3), on the other hand information has rated the lowest service gap score (-1.85), it is evident that the gap does not appear to be large, relative to the other dimensions.

In this study, when we compare expectation with perception, delivery dimension has rated the second worst dimension with a score of -2.57. Tangibility and assurance have rated third worst service quality dimension (-2.54) and fourth worst service quality dimension (-2.46) respectively.

4.4.1.1. The Tangibility Dimension

Table 11: Mean Expectation, Mean Perception and Service Gap – Tangibility Dimension

No.	Statement	Mean Expectation	Mean Perception	Service Gap
1	Modern and sufficient physical equipment.	4.657	2.222	-2.435
2	Classes are well prepared and organized.	4.528	1.653	-2.875
3	Course materials (e.g. handouts, textbooks) are useful.	4.796	2.394	-2.403
4	Course materials are relevant to the subjects.	4.662	2.472	-2.19
5	The library has an extensive collection available (e.g. books, periodicals).	4.88	2.662	-2.218
6	The library is a quiet place to study.	4.769	2.958	-1.81
7	Lecture rooms are comfortable (e.g. lights, seats, heating).	4.796	1.458	-3.338
8	The college has excellent facilities (e.g. parking, accommodation, cafe).	4.546	1.5	-3.046

Tangibility dimension is composed of such items depicted in the above table (table 11). In terms of the expectation scores all of the items have been rated by students above average. This suggests that all of them are great concerns to students. To put differently, the students greatly expected the college to fulfill them. On the fourth column which measures the level of

students' perception, students rated each perception statements within 1.653 to 2.958. The last column clearly shows the discrepancies between the two measures (expectation and perception) across each item. More over item number 2, 7 and 8 have a greater service gap than other items which scores more than -2.5. Thus in those three areas of the first dimension shows that the college have not meeting the students expectations

Item number 6 “the library is a quite place to study”, item number 4 “Course materials are relevant to the subjects” and item number 5 “The library has an extensive collection available (e.g. books, periodicals)” has got the lower service gap (-1.81, -2.19 and -2.218 respectively). Therefore, it can be concluded that the college has lower problem related to library than others statements/areas.

4.4.1.2. The Reliability Dimension

Reliability is based on the ability of staff to provide what they promise. The company must go to great lengths to close the gap between the performance of their services and what customers expect (Mudie and Pirrie, 2006).

Table 12: Mean Expectation, Mean Perception and Service Gap- Reliability Dimension

No.	Statement	Mean Expectation	Mean Perception	Service Gap
9	Marked assignments are returned from lecturers at a promised time.	4.5	2.727	-1.773
10	When you have a problem, the college shows a sincere interest in solving it.	4.681	1.625	-3.056
11	Lecturers provide convenient office hours.	4.556	2.523	-2.032
12	The college keeps students informed about when services will be performed.	4.593	2.403	-2.19
13	The college provides its services at the time it promises to do so.	4.593	2.181	-2.412

As shown table 12 in the reliability dimension the largest service quality gap was, “when you have a problem, the college shows a sincere interest in

solving it”, statement 10. As the response indicated the college did not show a sincere interest to solve students’ problem as much as they expected. The students had very high expectations for this statement but their perceptions were the contrary. The smallest service quality gap in this dimension was “Marked assignments are returned from lecturers with in a promised time.” statement 9. This indicates that lecturers returned marked assignments with in the right or promised time.

4.4.1.3. The Responsiveness Dimension

Table 13: Mean Expectation, Mean Perception and Service Gap- Responsiveness Dimension

No.	Statement	Mean Expectation	Mean Perception	Service Gap
14	Lecturers give you prompt service.	4.63	2.319	-2.31
15	Lecturers are always willing to help you.	4.597	2.449	-2.148
16	I can contact lecturers with minimum difficulty.	3.782	2.31	-1.472

When it comes to responsiveness dimension, students were asked to rate both the level of their expectation and perception with issues related to promptness, helpfulness and approachability. As it is very common in other dimensions analyzed so far, expectation rating of the items in the table above (Table 13) has rated above average i.e. they are very important. The corresponding perception scores depict that item 16 and item 14 are below the average. Students were dissatisfied with both these items.

The largest service gap in this dimension was item number 14 which states, “Lecturers give you prompt service.” The second largest service gap in this dimension was “Lecturers are always willing to help you.” statement 15. The smallest service gap in this dimension was, “I can contact lecturers with minimum difficulty”, statement 16. It indicates that students can contact lecturer with minimum difficulty but lecturers are not willing to help them.

4.4.1.4. The Assurance Dimension

Table 14: Mean Expectation, Mean Perception and Service Gap- Assurance Dimension

No.	Statement	Mean Expectation	Mean Perception	Service Gap
17	Lecturers instill confidence in you.	4.565	2.241	-2.324
18	Lecturers are polite and courteous.	4.213	2.157	-2.056
19	Lecturers have the knowledge to answer your questions.	4.642	2.662	-1.98
20	Lecturers have good teaching ability.	4.861	1.394	-3.468

Assurance dimension is composed of such items depicted in table 14. In terms of the expectation scores all of the items have been rated by students above average. This suggests that all of them are great concerns to students. The largest service gap in this dimension was question number 20 which states, "Lecturers have good teaching ability." The second largest service gap in this dimension was "Lecturers instill confidence in you." statement 17. The smallest service gap in this dimension was, "Lecturers have the knowledge to answer your questions", statement 19. From this we analyze that lecturers have enough knowledge to answer students question but they have the problem to deliver their knowledge and experience for their students.

4.4.1.5. The Empathy Dimension

The fifth major variables/ dimension included in the questionnaire were empathy. This section consists of 5 specific items that ask various empathy related experiences of students.

Table 15: Mean Expectation, Mean Perception and Service Gap- Empathy Dimension

No.	Statement	Mean Expectation	Mean Perception	Service Gap
21	The college gives you individual attention.	4.185	1.431	-2.755
22	The college has employees who give you individual attention.	4.537	1.505	-3.032
23	Lecturers are concerned about student welfare and interests.	4.551	1.583	-2.968
24	Lecturers understand your specific needs.	4.662	2.009	-2.653
25	I feel comfortable approaching and talking to lecturers.	4.708	2.343	-2.366

As shown table 15 in all of the items that fall under this dimension, the students' expectations exceeded the corresponding perception scores. The service gap score column shows four items (question number 21, 22, 23 and 24) have greater than -2.5 scores and the last empathy item (question number 25) has -2.366 it implying that the college never meet the students' expectations in terms of all empathy items.

4.4.1.6. The Delivery Dimension

Table 16: Mean Expectation, Mean Perception and Service Gap- Delivery Dimension

No.	Statement	Mean Expectation	Mean Perception	Service Gap
26	Lecturer uses effective class room management system	4.778	2.106	-2.671
27	Lecturers maintain the consistency of contents at the lecturing time	4.551	2.38	-2.171
28	Lecturer uses adequate and appropriate procedures of knowledge delivering	4.764	1.546	-3.218
29	Communication between students and lecturers in class are good/effective	4.801	2.574	-2.227

Table 16 shows questions that fall under the delivery dimension. The highest expectation and perception score of 4.801 and 2.574 respectively related to communication between students and lecturers in class are good/effective. The lowest expectation score 4.551 related to lecturers maintain the consistency of contents at the lecturing time and the lowest perception score 1.546 related to lecturers uses adequate and appropriate procedures of knowledge delivering. When we come to service gap score, the largest service gap in this dimension was question number 28 which states, "Lecturer uses adequate and appropriate procedures of knowledge delivering." The second largest service gap in this dimension was "Lecturers uses effective class room management system" statement 26. The third largest service gap in this dimension was question number 29 which states, "Communication between students and lecturers in class are good/effective" The smallest service gap in this dimension was, "Lecturers maintain the consistency of contents at the lecturing time", statement 27. From this we can understand that lecturers have the problem related to classroom management and uses of adequate and appropriate teaching methodology.

4.4.1.7. The Information Dimension

Table 17: Mean Expectation, Mean Perception and Service Gap- Information Dimension

No.	Statement	Mean Expectation	Mean Perception	Service Gap
30	The college providing you full orientation about readily available departments.	4.185	2.662	-1.523
31	The college has information regarding graduation requirements will be available.	4.884	2.671	-2.213
32	The college will have complete information regarding course which will be available.	4.352	2.537	-1.815

The above table (Table 17) relates to questions that fall under the seven dimension named as information. the college has got a relatively lower service gap score in terms of The college providing you full orientation about readily available departments(a gap of only -1.523) and The college will have complete information regarding course which will be available (with a gap of -1.28). The highest service gap is observed from item 31(The college has information regarding graduation requirements will be available with a gap -2.213).

4.5. The over all gap scores of students' expectations and perceptions

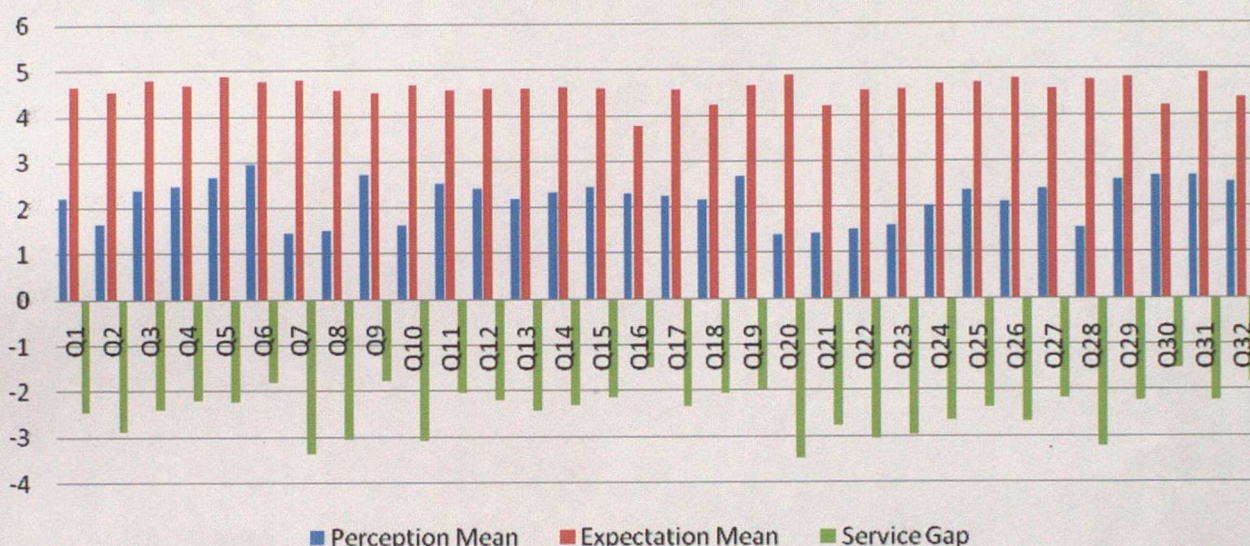


Figure 4: perception mean, expectation mean and service gap scores for each question

Source: questionnaire

Figure 4 shows the overall gap scores of students' expectations and perceptions using the SERVQUAL instrument. The smallest service gap score (-1.472) was related to students can contact lecturers with minimum difficulty and the highest service gap score (-3.468) was related to lecturers have good teaching ability from the assurance dimension.

4.5.1. The Eight Highest Service Gap

Table 18: Eight Highest Service Gap

No.	Dimension	Statement	Service gap
1	Delivery	Lecturers have good teaching ability.	-3.468
2	Tangibility	Lecture rooms are comfortable (e.g. lights, seats, heating).	-3.338
3	Delivery	Lecturers uses adequate and appropriate procedures of knowledge delivering	-3.218
4	Reliability	When you have a problem, the college shows a sincere interest in solving it.	-3.056
5	Tangibility	The college has excellent facilities (e.g. parking, accommodation, cafe).	-3.046
6	Empathy	The college has employees who give you individual attention.	-3.032
7	Empathy	Lecturers are concerned about student welfare and interests.	-2.968
8	Tangibility	Classes are well prepared and organized.	-2.875

Table 18 indicates the eight highest service gaps. The highest service gap was related to “Lecturers have good teaching ability.” from the “Delivery” dimension. Statement “Lecture rooms are comfortable (e.g. lights, seats, heating).” from the “Tangibility” dimension was the second highest service gap, followed by the statement “Lecturers uses adequate and appropriate procedures of knowledge delivering” from the “Delivery” dimension.

4.5.2. The Eight Lowest Service Gap

Table 19: Eight the Lowest Service Gap

No.	Dimension	Statement	Service gap
1	Responsiveness	I can contact lecturers with minimum difficulty.	-1.472
2	Information	The college providing you full orientation about readily available departments.	-1.523
3	Reliability	Marked assignments are returned from lecturers at a promised time.	-1.773
4	Tangibility	The library is a quiet place to study.	-1.81
5	Information	The college will have complete information regarding course which will be available.	-1.815
6	Assurance	Lecturers have the knowledge to answer your questions.	-1.98
7	Reliability	Lecturers provide convenient office hours.	-2.032
8	Assurance	Lecturers are polite and courteous.	-2.056

Table 19 shows the eight lowest service gaps, the lowest service gap related to “students contact lecturers with minimum difficulty” from the “responsiveness” dimension. The second lowest related to the “full orientation about readily available departments” from the “information” dimension. Followed by the statement marked assignments are returned from lecturers with in a promised time. The lowest service gap indicated that aspect was not the crucial aspect. The college should pay more attention to the aspect which is having the highest service gap.

4.6. The overall perception of students towards the quality of the college

It would be normal to think that if customers are perceived better service quality offered by a company, they would talk favorably about the company and its offers, and recommend others to be customers to the company like themselves but they would inform the opposite to others and the reverse occurs as a result people will not come as customers to the company unless they perceived better service quality offered by a company. Therefore the last part of the questionnaire asks respondents about the overall perception of students towards the quality of service providing by college of business and economics in Bahir Dar University.

Table 20: The overall perception of students

No	Item	Alternatives	Frequency	Percent
33	The overall quality of my college's is	Very Poor	48	22.2
		Poor	87	40.3
		Neutral	51	23.6
		Good	27	12.5
		Excellent	3	1.4
		Total	216	100
34	To what extent would you recommend your college to potential students?	Very unlikely	31	14.4
		Unlikely	76	35.2
		Neutral	67	31
		Likely	38	17.6
		Very likely	4	1.8
		Total	216	100

As shown table 20 no. 33 most of the respondents are not satisfied with their college educational experiences, according to table 4.18 almost 87(40.3%) and 48(22.2%) of respondents believe that the overall quality of the college is poor and very poor respectively, 51(23.6%) of the respondents believe that the overall quality of the college is good, only 3 (1.4%) of the respondents believe that the college is excellent and the remaining 51(23.6%) of the respondents are neutral.

Based on the table (table 20 no. 34) only 4(1.8%) and 38(17.6%) of respondents would very likely and likely respectively to recommend College of Business and Economics to potential students, in contrast 31(14.4%) and 76(35.2%) of respondents very unlikely and unlikely respectively to recommend College of Business and Economics to potential students, the remaining 67(31%) of the respondents are neutral.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter deals with the last three parts of the study- the summary of major findings, conclusions and recommendations on measuring students' expectation and perception a survey on undergraduate regular students at college of business and economics in Bahir Dar University.

5.1 Summary

- Among the seven service quality dimensions, delivery (4.72) and tangible (4.7) was the most expected /important dimensions.
- The lowest expectation was related to “students contact lecturers with minimum difficulty” with a score of 3.782 from the responsiveness dimension.
- The second lower expectation was the statements related to “individual attention” and “full orientation about readily available departments” with a score of 4.185 and the third lower expectation was the statements related to “lecturers are polite and courteous” with a score of 4.213.
- The highest perception related to “the library is a quite place to study” with a mean score of 2.958 from the tangible dimension. The second highest perception was related to “marked assignments are returned from lecturers at a promised time” with a mean score of 2.727.
- Among eight highest perceptions, three of theme was identified from information dimension, i.e. the college has information regarding graduation requirements will be available (2.671), the college providing students full orientation about readily available department (2.662) and the college will have complete information regarding course which

will be available (2.537), this showed that college of business and economics provide enough information.

- The worst perception was the statements related to the “lecturers have good teaching ability” (1.394) from the assurance dimension.
- The second and third lowest perception were related to “the college gives you individual attention” with a score of 1.431 and “lecture rooms are comfortable e.g. light, seats, heating” with a score of 1.458 respectively.
- Empathy was rated the worst dimension with a score of -2.75, delivery (-2.57) and tangibility (-2.54) rated the second and third worst dimension respectively. On the other hand information was rated the lowest service gap score (-1.85).
- Under the empathy dimension the following items have higher service gap; the college gives you individual attention (-2.755), the college has employees who give you individual attention (-3.032), lecturers are concerned about student welfare and interests (-2.968), lecturers understand your specific needs (-2.653) and I feel comfortable approaching and talking to lecturers (-2.366). It implying that the college never met the students’ expectations in terms of empathy items.
- The largest service gap in the delivery dimension was lecturers use adequate and appropriate procedure of knowledge delivering with a service gap score of -3.218. The second largest service gap in this dimension was lecturers’ uses effective class room management system with a service gap score of -2.671.

- From the tangibility dimension the following items have higher service gap: class are well prepared and organized (-2.875), lecture rooms are comfortable (-3.338), and the college has excellent facilities (-3.046). Thus three are the areas in the first dimension that the college is not meeting the students' expectations.

5.2 Conclusions

- ✓ According to students expectation, the most expected / important items are: Information regarding graduation requirements will be available, the library has an extensive collection available (e.g. books, periodicals), lecturers have good teaching ability, communication between students and lecturers in class are good/effective, the course materials (e.g. handouts, textbooks) are useful, lecture rooms are comfortable (e.g. lights, seats, heating), lecturers uses effective class room management system and the library is a quiet place to study.
- ✓ According to students perception response, among the seven dimension of service quality items, the highest perception related to the following items: the library is quiet place to study, marked assignments are returned from lecturers at a promised time, the college has information regarding graduation requirements will be available, the college providing students full orientation about readily available departments, lecturers have the knowledge to answer students question, the library has an extensive collection available, communication between students and lectures in class are good/effective, and the college will have complete information regarding course which will be available. It indicates that related to these items the college has relatively good performance.
- ✓ The gap between students expectation and perception is large for the following eight (8) SERVQUAL dimension: lecturers have good teaching ability, lecture rooms are comfortable (e.g. lights, seats, heating), lecturers uses adequate and appropriate procedures of knowledge delivering, when students have a problem, the college shows a sincere interest in solving it, classes are well prepared and organized, the college has employees who give you individual

attention, lecturers are concerned about student welfare and interests, the college has excellent facilities (e.g. parking, accommodation, cafe).

- ✓ The worst performing service quality dimension in this study proved to be empathy. Empathy is defined as the caring, individualized attention the organization provides its customers. The highest gap score in this dimension were the college has employees who give you individual attention.
- ✓ The second worst performing service quality dimension proved to be delivery. Delivery which mainly refers to the elements that help the delivery of knowledge in more effective way. The highest gap score in this dimension related to lecturers uses adequate and appropriate procedures of knowledge delivering.
- ✓ Tangibility was the third worst performing service dimension. Tangibility is defined as the appearance of physical facilities, equipment, personal and communication materials like handouts, textbooks, periodicals etc. The highest gap scores in this dimension related to the lecture rooms are comfortable (e.g. lights, seats, heating).
- ✓ Information was the best performing dimension at the college of business and economics, the highest gap score for the information dimension related to information regarding graduation requirements will be available.
- ✓ In all seven dimension students expectation is higher than perception, it appears that service delivery in the entire dimension could be improved, with the most improvement needed in “empathy” and “delivery”.

5.3 Recommendations

- ❖ It has been found in this study that generally students' satisfaction with service quality is lower or less than expected and desired in the college. This implies that the administrator needs to be awakened to this fact and take pragmatic steps to ensure that the college improve its service that meet and exceed students need, desire and expectation. This can be done by encouraging teachers and support staff to focus more attention and resources on more important service quality dimensions for which students are not satisfied. There is the need for companies to focus on important product/service attributes that are rated important and very important by customers (Kotler 1994).

In this regard, firstly of all, efforts and resources should be focused on improving empathy, delivery and tangible of the service quality delivered. Within these SERVQUAL dimensions, more management efforts and intensive strategy must be geared towards improving upon important dimensions for which the gap is high, specifically:

- Lecturers have good teaching ability
- Lecturers use adequate and appropriate procedures of knowledge delivering
- Lecture rooms are comfortable (e.g. lights, seats, heating)
- Classes are well prepared and organized.
- The college has excellent facilities (e.g. parking, accommodation, cafe).
- The college has employees who give you individual attention.
- Lecturers are concerned about student welfare and interests.
- When students have a problem, the college shows a sincere interest in solving it.

- ❖ For some important SERVQUAL dimensions for which students expectation is higher than perception, the university strategic management efforts is needed in order to more significant improvement in the service quality dimension items, specifically in areas like: lecture rooms (e.g. lights, seats, heating), facilities (e.g. parking, accommodation, cafe), and preparation and organization of classroom, because such areas are required more resources and they are also the concern of the entire university.
- ❖ Moreover, the worst performing service quality dimension in this study proved to be empathy. Empathy is a difficult dimension to fulfill, especially in a service organization like the Bahir Dar University, college of business and economics that has a large student enrolment, proving very difficult to offer students individual attention, to reduce this problem the college employee needs training based on service quality programs such as how to handle students came with different background, cultures, environment etc. and the management have to focus on deploying a service culture amongst all employees, enabling all staff to improve on satisfying students expectation and there by improving perception of service quality. In addition to this management and staff at Bahir Dar University, college of business and economics should serve students as a team effort and make the appropriate ratio of instructors and students.
- ❖ To minimize delivery related problem the college/management should provide teaching methodology and other communication skills training for instructors especially for newly assigned teachers.
- ❖ In the reliability dimension, the highest gap scores related to the college provides its services at the time it promises to do so and the sincerity shown by staff trying to resolve students' problems. It is suggested that management and staff ensure that mechanisms are in

place to check deadlines promised to students are strictly adhered to all times, and that feed back systems and good communication channels between staff and students are always utilized.

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ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS EDUCATION
Marketing Education

TOPIC:

EXPECTATION AND PERCEPTION OF STUDENTS FOR SERVICE QUALITY IN
BAHIR DAR UNIVERSITY

Dear respondent!

The purpose of this questionnaire is to gather information in order to determine the objectives as follows:

- i. Examine student expectation and perception toward service quality delivered by the College of Business and Economics in Bahir Dar University.
- ii. Determine the gap between expectation and perception using the gap analysis

This study attempts to measure service quality in higher education, particularly in Bahir Dar University/ College of Business and Economics. Information given is confidential and will only be used for academic purpose. Your cooperation in providing true information and honest views is very much appreciated.

Thank You in advance

Directions:

- a. No need of writing your name on any page of the questionnaire
- b. Please try to answer all questions in accordance with the instructions provided.

Part I. Personal information

1. Sex

A. Male

B. Female

2. Age

A, Below 18

B. 18 – 21

C. 22 – 25

D. 26 – 29

E. 30 and above

3. Department

A, Accounting

B. Management

C. Economics

D. Marketing management

E. Logistics and supply chain management

4. Year of study

A, 2nd year

B. 3rd year

Part II.*

Direction: The following set of statements relate to your opinion of the higher education services and your feelings about your college. For each statement, please show the extent to which you think institutions offering excellent higher education services should possess the features described by each statement (alternatives under expectation) and the extent to which you believe your college has the feature described by the statement (alternatives under perception). Do this by using the scale presented below. If you strongly agree that these institutions should possess a feature and your college also has the feature, circle 5. If you strongly disagree that these institutions should possess a feature and your college also has the feature, circle 1. You may use any of the numbers on the scale to identify to what level you agree or disagree

Strongly Disagree = 1
Disagree = 2

Neutral = 3

Agree = 4
Strongly Agree = 5

No	STATEMENTS	ALTERNATIVES									
		EXPECTATION					PERCEPTION				
T1	The college has modern and sufficient looking equipment.	1	2	3	4	5	1	2	3	4	5
T2	Classes are well prepared and organized.	1	2	3	4	5	1	2	3	4	5
T3	The course materials (e.g. handouts, textbooks) are useful.	1	2	3	4	5	1	2	3	4	5
T4	The course materials are relevant to the subjects.	1	2	3	4	5	1	2	3	4	5
T5	The library has an extensive collection available (e.g. books, periodicals).	1	2	3	4	5	1	2	3	4	5
T6	The library is a quiet place to study.	1	2	3	4	5	1	2	3	4	5
T7	Lecture rooms are comfortable (e.g. lights, seats, heating).	1	2	3	4	5	1	2	3	4	5
T8	The college has excellent facilities (e.g. parking, accommodation, cafe).	1	2	3	4	5	1	2	3	4	5

*The questionnaire were adapted from Parasuraman, Zeithaml and Berry, "SERVQUAL; A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality," *Journal of Retailing* 64, no. 1 (Spring 1988).

R9	Marked assignments are returned from lecturers with in a promised time.	1	2	3	4	5	1	2	3	4	5
R10	When you have a problem, the college shows a sincere interest in solving it.	1	2	3	4	5	1	2	3	4	5
R11	Lecturers provide convenient office hours.	1	2	3	4	5	1	2	3	4	5
R12	The college keeps students informed about when services will be performed.	1	2	3	4	5	1	2	3	4	5
R13	The college provides its services at the time it promises to do so.	1	2	3	4	5	1	2	3	4	5
Rs14	Lecturers give you prompt service.	1	2	3	4	5	1	2	3	4	5
Rs15	Lecturers are always willing to help you.	1	2	3	4	5	1	2	3	4	5
Rs16	I can contact lecturers with minimum difficulty.	1	2	3	4	5	1	2	3	4	5
A17	Lecturers instill confidence in you.	1	2	3	4	5	1	2	3	4	5
A18	Lecturers are polite and courteous.	1	2	3	4	5	1	2	3	4	5
A19	Lecturers have the knowledge to answer your questions.	1	2	3	4	5	1	2	3	4	5
A20	Lecturers have good teaching ability.	1	2	3	4	5	1	2	3	4	5
E21	The college gives you individual attention.	1	2	3	4	5	1	2	3	4	5
E22	The college has employees who give you individual attention.	1	2	3	4	5	1	2	3	4	5
E23	Lecturers are concerned about student welfare and interests.	1	2	3	4	5	1	2	3	4	5
E24	Lecturers understand your specific needs.	1	2	3	4	5	1	2	3	4	5
E25	I feel comfortable approaching and talking to lecturers.	1	2	3	4	5	1	2	3	4	5
D26	Lecturers uses effective class room management system	1	2	3	4	5	1	2	3	4	5
D27	Lecturers maintain the consistency of contents at the lecturing time	1	2	3	4	5	1	2	3	4	5
D28	Lecturers uses adequate and appropriate procedures of knowledge delivering	1	2	3	4	5	1	2	3	4	5
D29	Communication between students and lecturers in class are good/effective	1	2	3	4	5	1	2	3	4	5
I30	The college providing you full orientation about readily available departments.	1	2	3	4	5	1	2	3	4	5

Appendix "B"

Descriptive Statistics- Expectation statements

Dimension	N	Minimum	Maximum	Mean	Std. Deviation
Tangible1	216	4.00	5.00	4.6574	.47568
Tangible2	216	3.00	5.00	4.5278	.51864
Tangible3	216	4.00	5.00	4.7963	.40369
Tangible4	216	3.00	5.00	4.6620	.50268
Tangible5	216	4.00	5.00	4.8796	.32615
Tangible6	216	3.00	5.00	4.7685	.43362
Tangible7	216	4.00	5.00	4.7963	.40369
Tangible8	216	3.00	5.00	4.5463	.50824
Reliability9	216	2.00	5.00	4.5000	.74084
Reliability10	216	3.00	5.00	4.6806	.47719
Reliability11	216	4.00	5.00	4.5556	.49806
Reliability12	216	3.00	5.00	4.5926	.50185
Reliability13	216	3.00	5.00	4.5926	.52005
Responsivnes14	216	3.00	5.00	4.6296	.49354
Responsivnes15	216	3.00	5.00	4.5972	.50097
Responsivnes16	216	2.00	5.00	3.7824	.69139
Assurance17	216	3.00	5.00	4.5648	.51531
Assurance18	216	3.00	5.00	4.2130	.42153
Assurance19	215	4.00	5.00	4.6419	.48057
Assurance20	216	3.00	5.00	4.8611	.35980
Empathy21	216	3.00	5.00	4.1852	.40112
Empathy22	216	3.00	5.00	4.5370	.50901
Empathy23	216	3.00	5.00	4.5509	.50780
Empathy24	216	3.00	5.00	4.6620	.50268
Empathy25	216	3.00	5.00	4.7083	.46568
Delivery26	216	4.00	5.00	4.7778	.41671
Delivery27	216	3.00	5.00	4.5509	.51688
Delivery28	216	3.00	5.00	4.7639	.43647
Delivery29	216	3.00	5.00	4.8009	.41169
Information30	216	3.00	5.00	4.1852	.40112
Information31	216	3.00	5.00	4.8843	.33485
Information32	216	3.00	5.00	4.3519	.48828

Appendix "C"

Descriptive Statistics- Perception statements

Dimension	N	Minimum	Maximum	Mean	Std. Deviation
Tangible1	216	1.00	4.00	2.2222	.84999
Tangible2	216	1.00	3.00	1.6528	.62117
Tangible3	216	1.00	5.00	2.3935	.96822
Tangible4	216	1.00	5.00	2.4722	.93469
Tangible5	216	1.00	4.00	2.6620	.70324
Tangible6	216	1.00	4.00	2.9583	.69759
Tangible7	216	1.00	3.00	1.4583	.58519
Tangible8	216	1.00	4.00	1.5000	.61757
Reliability9	216	1.00	5.00	2.7269	1.06724
Reliability10	216	1.00	4.00	1.6250	.71080
Reliability11	216	1.00	4.00	2.5231	.83495
Reliability12	216	1.00	4.00	2.4028	.89432
Reliability13	216	1.00	4.00	2.1806	.82394
Responsivnes14	216	1.00	4.00	2.3194	.79228
Responsivnes15	216	1.00	5.00	2.4491	.88775
Responsivnes16	216	1.00	4.00	2.3102	.87926
Assurance17	216	1.00	4.00	2.2407	.84491
Assurance18	216	1.00	4.00	2.1574	.82588
Assurance19	216	1.00	4.00	2.6620	.89007
Assurance20	216	1.00	3.00	1.3935	.51738
Empathy21	216	1.00	3.00	1.4306	.63597
Empathy22	216	1.00	3.00	1.5046	.64698
Empathy23	216	1.00	3.00	1.5833	.63429
Empathy24	216	1.00	4.00	2.0093	.83522
Empathy25	216	1.00	4.00	2.3426	.81454
Delivery26	216	1.00	4.00	2.1065	.74880
Delivery27	216	1.00	4.00	2.3796	.80368
Delivery28	216	1.00	3.00	1.5463	.56047
Delivery29	216	1.00	4.00	2.5741	.86486
Information30	216	1.00	4.00	2.6620	.94581
Information31	216	1.00	4.00	2.6713	.99221
Information32	216	1.00	5.00	2.5370	.90401

Appendix "D"

Mean perception, mean expectation and service gap score

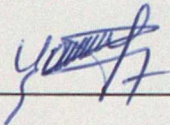
No.	Statements	Perception Mean	Expectation Mean	Service Gap
	Tangible	2.16	4.7	-2.54
1	The college has modern and sufficient physical equipment.	2.222	4.657	-2.435
2	Classes are well prepared and organized.	1.653	4.528	-2.875
3	The course materials (e.g. handouts, textbooks) are useful.	2.394	4.796	-2.403
4	The course materials are relevant to the subjects.	2.472	4.662	-2.19
5	The library has an extensive collection available (e.g. books, periodicals).	2.662	4.88	-2.218
6	The library is a quiet place to study.	2.958	4.769	-1.81
7	Lecture rooms are comfortable (e.g. lights, seats, heating).	1.458	4.796	-3.338
8	The college has excellent facilities (e.g. parking, accommodation, cafe).	1.5	4.546	-3.046
	Reliability	2.29	4.58	-2.29
9	Marked assignments are returned from lecturers at a promised time.	2.727	4.5	-1.773
10	When you have a problem, the college shows a sincere interest in solving it.	1.625	4.681	-3.056
11	Lecturers provide convenient office hours.	2.523	4.556	-2.032
12	The college keeps students informed about when services will be performed.	2.403	4.593	-2.19
13	The college provides its services at the time it promises to do so.	2.181	4.593	-2.412
	Responsiveness	2.36	4.34	-1.98
14	Lecturers give you prompt service.	2.319	4.63	-2.31
15	Lecturers are always willing to help you.	2.449	4.597	-2.148
16	I can contact lecturers with minimum difficulty.	2.31	3.782	-1.472
	Assurance	2.11	4.57	-2.46
17	Lecturers instill confidence in you.	2.241	4.565	-2.324
18	Lecturers are polite and courteous.	2.157	4.213	-2.056
19	Lecturers have the knowledge to answer your questions.	2.662	4.642	-1.98
20	Lecturers have good teaching ability.	1.394	4.861	-3.468

Contd.

	Empathy	1.77	4.53	-2.75
21	The college gives you individual attention.	1.431	4.185	-2.755
22	The college has employees who give you individual attention.	1.505	4.537	-3.032
23	Lecturers are concerned about student welfare and interests.	1.583	4.551	-2.968
24	Lecturers understand your specific needs.	2.009	4.662	-2.653
25	I feel comfortable approaching and talking to lecturers.	2.343	4.708	-2.366
	Delivery	2.15	4.72	-2.57
26	Lecturers uses effective class room management system	2.106	4.778	-2.671
27	Lecturers maintain the consistency of contents at the lecturing time	2.38	4.551	-2.171
28	Lecturers uses adequate and appropriate procedures of knowledge delivering	1.546	4.764	-3.218
29	Communication between students and lecturers in class are good/effective	2.574	4.801	-2.227
	Information	2.62	4.47	-1.85
30	The college providing you full orientation about readily available departments.	2.662	4.185	-1.523
31	The college has information regarding graduation requirements will be available.	2.671	4.884	-2.213
32	The college will have complete information regarding course which will be available.	2.537	4.352	-1.815

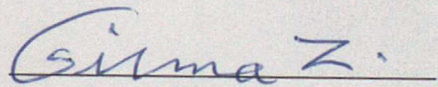
DECLARATION

I, the undersigned, declare that this thesis my original work and has not been presented for a degree in any other university, and that all sources of material used for the thesis have been duly acknowledged.



Yohannes Tefera

This thesis has been submitted for examination with my approval as a university advisor.



Girma Zewdie (Asso. Professor)

