

**A Study on Customer Satisfaction with Service Delivers in
Ethiopian Revenue and Customs Authority: The Case of
Customs Clearing Agents in Addis Ababa**

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Master of Arts in Marketing Management Education**

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Letter of Certification

This is to certify that Ambachew Tilahun Haile carried out his project on the topic entitled "*A Study on Customer Satisfaction with Service Delivers in Ethiopian Revenue and Customs Authority: The Case of Customs Clearing Agents in Addis Ababa*". This work is original in nature and is suitable for submission for the award of Master of Marketing Management Education.



Dr. Bose K.S. (The Research Advisor)

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List of Acronyms

APEC	Asia-Pacific Economic Cooperation
BIZCLIR	Business Climate Legal and Institutional Reform
EIPA	European Institute of Public Administration
ICC	International Chamber of Commerce
IDI	Imani Development International
IMF	International Monetary Fund
OECD	Organization for Economic Cooperation and Development
ECPMTM	Ethiopian Customs Procedures and Management Training Manual
UNCTAD	United Nations Council on Trade and Development
UNSD	United Nations Statistics Division
USAID	United States Agency for International Development
WB	World Bank
WCO	World Customs Organization
WTO	World Trade Organization

Abstract

This study assesses the level of customers' satisfaction with customs service delivery of ERCA in Addis Ababa. The study was basically a survey that used both qualitative and quantitative approaches to examine the customer satisfaction by using the original five SERVQUAL dimensions developed by Parasraman et al. (1988). A structured questionnaire was developed, pre-tested and personally administered to the target population of individual customs clearing agents and the president of transit association. One hundred thirty-two (132) respondents were sampled from the target population of five hundred ninety-eight (598) legally registered Customs Clearing Agents in Ethiopia. A simple random sampling technique was employed for selecting customs clearing agents and purposive sampling technique was used to include the president of transit transport operators association of Ethiopia. Data were obtained from questionnaires, document analysis, and interview with the president of the transit association. All the respondents completed and returned the respective questionnaires prepared (for customs clearing agents and the president of the association). According to the analysis of the causes for customers' dissatisfaction, institutional and employees factors are found to be highly influential. Depending on the results of the study customer satisfaction associated with ERCA service was found to be low. The findings also indicated that "assurance" is the most important dimension which can influence the overall satisfaction of the customers followed by "reliability", "responsiveness", and "empathy", while "tangibles" was found not to be significantly important to the customers in ERCA. Generally the study implies that ERCA and other stakeholders should take workable measures to improve customs service quality to satisfy customers by focusing on the dimensions identified as more important assurance, reliability, responsiveness and empathy in this study. The paper summarizes a large body of research and also provides recommendations.

CHAPTER ONE

INTRODUCTION

This chapter presents the reader with an overview of the entire thesis. It covers the background of the study, statement of the problems, objectives of the study and the research questions, significance of the study, scope, limitations, definition of terms and structure of the thesis.

1.1 Background of the Study

Trade has been identified to be potentially much more important than aid in helping developing countries. International trade can have a significant positive effect on economic growth and development. The benefits secured from it include helping in the creation of self-sustaining economies; competitive industries; high employment and improved incomes; increased innovations and technological advancements; advanced infrastructure and improved quality of the products for export which all play a pivotal role in reducing poverty. It is clear that increasing participation in international trade and investment can serve as an engine for economic growth and development (WB, 2005; USAID, 2009).

Customs administration in Africa is a means to maximize revenues in order to support the governmental activities for the economic development of the country. It is widely accepted that customs administration as an arm of government plays a vital role in revenue generations, domestic economic interests and national security purposes of a given country. Customs administrations are now increasingly regarded as the key border organizations responsible for all transactions related to issues arising from the border crossings of goods and people. Some of these functions are undertaken in close cooperation with other national agencies. The operational guidelines of customs cannot give equal weight to all functions constantly; choices and priorities are inevitable in light of changing circumstances. Raising revenue has traditionally been high on the agenda of governments, represented by the Ministry of Finance, because of the critical importance of import duties as a source of budget revenue for many developing countries (WB, 2005; WCO, 2007).

Revenues from import duties for African countries accounted on average for just up to 30 percent of their total tax revenue. For countries in Middle East, in Latin American and in Asia it is 22 percent, 13 percent and 15 percent respectively. While, import tariffs, which are meant to protect domestic producers that expect customs administrations to make sure that all importers pay the official import taxes to ensure a level playing field on average, account 17 percent of the total import value in African countries which is a higher amount when contrasted to countries in the Middle East 12 percent, in Asia 10 percent and in the Pacific Asia 7 percent (WB, 2005).

In general, customs administrations are expected to raise substantial revenue by collecting duty and taxes, provide domestic producers with protection, provide supply chain security, prevent the importation of prohibited or unsafe imports (for example, illegal weapons or out-of-date medicines), and combat the trade of narcotics through the implementation of laws and regulations that are in line with WCO and WTO commitments as customs administrations have received a mandate to protect society (WCO, 2005).

Customs administrations are expected to accomplish these objectives both effectively (by achieving them) and efficiently (at the lowest possible cost to the budget and to the trading community) without compromising trade facilitation. Customs also will continue to be responsible for effective and efficient border management, for facilitating trade and as source of revenues, which makes it a major contributor to the international competitiveness of nations. This will occur if trade facilitation is formally incorporated into multilateral trade negotiations. As such, harmonizing, simplifying, and effectively coordinating all national border management requirements and commitments will remain priority responsibilities of customs (WB, 2005; WCO, 2007; USAID, 2009).

However, in most countries of the world, the administrative experience of the last decade has produced substantial evidence that government agencies engaged in the process of delivering services have not always been successful. This is because governments do not always have an adequate capacity to deliver services. Hence, service delivery within the public sector is usually accompanied by a bureaucratic process of checks and balances

(for example, consensus building, equity and equal opportunity), which have a negative impact on service quality (Andreassen, 1994; Donnelly et al. 1995). Poor service quality is usually related to issues such as lack of focus for government programs, poor responsiveness to customers' needs and a general poor customer service (Donnelly et al. 1995). Customers' complaints about service quality may arise as a result of a discrepancy between expected and perceived service. There are ranges of gaps that may affect customers' satisfaction with services (Parasuraman et al. 1988).

In the day to day realities of the business world, customs inefficiencies impeded the move developing countries make towards international trade. There are a number of bottlenecks to trading across borders. Some of these bottlenecks with their attendant costs are: excessive documentation, inadequate procedures and lacks of audit-based controls, risk assessment and management techniques, modern infrastructure, automation and use of computerized procedures and transparency. The consequence of all these creates poor trade environment that adds unnecessary cost on traders (Sawhney and Sumukadas, 2005; Aniszewski, 2009; Ntabazi, 2010).

According to United States Agency for International Development (USAID) & Business Climate Legal and Institutional Reform (BIZCLIR) (2009), businesses in Africa perceive the impact of customs as mostly unfavorable and a mixture of obvious and subtle impediments. This impact is felt primarily in three interconnected ways. The first is cost, which can be direct like fees or indirect like extra staff costs to perform all the procedures needed for customs or via storage costs for goods waiting processing. The second is time, if elongated processing time is needed for clearing import or export goods. The third is flexibility, as goods tied up in customs processing are not available for further conversion or sale. Often, the contributors for these long port delays of both import and export are: resistance to change in management styles; lack of communication between stakeholders; cumbersome regulatory systems, decentralized documentation processes coupled with bureaucratic clearance procedures and general poor planning by the various cargo interveners.

In Ethiopia, it is indicated that complicated and unclear procedures continue to tempt customs officials and operators to take discretionary actions and exercise favoritism or engage in corrupt transaction. The customs administration was also far behind protecting investors from adverse effects of contraband. Contraband goods that were en route to and from the country were estimated to be worth 69.3 million Birr per year. These created adverse effect on the traders to make profit, which in turn forced them to go out of business and dismiss their workers there by worsening the already existing unemployment problems of the country (Cabanius, 2003; Gebi-Leleimat, 2007, 2008; <http://www.erca.gov.et/about.phh>). Due to these problems which highly affected customers' satisfaction, the authority passed through different historical evolution periods by changing its name and responsibilities to enhance its services and achieve the government objectives at maximum level.

The origin of the Ethiopian Customs Authority (ECuA) traces back to 1889, when it was established by the government to administer and enforce tariff and other related laws. It operated under various ministries: from 1889 to 1923 under Ministry of Finance and Treasury, from 1941 to 1996 under Ministry of Trade, from 1997 to 2001 under Federal Government Revenue Board (FGRB) being re-established under Proclamation No. 60/1997 as a Federal Government Organ with its own juridical personality, from 2002 to 2007 as Ministry of Revenue (MOR) under Proclamation No.256/1994, which fully transferred the aims, powers, and duties of the FGRB to the MOR and from 2008 up to now under Ethiopian Revenue and Customs Authority (ERCA). All authorities who formerly were responsible to raise revenue for the Federal government merged under ERCA by taking Business Processing Reengineering/Re-structuring Capacity Building actions, that help to eliminate the indicated problems and to improve the quality of its services (FNG, 2004; Gebi-Leleimat, 2007, 2008; ECuA, 2008; FNG, 2009).

However, current studies taken by the different stakeholders produced numbers of evidences which support that the authority is unable to offer its service in a colorful manner. It is undeniable many improvements have been achieved by the measures taken, but there are still gaps that need to be filled. According to IMF's, 2009 report, the authority is not working in line with the framework of World Customs Organization (i.e.,

integrity, transparency, accountability, predictability, facilitation and control, client service, standardization, simplification, minimum intervention, information and communication technology, co-operation and partnership, continuous improvement, compliance improvement). Also, USAID and BIZCLIR, 2009 under its report in 'Cross Border Trade in East African Countries: Shared Issues and Priorities for Reform' mentioned that huge gaps exist in Ethiopia. Much of those gaps are in basic policy, legal framework, the development, implementation and support of institutional architecture which are needed to facilitate trade. Moreover, newspapers which give coverage for business matters like 'Fortune', 'Addis Admas' and 'The Reporter' on their issues of January 2, 2011, January 22, 2011 and December 10, 2010' respectively reported customers' complaints on the authority's services delivery. The main problem areas mentioned are long time desired for clearance procedures which impose substantial delays and great uncertainty and unpredictability. Pre-shipment inspection is also identified to pose problems in the areas of both import and export trade. It is my conviction that customers' satisfaction is a mirror which helps to pinpoint the gaps that are not achieved through improvements made so far in ERCA's businesses.

Customer satisfaction is the state of mind that customers have about a company when their expectations have been met or exceed over the lifetime of the product or service. Satisfaction itself can refer to a number of different facts of the relationship with a customer, one of which is satisfaction with the quality of a particular service or product. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and from product to product. Satisfaction is a function of perceived and expected services. If the service quality falls short of expectations, the customer is dissatisfied. If the service quality matches the expectations, the customer is satisfied. However, if the service quality exceeds expectations, the customer is highly satisfied or delighted. Relatively, properly managing the quality of service and customer satisfaction will lead to increase the bottom line results and the economic growth of the company as well as the country (Andreassen, 2000; Hoffman and Bateson, 2001; Curry and Brysland, 2001; Lovelock et al. 2007).

According to Lovelock et al. (2007), over the past decades, many attempts have been made in the hope of making improvements in processes and services from the perspective of the customer in private and public sectors. Many initiatives have been aiming for targeting the satisfaction of external customers. Also Curry and Brysland (2001) state that in the customer satisfaction research literature concerns are on how well the service delivery occurs in comparison with expectations. Today customer satisfaction is an important subject and is also often discussed in marketing literature.

Customer satisfaction is crucial for all private and public organizations as it has positive impact in achieving their objectives. On this Lovelock et al. (2007) report, if managers or administrators working in service-based organizations are able to identify how components of a product or service affect customer satisfaction of their customers, they may be able to provide their customers with a better customer experience to maximize customers' satisfaction. Understanding of customers is a single large powerful issue to achieve the desired objectives of customs authority. Customers are the basis for applicability of modern equitable tax, modern customs administration system, effective resource utilization and quick service delivery.

Thus, this study focuses on assessing the level of customs clearing agents' satisfaction with custom services offered by Ethiopian Revenue and Customs Authority using the SERVQUAL model approach, which is the most common method for measuring the level of customers' satisfaction by service quality dimensions beginning from the concept of customs, definition of the customer, customer satisfaction, service quality, the relationships between service quality and customer satisfaction. Since SERVQUAL model is a comprehensive method, it was adopted and deployed to encompass various aspects of service quality in relation to the customs service in ERCA. The SERVQUAL model dimensions are discussed in detail in the review literature part.

1.2 Statement of the Problem

The objectives of ERCA are customer focused service delivery with trust, respect, protection and support. Efficient and effective customer focused service delivery is a value to enhance competitiveness of importers and exporters through a harmonization

and simplification of customs procedures, by doing customs clearance with minimum data, simplified process and efficient and fast clearance. Unfortunately, the customs administration has failed to deliver efficient service to its customers (Gebi-Leleimat, 2008; USAID and BIZCLIR, 2009; WB, 2010; <http://www.erca.gov.et/about.phh>).

Customs inefficiencies are well known to impede the integration of developing countries into global economy. Like other developing countries Ethiopian customs service confronts a number of problems. The customs procedures and clearance times are still very severe trade barriers; customs regulations are far from streamlined WCO standards; the customs infrastructure is also generally insufficient to support advanced logistics and trade. Also customs warehouses at dockyards, and those connected with roads and railways are rarely automated or computerized. Moreover, systems like electronic data interchange are unable to support customs service due to unavailability of advanced information technology or unreliable communication networks (IDI, 2007).

Goods in the country may be cleared in days, or months. (Cabanius, 2003; IMF, 2009; USAID and BIZCLIR, 2009). On this, Buyonge and Kireeva (2009) contended, Africa suffers from the highest average customs delays in the world, 12 days on average. Most of its nation's customs procedures are often Byzantine in their complexity... Customs delays add to over 10 per cent to the cost of exports. According to them, in Estonia and Lithuania it only requires one day for customs clearance, whereas it is 30 days on average in Ethiopia. In their view Ethiopian customs urgently needs reforms.

In Ethiopia the transit time is three to four days, and most truckers on average make only three roundtrips per month. The current highway is not adequate to handle fast, unobstructed movement of commercial traffic. Transport costs rank among the highest in the world (USAID and BIZCLIR, 2009). In a similar vein, increased transit charges, restrictions and regulations imposed by littoral countries, cumbersome port and customs procedures, inadequate infrastructure and poor port facilities, inefficient transport and a diminished bargaining power with littoral countries cause high transit time and transit transport costs. The latter, with numerous port charges constitute a substantial proportion of the total transit costs. The aggregate transit cost for moving a container from Djibouti

to Addis Ababa, for instance, ranges between US 500 and 550 dollar per 20-foot unit (AtnafSeged et al. 2000).

As it was made clear previously, there are wide range of agreements on the ERCA's failure to offer the desired customs service. Thus, the focus of this study is assessing the levels of customer satisfaction with the services offered by ERCA from the perspectives of customs service using service quality model. The purpose of the research is to assess the level of customs clearing agent satisfaction by identifying the most important service quality dimensions that affect customer satisfaction in customs service. To achieve this purpose, the following objectives were formulated to this study.

1.3 Objectives of the Study

1.3.1 General Objective of the Study

The general objective of this research was to assess the level of customs clearing agents' satisfaction with the customs services offered by Ethiopian Revenue and Customs Authority in Addis Ababa.

1.3.2 Specific Objective of the Study

The specific objectives are:

1. To measure and describe the level of Customs Clearing Agent satisfaction with the dimensions of service quality in customs service of ERCA using SERVQUA model.
2. To identify and prioritize the important dimensions of service quality in customs service of ERCA.
3. To identify the challenges that hinder customs clearing agents' to use full potential in the processes of customs clearing service offered by ERCA and finally to forward programmatic remedies.

Based on the objectives listed, the following leading questions are formulated for investigation:

1. Of the customs services offered by ERCA in Addis Ababa, which dimensions of service quality are Customs Clearing Agents satisfied/dissatisfied with?
2. Of the customs services offered by ERCA in Addis Ababa, which dimensions of service quality are important to Customs Clearing Agents?

1.4 Significance of the Study

This study is immensely significant in diverse ways to the management of customs/marketing practitioners, policy makers and stakeholders.

To the management of ERCA, it is significant in providing a more valid measure for describing and evaluating the level of customs clearing agents' satisfaction with the delivery of customs service. It essentially uncovers dimensions of service quality that customs clearing agents considered important to be included in customs service delivery of ECRA. This provides empirical support for management decisions in several critical areas of their operations, and above all, provides a justifiably valid and reliable guide to designing workable service delivery improvement strategies for creating and delivering customer value, achieving customer satisfaction, building long-term mutually beneficial relationship with valuable customers and to achieve ERCA's objectives.

To policy makers, the findings and results of this study would provide invaluable insights and a more reliable guide to monitoring the impact of the operations of customs services in Addis Ababa. It is also a yardstick for measuring partly their respective policy goals and objectives. Particularly, it will immensely facilitate the customs authority in Addis Ababa in achieving some of its policy goals, which includes: enhancing the reliability and efficiency in the provision of customs service. It will also help ERCA, among other things, to facilitate the availability of quality service to customs clearing agents, to ensure that customs clearing systems operators achieve the highest level of efficiency in the provisions of customs clearing services, to ensure that these operators are responsive to customer needs, and that customers' interest is protected.

To stakeholders the study would provide invaluable information that allows them to provide useful suggestions to the improvement of service delivery of their respective

customs stations in Addis Ababa. Moreover, it is believed that the findings of this study may be valuable for those researchers who may conduct similar studies in this area.

1.5 Scope of the Study

The study areas and target population of this study were delimited and the reasons which make the delimitation necessary are treated individually.

The study delimited to customs services provided in Addis Ababa Kaliti (former Lagar) and Addis Ababa Airport Cargo Section of ERCA because of the following reasons:

- Most of exported and imported goods are going through and coming to Addis Ababa, eighty to ninety percent of importing and exporting of goods are transacted, in terms of value, share, and quantity by these two offices (Cabanius, 2003; UNSD, 2004; Gebi-Leleimat, 2007, 2008; USAID and BIZCLIR, 2009; Natabazi, 2010).
- The lion's share of international trade transaction declaration (i.e., 85-90%) is carried out by these offices whereas other offices are remote and the number of declarations processed is very small. As a result, most duties and taxes are collected by these offices which are located in Addis Ababa (UNSD, 2004; <http://www.erca.gov.et/about.php>; Gebi-Leleimat, 2007, 2008).
- While the two offices offered customs clearing services, the remaining branches are giving revenue collection services in Addis Ababa (Gebi-Leleimat, 2007, 2008).

The target population of the study is delimited to those customs clearing agents who are providing customs clearing services on behalf of international trade participants by the following reasons:

- Because, customs clearing agents, are licensed persons in accordance with the government customs regulations to transact custom business on behalf of importers and exporters compared to other customers, which makes them the most frequent clients of ERCA (Federal Ngarit Gazeta, Customs Proclamations No. 622/2009).

- Customs clearing agents constitute the population of firms most immediately influenced by the customs service. They have daily contacts with customs officials and are thus the first group of “customers” to gain enough experience in the short period of time. Also, assumed customs clearing agents would be willing to participate in our questionnaire, being professional service providers whose operations depend most directly on the efficiency of customs services.

1.6 Limitations of the Study

The major problems that the study has faced are the following:

- Several difficulties were experienced regarding the documentary search. First of all, official documents needed for this study were not readily accessible and/or available, due to lack of a culture of transparency and accountability which hinders public servants in Ethiopia to make information or public documents accessible to the public. In this context, it was not easy to gather detailed information pertinent to this study. Moreover, the available information was not current as many changes occur in the trade environment on a regular basis and it was more concerned with policies and procedures rather than the outcomes.
- Finding the targeted sample customs clearing agents was a serious challenge where their permanent address is dispersed in Addis Ababa.
- The literature, which focused on customs related areas and measuring the level of customer satisfaction in customs service, were scarce.

In spite of the above mentioned limitations and constraints, it is important to note that the relevant data were accessed and used to meet the objective of this study. These data were useful in drawing conclusions and making recommendations.

1.7 Definition of Terms

In this section, some concepts and terms that have been used throughout this research are briefly defined.

Customers: are the individual customs clearing agents licensed by Ethiopian Revenue and Customs Authority.

Customs: is defined as ERCA's service which is responsible for the administration of customs law and the collection of duties and taxes and which also has the responsibility for the application of other laws and regulations relating to the importations, exportations, movement, or storage of goods.

Customer Satisfaction: operational definition of customer satisfaction as conceptualized for this study is, the process of customer overall subjective evaluation of product/service quality against his/her expectation over a period of time. In this definition, customer satisfaction is related to customs service quality delivered by ERCA.

Service and service quality: in this study, service is used to refer to the set of customs services delivered by ERCA. Of the many definitions of service quality in the literature, the service quality is defined as the confirmation/disconfirmation of customer's expectations compared with the customer's perceptions of the service actually received.

The next section briefly examines the structure of this study.

1.8 Structure of the Thesis

The study is organized into five chapters. Chapter one is the introductory part which covers the background of the study, statement of the problem, objective of the study, significances of the study, delimitations of the study, limitations of the study, and structure of the thesis. Chapter two presents the review of relevant literature. Among others, it covers an overview of customs, defining customs and customs clearance, benefits and challenges of customs, concepts and theoretical framework like defining customer, concept of customer satisfaction, significance of customer satisfaction and its measurement, service and service quality, relationship between service quality and customer satisfaction, SERVQUAL Model with criticism, applications of SERVQUAL in the public sector and prioritizing service quality dimensions. Research methodology and design are dealt in chapter three. Chapter four focuses on presentation, analysis and interpretation of data. The last chapter deals with summary, conclusion and recommendation.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

In this chapter, effort has been made to review relevant literature on the tenet required to find answers to the research questions. This covers overview of customs like customs and customs clearance, players of customs service, responsibilities of customs clearing agent in Ethiopia and benefits and challenges of customs. Also the concepts and theoretical framework which includes customer and customer satisfaction, significance of customer satisfaction and its measurement, determinants and approaches to determining customer satisfaction, customer satisfaction measurement scales, services and service quality, relationship between service quality and customer satisfaction, customers' evaluation of service quality, measuring service quality, SERVQUAL model with criticisms, applications of SERVQUAL in the public sector and prioritizing service quality dimensions.

2.1 Overview of Customs

2.1.1 Defining Customs and Customs Clearance

World Bank (2005) defines customs as the government agency that is entrusted with enforcement of laws and regulations to collect and protect import revenue and to regulate and document the follow of goods in and out of the country. According to Yasui (2010), the Revised Kyoto Convention further defines customs as the government service which is responsible for the administration of customs law and the collection of duties and taxes and which also has the responsibility for the application of other laws and regulations relating to the importations, exportations, movement, or storage of goods, and this study will draw on this definition. The last definition is consistent with Negarit Gazeta and training manual of ERCA (FNG, 2009; ECPMTM, 2010).

All countries have in place some customs controls for revenue generation, domestic economic interests, and national security purposes. While there are similarities between countries (like the universal need for shipment documentation, including commercial invoices and Bills of Landing) there are local, specific requirements that have to be

addressed. Broadly, customs clearance will be defined as the set of functions undertaken by a national customs authority, which include, but are not limited to processing of import, export, and transit declarations; assessment of origin, value, and classification of goods; collection and processing of duties and fees; physical inspection, examination, and release of cargo; conduct of post-clearance audits; processing of urgent consignments; administration of waivers and exemption schemes and drawback (re-exportation) schemes (McLinden 2005 cited in ECPMTM, 2010). This definition is consistent with Negarit Gazeta and training manual of ERCA (FNG, 2009; ECPMTM, 2010).

2.1.2 The Role and Players of Customs Service

The role of custom in the 21st century relates to the support of the international trading system by creating level playing fields for business at global, regional and national levels. The traditional role of customs has been collecting customs duties. But today as greater volume of goods cross borders, customs plays a very significant role not only in meeting the objectives of the governments, but also in implementing effective and efficient controls which ensure compliance with the national laws (state policies) and laws applicable to the cross-border movement of goods, combating smuggling, securing borders, international agreements, whilst ensuring at the same time facilitation of legitimate trade (Aniszewski, 2009; Yasui, 2009).

While the customs authority is responsible for the application of national import/export policy, these functions are a joint responsibility of the customs authority in collaboration with others parties such as the importer/exporter, national quality control and security authorities, the port authority, third-party clearing agents, government ministries, donor and the international organization (i.e., WTO, WCO, ICC, OECD, UNCTAD) (Haughton and Desmeules, 2001; Kidd and Crandall, 2006; USAID, 2009). In relations to this, FNG (2009) and ECPMTM (2010) also stated similar notions in ERCA.

2.1.3 The Roles and Responsibilities of Customs Clearing Agent in Ethiopia

A customs broker or customs clearing agent is an individual or company licensed by the government to enter and clear goods through the nation's customs and border protection. Customs broker defines a broker/agent as any person licensed in accordance with the

government customs' regulations to transact custom business on behalf of others (Passas and Jones, 2007). Such business:

... means those activities involving transactions with Customs concerning the entry and admissibility of merchandise, its classification and valuation, the payment of duties, taxes, or other charges assessed or collected by Customs on merchandise by reason of its importation, and the refund, rebate, or drawback of those duties, taxes, or other charges.

In similar fashion, in Ethiopia, a customs clearing agent must be licensed by the ERCA and pass a government examination covering a broad range of topics, including all phases of import regulations, rates of duties, and customs law. Potential agent must hold Ethiopian citizenship at the time they initiate the application process (FNG, 2009). In a nutshell, a customs clearing agent is an agent that transacts customhouse formalities on behalf of an importer and exporter.

According to the council of ministers regulation No.108/2004, section 3 article 12 and 13, any customs clearing agent shall have the obligation to: Submit the evidence proving his authority to act on behalf of his client when requested; promptly advise when he is aware that his client has committed mistake or irregularity that violates the law; perform utmost diligence to his client in providing information about customs; pay duties, taxes and other fees promptly when requested by customs, be jointly and severally liable with his client for duties and taxes; refrain from any act or attempt of threat, false accusation manipulation, or offering of gifts promises or advantages for customs officers and police; and refrain from any act or attempt to acquire relevant customs information directly or indirectly in violation of the normal channel.

In relation to keeping records, any customs clearing agent shall have the obligation to keep all records of financial transaction correspondences, and in general complete documents relating to his activities regarding his clients too on whose behalf he has carried out customs formalities; any customs clearing agent shall permit all documents kept in accordance with sub-article 1 of this article to be seen and inspected by customs officer and to take copies if necessary; and he/she shall maintain all documents related to his activities up to five years (FNG, 2004). If not, there is a reason for suspension,

punishment, revocation or imposition of monetary penalty including the violations of customs-related law and violation of any provision of any law enforced by customs in accordance with the relevant provisions criminal law and procedural law of the federal ethics and anticorruption commission (FNG, 2009).

2.1.4 The Benefits and Challenges of Customs

2.1.4.1 The Benefits of Customs

It is important to emphasize the benefits of customs to the National Economy, the Customs Administrations and the Trading Community. WB (2005) and WCO (2007) state that modern customs brings benefits to the National Economy through, faster clearance of goods resulting in lower cost of imported goods; lower cost of production; increase economic competitiveness of national goods in the world market; attract international trade and investment; lower cost of consumers; and increase national revenue. For Customs Administrations, modern custom services result in efficient use of customs resources; faster, predictable and efficient customs clearance; and enhanced customs control and increased trade facilitation. Finally, for the trading community modern custom services result in transparent procedures; grater facilitation for compliant traders; lower business costs; enhanced competitiveness; clear information concerning rights and obligations. This is consistent with the findings of different authors (Kidd and Crandall, 2006; Grainger, 2007; Passas and Jones, 2007; Holloway, 2010; Mukiibi, 2010).

At their core, the benefits are really reductions in both the typical level and the variability of trader's cycle time and costs. Well structured customs that reduce the length and uncertainty of customs delays enable more precise scheduling of a firm's production/logistical activities that depend on the arrival of shipments at the intended destinations. Likewise, by being more certain about the customs related costs such as the import duties, a firm can apply the total cost concept for logistics network planning more precisely. Customs harmonization also helps to increase predictability, but additionally, it places a lighter knowledge burden on the firm since greater harmonization reduces the need to learn many nations specific customs policies (Haughton and Desmeules, 2001;

Buyonge, 2009). Moreover, when goods are traded faster at lower cost, traders will obtain higher competitiveness in domestic and international markets, and may also discover the possibility of exporting perishable goods that were not exportable before (Holloway, 2010).

Moreover, the benefits of international trade facilitation in customs means that customs need not subject shipments to costly and time consuming physical inspections in order to ascertain compliance; it seeks to reduce trade transaction costs at the interface between business and government; it also provides a coherent authority structure for the essential trade-related institutions; clearly stated regulations and procedures that form a basis for an adequate balance between facilitation and controls essential for public health and welfare, a productive environment of cooperation and procedural coherence with other government agencies that have border control responsibilities, a cooperative and consultative atmosphere of dialogue between government agencies, the international trade community, and national legislatures to accomplish goals and eliminate roadblocks (Haughton and Desmeules, 2001; Grainger, 2007; USAID and BIZCLIR, 2009).

Over several decades a lot of work on trade facilitation has been carried out by the UNCTAD, WTO and WCO. UNCTAD estimates that the average customs transaction involves up to 30 different parties, 40 documents, 200 data elements (30 of which are repeated at least 30 times) and the rekeying of 60–70% of all data at least once (Buyonge and Kireeva, 2009). However, in the modern business environment of timely production and delivery, traders need fast and predictable release of goods. An Asia-Pacific Economic Cooperation (APEC) study stated that trade facilitation programs would generate gains of about 0.26% of GDP to APEC, almost double the expected gains from tariff liberalization, and that the savings in import prices would be between 1-2% of import prices for developing countries in the region (OECD, 2003). Conversely, OECD (2002 cited in Ntabazi, 2010) suggest that indirect costs have been estimated to account for about 80% of total trade transaction costs and that trade transaction costs generally 2% to 15% of the goods.

Besides, faster release of goods at anywhere is expected to reduce trade costs for business. Hummels (2001 cited in Yasui, 2010) estimated that a saving of one day in shipping manufactured goods would be equivalent to 0.8 percent of the value of goods. Other Revised Kyoto Convention measures which are expected to reduce trade costs may include fewer customs formalities; reduce data requirements, and higher predictability in release times and the necessary customs procedures. Assuming that trade costs were reduced by 1 percent on average world-wide, it is estimated that world income would increase by about USD 40 billion (OECD, 2003).

2.1.4.2 The Challenges of Customs

Customs administrations throughout the world are currently experiencing dramatic technological, economic and legal changes which require new approaches to be taken within the customs administration. Traditional functions of customs administrations are highly challenged by a rapid liberalization and globalization of trade—also in the light of current developments such as the negotiation of Economic Partnership Agreements between nations and countries which aim at improving the countries' markets access to other. Regional Economic Communities in Africa, like COMESA, SADC and ECOWAS, recognize that sustainable economic growth is largely dependent on regional integration and trade liberalization within, among others, the framework of their protocols and the WTO. Customs administrations across these regions have taken a decision to reform and modernize. However, these customs administrations continue to meet challenges specially which include inadequate finance to fund systems updates and/or acquisition, infrastructure and the requisite training (IDI, 2007; USAID and BIZCLIR, 2009).

The challenges facing trade in East Africa particularly among those countries that are relatively free of conflict are familiar, widely discussed, and generally understood. They include, most prominently, inadequate physical infrastructure; the need for reconciliation and harmonization of tariffs and border practices; persistent interference with ground transport; lack of donor coordination and integration of the private sector in trade facilitation reform; institutional weaknesses (ranging from state bodies charged with negotiating trade agreements to customs, health, and standard agencies); and weak trade

facilitation practices at land borders and ports. Solutions to these challenges, however, remain slow in bearing fruit (USAID and BIZCLIR, 2009; East AFRITAC, 2009; IMF, 2009; Mukiibi, 2010). Regionally, however, the countries of East Africa remain mired in counter-productive practices, and inadequate attention is paid to the details of strengthening their collective trade positions. Therefore, all these problems add to the cost of imported and exported goods. Similar results and findings are reported by (Kidd and Crandall, 2006; Chiumya, 2009).

In line with this, customs-clearance worldwide involves “tedious checks, irritating delays and complicated form filling” (Appels and de Swielande, 1998). As a result, the time taken by customs agencies to clear imported goods can be long and/or uncertain (Sawhney and Sumukadas, 2005). This is consistent with the work of WB (2005); goods may be cleared in days, or months. Longer and more highly variable clearance time adversely affects all shippers (e.g., safety stock levels, transportation costs, customer service performance), but it is particularly costly for those with time-sensitive shipments such as perishable goods or factory inputs to just-in-time production and inventory systems (Crum et al. 1995).

Many countries are concerned that difficulties related to the lack of trade facilitation disciplines lead to business losses that often exceed the costs of tariffs (Holloway, 2010). Any delay in getting goods across a national border affects the competitiveness of individuals and companies through the need to maintain additional inventory or through loss of business opportunities, so a reduction in clearance times either directly or through reduced paperwork reduces those costs. It is difficult to calculate exactly how painful the administrative burden of paper based customs processes is. For example, the Dutch Customs estimate that the customs related overhead corresponds to about 2% of the total turnover for exporting companies (Razmerita and Bjørn-Andersen, 2007 cited in Henningsson and Bjørn-Andersen, 2009); however, by using a transition electronic data, exchange is estimated to lower that sum by 70% (SITPRO, 2008 in Henningsson and Bjørn-Andersen, 2009). In similar vein, the administrative costs could amount to about 3.5% of GDP in the EU. Reducing the administrative burden by 25% would eventually lead to an increase in EU GDP by 1.6%. A 25% cost reduction would require substantial

efficiency improvements in the current administrative processes, including customs processes (Henningsson and Bjørn-Andersen, 2009).

Furthermore, Murphy and Daley (1996 in Haughton and Desmeules, 2001) cite several examples of how customs procedures can significantly affect the cost and efficiency of international trade transaction. The many examples of the materiality of the effects include data from the OECD showing that customs and clearance costs can be up to 15% of the value of landed merchandise, with other studies reporting typical figures of 7-10%. For example, while OECD countries require on average about five documents and clear goods in an average of 10 days at an average cost of approximately US\$950 per container, in sub-Saharan Africa almost double the number of documents is required and goods take from 35 days (for exports) to clear and up to 44 days (for imports) at an average cost of US\$1,660 and US\$1,986 respectively (Holloway, 2010). To reinforce this, some recent studies have tried to determine how time delays affect international trade, Djankov et al. (2006 in Buyonge and Kireeva, 2009) assert that on average, each additional day that a product is delayed prior to being shipped reduces trade by at least one per cent.

Customers confronted many problems in ERCA customs service, the study findings represented a similar trend (AtnafSeged et al. 2000; Cabanius, 2003; USAID and BIZCLIR, 2009; WB, 2010). There are quite a high number of complaints filed by the traders due to delays in taking actions and providing services to them by the ERCA (<http://www.erca.gov.et/about.phh>). At the moment, headlines of some main newspapers also highlighted complaints from the traders/public regarding to their dissatisfactions with the provided services (Reporter, 2010; Fortune, 2011; Addis Admas, 2011). Consequently, service quality is not as expected by the customers and therefore, it is quite low.

2.2 Concepts and Theoretical Framework

2.2.1 Definition of the Customer

In this section the discussion starts by defining a 'customer' in the context of the public sector. According to Rowley (1998), the concept of customer in the public sector is

complex. In the private sector the question of 'who is the customer' tends to be clearer than it is the case with the public sector (Curry and Brysland, 2001). As Wisniewski and Donnelly (1996) noted, 'the definition of the customer in the context of the public sector is not only difficult but may actually be inappropriate.' This arises from the fact that the public sector has diverse customers who benefit from its services. Customers in the public sector may range from individuals, groups, local community, employees, societies, companies, churches, government departments, and others (Wisniewski and Donnelly, 1996; Rowley, 1998).

In order to conceptualize these different customers better, researchers have sometimes referred to them as stakeholders (Wisniewski and Donnelly, 1996; Wisniewski and Stewart, 2004; McAdam et al. 2005). All these stakeholders are important to the public sector. Thus, the public sector is responsible for ensuring the delivery of good quality services that meet the requirements of all these stakeholders. While acknowledging the existence of different stakeholders within the public sector, this research focuses on one group of stakeholders, individual licensed and certified professional Customs Clearing Agents, who are receiving customs services from ERCA. These are what are defined as customers in the context of this research. Targeting this group of customers will assist in the focus of the discussions. It clarifies who is evaluating the service and thus who has to complete the service quality questionnaire.

2.2.2 Concept of Customer Satisfaction

Customer satisfaction is a term that has received much attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy, and goal for all business activities especially in today's competitive market (Kotler and Keller, 2006). Then again, customer satisfaction is a means of assessing or evaluation a function of the public services' degree of market or customer orientation, public managers' competence, organizational design and structures in order to produce internal efficiency and external effectiveness (Andreassen, 1994). In similar vein, Wisniewski, (2001) describes customer satisfaction, the public sector have also come to realize that they must ensure their services are soundly based on the needs and expectations of their stakeholders and that they are seen as providing service quality.

To strengthen this, customer satisfaction is therefore indispensable for public organizations in order to see if they are doing the right things and if they are doing things right (EIPA, 2008). It is therefore important to understand this terminology in detail as conceptualized in this study.

Customer satisfaction is a “psychological concept that involves the feeling of well-being and pleasure that results from obtaining what one hopes for and expects from an appealing product” (Kotler and Armstrong, 2003). On the other hand, customer satisfaction is “an experience-based assessment made by the customer of how far his own expectations about the individual characteristics or the overall functionality of the services obtained from the provider have been fulfilled”(Lovelock et al. 2007; EIPA, 2008). Then again, it is a comparison of customer expectations with perceptions regarding the actual service encounter (Hoffman and Bateson, 2001; Lovelock et al. 2007; Jamali, 2007). Tse and Wilton (1988 cited in Jamali, 2007) view satisfaction as the customer’s response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product as perceived after its consumption. Conversely, customer satisfaction is providing goods & services in a pleasant manner and meeting the customer's expectations and evaluation of the quality of goods and services (www.theacsu.org).

Therefore, satisfaction itself is a complex concept and difficult to universally define and accurately measure. This is supported by Oliver (1997) when he states, “everyone knows what satisfaction is until asked to give a definition. Then it seems, nobody knows”. However, critical reviews from marketing perspectives of definitions of customer satisfaction given by many scholars and practitioners bring to lime-light several relevant dimensions of the concept.

The object of customer satisfaction is varied and can be related to different dimensions of multiple experiences with product/service provider (Surenshchandar et al. 2002 cited in Sattari, 2007). Most definitions relate customer satisfaction to quality of a product/service offering (Kotler and Armstrong, 2003; EIPA, 2008). However satisfaction can as well be related to other non-quality dimensions (Singh, 1991).

For example the researcher can refer to satisfaction with the time or service delivery or the service experience or service context and satisfaction with entire reputation and outlook of an organization. Even with the product or service quality there can be several dimensions (Edvardsson, 2005), such as what product offers, product/service reliability, timeliness, friendliness of the service providers, etc. Therefore, depending on the purpose one went to achieve, one can relate satisfaction to any object of interest. In this study customer satisfaction is defined in relation to dimensions only connected to the customs service quality delivered by ERCA.

Satisfaction can be related to a specific attribute of a product or service (Cronin and Taylor 1992). On the other hand, customer satisfaction can be related to the overall performance of a product/service or the overall performance of an organization's products or services (Cronin and Taylor, 1992). Viewing satisfaction as attribute specific or overall performance depends on what one is interested in; if the interest is achieving more market value, the attribute specific will provide more useful insights to practitioners as to the extent to which a specific attribute of a service meets customer expectations or desires. Conversely, if the interest is focused more on achieving academic value, the overall performance measure will provide more academic value as it gives more insightful information to academics, government agencies and stakeholders. In this study customer satisfaction is related to overall performance of services delivered by customs service in ERCA because the researcher to treat it basically from academic perspective with government agencies, stakeholders and managerial implication. Overall customer satisfaction has been widely accepted as one important indicator to evaluate the service performance of public sector in literature (Andreassen, 1994; Hsin-Pin Fu et al. 2006).

Another area of debate in customer satisfaction literature is whether customer satisfaction should be defined as an outcome or a process. Satisfaction as a process which is currently the dominant view held by most scholars (Parasuraman et al. 1988; Tse and Wilton, 1988 cited in Jamali, 2007). The process perspective presupposes that customer satisfaction is a feeling of satisfaction that results from the process of comparing perceived performance and one or more predictive standards, such as expectations or desires (Hoffman and Bateson, 2001). This perspective is grounded in

the expectancy disconfirmation theory proposed by Richard Oliver (Oliver 1980 cited in Lovelock et al. 2007). The customer is satisfied if the performance of service is equal to his/her expectation (positive disconfirmation) if not dissatisfied (negative disconfirmation). Conversely, outcome definitions of satisfaction view satisfaction as a post-consumption evaluation containing both cognitive and affective elements, distinguishing for example between “satisfaction as contentment”, “satisfaction as pleasure”, “satisfaction as relief” on the basis of level of reinforcement and arousal (Oliver, 1989 cited in Jamali, 2007). Satisfaction is an outcome or end result during the process of consumption of a service; it is viewed as a post-purchase experience (Lovelock et al. 2007). In the context of this study, customer satisfaction is defined from a process perspective because customers’ evaluation of custom services takes place primarily during the service delivery process and continue, but not just an outcome that customers strive to achieve.

Another controversial issue in customer satisfaction literature is whether customer satisfaction is cognitive or affective. While some authors maintain that satisfaction is a cognitive assessment involving a comparison of product/service offerings from a provider against expectations, others scholars opine that the feeling of satisfaction represent an emotional or affective state of mind that is formed through the process of service delivery where customers encounter service experiences that affect their emotions. More recent researchers have found that satisfaction is both cognitive and affective (Wong, 2004; Edvardsson et al. 2005; Dean and Kiu, 2002 cited in Jamali, 2007). This view holds that customers do not only consume an offering for which they cognitively evaluate, but their involvement in the service production and delivery process allows them to emotionally evaluate the service quality. This study conceptualizes customer satisfaction as cognitive and affective since customers express their satisfaction with the service quality cognitively and emotionally.

An equal debatable elements clarifying customer satisfaction concept is whether it is subjective or objective in nature. According to Pizam and Taylor (1999), “a minority of researchers perceive the satisfaction process to be subjective in expectations but objective in the perceptions of the product attributes, or outcome.” In this light Klaus (1985)

defines satisfaction as “the customer's subjective evaluation of a consumption experience, based on some relationship between the customer's perceptions and objective attributes of the product.” Expectations and perceive performance are constructs that are in themselves subject to external influences to some extent (Maister, 1985 in Jamali, 2007). Others point out that both what is perceived (outcome) and what is expected are subjective and psychological phenomena, not reality. The importance of the subjective nature of the process cannot be overlooked. The reason is that both expectations and perceptions are psychological phenomena and they are susceptible to external influences and manipulation. To say that customers’ evaluation of a product or service is objective implies that the evaluation is not biased in any way. This is not realistic; it is a common knowledge that customers are different as is the way they perceive a service. However, the researcher stated that each customer can be objective in their own subjective cognitive and affective states. Therefore in this study, customer satisfaction in itself is defined as a subjective evaluation, but its measurement is approached objectively; thus, customers are supposed to be objective-expressing whatever subjective response they have about a product/service objectively without bias (subjective objectivity).

Another element that has attracted divergent views from scholars is whether customer satisfaction should be conceptualized as cumulative or transactional. From a transactional-specific perspective, customer satisfaction is based on a one time, specific post-purchase evaluative judgment of a service encounter (Andreassen, 1994; Oliver, 1997). In the cumulative customer satisfaction perspective, customer satisfaction is conceptualized as an overall customer evaluation of a product or service based on purchase and consumption experiences over a period of time (Yi, 1990; Singh, 1991; Johnston, 1995). In terms of the diagnostic and predictive value of customer satisfaction measurement, cumulative satisfaction is more useful and reliable than transaction-specific in that it is based on a series of occasions rather than just one occasion of transactions. Therefore the conceptual frame work for this study treats customer satisfaction as cumulative.

Therefore, there are controversial issues in customer satisfaction literature (for example, customer satisfaction as specific attribute of a product, multi-dimensionality of

satisfaction object...). Most scholars said that whether satisfaction is cognitive or affective. Other scholars, notably proponents of disconfirmation theories, view satisfaction as a process, hence the nature of satisfaction process remains unclear. While some other scholars opine that the feeling of satisfaction represent an emotional or affective state of mind that is formed through the process of service delivery where customers encounter service experiences that affect their emotions. Despite the many studies on customer satisfaction, there appeared to be no overall agreement over important issues such as concepts, constructs, definitions, measurements, methodologies and various interrelationships (Yi, 1990; Brooks, 1995).

2.2.3 Significance of Customer Satisfaction and its Measurement

Customer satisfaction measurement is not an end in self; it is a useful means to achieve several objectives of business/public organizations (Hart, 1990; Donnelly et al. 1995; Curry and Brysland, 2001; Lovelock et al. 2007). Customer satisfaction measurement is both diagnostic and predictive tool. Customer satisfaction measurement enables organizations to evaluate their abilities and capabilities to meet customers' expectation, desires and needs effectively (Zairi, 1994; Wan Yusoff et el. 2008: EIPA, 2008). In similar vein, according to Hoffman and Bateson (2001), customer satisfaction measurement process is one of the projective ways of getting into the minds of customers and obtaining certain hidden, but valuable continuous feedback from customers; this is a basic element in Total Quality Management.

Other scholars also state that customer satisfaction measurement enables organizations to analyze the performance of an offering to customers to identify areas of improvements as well as customers' priorities, which can serve as the bases for customer segmentation, organizational design and structures in order to produce internal efficiency and external effectiveness for government decision makers to understand and manage the needs and expectations of its various customer groups, policy formulation in improving their service delivery system at any point of time (Andreassen, 1994; Donnelly et al. 1995; Needham, 2006; Jones and Gryna, 1988 cited in Mehdi, 2007; Wan Yusoff et el. 2008). In addition, in managerial value, one of the benefits that management sees customer satisfaction

survey is in providing information on how best to proceed with the quality improvement program (Rust and Oliver, 1994).

2.2.4 Determinants of Customer Satisfaction

A lot of factors that drive customer satisfaction need to be examined in order to reliably measure it. In the work of many scholars and practitioners, customer satisfaction is found to be driven by the service and the customer service experiences (Parasuraman, et al. 1988; Lovelock and Wirtz, 2004). A service experience is defined as “ the service encounter and/or service process that creates the customer’s cognitive, emotional and behavioral responses which result in a mental mark, a memory” (Edvardsson, 2005). It is generally accepted by most scholars that service quality basically relates to what the customer perceives of the product/service performance.

Recent empirical studies have shown that customer satisfaction is not only driven by cognitive dimensions of customer perceptions of service quality but also by affective dimensions (Lovelock et al. 2007). Also Edvardsson,(2005) and Edvardsson et al. (2005), postulated that perceived service quality is an important determinant of customer satisfaction that have both cognitive and affective dimensions beyond just cognitive assessment of the service providers. SERVQUAL further maintain that perceived quality is formed by customers during their ongoing interactions with product or service providers. This is realized when customers are factored in as co-producers and involve in the process of production, delivery and consumption of service/products.

Another important determinant of customer satisfaction is customer expectations. It has been found out that expectation plays a major role in determining satisfaction. This view was herald by the proponents of popular expectancy disconfirmation theory (Parasuraman et al. 1988; Oliver, 1997). According to this theory, the customer is satisfied if the performance of product/service is equal to his/her expectations (positive disconfirmation) and he/she is dissatisfied if the product/service performance is perceived to be below his/her expectation (negative disconfirmation). If expectation exceeds perceived performance, the customer is highly satisfied. Another perspective of the disconfirmation is that customer satisfaction relates to a comparison of customer

perceived quality with perceived performance, rather than comparing expectation with perceived performance (Edvardsson, 2005).

Again, customer satisfaction is driven by perceived value. Though the concept of value is relative and has several dimensions to it, Parasuraman et al. (1988) considers customer value as the overall assessment of the utility of the product based on perception of what is received and what is given. The perceived value process involves a trade-off between what the customer gives such as price/money, sacrifices, perceived risk, opportunity cost, and learning cost in exchange for what he/she gets such as quality, benefits and utility (Zeithaml and Bitner, 2000). One of the most recent research in the work of Hume and Mort (2008), confirm that value is a positive predictor of satisfaction. This is consistent with the finding of (Rust and Oliver, 1994) who suggested that value had a direct and encounter specific input to satisfaction.

In conclusion, it is established empirically that customers overall cognitive or affective evaluation is based on basically the service quality, but the customer's perception of the performance of the service quality encountered is compared with some cognitive or affective standard like his/her expected quality, perceived quality or value quality. The implications of surveying customer satisfaction is that managers must take effective strategies to manage customer perceived quality, customer expectations, customer perceived value in order to reap the full benefits of customer satisfaction measurement (EIPA, 2008). If managers or administrators working in service-based organizations are able to identify how components of a product or service affect satisfaction of their customers, they may be able to provide their customers with a better customer experience to maximize customers' satisfaction (Gronroos, 2000).

2.2.5 Approaches to Determining Customer Satisfaction

A well defined conceptualization of customer satisfaction is not enough; there must be a clearly workable approach to determining it. Various approaches have been suggested as effective, but a meaning choice of any is contingent on several factors. Customer satisfaction determination can be approached from three broad types of methods: Observational methods (i.e., observational methods and experimental studies),

database methods (i.e., consulting transactional data, analyzing customer interactions, and study third party reports) and subjective methods (i.e., use of questionnaire) (Sinclair, 1995; Cooper and Schindler, 2006; EIPA, 2008).

Among these approaches subjective methods have been widely used to determine customer satisfaction. Included in this group are questionnaire and interviews. The capabilities of the internet in additions to the traditional printed questionnaire widen the scope and use of these methods. In this group, face to face and telephone interviews, focus group interviews and discussions, electronic questionnaire and online forums, chats with the community provide an invaluable source of customer satisfaction data for analysis.

In this study, the conceptual framework approaches customer satisfaction determination by the use of subjective methods mainly questionnaire for several reasons. First, it was difficult to gain access to customer database/file of ERCA which is used in this study. Again, the use of other observational methods was not feasible and finally, to be neutral in studying customs clearing agent satisfaction for ERCA customs service in Addis Ababa.

2.2.6 Customer Satisfaction Measurement Scales

In measuring customer satisfaction, which type of measurement scale is appropriate and how many items should such a scale have? According to Danaher and Haddrell (1996), there are three broad categories of measurement scales used in customer satisfaction measurement. They are performance scales, disconfirmation scales and satisfaction scales. Performance scales are those that use scales such as poor, fair, good and excellent; disconfirmation scales are those that use scales such as worse than expected to better than expected; and satisfaction scales are those that use scales such as very dissatisfied to very satisfied.

In Danaher and Haddrell (1996), Devlin et al. (1993) and Rust et al. (1994) have recommended the use of disconfirmation scales instead of the others for three reasons. "First one disconfirmation-based single question captures Parasuraman et al (1988) two-stage SERVQUAL measurement succinctly, i.e. much worse than expected to

- “For the consumer, services are any activities offered for sale that provide valuable benefits or satisfactions; activities that he cannot perform for himself or that he chooses not to perform for himself” (Bessom, 1973 in Gronroos, 1990)
- “A service is an activity or a series of activities which take place in interactions with a contact person or a physical machine and which provides consumer satisfaction” (Lehtinen, 1983 cited in Gronroos, 1990)
- “As part of the wider concept of the product” (Hoffman and Bateson, 2001)
- “A service is a process that leads to an outcome during partly simultaneous production and consumption process” Lovelock et al. (2007)
- “Services refer to economic activities that creates value and provides benefits for customers at specific times and places by bringing about a desired change in, or on behalf of, the recipient of the service or offered by one party to another, most commonly employing time-based performances to bring about desired results in recipients themselves” (Edvardsson et al. 2005)
- “Services broadly defined as acts, deeds, performances, or efforts that have different characteristics from physical goods-defined as articles, devices, materials, objects or things” (Lovelock et al. 2007)

Edvardsson et al. 2005 and Lovelock et al. (2007) found out that scholars use the term ‘services’ variously to refer to are “deeds, processes and performances, activities, experiences and value to customers”. (Gronroos, 2000; Hoffman and Bateson, 2001), they identified that scholars’ definitions of service and services has different meanings in that, “service involves the whole organization’s performance in providing the customer experience, while services implies that can be offered to the customers”. Thus, on one hand services definitions are out come related or directed at the value created since it is something of value delivered to or a performance to meet customers’ needs. More discussion on typical custom services of ERCA is provided in section 2.1.1 and 2.1.3, whereas service implies that the whole process of customs service. This view is supported in the work of Edvardsson et al. 2005 and Lovelock et al. 2007.

2.2.8 Service Quality

In measuring customer satisfaction with service quality, it is significant to examine the service quality concept, its importance and the dimensions it has. Service quality has been a difficult concept to define that has aroused considerable interest and debate in the research literature. This is because the meaning of quality can be referred to in many attributes such as the experience of the service encounters, or moments of truth, the evidence of service, price and so on which are from the customer's overall perceptions of quality, satisfaction and value (Edvardsson et al. 2005). There are a number of different "definitions" as to what is meant by service quality. Since service quality is basically defined from customer perspective, it is usually referred to as customer perceived quality. The concept of customer perceived quality suggests that it stems from a comparison of expectations of service with performance perceptions of service actually received (Parasuraman et al. 1988), while others argue that it is derived from a comparison of performance with ideal standards (Teas, 1993) or from perceptions of performance alone (Cronin and Taylor, 1992). One definition that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations (Hoffman and Bateson, 2001). Lovelock, Wirtz, and Chatterjee support the same view, defining the concept of service quality as "a form of attitude, related, but not equivalent to satisfaction, that results from a comparison of expectations with perceptions of performance. Expectations are viewed as desires or wants of customers, i.e. what they feel a service provider should offer rather than would offer" (Lovelock et al. 2007).

Though, for a long time, service quality has been perceived to be an outcome of customer cognitive assessment, recent studies confirm that service quality involves not only an outcome but emotions of customers. It is argued that "during the consumption experience various types of emotions can be elicited, and these customer emotions convey important information on how the customer will ultimately assess the service encounter and subsequently, the overall relationship quality" (Wong, 2004). Edvardsson (2005) maintains that customer perception of service quality is beyond cognitive assessment as it is formed during the production, delivery and consumption of services

and not just at the consumption stage. This is made possible as customers play their role as co-producers by carrying out activities as well as being part of interactions influencing both process quality and outcome quality. Again on the role of service quality Lovelock et al. (2007) emphasize “managing the total customer experience”. Therefore an emotional reaction is part of a quality and favorable experience (Hoffman and Bateson, 2001). This is consistent with the findings of Mano and Oliver’s (1993) on utilitarian and hedonic consumption judgments who argue that “...satisfaction is naturally tied to cognitive judgments and to affective reactions elicited in consumption” . Wong (2004) found that negative emotions have a stronger effect on satisfaction with quality than positive emotions.

The concept of service quality from customer perspective, thus perceive service quality, is not a mistake simply because in the words of the guru “the customer, of course, perceives what she or he receives as the outcome of the process in which the resources are used, i.e., the outcome quality of the process. But, she/he also and often more importantly, perceives how the process itself functions, i.e. the functional or process quality dimensions. Thus, the functional quality dimensions of perceived service quality emerge” (Parasuraman et al. 1988). In other words, it gives opportunity to customers in providing their expectation upon the level of service quality that they desire in the clear manner. Add to this, customer expectation is also an important feedback to service managers for their policy formulation in improving their delivery system at any point of time.

2.2.9 Relationship between Service Quality and Customer Satisfaction

Identifying the nature of the relationship between service quality and relevant constructs appears to be advantageous as it assists in the development of better managerial decisions. This realization is reflected by the increasing number of publications devoted to such topics as customer satisfaction, service quality, customer service, and service marketing (e.g., Chang, 1998; Choi, 2001; Cho et al. 2004; Beck, 2005; Petrick and Backman, 2002 all cited in Kima et al. 2006). Service quality and customer satisfaction are inarguably the two core concepts that are at the crux of the marketing theory and practice (Spreng and Mackoy, 1996). In today’s world of intense competition, the key to sustainable competitive advantage lies in delivering high quality service that will in turn

result in satisfied customers (Söderlund, 1998). The prominence of these two concepts is further manifested by the cornucopia of theoretical and empirical studies on the topic that has emanated over the past few years.

Due to the urgent need for the development of a working model to elaborate upon the conceptual relationship between customer satisfaction and service quality (Rust and Oliver, 1994), many research studies have been conducted in different areas to determine whether customer satisfaction is influenced by service quality or vice versa. Boulding et al. (1993) states that service quality and customer satisfaction are treated as one and the same by the business press. Nevertheless, an attempt to combine customer satisfaction and service quality as one entity or process is considered problematic by Taylor and Baker (1994), who strongly advocate that customer satisfaction and service quality are separate and distinct. Strong arguments have been made by other researchers to consider customer satisfaction to be at the very least causal antecedents of service quality (Andreassen, 1994).

However, researchers and practitioners alike have exhibited considerable interest in the issues that surround the measurement of service quality and the conceptualization of a cohesive relationship between quality and satisfaction (Brady et al. 2002; Schneider and White, 2004). The most important aspect of this relationship is the causality between the two constructs. Which one is the antecedent to the other? Does satisfaction cause quality judgment, or does quality judgment cause satisfaction? Through the improvement of a conceptual foundation and empirical research findings, most researchers have now concurred that quality judgments cause satisfaction—that is, service quality is the antecedent to satisfaction (Cronin and Taylor, 1992; Iacobucci et al. 1995; Dabholkar et al. 2000). Thus, there is a current consensus among researchers with regard to the causal order of these two constructs.

A number of studies in the services marketing literature have reported that these two constructs are strongly related (e.g., Woodside et al. 1989; Spreng and Mackoy, 1996; Alexandris et al. 2001; Caruana, 2002; Spreng and Chiou, 2002). In considering the dependable statistical correlation between the constructs, the majority of studies have disclosed a linear relationship between customer satisfaction and service quality

(Parasuraman et al. 1988; Cronin and Taylor 1992; Andreassen 2000). Most models of service quality, together with SERVQUAL and SERVPREF, also assume a linear relationship between the effect of various causes, including satisfaction and quality. However, a few studies have shown that the relationship between the constructs is non-linear, which is specifically evident in a curvilinear function (Ting, 2004). Furthermore, a basic agreement emanating from the wide range of literature on service quality and customer satisfaction is that service quality and customer satisfaction are conceptually distinct but closely related constructs (Parasuraman et al. 1988; Söderlund, 1998). However, customer expectations and their perceptions may vary over time. It follows that the relationship between the constructs may diverge over time, but this has not yet been considered by any study in the field of public organizations to map the relationship between satisfaction and quality over the time construct.

2.2.10 Customers' Evaluation of Service Quality

Having identified the relationship between service quality and customer satisfaction in the context of this research, the next step is to understand how the customer evaluates services. The understanding of customers' evaluation of service quality is an important step in the delivery of superior quality services to satisfy customers (Bouman and van der Wiele, 1992). This requires an understanding of the mechanisms used by customers to evaluate service quality, and these are discussed in this section. It has been identified that expectations and perceptions are important determinants in the way customers evaluate service quality (Lovelock and Wirtz, 2004). This is further strengthened by (Mudie and Cottam, 1993; Zeithaml and Bitner, 2000; Lovelock and Wirtz, 2004), who argue that customers' evaluation of service quality is interplay of their expectations and perceptions of service performance.

Customers purchase services to satisfy their needs. For these needs to be satisfied, customers determine if their expectations of the service outcomes were met based on their perception of the service performance received (Webster, 1989; Mudie and Cottam, 1993; Lovelock and Wirtz, 2004). In that way service quality would be a measure of the extent to which the level of the service delivered matches customers' expectations (Webster, 1989). Since expectations play a significant role in customers' service

evaluation, it is vital for service providers to understand how expectations are formed. Understanding how customers develop their service expectations as well as controlling and managing the conditions that influence these service expectations would help address the needs of customers (Webster, 1989). However, organizations intending to delight their customers may opt to consistently provide good quality services that match or even exceed customers' expectations (Johnston, 1995). Despite the difficulty faced by service providers in understanding customers' evaluation of service quality, Parasuraman et al. (1985) observed that there were underlying dimensions commonly used by customers to evaluate service quality. The criteria used by Parasuraman et al. (1985; 1988) to measure service quality were based on the findings of their survey which culminated in the development of an instrument for measuring customers' service quality which they called SERVQUAL.

The dimensionality of service quality evaluations has been contested by academics, with some arguing that the five dimensions are not universal and may not be stable from context to context (Bourman and van der Wiele, 1992; Gagliano and Hathcote, 1994). Different numbers and types of dimensions have been observed by researchers as they applied Parasuraman et al.'s (1988) five dimensions in different contexts (Carman, 1990; Babakus and Boller, 1992; Gagliano and Hathcote, 1994). In some cases, service quality was even observed to be unidimensional (Babakus and Boller, 1992). The issue of dimensionality is discussed in section 2.2.13. This research used the SERVQUAL instrument to measure customers' satisfaction with customs service quality. The next section is a detailed discussion about SERVQUAL and its application in measuring service quality. Differing opinions on the applicability of SERVQUAL in measuring service quality are also discussed in section 2.2.11.

2.2.11 Measuring Service Quality

The concept of what is service quality has been debated among researchers and there is no consensus in its definition or, how it should be measured (Davies et al. 1999; Wisniewski, 2001). Without a clear definition it is difficult to know exactly what should be measured and how (Davies et al. 1999). A number of researchers notably Parasuraman et al. (1985; 1988; 1991; 1994), Robinson (1999), Cronin and Taylor (1992; 1994), and

Teas (1993; 1994) have debated how service quality could be measured. Parasuraman et al. (1985; 1988) came up with the widely used SERVQUAL instrument. This has however, been criticized by some (Cronin and Taylor, 1992; 1994; Teas 1993; 1994) for its perceived lack of consistency across all service settings. This debate is discussed in section 2.2.13.

A review of literature on service quality indicates that most of the early researches on quality were confined to the goods manufacturing industry (Davies et al. 1999) while very little research was done in the area of measuring service quality (Webster, 1989). This was mainly attributed to the complexity and abstract nature of services which often made them elusive and difficult for researchers to define (Webster, 1989; Wong and Sohal, 2001). As discussed in section 2.2.10, service quality can be measured using the disconfirmation paradigm, where customers' service expectations are linked to their perceptions of the service performance (Parasuramn et al. 1988; Davies et al. 1999). According to Parasuraman et al. (1988), customers judge the quality of the service based on what they expect from the service provider and how they perceive the service provider performed. The majority of researches on measuring service quality (both public and private sectors) were used the SERVQUAL instrument (Parasuraman et al. 1985; 1988; 1991; 1994; Donnelly and Dalrymple, 1996; Wisniewski and Donnelly, 1996; Curry and Brysland, 2001; Wisniewski, 2001; Donnelly et al. 2006).

2.2.12 SERVQUAL Model

The SERVQUAL model proposes that customers evaluate the quality of a service on five distinct dimensions: reliability, responsiveness, assurance, empathy, and tangibles. The SERVQUAL instrument consists of 22 statements for assessing consumer perceptions and expectations regarding the quality of a service. Perceived service quality results from comparisons by consumers expectations with their perceptions of service delivered by the service providers (Zeithaml et al. 1990). It can be argued that the factor underpinning the delivering of good perceived service quality is actually meeting the expectations of the customers. Thus, excellent service quality is exceeding the customers' expectations. Zeithaml and Bitner (2000) suggested that customer expectations are beliefs about a service that serve as standards against which service performance is judged.

As indicated earlier, most previous quality measurement techniques were borrowed from the goods manufacturing industry and were not relevant to the complexity of service quality (Webster, 1989; Davies et al. 1999). A study by Parasuraman et al. (1988) suggested that customer expectations are what the customers think a service should offer rather than what might be on offer. However, for example (Carrillat et al. 2007) argued that perception scores alone could explain service quality performance. In contrast, they claimed that expected service, which is based on memory, may be biased by actual services received and may not measure performance correctly. Therefore, this model is generic and can be applied in the context of any service organization to measure customers' satisfaction by modifying its domain structure as to the specific characteristics of any particular service setting (Parasuraman et al. 1988). This model is illustrated in Appendix A, and each will be briefly explained. The model is also discussed in chapter 4, where it is used to explain the findings from this research.

2.2.13 Debate on the efficacy of SERVQUAL

Acceptance of SERVQUAL was not universal in academia; some authors questioned the efficacy of SERVQUAL for measuring service quality. As Robinson (1999) observed, "...it is apparent that there is little consensus of opinion and much disagreement over a number of conceptual and operational issues". Cronin and Taylor (1992; 1994) cast doubt on SERVQUAL especially the expectations component. Cronin and Taylor (1992; 1994) emphasized that their model (SERVPERF) was more appropriate for defining customers' behavior and experience since it was a good predictor of service quality than SERVQUAL, which while diagnostic in nature appeared to lack the prediction ability. Cronin and Taylor (1992; 1994) argued that the predictive ability of SERVPERF made it a better indicator of service quality than SERVQUAL since current performance adequately captures customers' perceptions of service quality. They further argued that current performance best indicates the customer's perception of service quality and that service expectations are not that important in service quality evaluation.

Other researchers also questioned the ability of SERVQUAL to measure service quality. Teas (1993; 1994) argued that there was lack of congruence between the conceptual and operational definitions of SERVQUAL measure. He observed that the SERVQUAL

expectations measure, lacked discriminate validity in terms of attribute importance, performance forecasts, and classic attribute ideal-points. Robinson (1999) also observed that SERVQUAL had some shortcomings which cannot be ignored when researching service quality. He argued that SERVQUAL was best applicable in contexts that are close to its original setting. Robinson (1999) pointed out that SERVQUAL's weakness was that it lacked predictive ability. The issue of dimensionality of service quality has also been debated by other researchers (Carman, 1990; Freedman and Dart, 1993; Buttle, 1996; Robinson, 1999).

Speaking in defense of SERVQUAL, Zeithaml et al. (1990) argued that the five dimensions were derived from a "...rigorous and systematic analysis of customers' ratings through empirical research and therefore represent the core criteria with which customers evaluate service quality". They supported their argument with multiple studies that demonstrated that each of the five dimensions was considered critical by customers (Parasuraman et al. 1991; 1994). Additional support for SERVQUAL dimensions came from Zeithaml and Bitner (2000) who suggested that when customers evaluate service quality, they do not perceive quality as a unidimensional concept but rather as a multiple factor construct. They concurred that there are five dimensions to service quality evaluation. Zeithaml and Bitner (2000) suggested that customers do not necessarily have to go through all of the five dimensions when assessing service quality, for example during a remote encounter with an ATM, empathy may not be applicable.

Parasuraman et al. (1994) maintained that though Cronin and Taylor's (1992) SERVPERF had a potential to predict service quality, it did not offer much more than SERVQUAL. They argue that SERVQUAL had empirical support from previous research that showed that service quality was the discrepancy between customers' expectations and perceptions such as Lehtinen and Lehtinen, 1982; Bolton and Drew, 1991; Parasuraman et al. 1991. Parasuraman et al. (1994) even suggested that SERVQUAL has diagnostic ability and argued that it is this diagnostic ability that makes it more important than SERVPERF which seemingly lacked diagnostic ability. Further support for SERVQUAL and disconfirmation paradigm was drawn from Bolton and Drew (1991) who pointed out that despite the predictive ability associated with service

performance, performance-minus expectations model had more predictive ability than the performance only model. Parasuraman et al. (1994) acknowledged that the use of SERVQUAL model may be problematic in some circumstances, however the severity of such problems may not be large enough to affect the usefulness of the model and in addition such problems rarely occur.

Support for SERVQUAL was also received from other researchers (Lewis and Mitchell, 1990; Lam and Woo, 1997; Wong and Sohal, 2001). Wong and Sohal (2001) suggested that SERVQUAL was a more appropriate instrument for measuring service quality because it is comprehensive and empirically grounded. While acknowledging reservations cited by researchers such as Cronin and Taylor (1992); Teas (1993); and Babakus and Boller (1992) on the efficacy of SERVQUAL, Wong and Sohal (2001) pointed out that SERVQUAL has high reliability in terms of alpha coefficients and is therefore internally consistent. A test by Lam and Woo (1997) indicated a good internal consistency for SERVQUAL ranging from .678 to .945 Cronbach's alpha. As Lewis and Mitchell (1990) observed, given its wide use compared to other service quality measurement tools, SERVQUAL remains the most reliable instrument for measuring service quality until a better scale is found.

2.2.14 Applications of SERVQUAL in the Public Sector

Despite the debate about SERVQUAL, it is worth noting that unlike other service quality measurement instruments such as SERVPERF, SERVQUAL has enjoyed wide usage under different settings including the public sector (Donnelly et al. 1995; Donnelly and Dalrymple, 1996; Wisniewski and Donnelly, 1996; Curry and Herbert, 1998; Curry, 1999; Curry and Brysland, 2001; McFadyen et al. 2001; Donnelly et al. 2006). In a bid to test the applicability and potential usefulness of SERVQUAL in the public sector, Wisniewski and Donnelly (1996) applied an adapted SERVQUAL instrument on users of library services in the UK. Their findings suggested that SERVQUAL was useful in assessing customers' views of the current service as well as their service quality expectations. They observed that SERVQUAL can be used to establish customers' priorities in terms of service quality dimensions. This could help management to group customers in terms of their needs and priorities and address these needs and priorities in

accordance with the identified customer groups. Donnelly and Dalrymple (1996) suggested that SERVQUAL was a useful tool in measuring service quality within the public sector. They however observed that SERVQUAL tends to work best in services that are closer to private sector services.

Curry and Brysland (2001) applied SERVQUAL instrument on a number of services provided by the Community Services Department of North Lanarkshire Council in the UK. They supported the use of SERVQUAL within the public sector because it is useful in assessing current levels of service quality. In relation to this, Donnelly et al. (2006) carried out a study to explore the application of SERVQUAL approach to assess the quality of service of Strathclyde Police in Scotland. Anderson (1995) also measured the quality of service provided by a public university health clinic. Patients were found to be generally dissatisfied with the five dimensions of SERVQUAL. Using the SERVQUAL approach, Wisniewski (2001) carried out a study to assess customer satisfaction within the public sector across a range of Scottish Councils services. In the library service, the findings suggested that customer expectations were not met. Furthermore, Agus et al. (2007) carried out a research to identify management and customer perceptions of service quality practices in the Malaysian Public sector using SERVQUAL dimensions.

Curry and Herbert (1998) suggested that the use of SERVQUAL was a good starting point for developing strategic management tools. They pointed out the importance of using SERVQUAL in the public sector given that it is capable of being tailored to a particular application environment. Wisniewski and Donnelly (1996) also observed through an empirical study that SERVQUAL was a useful tool in measuring service quality within the public sector. They observed that the success of SERVQUAL in the public sector is made difficult by the differences in customer characteristics as well as the difficult working environment. They suggested that there was a need to clearly specify customer categories prior to using SERVQUAL to enable comparison of responses from different customer groupings.

With the varied applications of SERVQUAL within the public sector, Curry and Brysland (2001) observed that the instrument has had extensive field-testing and

refinement. This rigorous refinement and modification in the public sector setting makes it more trusted than the other tools for researchers and practitioners alike. Curry (1999) pointed out that SERVQUAL was seen to be a credible tool in the public sector provided it is tailored appropriately to the area of study. In addition, Curry and Brysland (2001) contend that SERVQUAL is statistically valid and has been tried and tested in the field. This view was supported by McFadyen et al. (2001) who concurred that SERVQUAL was a valid and robust tool in measuring customer satisfaction with service quality dimensions in a variety of settings including the public sector.

2.2.15 Prioritizing Service Quality Dimensions

One of the marketing values that measuring customer satisfaction can provide practitioners stems from prioritizing the dimensions. Prioritizing the dimensions offers organization the value of identifying which dimensions of service quality customers are satisfied with and which ones they are dissatisfied with. This allows practitioners to effectively redirect their focus and reallocate resources toward improving service quality on customer dissatisfied dimensions, while maintaining or increasing attention and resources on dimensions that customers are satisfied with. In an empirical work by Chowdhary and Prakash (2007) on prioritizing dimension of service quality, they found out that "... no simple generalization of relative importance of determinants of service quality is possible. Thus, it must be noted that importance of determinants of quality for customers would vary across different service types". In view of this, this study search the relative importance of dimensions of service quality from customs clearing agent perspective in ERCA customs service as one of the objectives for this study.

The aim of this study is measuring customer satisfaction with customs service quality delivered by ERCA, which has undergone remarkable changes within the last few years. The study conceptualizes customer satisfaction as a process, subjectively objective, cumulative, multi-dimensional, cognitive and affective. Given the different views expressed by researchers regarding the validity and reliability of SERVQUAL it is important to conclude by stating why SERVQUAL was used in this thesis. The arguments raised against SERVQUAL are considered valid and substantial. However,

despite SERVQUAL weaknesses, it continues to be used more frequently in assessing customers' satisfaction with service quality (Lewis and Mitchell, 1990). It has also been applied within the public sector setting (e.g., Scott and Shieff, 1993; Orwig et al. 1997; Gumus & Kolegolu, 2002). It is therefore considered to be more appropriate for use in this research. The position adopted by this thesis is summarized in Lewis and Mitchell's (1990) observation that in the absence of a better alternative, SERVQUAL would remain a reliable instrument for measuring service quality. The next chapter discusses the methodology and methods followed to collect and analyze data for this research.

CHAPTER THREE

RESEARCH METHODOLOGY

The main aim of this research is to assess customs clearing agents' satisfaction in ERCA's custom services by using service quality dimensions. The major focus of the research is on customs service delivery in the public sector of ERCA, and the Customs Authority in Addis Ababa. ERCA was selected partly because the researcher have an exposure of ERCA's customs service, and also the background of this study showed there are wide range of agreements on the ERCA's failure to offer the desired customs service. Customers are the recipients of the service output and are as such considered appropriate judges of the quality of services delivered and based on their feedback ERCA improves its performance in order to enhance the quality of customs services.

The methodological concern used in conducting this research provides a justification for each step taken. The issues discussed, based on the quality standards of a research, involves the research design, data collection, instruments and procedures of data collection, customer survey using SERVQUAL, population and sampling techniques, variables included in the study, methods of data analysis and validity and reliability.

3.1 Quantitative and Qualitative Research Methodology

This section covers the methodological options usually available to undertake a research. In deciding on the research methodology, researchers are influenced by the research aims as well as the type of data that they have to collect. In this research quantitative and qualitative methods were used to collect data. The combination of qualitative and quantitative methods has been supported theoretically by many authors like Davies, 2003; Mangan et al. 2004; Sarantakos, 2005; Jack and Raturi, 2006; and Saunders et al. 2007. The use of combined methods, often called triangulation, has been found to alleviate the weaknesses linked with using either of the methods on their own. Combining the methods provides a multidimensional insight into the research problem, and thus assists in getting a broader understanding as well as a truer analysis of the situation at hand (Davies, 2003; Mangan et al. 2004). Triangulation provides confirmation to the research findings by

improving the ability of researchers to draw conclusions from their studies thereby resulting in more robust and generalized research findings (Jack and Raturi, 2006).

3.2 The Research Design

Following the decision on the appropriate methodology to use in this study based on the philosophical assumptions, the next step is to decide on the research design. This research follows a descriptive survey design to achieve the aims of the thesis. A descriptive survey study is employed for the purpose of this study on the assumption that this method is relevant to describe both the currently existing situation and events of the past as well as portray a reality regarding customer satisfaction with service quality and to better understand those service quality dimensions which indicate whether the customers are satisfied or dissatisfied. Saunders et al. (2007) briefly described the relevance of this design for such studies; a descriptive research is a study that seeks to “portray an accurate profile of people, events or situations”. It involves formalizing the study with definite structures in order to better describe or present facts about a phenomenon as it is perceived or as it is in reality.

3.3 Types of Data Collection

In this research, a combined research methodology is adopted to collect and analyze data. It was found appropriate for this research because of the nature of the collected data. The primary data collected from customs clearing agents were quantitative using the SERVQUAL questionnaire and qualitative using the open-ended questions. While qualitative survey was used for interviewing the President of Transit Transports Operator Association of Ethiopia. The secondary data were collected from the directories of companies, journals, articles and books.

The next section provides details on the instruments and procedure of data collection using the two-phase methodological approach.

3.4 Instruments and Procedure of Data Collection

The study was conducted by using questionnaire at individual level for customs clearing agents and the president of the association. The questionnaire was prepared originally in

English and later translated in to Amharic. Again, the questionnaire was translated from Amharic to English by independent translators in order to enhance the validity of the questionnaire. The questions sought respondents' feelings about the level of satisfaction for the given dimensions of service quality and the importance of service quality dimensions.

In all, the customs clearing agents' questionnaire had four parts consisting of thirty-nine (39) items.

The first part which consists ten (10) items was used to collect information about personal characteristics of respondents. The second part which consists of twenty-two (22) questions helped to measure the level of customs clearing agents' satisfaction relating to customs service using the SERVQUAL instrument in ERCA. Each items was constructed in a five points scale with alternative responses ranging from 5= Much better than expected to 1=Much worse than expected (see Appendix A). The mean score for each item was calculated using three - 3.0- (average) as a dividing line; those items whose mean become 3.0 and above were assumed to have vital contribution to the level of satisfaction. The third part which consists of five (5) items is used to secure information regarding the level of customs clearing agents' satisfaction with the importance of customs service by using the SERVQUAL questionnaires in ERCA. Each item was constructed in a five points scale with alternative responses ranging from 5=Very important to 1=Not-at-all important. The mean score (4.0) for each item was a dividing line; those items whose mean become 4.0 and above were assumed to have more contribution to the level of satisfaction in customs service. The fourth part has two (2) open-ended questions which sought to secure information about customs service problems and possible recommendation in ERCA.

Finally, a separate questionnaire was prepared for the president of Transit Transport Operators Association of Ethiopia to obtain information related to customs service problems and possible recommendation to enhance customs service in ERCA (see Appendix B).

3.5 Customer Survey using SERVQUAL

This section provides a discussion of SERVQUAL as a model for measuring the level of customer satisfaction using service quality dimensions and why it was selected to be used in this thesis. SERVQUAL is an instrument used to measure service quality and was developed by Parasuraman et al. (1985) and modified by the same authors in 1988 and 1994 in response to criticism from other authors.

McFadyen et al. (2001) strongly supported SERVQUAL as a valid and robust tool in measuring service quality in a variety of settings both in the private and public sectors. Curry and Brysland (2001) suggested that among others, SERVQUAL could be used to evaluate the impact of service improvement activities carried out to address customers' expectations and priorities. SERVQUAL has been suggested as a useful tool in measuring service quality within the public sector (Curry and Herbert, 1998; Curry and Brysland, 2001; McFadyen et al. 2001). SERVQUAL chosen for data collection in this study because it was found to be relevant to explore whether customers' rated the importance of service quality differed for given dimensions.

The development of the SERVQUAL questionnaire was preceded by a rigorous empirical testing which proved that it could be applied across a broad range of services with only minor modifications (Parasuraman et al. 1985; 1988; 1991; 1994; Donnelly et al. 1995). In addition, the majority of research on measuring customer satisfaction by service quality within the public sector has used SERVQUAL (Donnelly and Dalrymple, 1996; Wisniewski and Donnelly, 1996; McFadyen et al. 2001; Reisig and Chandek, 2001; Wisniewski, 2001; Donnelly et al. 2006). According to Curry and Brysland (2001), SERVQUAL has had extensive field-testing and refinement. They argued that the rigorous refinement and modification of SERVQUAL in the public sector setting, makes it more trusted than the other tools for researchers and practitioners alike.

3.5.1 Development, Modification and Application of the SERVQUAL Instrument

In this study, the SERVQUAL model questionnaire was adopted with only minor changes to reflect ERCA's customs services. SERVQUAL can be used under different contexts provided it is modified to meet the requirements of the context being researched Parasuraman et al. (1988; 1991; 1994). Previous studies measuring public sector service quality using SERVQUAL were examined in order to assist in the development of a SERVQUAL questionnaire that meets the requirements of the public sector context. For example, a public sector SERVQUAL questionnaire was obtained from Mcfadyen et al. (2001). Reference was also made to questionnaires from Anderson (1995) who also measured service quality in the public sector using SERVQUAL.

Using SERVQUAL model the questionnaires were prepared to reflect the customs services provided by ERCA. The 22 statements from the SERVQUAL questionnaire are categorized in terms of five dimensions of service quality namely tangibles, reliability, responsiveness, assurance and empathy. Respondents are asked to rate the level of their expectations towards customs service quality on a five-point Likert scale ranging from 1 (much worse than expected) to 5 (much better than expected). In addition, respondents are asked to rate importance of custom services using SERVQUAL on a five-point Likert scale ranging from 1 (Not-at-all important) to 5 (Very important).

3.6 Population and Sampling Techniques

This section provides a discussion on the steps taken to collect data after the development and minor changes of the SERVQUAL questionnaire.

Currently, the Ethiopian Revenue and Customs Authority offer its services in 17 field offices. Among these offices, 15 of them are located in different regional state/city administrations of Ethiopia. The remaining two coordination offices are located at port Djibouti and Berbera, Somalia. Out of the 15 offices, six are located in Addis Ababa. Addis Ababa custom station in Kality (former Lagar) and Addis Ababa Airport Cargo Section are offering customs clearing services where as the rest four offers revenue collection services alone. For the purpose of this study, the two offices of the Authority which offer customs clearing services were purposively selected. In addition, the lion's

share of international trade transaction declaration (i.e., 85-90%) is carried out in these offices (UNSD, 2004; <http://www.erca.gov.et/about.phh>; Gebi Leleimat, 2008). The master justification behind is that the study is intended to measure customer satisfaction of Customs Clearing Agents on service delivery of ERCA.

The target population of the study comprises 598 legally registered Customs Clearing Agents in Addis Ababa, who are currently providing customs clearing services by using the aforementioned offices for international trade participants. The questions of sample size can be addressed in two ways. One is to make assumption about the sample size that was adequate for advanced statistical analysis. The other more frequently used method is a rule of thumb-a conventional or commonly accepted amount (Davies, 2003; Mangan et al. 2004; Jack and Raturi, 2006; and Saunders et al. 2007). For a descriptive research, it is common to sample 10-20 percent of a population is appropriate when the population is homogenous in nature. So to make the samples representative and get reliable results, 22.07 percent of customs clearing agents were included in the study. The main reason is the target population was homogenous with regard to the customs services they deliver to importer and exporter. So using simple random sampling technique 131 customs clearing agents from the two customs offices and using purposive sampling technique the president of the association included in this study. This number is adequate since a minimum sample size of (30) is considered as a large sample size for statistical analysis (e.g., Saunders et al. 2007).

3.7 Questionnaire Pre-testing and Final Administration

Having identified the sample, the next step was to pre-test the minor changes of SERVQUAL questionnaire, to determine its applicability to the ERCA customs service in Addis Ababa. Davies, 2003; Mangan et al. 2004; Jack and Raturi, 2006; and Saunders et al. (2007) agree that in any research, it is expedient as a matter of reliability and validity check that the questionnaire should be pre-tested before final administration. In line with this, a preliminary draft of the questionnaire was given to the selected eleven customs clearing agents to test the clarity and meaningfulness of the questions. Added to this, the questionnaire was pre-tested by three marketing specialists who are both familiar with the survey instrument and working in different public sectors to assess the content and

construction of the questionnaire. Given that SERVQUAL is a standard questionnaire, most marketing specialists found it suitable for use in the public sector context. A few comments made were with regard to reflecting the specific customs service in ERCA. These comments were incorporated into the final version of the questionnaire prior to undertaking the survey for pre-test. Finally, 11 questionnaires were administered in the sampled areas on randomly selected customs clearing agents which were excluded from the sample. And the reliability score was 0.94 using SPSS.

3.8 Variables Included in the Study

In order to accurately measure satisfaction of customers with the five SERVQUAL dimensions it is important to identify the variables of each dimension for which it is possible to measure precisely. The main dependent variable called the level of customer satisfaction whereas the determinants of customer satisfaction (i.e., SERVQUAL dimensions are independent variables) were seen grouping them into five major categories. The heart of this model is designed to assess the level of customer satisfaction with the five dimensions of service quality of tangibles, reliability, responsiveness, assurance and empathy in the context of ERCA.

3.9 Methods of Data Analyses and Interpretation

Depending on the nature of the research questions and the data collected, different statistical methods were employed in this study for data analysis and interpretation. SPSS was used to compute and analyze the data. To address the first research question, which dimensions of service quality are customers satisfied/dissatisfied with the customs service offered by ERCA in Addis Ababa, percentage, mean, standard deviations and one sample T-test were used with significance level of 0.05. And a mean cut off value of three and above implying that the entire sample would be split into satisfied customers and dissatisfied customers for each item in each dimension of service quality.

To answer the second research question, which dimensions of service quality are important to customers of ERCA in Addis Ababa? Percentage, mean, standard deviations and one sample T-test were used with significance level of 0.05. And a mean cut off value of four and above to split service quality dimensions that are important from

those that are not important to customers. Then the service dimensions are ranked by mean value in order to indicate the importance of service quality dimensions to customers. Furthermore, Chi-square values are also used to test the difference between the respondents' characteristics with each service quality dimensions in terms of age, gender, level of education, years of experience and training in customs. Lastly, percentage is used to analyze various characteristics of personal background.

3.10 Reliability of SERVQUAL Instrument

Prior to reporting the results of this survey, it is vital to test the reliability of the minor changed SERVQUAL instrument used in the data collection. Saunders et al. (2007) defines reliability as "...the consistency or repeatability of scores on some measure of interest". The aim of a reliability test is to establish the extent to which the survey instrument would produce consistent results across the target respondents. Parasuraman et al. (1988; 1991) tested the internal consistency of SERVQUAL and found it to be reliable. Reliability of SERVQUAL has also been tested within a public sector context (Orwig et al. 1997; Fuentes, 1999; Donnelly et al. 2006) and acceptable levels of internal consistency were obtained. The internal consistency of dimensions within the modified SERVQUAL instrument was tested using Cronbach's Coefficient Alpha. Cronbach's alpha coefficient has been used to test the reliability of the SERVQUAL instrument in previous public and private sector studies (e.g., Babakus and Mangold, 1992; Triplett et al. 1994; Orwig et al. 1997; Fuentes, 1999; Cook and Thompson, 2000; Badri et al. 2005; Donnelly et al. 2006).

Despite the acceptable levels of reliability observed in the previous studies, it is important that the instrument's reliability be tested in the specific context of this study. As with all applications of SERVQUAL, the instrument used in this study is also slightly modified to make it relevant to the customs service studied in ERCA. Since the instrument is modified, it is different from the original instrument by Parasuraman et al. (1988; 1991) and therefore it had to be tested for internal consistency. In this research, Cronbach's alpha coefficient was calculated on expectation and importance scores across the whole sample in the study area. The overall sample alpha scores using SPSS are reported in Table 1.

Table 1. Results of the Cronbach' Coefficient Alpha Reliability Test

Dimension	Cronbach's Coefficient Alpha	Number of Items
Tangible	0.686	4
Reliability	0.782	5
Responsiveness	0.771	4
Assurance	0.851	4
Empathy	0.704	5
All the above items reliability	0.907	22
Importance of Dimensions	0.918	5
All Items	0.811	27

From Table 1 it can be seen that scores for all expectation and importance service quality dimensions are above the 0.7 threshold except tangible which was 0.686, is very close to the 0.70 threshold, and is thus considered acceptable. The alpha scores indicated the internal consistency of the SERVQUAL instrument was high and thus the scores obtained were reliable. The instrument is therefore suitable to use in the study. The acceptable level of reliability for alpha coefficients depends on the nature of the study. However, as a rule of thumb, Nunnally (1978) suggested alpha coefficient level of 0.70 or higher as a generally acceptable level of reliability.

CHAPTER FOUR

ANALYSIS AND INTERPRETATION OF THE DATA

This chapter covers the discussion of the qualitative and quantitative data analysis. The analysis of data divided into two parts. The first part of the analysis focuses on data collected from customs agents, which are evaluated using SERVQUAL analysis. This section covers quantitative analysis of the survey data and is concerned with evaluating customers' satisfaction by SERVQUAL of ERCA. The second part of this chapter covers the analysis of qualitative data collected from customs agents and the president of transit association.

Data analysis first focuses on determining the extent of customers' satisfactions and their expectations of the quality of services provided by the two customs departments. The aim is to determine the level of customers satisfactions based on individual SERVQUAL dimensions scores for the sampled area under study. The relative importance attached to each of the five SERVQUAL dimensions by the respondents is also measured because it has the potential to influence customers' overall satisfaction in the service quality of ERCA. Respondents were asked to allocate how important is each dimension of service quality by using the scale of 1-5. The next section describes analysis of data, results and findings to answer the research questions. The last part covers the discussion on customs problems and possible recommendations to reduce those problems in ERCA.

4.1 Demographic Characteristics of Customs Clearing Agents

The discussion here focuses on the respondents' demographic information or sample profile. As noted earlier, the sample is drawn from Addis Ababa customs station in Kality and Addis Ababa Airport Cargo Section of ERCA. The demographic data of study participants in terms of gender, age, level of education, years of experience, the type of organization working before joining customs clearing agent, relevant training in modern customs clearing service and motivation in updating their knowledge in customs operations are presented by using tables.

Table 2. Respondents' Profile

Characteristics	Category	Frequency	Percentage
1. Respondents' Gender	Male	98	74.8
	Female	33	25.2
	Total	131	100.0
2. Respondents' Age	29 years and below	47	35.9
	30-39 years	72	55.0
	40-49 years	11	8.4
	50 years and above	1	0.8
	Total	131	100.0
3. Respondents' Level of Education	Diploma	82	62.6
	BA/B.Sc	45	34.4
	MA/M.Sc	3	2.3
	Others	1	.8
	Total	131	100.0
4. Respondents' Years of Experience as Customs Clearing Agent	5 years and below	41	31.3
	6-10 years	72	55.0
	11 years and above	18	13.7
	Total	131	100.0
5. Are You Working in any Organization Before Joining a certified Customs Clearing Agent?	Yes	123	93.9
	No	8	6.1
	Total	131	100.0
6.Type of Organization Respondents Worked in Before Being become Customs Clearing Agent	Governmental Organization	85	64.9
	Private Business Organization	38	29.0
	Others	8	6.1
	Total	131	100.0
7. Did you get relevant training in modern customs clearing service from ERCA?	Yes	104	79.4
	No	27	20.6
	Total	131	100.0
8. Are you motivated in updating your knowledge in customs service?	Yes	126	96.2
	No	5	3.8
	Total	131	100.0

As shown in Table 2, a total of 98 males and 33 females responded to the survey. Males accounted for almost 74.8 percent and females accounted for 25.2 percent of the respondents. According to the Transit Transport Operators Association Office of

Ethiopia, the gender distribution of customs clearing agents is more in male than female. This further implies that the profession of customs clearing was male dominating in ERCA customs operations.

In terms of ages Table 2, displayed 55 percent of the respondents belong to the age group of 30-39 years. Forty seven (35.9%) of them are 29 years and under and 11(8.4%) are between 40-49 years. Only 1(0.8%) belongs to the category 50 years and above. This further implies that the majority of the respondents 84 (64.1%) fall in the age group of 30 years and above.

With respect to respondents educational level, Table 2 displayed the majority 82 (62.6%) are diploma holders while 45 (34.4%) are BA/B.Sc. degree graduates. A further 3 (2.3%) reported to be at MA/M.Sc. degree level. As indicated in the Table, most of the respondents have diploma qualifications, followed by university degree qualifications (BA/B.Sc. degree) and second degree qualifications (MA/M.Sc. degree level). This indicates that most of the customs clearing agents in the sampled area have the highest qualification. This may have its own impact on the service provided by customs clearing service agents, for the quality of importing and exporting goods as well as in their ability to provide reliable information in ERCA customs service.

The overall sample distribution of respondents' years of experience as customs clearing agent in Table 2, shows 55 and 13.7 percent of them have a service year ranging from 6-10 and 11 years and above respectively. Around 31.3 percent of customs clearing agents reported to have 5 years experience and below. Hence, the majority of sampled customs clearing agents have 6 years experience and above. It is believed that having such years of experience, the selected customs clearing agents would provide reliable information in ERCA customs service.

Table 2 shows that, 93.9 percent of sampled customs clearing agents replied that they have worked in other organizations before being certified as customs clearing agent while 6.1 percent replied that they haven't worked in any organizations before. This implies that the majority of respondents have an adequate amount of experience in service delivery systems of different organizations.

Regarding the type of the organization Table 2 displayed 64.9 percent of customs clearing agents were working in governmental organization while 29 percent of them worked in private businesses. This implies that customs clearing agents have knowledge and an experience of the service quality and service delivery systems to the respective governmental organization. This also further shows that respondents were providing reliable information for this study.

The training and motivational conditions of customs clearing agents in Table 2, also shows that 79.4 percent of sampled customs clearing agents replied that they have taken relevant training in modern customs clearing service for clearing importing and exporting goods on behalf of international traders in ERCA, while 20.6 percent of them replied that they haven't taken relevant training. This depicts that sizable customs clearing agents have relevant training in modern customs service operations whereas some of them are lack of relevant training. Furthermore, this shows that their contribution could be reliable because they have knowledge and experience.

With respect to customs clearing agents' motivation in updating their knowledge in customs clearing service, as indicated in Table 2, the majority of sampled customs clearing agents (96.2 percent) are highly motivated to update their knowledge. This depicts that sizable customs clearing agents are highly motivated to bringing up to date knowledge related to their profession.

4.2. Measuring Customer Satisfaction with Service Quality Dimensions

In measuring customer satisfaction the SERVQUAL model questionnaires was used because it was supported by theory and practice. After the questionnaires were collected, the researcher explored the level of customers' expectation towards service quality of ERCA in five areas of SRVQUAL dimensions. In computing expectation score of the respondents, the data were analyzed using SPSS program descriptive statistics- frequencies, percentages, means and standard deviations. Customers were asked to rate their satisfaction of service quality using five point expectations scale: much worse than expected, worse than expected, equal to expectation, better than expected and much

better than expected were discussed and summarized using percentages as follows in Table 3.

TABLE 3. Frequency Summary of Customer Satisfaction with Service Quality Dimensions

SERVICEQUALITY DIMENSIONS	Worse and Much Worse than Expected		At least Equal to Expectation		Better and Much better than Expected	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
TANGIBLE	104	79.4	24	18.3	3	2.3
RELIABILITY	120	91.6	10	7.6	1	0.8
RESPONSIVENESS	112	85.5	16	12.2	3	2.3
ASSURANCE	111	84.7	19	14.5	1	0.8
EMPATHY	117	89.3	13	9.9	1	0.8

As shown in Table 3, the majority of respondents 79.4 percent, 91.6 percent, 85.5 percent, 84.7 percent and 89.3 percent rated their satisfaction as worse than expected and much worse than expected for tangibles, reliability, responsiveness, assurance and empathy respectively. Whereas, 18.3 percent, 7.6 percent, 12.2 percent, 14.5 percent and 9.9 percent of respondents rated their satisfaction as equal to expectations for tangibles, reliability, responsiveness, assurance and empathy respectively. Also, 2.3 percent, 0.8 percent, 2.3 percent, 0.8 percent and 0.8 percent of respondents rated their satisfaction as better as and much better than expected for tangibles, reliability, responsiveness, assurance and empathy respectively.

In a nutshell, the majority of customs clearing agents are dissatisfied in customs service offered by ERCA for all service quality dimensions since the majority of respondents are rated much worse than expected and worse than expected for all SERVQUAL. Moreover, the results of descriptive statistics are summarized graphically for each service quality dimensions in Appendix D. This is further strengthened by the mean value in Table 4.

Table 4. Descriptive Statistics of Customer Satisfaction with Service Quality Dimensions

Service Quality Dimensions	No. Items	Customers' Expectations towards Customs Service in ERCA				Level of Customer Satisfaction in ERCA
		N	Mean		Std. Deviation	
		Statistic	Statistic	Std. Error	Statistic	
TANGIBLE	4	131	2.0305	.04638	.53080	Worse and Much Worse than Expected
RELIABILITY	5	131	1.5954	.04497	.51469	Worse and Much Worse than Expected
RESPONSIVENESS	4	131	1.9733	.05121	.58610	Worse and Much Worse than Expected
ASSURANCE	4	131	1.4924	.05657	.64743	Worse and Much Worse than Expected
EMPATHY	5	131	1.8076	.04548	.52059	Worse and Much Worse than Expected

As shown in Table 4, the overall satisfaction of expectation towards tangibles is worse and much worse than expected at a lower mean score of 2.03. The mean scores of 1.66, 1.92, 2.15 and 2.40 showed the authority has visually appealing materials with the type of services provided, the provision of visually attractive offices, equipment and facilities, the employees with neat professional appearance and it has modern and up-to-date customs service equipment respectively (see Appendix C). Therefore, customs clearing agents reported that visually appealing materials, offices lay outs or designs, customs related equipment and facilities not as good as in ERCA customs service. The findings of frequency distribution and the mean value of the tangibles variables confirm the impression that the technical aspects of the customs service should receive additional attention. This also agreed with findings by (Tambi et al. 2008; EIPA, 2008; Kaštelan-Mrak and Benazić, 2009).

As shown in Table 4, overall satisfaction of expectation concerning reliability dimensions is below average (1.59). This means that ERCA customs service will not be performed

dependably and accurately as promised. Further into detail, the authority not provides their services at the time they promise (mean=1.51) plus not to do something in a certain time (mean=1.35) and the authority not performed customs service right at the planned time and duration (mean=1.59). When customers have any problems, ERCA's staff not sincerely solves the problems of customers with sympathetic and reassuring manner (mean=1.6). Finally, all the records at ERCA are much worse than expected to be keep their records accurately in error free manner (mean=1.93) (see Appendix C). Consequently, this result shows that the customers are dissatisfied with the quality described in this dimension.

This result is consistent with Kaštelan-Mrak and Benazić, (2009), who studied customs service quality in Croatian. They found that reliability was the most important factor for ensuring forwarders satisfaction. For example, the customs officials are not performed tasks as promised and resolved problems promptly. To strength this EIPA (2008), states that reliability is the most important dimension in the Austrian case of the tax offices. Other studies also present similar findings (Curry and Bryslan, 2001; Shahin, 2005; Tambi et al. 2008). By focusing on this dimension, ERCA in Addis Ababa needs to achieve high levels of satisfaction.

As shown in Table 4, the overall expectation towards responsiveness dimension was worse and much worse than expected with lower mean value of 1.97. The authority is not informed to their customers exactly when services to be carry out (mean=2.30), the employees not provides timely service (mean=2.03), not for all time willing to help customers (mean=1.65), not demanding to respond to customer requests at the appointed time (1.92) (see Appendix C). This shows customers are not received good help when needed. The authority's inability to responds to customers' requests reflects it is highly possible that customers are dissatisfied.

These findings are consistent with Kaštelan-Mrak and Benazić, (2009), who states that responsiveness service quality dimensions are the main factor for forwarders satisfaction. Other studies also confirmed this notion (e.g., Parasuraman et al. 1988; Curry and Bryslan, 2001; Shahin, 2005; Tambi et al. 2008). It is essential that customs officials are

willing and able to help customers by providing prompt service to meet customers' expectation.

As shown in Table 4, the lower mean value of 1.49 showed the overall satisfaction of expectation towards assurance dimension was worse and much worse than expected. Here it is showed the authority employees instill customer confidence, make customers feel comfortable, are consistently courteous or polite, have broad and deep knowledge to answer customers questions have the mean scores of 1.40, 1.47, 1.56 and 1.53 respectively (see Appendix C). This pinpoints that there are gaps in the authority's employees in areas like having broad and deep knowledge, skills, capacity, experience, trustworthiness, politeness, and responsiveness to customers. Tambi et al. 2008; EIPA, 2008; Kaštelan-Mrak and Benazić, 2009 also reported similar results.

As shown in Table 4, the overall expectation concerning empathy dimension was worse and much worse than expected with lower mean value of 1.81. The authority is not giving customers individual attention (mean=1.91), the employees are not giving customers individual attention (mean=1.50), failure to make customers' best interest at heart (mean=1.42), inability of employees to know and understand customers needs (mean=1.54) and implementation of inconvenient working hours to all their customers (mean=2.67) (see Appendix C). As a result, customers are dissatisfied in the empathy dimension that represents the provision of caring and individualized attention to customers together with access or approachability, ease of contact, effective communication and understanding the customers. The results indicated that the ERCA staffs are not keen to help customs clearing agents. On this others like Kaštelan-Mrak and Benazić (2009) found, customs staff are failed to give customers individual attentions. This is consistent with the studies of (McDonnell and Gatfield, 1998; Tambi et al. 2008).

Looking at the central tendency for customers' expectations regarding service quality dimensions (Table 4), one can see that a value is below average for all service quality, which means that ERCAs customers have low expectations regarding customs service. Customers' expectation regarding service is also an important variable in determining customer satisfaction, which is aligned with the theories that claim that customer

satisfactions is dependent on the fulfillment of customers' expectations (Anderson et al. 1994; Matzler et al. 1996; Anderson et al. 1997; Herrmann et al. 2000; Lovelock et al. 2007; EIPA, 2008 etc.). To elaborate this, customers have the lowest expectations about the knowledge and behavior of ERCA's personnel at an average value of 1.49 and standard deviations (SDs) of 0.65. The authority's ability to provide good service at the time it is promised is at an average value of 1.59 and SDs of 0.51. In caring and individual attention the authority provides its customers at an average value of 1.81 with SDs of 0.52. Its willingness to help and giving good information is at an average value of 1.97 with SDs of 0.59. Finally, the physical aspects are at an average value of 2.03 with SDs of 0.53. This is inconformity with Dillon et al. 1993, who argues that the more the individuals who participate in a study tend to give the same response to a particular question, the smaller will be the variance and standard deviation. When standard deviation is small, you can conclude that the individuals are homogeneous (of like kind), and, consequently, the mean gives a good indication of the response of any particular individuals.

The summary scores of the five dimensions are shown in mean columns (see in Table 4). As a general observation, all dimension scores are negative (i.e., worse and much worse), indicating that the customs service did not meet respondents' service expectations across the five dimensions. So, assurance is the worst service quality dimension, followed by reliability, empathy and responsiveness, with tangibles being the least of all. This finding is similar with that of Kaštelan-Mrak and Benazić (2009) who founded out that quality personnel are the main problems in customs service. They further stated that the quality of work and attitudes of customs officers concerning public interest are poor. Also, Tambi et al. (2008) has conducted a survey on service quality at Inland Revenue Board (IRB) of Ipoh Branch Office and the results reveal that most of the respondents are dissatisfied with the services provided by IRB. Furthermore, similar findings are observed in studies like (McDonnell and Gatfield, 1998; Curry and Bryslan, 2001; Shahin, 2005).

FIGURE 1. Expectation of SERVQUAL Dimensions by Mean value

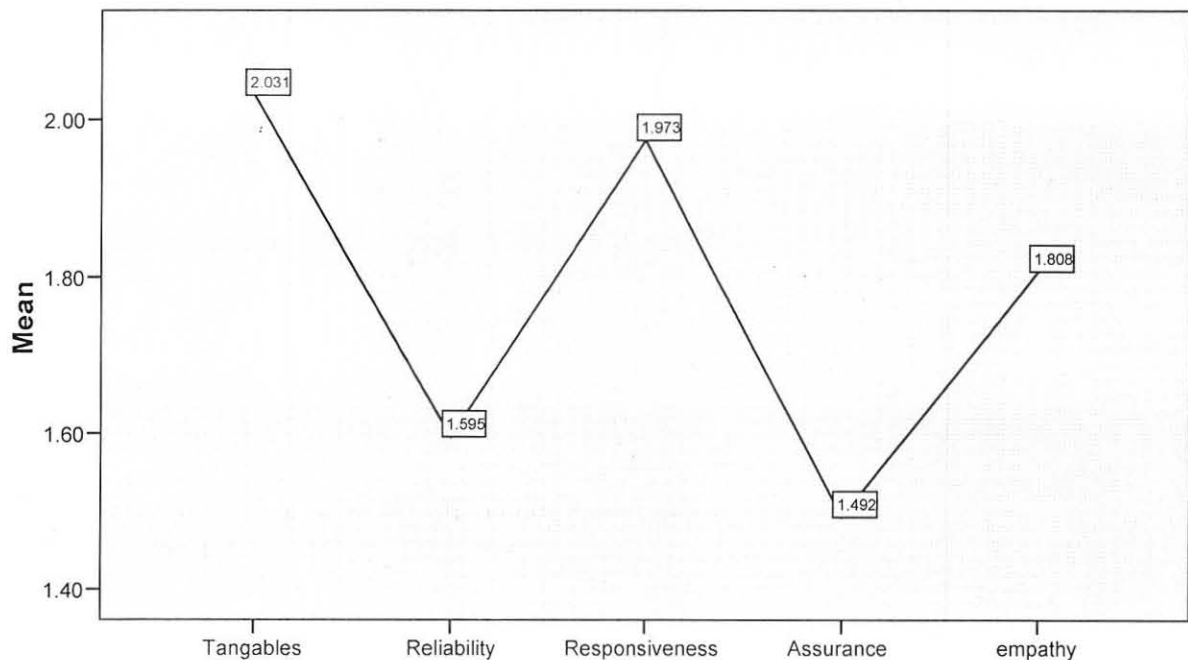


Figure 1 illustrates the level of customers' satisfaction using service quality dimensions by mean value. The figure indicated, the mean value for assurance, reliability, empathy, responsiveness and tangibles service quality dimensions are below 3 which mean all service quality dimensions in custom services are much worse and worse than expected.

The total respondents' averages values are in all SERVQUAL dimensions of service at ERCA's customs are much worse and worse than expected. By this, it could be concluded from the total respondents that assurance considered the most important dimension of service quality and tangibles are considered the least important. Furthermore, the mean values are subsequently tested under Table 5 to determine whether they are significant or not for a valid conclusion. In order to verify whether the mean differences are significant or not, a one sampled T-test was conducted with 0.05 significance level and a cut of three (3.0) and above implying that the entire sample would be split into satisfied customers and dissatisfied customers for each item in each dimensions of service quality. Therefore, customer satisfaction is at least equal to expectation whereas customers are not satisfied means satisfaction is worse or much worse than expected.

Table 5. One Sample T-Test for SERVQUAL Dimensions

One-Sample Test								
SERVICE QUALITY DIMENSIONS		Test Value = 3						Level of customers' satisfaction in ERCA's customs service
		t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference		
		Lower	Upper	Lower	Upper	Lower	Upper	
TANGIBLES								
TA 1	The authority has modern and up-to-date customs service equipment	-9.188	130	.000	-.603	-.73	-.47	Customers' are Dissatisfied
TA 2	Provision of visually attractive offices, equipment and facilities of the authority	-13.960	130	.000	-1.076	-1.23	-.92	Customers' are Dissatisfied
TA 3	The authority employees with neat and professional appearance	-13.506	130	.000	-.855	-.98	-.73	Customers' are Dissatisfied
TA 4	The authority has visually appealing materials with the type of services provided	-18.957	130	.000	-1.344	-1.48	-1.20	Customers' are Dissatisfied
RELIABILITY								
RL 1	The authority promise to do something by a certain time, they should to do so	-30.477	130	.000	-1.649	-1.76	-1.54	Customers' are Dissatisfied
RL 2	The authority sincerely solves the problems of customers	-19.816	130	.000	-1.405	-1.54	-1.26	Customers' are Dissatisfied
RL 3	The authority performs service right at the first time	-22.392	130	.000	-1.412	-1.54	-1.29	Customers' are Dissatisfied
RL 4	The authority provides their services at the time they promise to do so	-25.347	130	.000	-1.489	-1.60	-1.37	Customers' are Dissatisfied
RL 5	The authority keep their records accurately in error free manner	-17.948	130	.000	-1.069	-1.19	-.95	Customers' are Dissatisfied
RESPONSIVENESS								
RS 1	The authority to tells their customers exactly when services will be performed	-10.036	130	.000	-.702	-.84	-.56	Customers' are Dissatisfied
RS 2	The authority employees provides prompt service to customers	-14.719	130	.000	-.969	-1.10	-.84	Customers' are Dissatisfied

RS 3	The authority employees always willing to help customers	-19.984	130	.000	-1.351	-1.48	-1.22	Customers' are Dissatisfied
RS 4	The authority employees always too busy to respond to customer requests promptly	-17.402	130	.000	-1.084	-1.21	-.96	Customers' are Dissatisfied
ASSURANCE								
AS 1	The authority employees who instill customer confidence	-24.612	130	.000	-1.595	-1.72	-1.47	Customers' are Dissatisfied
AS 2	The authority employees who make customers feel comfortable	-23.374	130	.000	-1.527	-1.66	-1.40	Customers' are Dissatisfied
AS 3	The authority employees who are consistently courteous or polite	-20.504	130	.000	-1.443	-1.58	-1.30	Customers' are Dissatisfied
AS 4	The authority has knowledgeable employees that answer customers questions	-20.554	130	.000	-1.466	-1.61	-1.32	Customers' are Dissatisfied
EMPATHY								
EM 1	The authority giving customers individual attention	-18.561	130	.000	-1.092	-1.21	-.98	Customers' are Dissatisfied
EM 2	The authority employees who give customers individual attention	-21.318	130	.000	-1.504	-1.64	-1.36	Customers' are Dissatisfied
EM 3	The authority to have customers' best interest at heart	-25.400	130	.000	-1.580	-1.70	-1.46	Customers' are Dissatisfied
EM 4	The authority employees to know and understand customers needs	-23.688	130	.000	-1.458	-1.58	-1.34	Customers' are Dissatisfied
EM 5	The authority working hours that are convenient to all their customers	-4.068	130	.000	-.328	-.49	-.17	Customers' are Dissatisfied

As shown in Table 5 in order to identify which dimensions of service quality customers are satisfied or not, the negative or positive mean differences are tested to know whether it is significant or not. In this study, customer satisfaction means the mean value is at least equal to expectations. A one sampled T-test is significant or not under two conditions for valid conclusion: using the significance of the mean difference and the confidence intervals. The mean difference is significance where the corresponding significant value (*P-value*) is less than the chosen significant value of 0.05 ($P < 0.05$). On the other hand, the mean difference is not significant where it is more than or equal to the chosen significant value ($P \geq 0.05$). A significant positive mean difference with positive

confidence intervals means that customer satisfaction is significantly better and much better than expected, while a significantly negative mean difference with negative confidence intervals means that customer satisfaction is worse and much worse than expected. Then, a confidence interval with positive and negative values means that customer satisfaction is at least equal to expectation.

Thus, the results in Table 5 shows that for all service quality dimension items mean differences and confidence intervals are negative. This implies that the level of customer satisfaction in customs service offered by ERCA is worse and much worse than expected for the following 22 items of service quality dimensions: Tangibles (i.e., TA1, TA2, TA3 and TA4), Reliability (i.e., RL1, RL2, RL3, RL4 and RL5), Responsiveness (i.e., RS1, RS2, RS3 and RS4), Assurance (i.e., AS1, AS2, AS3 and AS4) and Empathy (i.e., EM1, EM2, EM3, EM4 and EM5).

As mentioned previously in this paper customer's expectation is a key indicator for customer's satisfaction. The overall performance of customs service of ERCA for all dimensions of service quality items is significantly rated below the cut-off value of 3, and all confidence intervals are negative in this survey. Therefore, it could be safely concluded customers are not satisfied with customs service quality delivered by ERCA with 95 percent confidence interval.

4.3. Importance of SERVQUAL Dimensions

Customers were asked to rate the importance of service quality dimensions on a five-point Likert scale: "Not at all important", "Not important", "Neither important nor unimportant", "Important" and "Very important". A summary of frequency and descriptive statistics are presented in Table 6 and Table 7 respectively.

Table 6. Frequency Summary of Important Service Quality Dimensions

SERVICE QUALITY DIMENSIONS	Not-at-all important		Not important		Neither		Important		Very important		Total	
	f	%	f	%	f	%	F	%	f	%	F	%
TANGIBLE (The appealing nature of physical facilities, equipment, personnel, communication materials, etc)	8	6.1	11	8.4	18	13.7	44	33.6	50	38.2	131	100
RELIABILITY (Competence to give timely, reliable services and truthful to promise)	6	4.6	8	6.1	11	8.4	38	29.0	68	51.9	131	100
RESPONSIVENESS (Attending to customers' needs and complaints promptly any time)	4	3.1	16	12.2	10	7.6	25	19.1	76	58.0	131	100
ASSURANCE (Assurance of the knowledge and courtesy of employees and their ability to inspire trust and confidence)	9	6.9	5	3.8	9	6.9	22	16.8	86	65.6	131	100
EMPATHY (Showing of respect, care and understanding of customers needs)	8	6.1	6	4.6	15	11.5	31	23.7	71	54.2	131	100

In Table 6 of tangible section (i.e., the appealing nature of physical facilities, equipment, personnel, communication materials), the majority of respondents, 71.8 percent, reported that the tangible feature of service quality dimensions in customs service are important and very important, 13.7 percent respondents said that tangibles are neither important nor unimportant and only a limited number of respondents, 14.5 percent, said they are not important and not at all important. Therefore, the majority of customs clearing agents reported that physical facilities, equipment, and appearance of personnel are important and very important in customs service offered by the authority.

Regarding ERCA employees' competence in giving timely, reliable, promise and truthful customs services (Table 6) the majority, 80.9 percent, of customs clearing agents reported that reliability dimensions of service quality are important and very important, 8.4

percent of them selected that they are neither important nor unimportant, and 10.7 percent of them said that they are not important and not at all important. Consequently, the majority of customs clearing agents reported that ability to perform the promised service dependably and accurately within a given period of time is important in customs service offered by the authority.

The service quality dimensions for attending customer's needs and complaints promptly at any time which are listed as important and very important, neither important nor unimportant, not important and not at all important were scored by the customs clearing agents 77.1 percent, 7.6 percent and 15.3 percent respectively (Table 6). As a result, the majority of customs clearing agents reported that the willingness to help customs clearing agents and provide prompt customs clearing service is important in customs services offered by the authority.

Respondents were also asked to indicate the assurance of knowledge and courtesy of employees and their ability to inspire trust and confidence. This in Table 6, is depicted that 82.4, 6.9 and 10.7 percent customs clearing agents rated the items as important and very important, neither important nor unimportant, not important and not at all important respectively. Therefore, the majority of customs clearing agents reported that assurance service quality dimensions during customs clearing operations are important in customs services offered by the authority.

As far as the contribution of showing respect, care and understanding of customers needs in customs service (Table 6) 77.9 percent of sampled customs clearing agents rated as it is important and very important. While 11.5 percent of them rated it is neither important nor unimportant, and 10.7 percent of them rated it is not important and not at all important in customs services. So, the majority of customs clearing agents described that caring and individualized attention provided by the authority to its customers during customs clearing services are important.

To sum up, the majority (71.8, 80.9, 77.1, 82.4, and 77.9 percent) of the respondents' pin point that all aspects of service quality dimensions are important and very important in customs service operations of ERCA in order to satisfy all customers. This is also further

strengthened by the mean value in Table 7. Summary of customer satisfaction with service quality dimensions based on the results of Table 6, frequency, and Table 7, mean value, are displayed in the form of bar graph in Appendix F.

Table 7. Summary of Descriptive Statistics of Important Service Quality Dimensions

Service Quality Dimensions	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
TANGIBLE	131	3.89	.104	1.185
RELIABILITY	131	4.18	.097	1.113
RESPONSIVENESS	131	4.17	.103	1.184
ASSURANCE	131	4.31	.104	1.189
EMPATHY	131	4.15	.103	1.173

Asked to place in their importance scale the services quality dimensions delivered by ERCA, customs clearing agents rated that the knowledge and courtesy of employees and their ability to inspire trust and confidence in customs service are above average value (4.31) with standard deviation (SDs) of 1.19. Following to this the ability to provide good service at the time it is promised in reliable and truthful manner rated with an average value of 4.18 with SDs of 1.11, next the willingness to help and give good information by understanding customer's needs and complaints promptly at any time rated with an average value of 4.17 with SDs of 1.18. Then rated the authority provides its customers with showing respect, caring, attention and understanding of individualized customers needs with an average value of 4.15 with SDs of 1.17 which are mentioned by customs clearing agents as important service quality dimensions in ERCAs customs service operations. Finally, the physical aspect such as appealing nature of physical facilities, equipment, personnel, and communication materials is rated below average value of 3.89 with SDs of 1.19 which meant it is unimportant service quality dimensions in ERCAs customs service.

Therefore, assurances are the most important service quality dimension followed by reliability, responsiveness and empathy whereas tangibles are unimportant dimension

according to the results of mean, variance and standard deviations value. The results of this study are in conformity with the findings of Ramseook-Munhurrin et al. (2010) in which customers rated the importance of the attributes of reliability, assurance, responsiveness and empathy of services quality dimensions in a public service context in Mauritius as important. Similar trends are shown by other studies (McDonnell and Gatfield, 1998; Curry and Bryslan, 2001; Shahin, 2005).

In contrast, the findings are not in line with other results recorded in public sector organizations. Sharifah Latifah et al. (2000 cited in Ilhaamie, 2010) indicate that responsiveness is the second lowest dimension after empathy which indicates need for improvement in their study to determine customer satisfaction as a result of TQM implementation in six ministries in Malaysian using SERVQUAL instrument. While, Ilhaamie, (2010) found that tangible is the most important service quality dimension followed by reliability, responsiveness, assurance and empathy in his effort to examine the level of service quality, expectation and perception of the external customers towards the Malaysian public services using SERVQUAL instrument.

According to Kealesitse (2009), customers were generally dissatisfied with all dimension of service quality across the six government departments throughout Botswana by using SERVQUAL instrument. Reliability consistently has a high importance weight in most departments. It was ranked first in four out of the six departments, second in one department, and third in another department. Empathy consistently comes last in most departments except in two instances where it is ranked fourth. The lowest empathy weights are consistent with results from other studies conducted in both public and private sectors (Parasuraman et al. 1991; Wisniewski, 2001; Badri et al. 2005; EIPA, 2008).

FIGURE 2. Importance of SERVQUAL Dimensions by Mean value

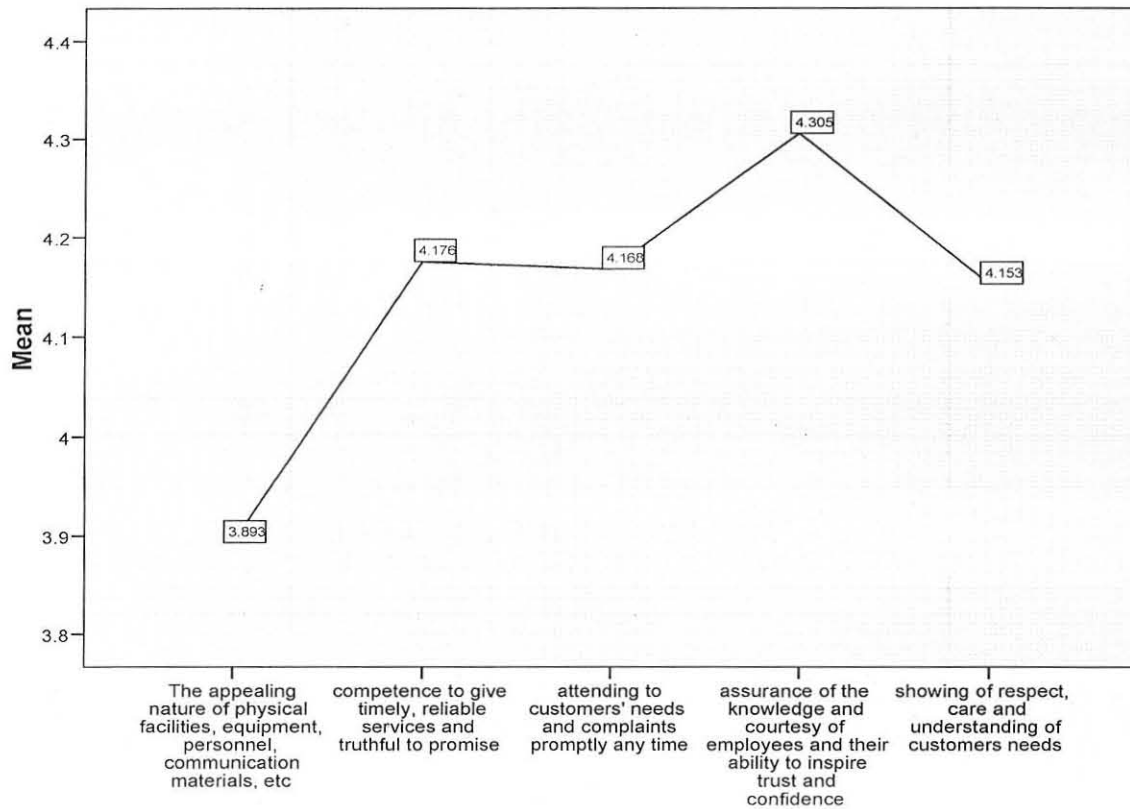


Figure 2 illustrates the importance of service quality dimensions sequenced by mean value as they are rated by customs clearing agents. As indicated in the figure, most of the respondents stated that the mean score above 4 for assurance, followed by reliability, responsiveness and empathy are important whereas tangibles are unimportant in customs service operations. Furthermore, the mean values are subsequently tested in the next sections under Table 8 to determine whether they are significant or not for a valid conclusion.

In order to identify the important and unimportant dimensions, a one sample T-test was used to test the significance of the mean importance rating at 0.05 significance level and with a specified constant or cut off value of four (4.0) to split service quality dimensions

that are important from those that are not important to customers. The results are summarized in Table 8.

Table 8. One Sample T-test for Importance of SERVQUAL Dimensions

One-Sample Test							
Test Value = 4							
Service Quality Dimensions	t	df	Sig (2-tailed)	Mean Difference	95 Confidence Interval of the Difference		Remarks
					Lower	Upper	
TANGIBLE	-1.032	130	.304	-.107	-.31	.10	Not Important
RELIABILITY	1.806	130	.073	.176	-.02	.37	Important
RESPONSIVENESS	1.623	130	.107	.168	-.04	.37	Important
ASSURANCE	2.939	130	.004	.305	.10	.51	Important
EMPATHY	1.489	130	.139	.153	-.05	.36	Important

Table 8 indicates that, all the mean differences of service quality dimensions are not significant because they are more than the chosen significant value ($P > 0.05$) but in assurance dimension of service quality there is a significance. Notably, “Tangibles” is not significant and unimportant to customers in receiving or using customs services of ERCA; since it had a negative mean difference and confidence intervals. Conversely, the following four dimensions of service quality had a positive mean difference, positive and negative values of confidence intervals, and so were rated as important to customers they are assurance, reliability, responsiveness and empathy.

Table 9 shows ranking of service quality dimensions in the order they are prioritized according to the dimensions which are perceived more important than others by customers.

Table 9. Prioritized Dimensions of SERVQUAL in ERCA

SERVICE QUALITY DIMENSIONS	RANKINGS (IN ASCENDING ORDER)
ASSURANCE	1
RELIABILITY	2
RESPONSIVENESS	3
EMPATHY	4
TANGIBLE	5

Table 9 indicates that the most important service quality dimension to the customers' is assurance quality, followed by reliability, responsiveness and empathy. The tangibles dimension of service quality is unimportant to the customers.

Furthermore, the Chi-square value of each service quality item have been computed to reveal whether or not there is a significant differences between the respondents' service quality dimensions in terms of age, gender, level of education, years of experience and training in customs service. Based on the chi-square values at 0.05 levels of significance, almost all Chi-square values of each item were noted to be below table value which reveals that there is no significant difference between the respondents (Appendix H). Therefore, Chi-square tests computed to determine any differences between the respondents' service quality dimensions in to all respondents' profiles were not-significant. This shows that there exists mutual agreement between the respondents in choosing the service quality dimensions for customs service.

Table 10. SERVQUAL Dimensions Priority-Satisfaction Matrix

CUSTOMERS SATISFACTION

PRIORITY DIMENSIONS	Better and Much better than Expected	At least Equal to Expectation	Worse and Much Worse than Expected	
	ASSURANCE	-	-	AS1, AS2, AS3, AS4
	RELIABILITY	-	-	RL1, RL2, RL3, RL4, RL5
	RESPONSIVENESS	-	-	RS1, RS2, RS3, RS4
	EMPATHY	-	-	EM1, EM2, EM3, EM4, EM5
	TANGIBLE	-	-	TA1, TA2, TA3, TA4

The dimension priority matrix (Table 10) shows customer satisfaction for each of the prioritized dimension of service quality in ERCAs customs service. The table indicated that for the dissatisfaction dimension items, thirteen (13) of them are more important to customers: AS1, AS2, AS3, AS4, RL1, RL2, RL3, RL4, RL5, RS1, RS2, RS3 and RS4; five are less important: EM1, EM2, EM3, EM4 and EM5; while the remaining four are unimportant to customers: TA1, TA2, TA3 and TA4.

4.4 Summary of Discussions

4.4.1 Research Question One

Of the customs services offered by ERCA in Addis Ababa, which dimensions of service quality are Customs Clearing Agents satisfied/dissatisfied?

A significance test of the mean rating for satisfaction with service quality (Table 5) provides a significantly negative mean difference with negative confidence intervals, implying that customers are significantly not satisfied in the following twenty-two (22) SERVQUAL dimension items: AS1, AS2, AS3, AS4, RL1, RL2, RL3, RL4, RL5, RS1, RS2, RS3, RS4, EM1, EM2, EM3, EM4, EM5, TA1, TA2, TA3 and TA4. The majority

of customs clearing agents do not responded saying at least equal to expectation and/or better or much better than expected to report the level of satisfaction they get with service quality dimensions in ERCA. Therefore, it is safe to conclude with 95 percent confidence that customers are dissatisfied for those service quality dimensions.

4.4.2 Research Question Two

Of the customs services offered by ERCA in Addis Ababa, which dimensions of service quality are important to Customs Clearing Agents?

The descriptive statistics in Table 9 shows that the most important service quality dimension to the customers' is assurance quality, followed by reliability, responsiveness and empathy. The tangibles dimension of service quality is unimportant to the customers. Also a significant test of the mean (Table 8) at 0.05 significant level with a specified constant of 4 indicated that four SERVQUAL dimensions are perceived as important by customers. They are: assurance, reliability, responsiveness and empathy; while only one, tangibles, is considered unimportant service quality dimension. Moreover, in prioritizing the SERVQUAL dimensions, the mean ranking of the dimensions (Table 9) indicated that assurance is the most important dimensions, followed by reliability, and responsiveness, by making empathy the last important dimension.

In relation to this a similar research work carried by the research work of European Institute of Public Administration (EIPA, 2008) in Austrian tax offices showed the three of most important SERVQUAL dimensions: assurance, reliability and responsiveness were found among the strongly rated SERVQUAL dimensions. Similarly, assurance and reliability were strongly rated SERVQUAL dimensions in Taiwan with the research title of 'Improvement of Service Quality for Container Terminals' in the work of Hsu et al. (2008). Equally reliability, responsiveness and empathy are the three most important dimensions in the work of Aliah and Tarmize (1998 cited in Ilhaamie, 2010). In the same way responsiveness is the most important dimension for taxpayers in Malaysian Abdullah (2006 cited in Ilhaamie, 2010), but a research carried out by Kaštelan-Mrak and Benazić (2009) in Croatian Customs Services found out human factors (competence, responsiveness...) are more important than others. According to Swedish Customs

Authority research in customs service quality, assurance and reliability are more important to improved customs service systems, quality and efficiency (EIPA, 2008). Even if tangibles which found to be more important in Taiwan service quality for container terminals (Hsu et al. 2008), they were not found to be important at all in ERCA's customs service as well they received lower rating in Croatian Customs Services and Austrian tax offices. Again, while empathy was less important in ERCA's customs service, it received strong rating in Croatian Customs Services and was less important in Taiwan and Austrian. The trends in these comparative findings are consistent with the conclusions of Chowdhary and Prakash, (2007, p. 506) that “--- no simple generalization of relative importance of determinants of service quality is possible --- that importance of determinants of quality customers would vary across different service type”.

A careful analysis of satisfied/dissatisfied dimensions in relations to customer prioritized dimensions i.e., Dimension Priority-Satisfaction Matrix (Table 10) provides some significant findings.

In all of the 22 service quality dimensions customer satisfaction is worth and much worth than expected, thirteen (13) of them (AS1, AS2, AS3, AS4, RL1, RL2, RL3, RL4, RL5, RS1, RS2, RS3 and RS4) are rated to the more important service quality dimensions: assurance, reliability, responsiveness; while five (5) of them (EM1, EM2, EM3, EM4 and EM5) rated less important dimensions such as empathy; finally four (4) of them (TA1, TA2, TA3 and TA4) are unimportant service quality items by customs clearing agents.

4.5 Customs Service Problems in ERCA

The customs clearing agents and the president of transit transport operators association of Ethiopia were asked to list down customs service problems existed in ERCA. The former ones stated that employees' and organization related problems are the major factors that contribute to customs service inefficiencies in terms of lack of educated man power with good work experience in customs service, proper work ethics (mistreating customers), transparency and effective partnership between the business and customs authority. Moreover, excessive documentation, inefficient and ineffective management techniques, not giving reliable information to customers on time, inadequate procedures are among

the problems mentioned by the customs clearing agents. All these together create cumbersome customs procedures and formalities imposed costs (whether direct or indirect) on traders both in monetary and in non-monetary terms leads to customers dissatisfaction with the service delivered by ERCA. This finding is also similar with studies like (e.g., Haughton and Desmeules, 2001; Sawhney and Sumukadas, 2005; Kidd and Crandall, 2006; USAID, 2009; Ireland, 2009; Buyonge and Kireeva, 2009; East AFRITAC, 2009; IMF, 2009; Mukiiibi, 2010).

The president of transit transport operators association in addition to his agreement with all the problems mentioned above he added lack of specialized educated man power with good work experience in customs service specifically based on the nature of the items and lack of recent information commodity valuation price/price assessment list are the major factors that affect the work of customs service. He also mentioned importers are the main causes that contribute to customs service inefficiencies by submitting under invoicing of all the imported merchandise to customs authority. All those problems are related to employees, organizational and importer factors. According to the president reforms usually should run with high levels of attention being dedicated to the employees and organizational factor. Also education, motivation and other investments dedicated to improving the 'employees' side' surely must produce a positive impact on service delivery and customers satisfactions to boost ERCA's efficiency. The authors listed below also reported the same findings in the national context (Cabanius, 2003; Gebi-Leleimat, 2007, 2008; IDI, 2007; USAID and BIZCLIR, 2009; WB, 2010).

4.6 Suggestions to Improve the Quality of Customs Services in ERCA

The customs clearing agents and the president of transit association recommended measures that should be taken to improve the quality of customs services of ERCA. Regarding major actions to be taken by ERCA, the most repeated are the following:

- Customs laws, regulations, administrative guidelines and procedures should be:
 - made public and provided to clients in an easily accessible manner
 - applied in a stable and uniform manner

- simplified to the possible extent so that customs clearance can proceed without undue burden
 - appropriate, be harmonized with internationally agreed standards
- The customs administration should be free of corruption and strive to uphold the highest levels of integrity
 - The authority should make maximum use of information and communication technology system of customs service which supports processes in customs service
 - The authority should strive to develop co-operative relationships with all stakeholders including government agencies, the private sector and other customs administrations
 - The authority should work with clients to assist them to improve their level of voluntary compliance
 - Professionalizing customs through appropriate personnel recruitment, development, and management policies; better salaries; adequate and sustained training; and internal controls
 - A valuation database should be established and constantly updated. In addition to this, advance rulings on valuation should be introduced whenever possible, so as to speed up the clearance process and give importers assurance of the tariff and tax burden
 - The authority should develop and operate a scheme for a laboratory service which supports the overall customs business strategy by establishing the nature, tariff classification, origin and value of goods in order to implement, for the purposes of customs duties and revenue collection, commercial policy, antidumping, security measures, environmental and citizens protection, and agricultural goods controls

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This concluding chapter summarizes the purpose and the research questions of the study, the review literature, the major findings and conclusions, discusses the implications for ERCA, and makes recommendation for the authority and further research.

5.1 Summary

The purpose this study was to measure customer satisfaction with service quality delivered by ERCA. The study examined customer satisfaction with service quality dimensions and the customers made to prioritized SERVQUAL in customs service of ERCA. To achieve this end, the following leading questions were raised for investigation:

1. Of the customs services offered by ERCA in Addis Ababa, which dimensions of service quality are Customs Clearing Agents satisfied/dissatisfied with?
2. Of the customs services offered by ERCA in Addis Ababa, which dimensions of service quality are important to Customs Clearing Agents?

In the review literature, attempt was done to cover an overview of customs like defining customs and customs clearance, role and players of customs, roles and responsibilities of customs clearing agent in Ethiopia, benefits and challenges of customs, concepts and theoretical framework like defining customer, concept of customer satisfaction, significance of customer satisfaction and its measurement, determinants of customer satisfaction, approaches to determining customer satisfaction, customer satisfaction measurement scales, service and service quality, relationship between service quality and customer satisfaction, customers' evaluation of service quality, measuring service quality, SERVQUAL Model, debate on the efficacy of SERVQUAL, applications of SERVQUAL in the public sector and prioritizing service quality dimensions.

To get answer for the research questions out of 598 legally registered Customs Clearing Agents in Addis Ababa, who are currently providing customs clearing services 131 customs clearing agents from the two customs offices and the president of the

association, were made to fill questionnaires and with the later alone made an interview with structured questionnaires. All of the questionnaires were returned and the responses were analyzed using Percentage, Mean, Standard Deviations, One Sample T-test and Chi-square. Depending on the result of data analysis and discussion made, the following major findings were obtained:

1. The majority of customs clearing agents are dissatisfied for all service quality dimensions of reliability, empathy, responsiveness, assurance and tangibles, because all service quality dimensions are rated worse and much worse than expected. The central tendency for customers' expectations regarding service quality dimensions assurance is the worst service quality dimension, followed by reliability, empathy and responsiveness, with tangibles being the least of all. Also customer satisfaction with service quality dimensions by using one sampled T-test, customer were dissatisfied in custom services for the following SERVQUAL dimensions: Tangibles (such as, TA1, TA2, TA3 and TA4), Reliability (such as, RL1, RL2, RL3, RL4 and RL5), Responsiveness (such as, RS1, RS2, RS3 and RS4), Assurance (such as, AS1, AS2, AS3 and AS4), and Empathy (such as, EM1, EM2, EM3, EM4 and EM5).
2. Assurance, Reliability, Responsiveness and Empathy are important service quality dimensions in ERCA's customs service while Tangibles are unimportant according to one sampled T-test results. Similarly based on the analysis made in percentage all aspects of service quality dimensions found to be important and very important. However, assurances are the most important service quality dimension followed by reliability, responsiveness and empathy whereas tangibles are unimportant dimension according to the results of mean, variance and standard deviations value. Chi-square results are also show there is no significant difference between respondents which shows that there exists mutual agreement between the respondents in choosing the service quality dimensions for custom service.

3. According to customers-priority matrix, assurance is the most important service quality dimension, followed by reliability, responsiveness while empathy is the last important. But tangibles dimension is found to be unimportant to customers.

5.2 Conclusion

Generally, this study showed how ERCA's customs service rendering is below the expectations of customs clearing agents. Aspects like the knowledge and courtesy of employees and their ability to inspire trust and confidence which falls under assurance are the areas need to get urgent attention of ERCA's reform. Similarly competence to give timely, reliable services and truthfulness to promise to the required services which are categorized under reliability service dimensions are identified as the next problem areas need to get the authority's attention. Also attending to customers' needs and complaints promptly at any time which are results of responsiveness belong to the areas that should be covered by ERCA's improvements. Since the nature of this issues are very sensitive interventions to avert situations must be quick. Last but not least, showing of respect, giving care and understanding of customers needs which are under service dimensions of empathy belongs to areas detected as problematic. All in all, ERCA's customs service faced with serious problems in giving the desired quality customs services based on its promised goals and objectives and international accepted standards for customs services operations. Unless this situations is averted and re-directed to a standardized and harmonized customs service it affects competitiveness of the exporters and importers and others stakeholders consequently affecting the whole national economy.

5.3 Recommendations

In light of the major findings of the study and conclusions, the following recommendations are forwarded in order to improve the total situation of ERCA's customs service.

1. The important SERVQUAL dimensions for which customers are totally dissatisfied, strategic management efforts is needed in order to make significant improvement in the service quality. This would require a total transformation in operational

efficiency of the customs operations to achieve customer satisfaction, specifically for assurance dimension in areas like:

- The authority employees should be able to instill customer confidence
- The authority employees should make customers feel comfortable in their transactions
- The authority employees should be consistently courteous or polite at all times
- The authority has knowledgeable employees that answer customers' questions.

2. In addition, attention and effort should be given to the ability to perform the promised service dependably and accurately in customs operations. In this view, more management efforts and intensive strategy may be geared towards improving upon important reliability dimension for which customers are dissatisfied, specifically in areas like:

- The authority should promise to do something by a certain time, they should do so
- The authority should sincerely solves the problems of customers
- The authority should performs service right at the first time
- The authority should provides services at the time promise
- The authority should keep its records accurately in error free fashion.

3. In responsiveness service quality, the authority management should develop strategies to improve those dimensions for which generally customers are significantly dissatisfied in areas like:

- The authority should inform customers when services will be performed
- The authority employees should provide prompt services to customers
- The authority employees should always be willing to help customers

- The authority employees should be readily responding to customers' requests promptly.
4. The service quality should be improved by making the provision of service quality in the empathy dimension for which generally customers are significantly dissatisfied in areas like:
- The authority should give customers individual attention
 - The authority employees should give customers individual attention
 - The authority employees should have customers' best interest at heart
 - The authority employees should know and understand customers needs
 - The authority working hours should be convenient to all their customers.
5. It is recommended that further research should be undertaken to include other customs control stations located at the frontiers and in between the borders of Ethiopia such as Bahir Dar, Mekele, Millay, Adama, Dire Dawa, Jijiga, Awassa, Jimma and Moyale branch office. It would be valuable to conduct additional researches concerning customers' satisfaction with other specific services of ERCA. Further research in these areas would contribute to overall improvement of service standards throughout Ethiopia. Finally, this study was a questionnaire-based survey and used a mixture of qualitative and quantitative models and approaches. It is, therefore, recommended that different models and methodology should be used for a similar study and compares the results.

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APPENDIX A

Addis Ababa University

College of Education

School of Graduate Studies

Department of Business Education

Specialized in Marketing Management Education

PART ONE: QUESTIONNAIRE FOR CUSTOMS CLEARING AGENTS

Direction: My name is Ambachew Tilahun, a second year Masters student in the Department of Business Education specializing in Marketing Management. For the fulfillment of Masters' of Arts Degree in Marketing Management, currently I am conducting a research which is entitled: **Assessing Customer Satisfaction on Service Delivers in Ethiopian Revenue and Customs Authority: Experience from Customs Clearing Agents in Addis Ababa.** Hence, dear respondent, this questionnaire is designed to collect information about how you feel about the customs service delivery of Ethiopia Revenue and Customs Authority and to measure the level of your satisfaction. Your response will be treated confidential and used for only academic purpose.

Thank you for your cooperation in advance

Please tick (✓), the appropriate box for your answers.

RESPONDENT'S IDENTIFICATION

1. Gender

A. Male

B. Female

2. Age.

A. 20-29 years old

C. 40-49 years old

B. 30-39 years old

D. 50 years and above

3. Level of Education

A. Diploma

B. BA/B.Sc

C. MA/M.Sc

D. Others _____

4. Years of experience as a Customs Clearing Agent in ERCA.

A. 5 years and below

B. 6-10 years

C. 11 years and above

5. Are you working in any organization before certified Customs Clearing Agent?

A. Yes

B. No

6. If your answer for question No. 5 is yes, please specify the type as

A. Governmental Organization

B. Private Business Organization

7. Did you get relevant training in modern customs clearing service from ERCA?

A. Yes

B. No

8. If your answer for question No.6 is No, please specify the reasons on the space provided

9. Are you motivated to update your professional knowledge?

A. Yes

B. No

10. If your answer for question No.9 is No, please specify the reasons on the space provided

PART TWO: CUSTOMER SATISFACTION WITH SERVICE QUALITY DIMENSIONS

Direction: In your opinion, how does the **customs service quality** of Ethiopian Revenue and Customs Authority (ERCA) meet your expectations to measure satisfaction in terms of the following dimensions? Use these responses from 1-5 to answer, where:

- 1- Much worse than expected 2- Worse than expected 3- Equal to expectation
 4- Better than expected 5- Much better than expected

SERVICE QUALITY DIMENSIONS		Circle Only One Option In 1-5				
TANGABLES						
TA 1	The authority has modern and up-to-date customs service equipment	1	2	3	4	5
TA 2	Provision of visually attractive offices, equipment and facilities of the authority	1	2	3	4	5
TA 3	The authority employees with neat and professional appearance	1	2	3	4	5
TA 4	The authority has visually appealing materials with the type of services provided	1	2	3	4	5
RELIABILITY						
RL 1	The authority promise to do something by a certain time, they should do so	1	2	3	4	5
RL 2	The authority sincerely solves the problems of customers	1	2	3	4	5
RL 3	The authority performs service right at the first time	1	2	3	4	5
RL 4	The authority provides their services at the time they promise to do so	1	2	3	4	5
RL 5	The authority keep their records accurately in error free fashion	1	2	3	4	5
RESPONSIVENESS						
RS 1	The authority to tells their customers exactly when services will be performed	1	2	3	4	5
RS 2	The authority employees provides prompt service to customers	1	2	3	4	5
RS 3	The authority employees always willing to help customers	1	2	3	4	5
RS 4	The authority employees always too busy to respond to customer requests promptly	1	2	3	4	5
ASSURANCE						
AS 1	The authority employees who instill customer confidence	1	2	3	4	5
AS 2	The authority employees who make customers feel comfortable	1	2	3	4	5
AS 3	The authority employees who are consistently courteous or polite	1	2	3	4	5
AS 4	The authority has knowledgeable employees that answer customers questions	1	2	3	4	5
EMPATHY						
EM 1	The authority giving customers individual attention	1	2	3	4	5
EM 2	The authority employees who give customers individual attention	1	2	3	4	5
EM 3	The authority to have customers' best interest at heart	1	2	3	4	5
EM 4	The authority employees to know and understand customers needs	1	2	3	4	5
EM 5	The authority working hours that are convenient to all their customers	1	2	3	4	5

PART THREE: IMPORTANCE OF DIMENSIONS OF SERVICE QUALITY

In receiving or using of custom services, how **important** is **each** of the following **dimensions** to you? Use the scale 1-5 to answer, where:

- 1- Not-at-all important 2- Not important 3- Neither Important nor Unimportant**
4- Important 5- Very important

	SERVICE QUATLIY DIMENSTION	CIRCLE ONLY ONE OPTION IN 1-5				
		1	2	3	4	5
TA	TANGIBLE (The appealing nature of physical facilities, equipment, personnel, communication materials, etc)	1	2	3	4	5
RL	RELIABILITY (competence to give timely, reliable services and truthful to promise)	1	2	3	4	5
RS	RESPONSIVENESS (attending to customers' needs and complaints promptly any time)	1	2	3	4	5
AS	ASSURANCE (assurance of the knowledge and courtesy of employees and their ability to inspire trust and confidence)	1	2	3	4	5
EM	EMPATHY (showing of respect, care and understanding of customers needs)	1	2	3	4	5

PART FOUR: OPEN-ENDED QUESTIONS FOR CUSTOMS CLEARING AGENT

1. Please list down customs service related problems in Ethiopia Customs and Revenue Authority _____

2. As a customs clearing professional, what measure do you suggest to be taken by the government to reduce those customs service problems in ERCA? _____

አዲስ አበባ ዩኒቨርሲቲ
የሥነ ትምህርት ኮሌጅ
ቢዝነስ ኢ.ዲ.ኤችን ትምህርት ክፍል

ስጉምሩክ አስተሳሰብ የተዘጋጀ መጠይቅ

የተከበሩ የጥናቱ ተሳታፊዎች

እኔ አምባቸው ጥላሁን በአዲስ አበባ ዩኒቨርሲቲ በማርኬቲንግ ማኔጅመንት የሁለተኛ ድግሪ ተማሪ ስሆን በኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን መሥሪያ ቤት እየተሰጠ ያለውን አጠቃላይ የጉምሩክ አገልግሎት ጥራትና የጉምሩክ አስተሳሰብዎችን የእርካታ መጠን ለማወቅ ለሁለተኛ ድግሪ የሚሟያ ጥናት በማከናወን ላይ እገኛለሁ።

ስለዚህ በባለሥልጣን መ/ቤት አገልግሎት አሰጣጥ ላይ ያለዎትን አስተያየት ያለምንም ተፅዕኖ እንዲገልጹልኝ እየጠየኩ የሚሰጡት መልስ ሚስጥራዊነቱ ተጠብቆ ለትምህርት ዓላማ ብቻ የሚውል መሆኑን እገልጻለሁ። በመጠይቁ ላይ ስም መጻፍ አያስፈልግም። ጊዜዎትንና ጉልበትዎን ሰውተው መጠይቁን በመሙላት ስለተባበሩኝ አስቀድሜ ለማመስገን እወዳለሁ።

ከሰላምታ ጋር!

ክፍል አንድ

በሰንጠረዥ ውስጥ የተመለከቱት ጥያቄዎች በኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን መ/ቤት እየተሰጠ ባለው የጉምሩክ አገልግሎት ጥራት እና የጉምሩክ አስተላላፊዎች እርካታ መጠን ለመለካት ታስቦ የተዘጋጁ ናቸው። የአገልግሎት ጥራትና የእርካታ መጠን ለመለካት ከተራ ቁጥር 1 እስከ 5 አመራጭ ቁጥሮች ተቀምጠዋል።

ስለሆነም በሰንጠረዥ ውስጥ የተመለከቱትን ጥያቄዎች እያንዳንዱን በጥሞና ካነበቡ በኋላ የእርስዎ ሃሳብ ያንፀባርቃል የሚሉትን አንድ ምርጫ ከተሰጡት አማራጮች መካከል በመምረጥ (✓) ምልክት ፊት ለፊት በማድረግ እንዲመልሱ በአክብሮት እጠይቃለሁ። እባክዎ ሲመልሱ በተቻለ መጠን እውነተኛ መልስ ይስጡ። ምክንያቱም የእርስዎ መልስ ጥናቱን የተሻለ ውጤታማ ሊያደርገው ስለሚችል በማሰብ ጥንቃቄ ያድርጉ። ሁሉንም ጥያቄዎች ይመልሱ። ተጨማሪ ሃሳብ ቢኖርዎት በመጠይቁ መጨረሻ ባለው ክፍት ቦታ ላይ ይጻፉ።

አማራጭ

- 1 = በጣም ከጠበኩት በታች (Much worse than expected)
- 2 = ከጠበኩት ያነሰ (Worse than expected)
- 3 = የጠበኩትን ያህል (Equal to expected)
- 4 = ከጠበኩት በላይ (Better than expected)
- 5 = እጅግ በጣም ከጠበኩት በላይ (Much better than expected)

ተ.ቁ	ጥያቄዎች	አማራጭ				
		1	2	3	4	5
1	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ዘመናዊ የሆኑ የስራ መሳሪያዎች አሉት።					
2	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን መሳሪያዎች ለምሳሌ የእንግዳ መቀመጫዎች፣ የተሽከርካሪ ማቆሚያ እና የቢሮ አቀማመጥ ለእይታ የሚሰቡ ናቸው።					
3	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች አለባቸው እና አጠቃላይ ገፅታ ፅዱ ሆነው ይታያሉ።					
4	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ከአገልግሎት ጋር የተያያዙ መሳሪያዎች ለምሳሌ (በራሪ ወረቀቶች፣ መግለጫዎች እና መመሪያዎች) ለእይታ የሚሰቡ ናቸው።					
5	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ቃል በገባው መሠረት አገልግሎቶችን ለተጠቃሚው ያቀርባል።					
6	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ጉምሩክ አስተላላፊዎች ችግር ሲገጥማቸው					

	በተገቢው መልኩ ችግራቸውን ለመፍታት ጥረት ያደርጋል።					
7	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን በመጀመሪያ ቅጽበት (ጥያቄ) ስራውን ያከናውናል።					
8	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ቃል በገባው መሰረት ስራውን ያከናውናል?					
9	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች መረጃዎችን በአግባቡ ያስቀምጣሉ።					
10	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች የጉምሩክ አስተላላፊዎች አገልግሎቱን በትክክል መቼ እንደሚያገኙ ያስረዳሉ።					
11	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች ተገቢ የሆነ አገልግሎት ለጉምሩክ አስተላላፊ ደንበኞቻቸው ይሰጣሉ።					
12	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ደንበኞችን ለመረዳት ፍቃደኛ ነው።					
13	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን የደንበኞችን ጥያቄ በተገቢው መንገድ ለመመለስ ሁሌም ዝግጁ ነው።					
14	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች ባህሪ በጉምሩክ አስተላላፊ ተጠቃሚው ላይ መተማመን ያሳድራል።					
15	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች ለጉምሩክ አስተላላፊዎች ደንበኞቻቸው አገልግሎቱን በሚሰጡበት ወቅት መተማመን አለው።					
16	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች ተገቢውን እንክብካቤ ያደርጋሉ።					
17	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች ለጉምሩክ አስተላላፊው ጥያቄ መልስ የመስጠት ብቃቱና ዕውቀቱ አላቸው።					
18	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን የጉምሩክ አገልግሎት ሲፈጸም ለእያንዳንዱ ተገልጋይ በተናጠል ትኩረት ይሰጣል።					
19	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች የጉምሩክ አገልግሎት ሲፈጸሙ ለእያንዳንዱ ተገልጋይ በተናጠል ትኩረት ያደርጋሉ።					
20	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን የጉምሩክ አስተላላፊዎችን ጥቅም የሚያስጠብቅ ዓላማ ያራምዳል።					
21	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች ጉምሩክ አስተላላፊዎች ሊኖራቸው የሚችለውን ፍላጎት ቀድመው ተገንዝበው ተግባራዊ ያደርጋሉ።					
22	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን የሰራ ሰዓት ለጉምሩክ አስተላላፊዎች አመቺ ነው።					

ክፍል ሁለት

በኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣ መ/ቤት የጉምሩክ አሰጣጥ ምን ያህል አስፈላጊ (Important) እንደሆነ በሰንጠረዥ ውስጥ በዓረፍተ ነገር ቀርቦታል። ስለዚህ የርስዎን አስተሳሰብ ይገልጻል የሚሉትን አንድ ምርጫ በመምረጥ (✓) ምልክት ፊት ለፊቱ ያድርጉ።

- 1 = በጣም አስፈላጊ ያልሆነ (Not all important)
- 2 = አስፈላጊ ያልሆነ/የማያስፈልግ (Not important)
- 3 = ብዙም አስፈላጊነት የሌለው (Neither important nor unimportant)
- 4 = አስፈላጊ (Important)
- 5 = በጣም አስፈላጊ (Very important)

ተ.ቁ	ጥያቄዎች	አማራጭ				
		1	2	3	4	5
1	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን መ/ቤት ዘመናዊ የሥራ መሣሪያዎች፣ የቢሮ መገልገያ መሣሪያዎች፣ የሠራተኞች አለባበስና አጠቃላይ ገጽታ፣ የመሳሰሉት።					
2	የኢትዮጵያ ጉምሩክና ገቢዎች ባለስልጣን ለጉምሩክ አስተላላፊዎች ቃል በተገባው መሠረት መፈጸሙ።					
3	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ለጉምሩክ አስተላላፊዎች ደንቦች ተገቢውን ፍላጎትና የሚፈለገውን እርዳታ ለመስጠት ፈቃደኝነቱ።					
4	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ሰራተኞች የደንቦችን ፍላጎት ለማርካት የሚያስችል በቂ እውቀት ያላቸውና ደንቦቹ በነሱ ላይ እምነት እንዲኖራቸው ማድረጉ።					
5.	የኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ለያንዳንዱ ደንቦች ተገቢውን ትኩረት መስጠቱ።					

ክፍል አራት፡ የግል ሁኔታ

1. የታ

ሀ. ወንድ ለ. ሴት

2. ዕድሜ

ሀ. ከ20-29 ዓመት ለ. ከ30-39 ዓመት

ሐ. 40-49 ዓመት መ. ከ50 ዓመት በላይ

3. የትምህርት ደረጃ

ሀ. ዲግሎማ ለ. የመጀመሪያ ዲግሪ

ሐ. ሁለተኛ ድግሪ እና ከዚያ በላይ

መ. ሌላ ካለ _____

4. የሥራ ልምድ በጉምሩክ አስተላላፊነት

ሀ. 5 ዓመት እና ከዚያ በታች

ለ. 6-10 ዓመት

ሐ. 11 ዓመት እና ከዚያ በላይ

5. የጉምሩክ አስተላላፊ ከመሆንዎ በፊት በሌላ መስሪያ ቤት ሠርተዋል?

ሀ. ሠርቻለሁ ለ. አልሠራሁም

6. በተራ ቁጥር 5 ላይ መልስዎ “አዎ” ከሆነ የሰሩበትን መ/ቤት ወይም መ/ቤቶች ስም ይግለጹ

7. ጊዜውን የጠበቀና ወቅታዊ የሆነ ዘመናዊ የጉምሩክ አሠራር ስልጠናን ከኢትዮጵያ ገቢዎችና ጉምሩክ ባለስልጣን ወስደዋል?

ሀ. ወስጃለሁ ለ. አልወሰዱኩም

8. በተራ ቁጥር 7 መልስዎ “አልወሰዱኩም” ከሆነ ምክንያትዎ ምንድን ነው?

9. በራስዎ ተነሳሽነት የሞያዎትን ዕውቀት ለማሻሻል ጥረት ያደርጋሉ?

ሀ. አደርጋለሁ ለ. አላደርግም

10. በተራ ቁጥር 9 መልስዎ ጥረት አላደርግም ከሆነ ምክንያትዎ ምንድን ነው?

APPENDIX B

Addis Ababa University

College of Education

School of Graduate Studies

Department of Business Education

Specialized in Marketing Management Education

**Questionnaire Prepared For the President of Transit Transport
Operators Association of Ethiopia**

Direction: My name is Ambachew Tilahun, a second year Masters student in the Department of Business Education specializing in Marketing Management. For the fulfillment of Masters' of Arts Degree in Marketing Management, currently I am conducting a research which is entitled: **Assessing Customer Satisfaction on Service Delivers in Ethiopian Revenue and Customs Authority: Experience from Customs Clearing Agents in Addis Ababa.** Hence, dear respondent, the main purpose of this questionnaire is designed to collect first hand information on the major problems that cause customs agents' dissatisfaction from the customs service delivery of Ethiopia Revenue and Customs Authority and to suggest measures that can help in alleviating the problems. Your cooperation in providing relevant information will be of great help for the success of this study. Your response will be treated confidential and used for only academic purpose.

Thank you for your cooperation in advance

Please tick (✓), the appropriate box for your answers.

PART ONE: RESPONDENT'S IDENTIFICATION

1. Gender

A. Male

B. Female

2. Age.

A. 20-29 years old

C. 40-49 years old

B. 30-39 years old

D. 50 years and above

3. Level of Education

A. Diploma

B. BA/B.Sc

C. MA/M.Sc

D. Others _____

4. Years of experience as a president of transit transport operators association of Ethiopia

A. 5 years and below

B. 6-10 years

C. 11 years and above

PART TWO: OPEN ENDED QUESTIONS

5. Please list down customs service problems in Ethiopia Customs and Revenue

Authority _____

6. As a professional, what measure do you suggest to be taken by the government to reduce those customs service problems in ERCA? _____

APPENDIX C

FREQUENCY TABLE

FREQUENCIES OF SATISFACTION RATING FOR EACH SERVICE QUALITY DIMENSIONS

TANGABLE CATEGORY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worsen or Much worse than expected	104	79.4	79.4	79.4
	At least Equal to expectation	24	18.3	18.3	97.7
	Better or Much better than expected	3	2.3	2.3	100.0
	Total	131	100.0	100.0	

RELIABILITY CATEGORY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worsen or Much worse than expected	120	91.6	91.6	91.6
	At least Equal to expectation	10	7.6	7.6	99.2
	Better or Much better than expected	1	0.8	0.8	100.0
	Total	131	100.0	100.0	

RESPONSIVENESS CATEGORY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worsen or Much worse than expected	112	85.5	85.5	85.5
	At least Equal to expectation	16	12.2	12.2	97.7
	Better or Much better than expected	3	2.3	2.3	100.0
	Total	131	100.0	100.0	

ASSURANCE CATEGORY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worsen or Much worse than expected	111	84.7	84.7	84.7
	At least Equal to expectation	19	14.5	14.5	99.2
	Better or Much better than expected	1	0.8	0.8	100.0
	Total	131	100.0	100.0	

EMPATHY CATEGORY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Worsen or Much worse than expected	117	89.3	89.3	89.3
	At least Equal to expectation	13	9.9	9.9	99.2
	Better or Much better than expected	1	0.8	0.8	100.0
	Total	131	100.0	100.0	

FREQUENCY TABLE

SUMMARY OF DESCRIPTIVE STATISTICS FOR EACH SERVICE QUALITY DIMENSIONS

SERVICE QUALITY DIMENSIONS	N	Mean	
	Statistic	Statistic	Std. Error
The authority has modern and up-to-date customs service equipment	131	2.40	.066
Provision of visually attractive offices, equipment and facilities of the authority	131	1.92	.077
The authority employees with neat and professional appearance	131	2.15	.063
The authority has visually appealing materials with the type of services provided	131	1.66	.071
The authority promise to do something by a certain time, they should do so	131	1.35	.054
The authority sincerely solves the problems of customers	131	1.60	.071
The authority performs service right at the first time	131	1.59	.063
The authority provides their services at the time they promise to do so	131	1.51	.059
The authority keep their records accurately in error free fashion	131	1.93	.060
The authority to tells their customers exactly when services will be performed	131	2.30	.070
The authority employees provides prompt service to customers	131	2.03	.066
The authority employees always willing to help customers	131	1.65	.068
The authority employees always too busy to respond to customer requests promptly	131	1.92	.062
The authority employees who instill customer confidence	131	1.40	.065
The authority employees who make customers feel comfortable	131	1.47	.065
The authority employees who are consistently courteous or polite	131	1.56	.070
The authority has knowledgeable employees that answer customers questions	131	1.53	.071
The authority giving customers individual attention	131	1.91	.059
The authority employees who give customers individual attention	131	1.50	.071
The authority to have customers' best interest at heart	131	1.42	.062
The authority employees to know and understand customers needs	131	1.54	.062
The authority working hours that are convenient to all their customers	131	2.67	.081
Valid N (listwise)	131		

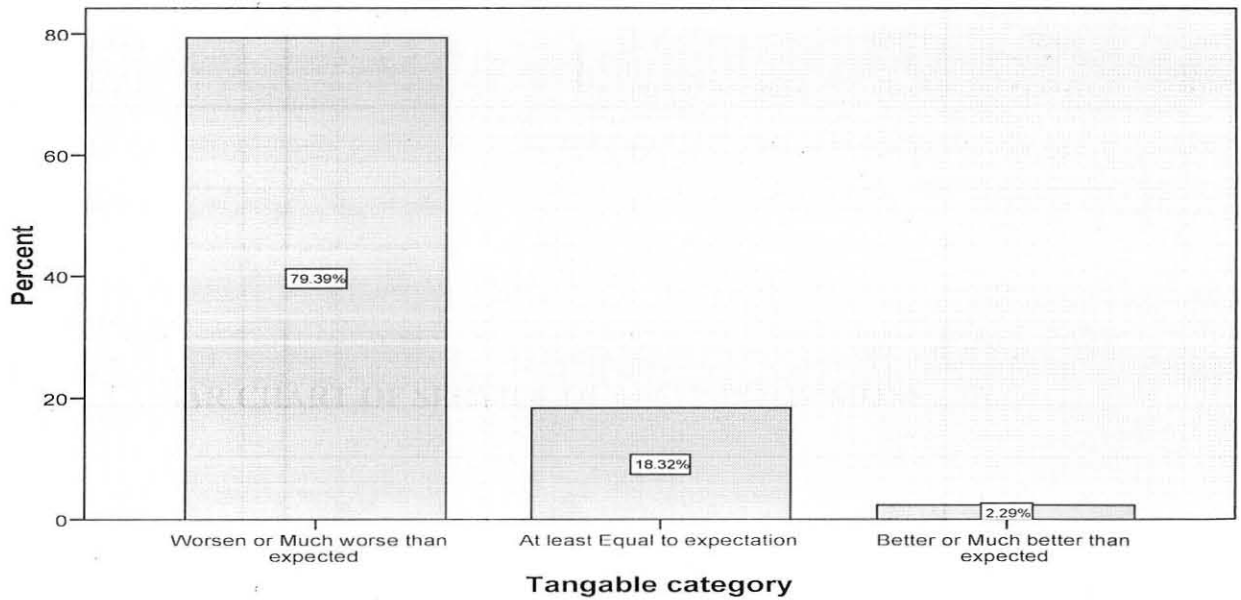
SUMMARY OF DESCRIPTIVE STATISTICS

SERVICE QUALITY DIMENSIONS	N	Mean		Std. Deviation	Variance
	Statistic	Statistic	Std. Error	Statistic	Statistic
Tangibles	131	2.0305	.04638	.53080	.282
Reliability	131	1.5954	.04497	.51469	.265
Responsiveness	131	1.9733	.05121	.58610	.344
Assurance	131	1.4924	.05657	.64743	.419
empathy	131	1.8076	.04548	.52059	.271
Valid N (listwise)	131				

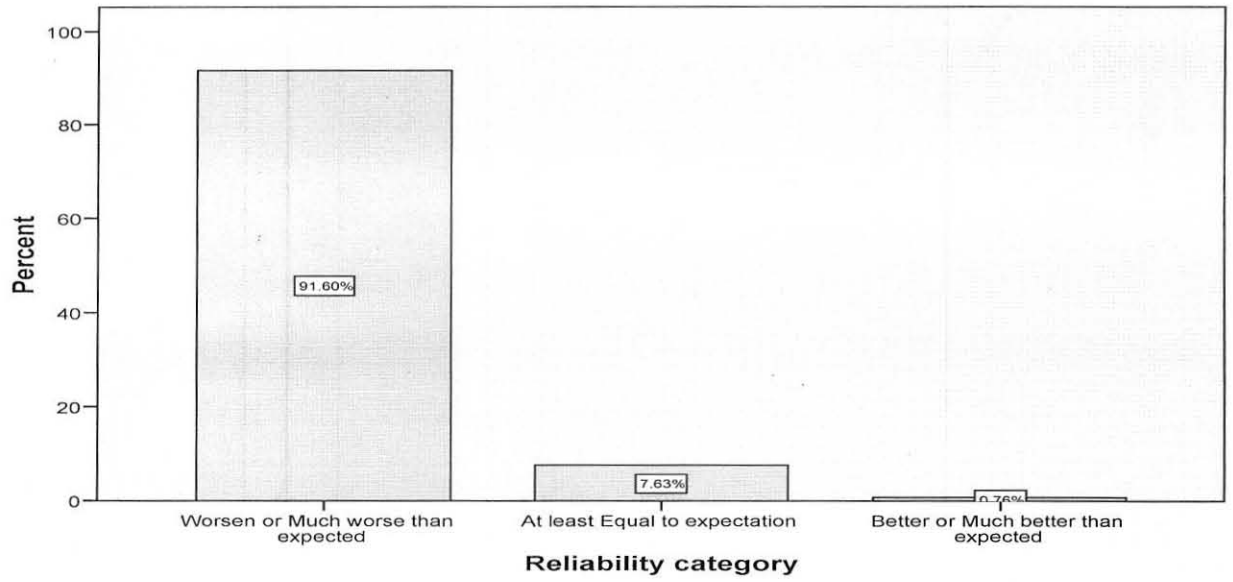
APPENDIX D

BAR CHART OF SERVICE QUALITY DIMENSIONS

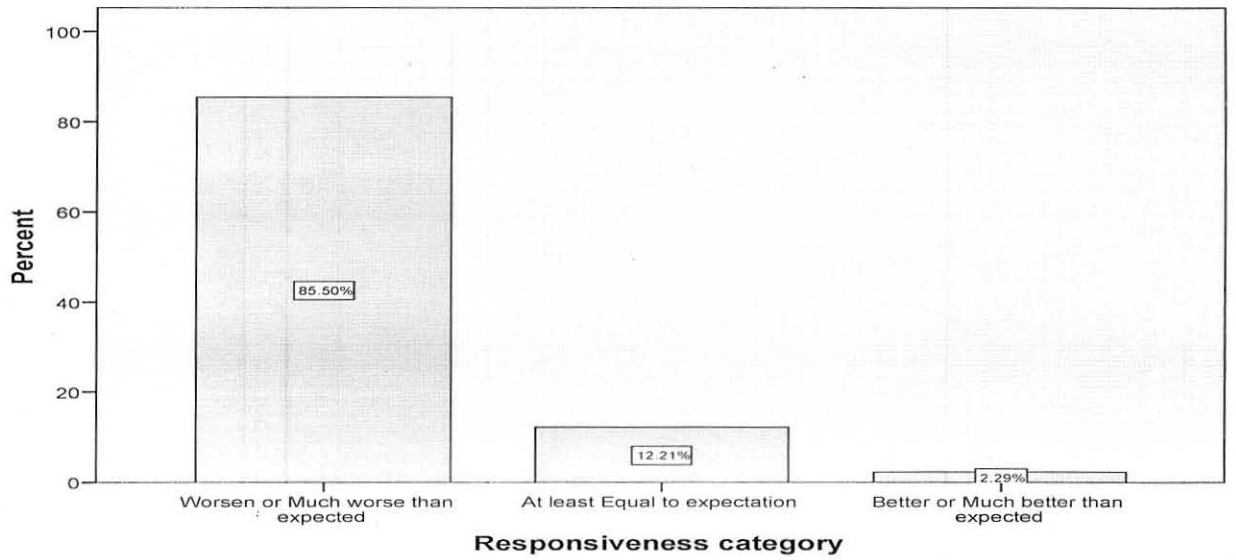
Tangible category



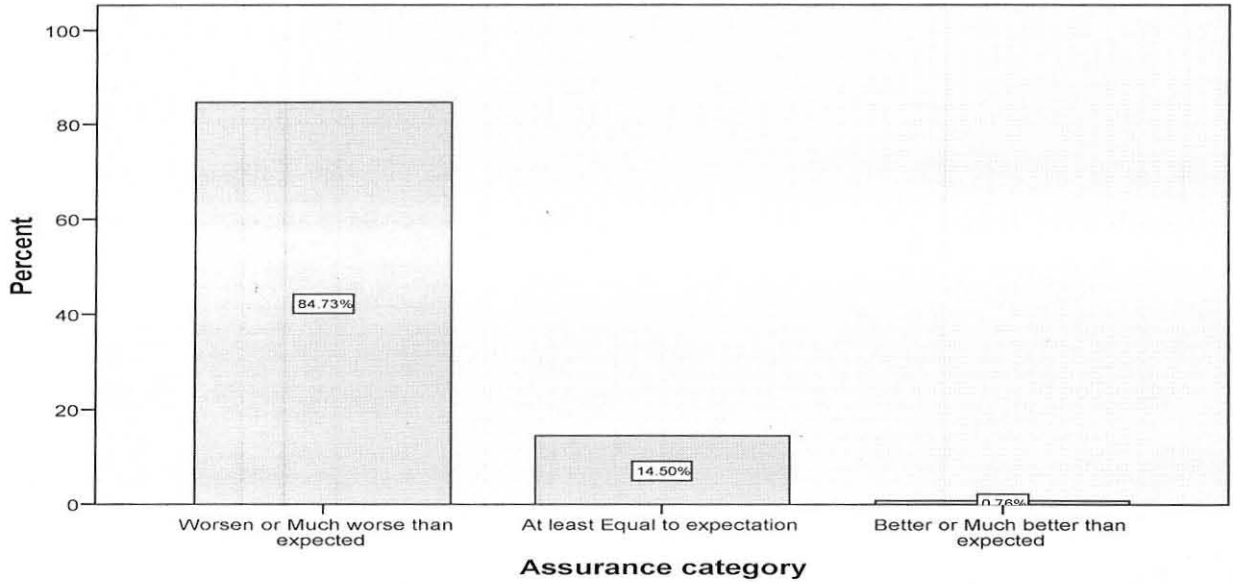
Reliability category



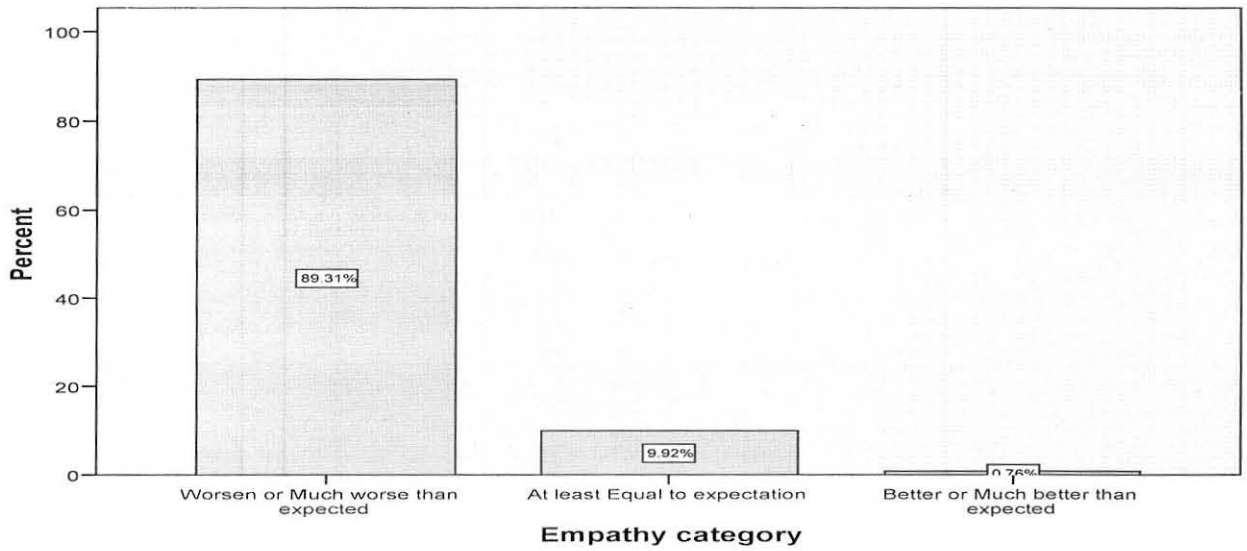
Responsiveness category



Assurance category



Empathy category



APPENDIX E

FREQUENCIES OF SERVICE QUALITY DIMENSIONS

	Tangible Dimension	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not-at-all important	8	6.1	6.1	6.1
	Not important	11	8.4	8.4	14.5
	Neither Important nor Unimportant	18	13.7	13.7	28.2
	Important	44	33.6	33.6	61.8
	Very important	50	38.2	38.2	100.0
	Total	131	100.0	100.0	

	Reliability Dimension	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not-at-all important	6	4.6	4.6	4.6
	Not important	8	6.1	6.1	10.7
	Neither Important nor Unimportant	11	8.4	8.4	19.1
	Important	38	29.0	29.0	48.1
	Very important	68	51.9	51.9	100.0
	Total	131	100.0	100.0	

	Responsiveness Dimension	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not-at-all important	4	3.1	3.1	3.1
	Not important	16	12.2	12.2	15.3
	Neither Important nor Unimportant	10	7.6	7.6	22.9
	important	25	19.1	19.1	42.0
	Very important	76	58.0	58.0	100.0
	Total	131	100.0	100.0	

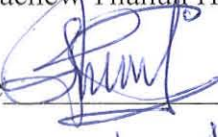
Declaration

I, Ambachew Tilahun Haile declare that this research entitled "*A Study on Customer Satisfaction with Service Delivers in Ethiopian Revenue and Customs Authority: The Case of Customs Clearing Agents in Addis Ababa*", is the outcome of my own effort and study and that all sources of materials used for the study have been acknowledged. I have produced it independently except for the guidance and suggestion of the Research Advisor.

This study has not been submitted for any degree in this university or any other university. It is offered for partial fulfillment of the degree of MA in Marketing Management Education.

By: Ambachew Tilahun Haile (GSR/1211/02)

Signature



Date

27/05/2011