



**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND  
ECONOMICS SCHOOL OF COMMERCE DEPARTMENT OF MARKETING  
MANAGEMENT**

**POST GRADUATE PROGRAM**

**SERVICE QUALITY AND CUSTOMER SATISFACTION IN THE  
TRANSPORT SECTOR: A CASE STUDY OF ALLIANCE CITY BUS  
ENTERPRISE PLC**

**By: Bayisa Bonja Bogino**

**MAY, 2017**

**ADDIS ABABA, ETHIOPIA**

**SERVICE QUALITY AND CUSTOMER SATISFACTION IN THE TRANSPORT  
SECTOR: A CASE STUDY OF ALLIANCE CITY BUS ENTERPRISE PLC  
A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY COLLE**

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DEGREE OF MASTER OF ARTS IN MARKETING MANAGEMENT**

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**May, 2017**

**Addis Ababa, Ethiopia**

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## **ACKNOWLEDGEMENTS**

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At last, I would like to thank all who have helped me in accomplishing this paper directly or indirectly.

## **Acronyms and Abbreviation**

SDD: Service Delivery Police

NBRI: National Business Research Institute

SERVQUAL: service quality

ACBE: Alliance City Bus Enterprise

Lev of expectation: level of expectation

Lev of perception: level of perception

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## **DECLARATION**

I hereby declare that the research entitled “Service Quality and Customer Satisfaction in transport sector the case of Alliance City Bus Enterprise” is my original work done under the guidance of my advisor Dr. MesfinW. It has never been presented in Addis Ababa University or any other university for any purpose. All sources of the materials used for writing the research report are duly acknowledged.

Bayisa Bonja Bogino

Signature: \_\_\_\_\_.

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## **LETTER OF CERTIFICATION**

This is to certify that Bayisa Bonja Bogino has carried out his thesis on the topic “Service Quality and Customer Satisfaction in transport sector a case study of Alliance City Bus Enterprise”. This work is original in nature and is suitable for submission for the award of Degree of Master of Arts in Marketing Management.

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Mesfin Worku (PHD)

Thesis Advisor

## **Abstract**

*Private transports are organizations established and owned by private or share company to provide transport services to the public. Most of the time these enterprises give their services to the public by collecting some amount of money which is less than the market price of the goods or services provided by them and sometimes with subsidy.*

*Their customers are important stakeholders in organizations and their satisfaction is a priority to management. The objective of the study was conducted to assess the effect service quality has on the customers satisfaction of the enterprise. To achieve the objectives of this study, data was collected through questionnaire from a sample of 304 customers of the Enterprise. These respondents were selected using convenience sampling method. The data collected using the questionnaire were analyzed using statistical tools such as mean, percentage, table, correlation and frequency analysis. Service delivery of the Enterprise was evaluated by using service quality dimensions and Gap analysis method designed by Parasuraman et.al. (1988). The results of this evaluation indicate that, almost in all dimensions of service quality the Enterprise service provision rated as poor and customers are not satisfied except some factors within the dimensions. Generally, the finding of this study indicates that customers were not satisfied by overall service provision of the Enterprise and the service quality declined. Based on the findings of the study, the researcher forwards some recommendations like maintaining effective complaint handling, train employees, advise the employees about the service delivering system and customer handling procedure to serve their customers in proper way that help to improve the Enterprise service delivery position.*

# CHAPTER ONE

## INTRODUCTION

### 1. 1 BACKGROUND OF THE STUDY

Different authors have defined customer satisfaction in different ways. Customer satisfaction is based on disconfirmation point of view. Customers have positive confirmation when they find that actual performance is somewhat equal or falls above their expected performance of products and services. But when actual performance falls below the expectation, then customers have negative confirmation which leads to dissatisfaction. Conversely, satisfied customers have positive confirmation resulting in their positive feedback from products and services. Most of the studies have been found on customer satisfaction in services industry (Oliver (1980). A study on internet banking indicated that customers put more emphasize on the quality of service in case of choosing a specific bank (Nandan and Ashwani, 2008). Another study found that factors like conventional facilities, attitude of employees, convenience and atmosphere affect the customer satisfaction level (Jham and Khan, 2008).

According to Alexander (2010), increasingly, business organizations are facing stark realities that satisfying customers at an ordinary or basic level would be inadequate to insure customer loyalty. Findings in a study by Jones and Sasser (1995) have undermined the long held view that satisfied customers would be loyal. Their study of Xerox showed that merely satisfied customers were six times more likely to switch or defect. Moreover, countless of studies (Chandrashekharan et al., 2007; Szymanski & Henard, 2001; McEwen & Fleming, 2003; Reichheld & Teal, 1996) suggest customer satisfaction is not an adequate and satisfactory measure of future customer behaviors with findings by Reichheld and Teal (1996) showing that almost 65%-85% of a firm's customers actually switched, though they had indicated either receiving satisfactory or very satisfied service.

Kotler (1996) has defined customer satisfaction as the level of a person's felt state resulting from comparing a products perceived performance or outcome in violation to his or her own expectations. So as Wang et al puts it, "customer satisfaction could be considered a comparative behavior between inputs beforehand and post obtainments" (Wang et al 2006, p.197). In other words customer satisfaction measures how well an organization's product or service meets or exceeds customer expectations. These expectations often reflect many aspects of the firm's activities, including its products or services, physical environment, facilities, staff etc.

Kotler has further defined satisfaction as person's feelings of pleasure or disappointment resulting from comparing a product or service perceived performance (or outcome) in relation to his or her expectations. (Kotler, 2000, p.36).

In line with this thinking, Yi (1990) also stated that customer satisfaction is a collective outcome of perception, evaluation and psychological reactions to the consumption experience with a product or service. It is important to recognize the different types of satisfaction. Previous studies by Johnson et al, 2008, Omachonu et al, 2008; Garbarino and Johnson, 1999, have all clearly established the distinction between two types of satisfaction - overall satisfaction and encounter satisfaction.

Overall satisfaction can be explained as the totality of the experiences the customer or client goes through or receive throughout his or her interaction with the organization.

Encounter satisfaction on the other hand, is about specific experience the customer receives at the various stages or points of the service delivery process. Depending on the nature of service industry, either of the two will be more dominant (Fatima and Razzaque, 2010). For example, in the banking industry, as the nature of the service is of an ongoing nature, and long term, overall satisfaction will be more applicable rather than encounter satisfaction (Lovelock, 1983). It is therefore established that expectation plays a key role in customer satisfaction. The confirmation/disconfirmation theory (Churchill and Surprenant, 1982; Oliver, 1980) posits that satisfaction can be achieved through the fulfillment of expectations (Ndubisi and Wah, 2005).

The role theory posits that the “study of a role – (cluster of social cues that guide and direct an individual’s behavior in a given setting) – is the study of the conduct associated with certain socially defined positions rather than of the particular individuals who occupy these positions. It is the study of the degree to which a particular part is acted appropriately (role enactment) as determined by the reactions of fellow actors and observers (the audience) (Solomon et al, 1985).

This implies that customers have role expectation from the employees of an organization especially, frontline staff and that successful meeting of those expectations will reflect in their satisfaction.

Davidow and Uttal (1989) were of the view that customer expectations is formed by many uncontrollable forces which include previous experience with other organizations and their advertising, customers psychological condition at the time of service delivery, customer background and values and the images of the purchased product or service. Zeithaml et al (1990), added that customer service expectation is built on complex conditions, including their own pre-purchase beliefs and other people’s opinions. Similarly, Miller (1977) stated that customers or clients. Expectations related to different levels of satisfaction. It may be based on previous product or service experiences, learning from advertisements and word-of-mouth communication.

Few studies have been found in transport services measuring the satisfaction level of customers. Nandan (2010) found in his study that there are various factors effecting the customer satisfaction in Indian railways but two of them have got a great importance, i.e. behavioral status and refreshment. But, Randheer et al. (2011) used a modified SERVQUAL model in his study conducted in India with an aim of examining the customer perception on service quality offered by the public transport services. Along with five dimensions of service quality an additional construct “culture” will be added in the model and found that culture has significant impact on customer perception (Randheer et al. (2011).

Moreover, they found that the service quality delivery meets the perception of commuters. Irfan et al. (2012) conducted a study in Pakistan with the aim of investigating the passengers' perception regarding service quality of rail transport by using a modified servqual.

In other words, expectation can be seen as a pre-consumption attitude before the next purchase, and also it may involve experience (Irfan et al. 2012).

## **1.2 Background of the Enterprise**

Alliance Transport Enterprise S.C is the private transport enterprise started providing commuter bus service in the City of Addis Ababa, Ethiopia.

Alliance Transport was established in 2013 G.C, the company has 21,100 shareholders and a 35 million birr paid-up capital during its establishment. Alliance has purchased 25 buses at a cost of 36 million birr. The purchase is partially financed by Dashen Bank through loan arrangement, according to Adel Abdela, chairperson of Alliance's board of director (Fortune Gazeta), March 14, 2013.

“Alliance is the first and only private city bus to join the sector. The Alliance city bus, has a combined capacity to hold a large number of passengers, are delivering transportation services for above five different routes in the city. The company now had added 100 new buses and started delivering service in the first month of 2017(Adel Abdela, enterprise's BOD).

## **1.3 Statement of the problem**

Most of the time, it is difficult to observe that customers satisfied in transportation service delivery because of different reasons like the buses do not appear as it wanted, weak service deliverance, overcrowding of passengers, due to loss of information the passengers exposed to thieves, windows left without closed that expose passengers to accident, suffocation, pick pocketing(Mekonin Mamo, 2010).

Current Addis Ababa's situation regarding with public transport access indicates that there is a problem to get transport service. The city government took different corrective actions like zoning of taxis and dispatching middle buses, establishing new public

employees transport service provider enterprise, initiating and supporting the private sectors to involve in the transport industry that deliver service for passengers, constructing light train display but the transport problems was not totally solved yet and as the study made on the service quality and customer satisfaction indicates, there is a dissatisfaction of passengers in the SERVQUAL dimensions of the Ambessa City Bus enterprise(Aschalew Tsegaye, 2015).

The research done on the city buses and several studies have been done on the service quality and customer satisfaction of public enterprises in Ethiopia (Aschalew Tsegaye, 2015). Among these studies Demelash Abate's (2007) and Adem Seid's (2009) were conducted for Masters Degree focusing on ACBSE's performance of service delivery and customer satisfaction and they put down that passengers don satisfied and there is a positive relationship between service quality and customer satisfaction.

#### **1.4 Research Question**

The research questions of this study are:

1. Is there a relationship between reliability and customer satisfaction in the ACBE?
2. What is the response of customers about tangibility of Alliance city bus?
3. Are passengers satisfied from service delivery of ACBE?
4. What effect assurance has on the customer satisfaction of ACBE?
5. What is the response of customers towards the responsiveness of ACBE?

#### **1.5 Research objectives**

❖ .General objectives of the study

The main objective of the study is to investigate the relationship between service quality and customers satisfaction in the Alliance Bus transport enterprise.

❖ .specific objective of the study

- 1 To investigate the relationship between reliability and customer satisfaction in the Alliance City Bus.
- 2 To describe the response of customers about tangibility of ACBE bus to satisfy its customers.

- 3 To determine the satisfaction level of customers about service delivering system of the ACBE.
- 4 To investigate the effect assurance has on the customer satisfaction in the service provision of ACBE.
- 5 To investigate the response of customers about the responsiveness of ACBE to satisfy their customers.

### **1.6 Significance of the study**

The study would help a researcher to expand knowledge on the private City Bus transport services in Ethiopia; particularly in the Addis Ababa. The study would also help various urban transport service providers to develop new insights in marketing strategies by being able to offer the best service to their customers so as to retain and maintain them. The study had discovered the relationship between service quality and customer satisfaction in the private City Bus transport services of Alliance city bus. The study would also help the transport authority of the country to understand the contribution of private City Bus transport industry to solve the transport problem and to solve the problem of dissatisfaction of the passengers. Since the transport delivering system of the country looks like each other or similar, other transport sectors could also determine customer satisfaction of its sector and could try to find solution for the customer dissatisfaction in the transport. Alliance City Bus Service Enterprise was the target company which is intended to benefit from the results of this research.

Generally, this research would be done to achieve the following three significances;

- It enables Alliance officials to know the status of their service delivery performance.
- Alliance City Bus would get an opportunity to have feedback about its customers' satisfaction level and help to take the necessary actions.
- It also helps those interested to acquire knowledge on the service delivering system of Alliance city bus.

### **1.7 Scope of the Study**

The scope of this study was very much limited to the relationship between service quality and customer satisfaction in Alliance city bus transport service in the city of Addis Ababa and its surroundings. Thus, the paper had greatly depends upon the investigation of the Alliance city bus`s service quality and the position of customer satisfaction.

The survey (Questionnaires) was used to collect data and the both qualitative and quantitative data analysis technique was employed.

### **1.8 Limitation of the study**

Even if the study would be focused to the whole of passengers or customers of the enterprise, the researcher enforced to took sample to undertake the study. The factors that affect customer satisfaction in this transport service and employee satisfaction did not mentioned in this study since the research topic is only focused to the relationship between service quality and customer satisfaction of the enterprise. The researcher had faced difficult to get correct number or to estimate the exact number and knowing size of customers who start their journey from the terminals selected and those customers did not traveled during the investigation of the study did not addressed or could not give their feeling about service delivering activities of the enterprise.

### **1.9 Definition of terms/key terms.**

#### **❖ Service Quality**

Service quality has significant impact on the customers` satisfaction level. According to Hoffman and Bateson (2006), service quality (SERVQUAL) is a `diagnostic tool that uncovers a firm`s broad weaknesses and strengths` in service quality. The SERVQUAL model (performance minus expectation) focuses on the five `gaps` affecting the delivery of excellent service quality. There are five dimensions of the SERVQUAL scale that used to measure the performance of service delivery Parasuraman et al., (1988).

The service quality literature initially focused on measurement issues. Following the introduction of the SERVQUAL, attention centered on the determinants of perceived service quality with particular emphasis on the service delivery process.

SERVQUAL is designed to measure service quality as perceived by the customer. Consumers in the focus groups discussed service quality in terms of the extent to which service performance on the dimensions matched the level of performance that consumers thought a service should provide. A high quality service would perform at a level that matched the level that the consumer felt should be provided. The level of performance that a high quality service should provide was termed as consumer expectations. If performance was below expectations, consumers judged quality to be low. To illustrate, if firms responsiveness was below consumers expectations of the responsiveness that a high quality firm should have, the firm would be evaluated as low in quality in responsiveness. Basic model was that consumer perceptions of quality emerge from the gap between performance and expectations, as performance exceeds expectations, quality increases; and as performance decreases relative to expectations, quality decreases. Thus, performance-to-expectations “gaps” on attributes are used to evaluate the quality of a service from the theoretical foundation of SERVQUAL Parasuraman et al. (1985).

As stated in FDRE, Service Delivery Policy (SDP) (2001), service quality is basically refers to the systematic arrangements of activities in service giving institutions with the aim of fulfilling the needs and expectations of service users and other stakeholders with the optimum use of resources. The efficiency and effectiveness of the service delivery is vital for a successful implementation of changes in policy and strategy and contributes to the establishment of administrative machinery that can face the challenges of the turmoil environment EMI, 2011 (cited in Zegeye, 2013, p.1). As stated further, improved service delivery of public service forms an integral part of the overall democratic transformation and developments of a country. According to Naidu (2004) unproductive service delivery consistently shocks on the service provision results that government foresees and unquestionably refutes the equitable anticipants of all citizens.

The experience results in a set of outcomes. The outcomes for a service will include benefits provided, the resulting emotions, judgments and intentions as noted by Johnston and Clark (2008).

- **customer satisfaction**

According to Lawrence (2006) customer satisfaction is defined as the attitude resulting from what customers think should happen (expectation) interacting with what customers think did happen.

According to Davis and Heineke (2003) customer satisfaction is defined as the comparison between a customer's expectations of a service's performance and customer's perception of that performance. Satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's or service's perceived performance (or outcome) in relation to his/her expectation. In other way customer satisfaction is a personal feeling of either pleasure or disappointment resulting from the evaluation of services provided by an organization to an individual in relation to expectations. It is a function of perceived performance. If the perceived performance meets expectations, then the customer is satisfied; if it exceeds expectations, the customer is highly satisfied or delighted; and if the performance falls significantly short of expectations, then the customer is dissatisfied (Biruk, 2007). According to Simon and Foresight (2009), customer satisfaction is process of customer overall subjective evaluation of the service quality against his/her expectations or desires. The ultimate aim of an organization is to insure that the customers that receive the service are satisfied. Customer satisfaction can be described as the degree to which an organization's product or service performance matches up to the expectation of the customer.

Zaithaml, Berry & Parasuraman, (1991) suggests that, customer satisfaction is a function of customer's assessment of service quality, product and price. Customer satisfaction may be conceptualized in two ways; transaction-specific perspective and cumulative (Boulding et al; 1993; Ligander, 1995, Parasuraman et al; 1994). From a transaction- specific perspective, customer satisfaction is viewed as a post consumption evaluative judgment concerning a product or a service for a specific purchase occasion (Churchil & Surprenant, 1982; Oliver, 1980; Liljander, 1995). On the other hand, cumulative customer satisfaction is an overall evaluation based on the total purchase and consumption with a good or service overtime (Fornell, 1992, Liljander, 1995).

### **1.10 organization of the study**

The research thesis has five chapters. The first chapter deals with research preliminaries including background, statement of the problem, objectives, scope of study, significance of the study, limitation of the study and organization of the study. The second chapter consists of review of literature. Chapter three has research methodology. In the fourth chapter, the data obtained from both primary and secondary sources were analyzed and discussed and the final chapter includes summary, conclusions and possible recommendations. The thesis also consists of other formal sections like reference, appendices, etc.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

This chapter intends to give theoretical in relation to the problem under the study whereby numerous empirical studies carried out in the sectors are reviewed. This chapter begins with conceptual definitions, theoretical analysis, and empirical literature review, or Conceptual framework, theoretical framework. The conceptual definitions tries to define key terms while the theoretical framework explains different theories put forward by various scholars and tries to see if that theory safeguards this study. On the other hand empirical review attempts to explain the gaps deduced from different researches done on similar subjects and hence try to bridge those gaps in line with this study objective.

### **2.1 Theoretical Review**

#### **2.1.1 Dimensions and Measurements of Service Quality**

The quality dimension in manufacturing and other product-oriented businesses has existed since the industrial revolution in the 1890s where pioneers as Frederic Taylor and Henry Ford introduced quality production and standardization of design and output. However, the relevance of quality to the management of services or service-oriented businesses is a relatively modern phenomenon and the initiation of service quality is closely connected to the change of the services marketing paradigm (Beckford, 1998). Different scholars have classified service dimensions in a number of ways. Service dimensions are criteria that customers use to evaluate service quality (Parasuraman et al.,1985). Below listed are some of the classifications. Lehtinen and Lehtinen (1991) mentioned five dimensions that are classified under two approaches with the first having three and the second having two dimensions.

The three dimensions in the first approach are:

### 2.1.2 Physical Quality

The dimension of quality originating in the physical elements of service (Covers both the quality of materials and facilities). It is broken down into two parts:

- a. **Physical Product:** Good/Goods consumed during the service production process
- b. **Physical Support:** Framework which enables or facilitates the production of service.

### 2.1.3 Interactive Quality

The dimension of quality originating in interaction between the customer and interactive elements of the service organization: Interactive Persons vs. Interaction equipment.

The five dimensions are includes:

**Tangibles:** Physical facilities, equipment, and appearance of personnel **Reliability:** Ability to perform the promised service dependably and accurately **Responsiveness:** Willingness to help customers and provide prompt service

**Assurance:** Knowledge and courtesy of employees and their ability to inspire trust and confidence

**Empathy:** *Caring, individualized attention the firm provides its customers*

The service quality literature initially focused on measurement issues. Following the introduction of the SERVQUAL, attention centered on the determinants of perceived service quality with particular emphasis on the service delivery process. SERVQUAL is designed to measure service quality as perceived by the customer. Consumers in the focus groups discussed service quality in terms of the extent which service performance on the dimensions matched the level of performance that consumers thought a service should provide. A high quality service would perform at a level that matched the level that the consumer felt should be provided. The level of performance that a high quality service should provide was termed as consumer expectations. If performance was below expectations, consumers judged quality to be low. To illustrate, if firms responsiveness was below consumers expectations of the responsiveness that a high quality firm should have, the firm would be evaluated as low in quality in responsiveness. Basic model was that consumer perceptions of quality emerge from the gap between performance and expectations, as performance exceeds

expectations, quality increases; and as performance decreases relative to expectations, quality decreases. Thus, performance-to-expectations gaps on attributes are used to evaluate the quality of a service from the theoretical foundation of SERVQUAL Parasuraman et al. (1985). However other literatures, Cronin and Taylor (1992) argued that service quality should be conceptualized as “similar to an attitude” approach and should be operationalized by the “adequacy-importance” model. Cronin and Taylor (1992), using a performance-based approach, developed the SERVPREF measurement instrument. It also maintained that performance based measurements display a slightly higher predictive power of customer perceptions of service quality.

#### **2.1.4 The Gap Model of Service Quality**

The Gap model of service quality is one of the prominent models that were developed in order to evaluate service quality. Parasuraman et al. (1985) defined five gaps. The first four gaps are associated to the marketer or provider of the service leading to the fifth gap which is the measure of service equality from the customer perspective.

GAP1: Consumer expectation-management perception Gap: - it is the difference between what customers expect from a service and what management believes customers expect from a service.

GAP 2: Management perception- service quality specification gap: - it is the difference between management’s perception of consumer expectations of a service and the service quality specifications.

GAP3 3: Service quality specifications –service delivery gap: - it is the difference between the service quality specifications for a service and the delivery of these specifications by the service provider.

GAP 4: Service delivery-external communications gap:-it is the difference between the service that was delivered and the external communications of the firm.

GAP 5: Expected service-perceived service gap: - is the overall comparison of what consumer expected from the service provider and their perception of the service they received from the provider. A negative score indicates that the service did not meet consumer’s expectations; a

zero score means the service met expectations and a positive score means the service exceeded the customer's expectations. Below is a graphical depiction of the Gap model of service quality.

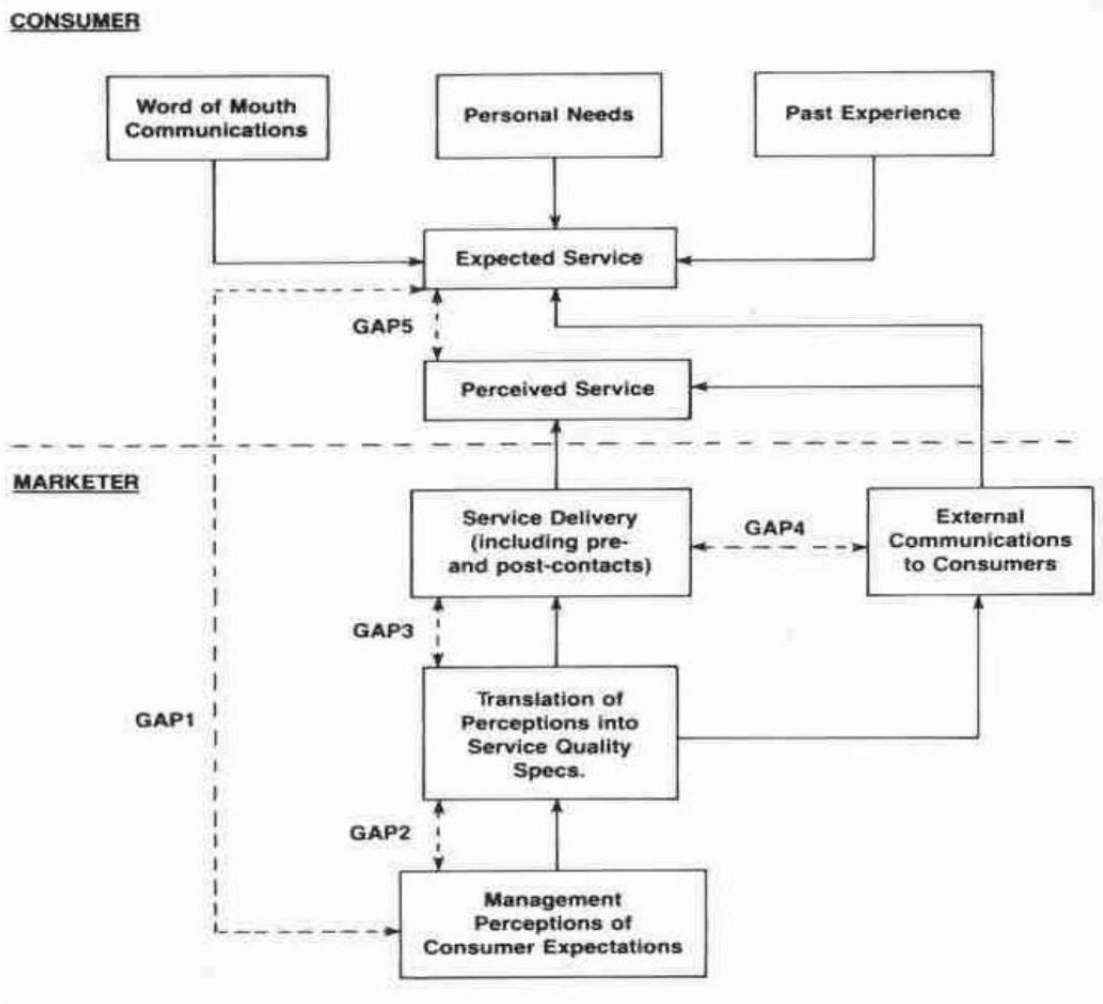


Figure: 1 Service quality model

### **2.1.5 Service Quality and its attributes**

There are factors that raise the level of service quality such as *security, consistency, attitude, completeness, condition, availability, and training of service providers*. Besides this, *physical quality, interactive quality, and corporate quality* also affected the service quality level. The service quality model developed by Grönroos (1984) measured perceived service quality based on the test of qualitative methods. *Technical quality, functional quality, and corporate image* were used in the model as the dimensions of service quality. Technical quality is about customer evaluations about the service. Functional quality which is more important variable for consumer perceptions and service differentiation than technical quality refers how consumers take the service. Technical quality is interested in what was delivered whereas functional quality is interested in how the service was delivered. Corporate image has a positive impact on customer perceptions.

### **2.1.6 Measuring of Service Quality**

Asking each and every customer is advantageous in as much as the company will know everyone's feelings, and disadvantageous because the company will have to collect this information from each customer (NBRI, 2009). The National Business Research Institute (NBRI) suggested possible dimensions that one can use in measuring customer satisfaction, e.g.:

- Quality of service
- pricing
- Trust in your employees
- The closeness of the relationship with contacts in your firm
- Other types of services
- Your positioning in clients' minds

The above criteria used to measure levels of performance of service delivery which are vital to the long-term success of any business. Besides the above criteria the five dimensions of the

SERVQUAL scale that used to measure the performance of service delivery is described here under in the table Parasuraman et al., (1988). The major focus of this study is to evaluate performance of Alliance city bus enterprise regarding with the customer service delivery during the provision of public transport service. As described in the above paragraph satisfied customers used as a measurement for quality of service of the organization. So some general theories and concepts of service, quality of service, and customer's satisfaction regarding with transport service will be discussed here under.

### **2.1.7 Service Quality in Private Transport**

The evaluation of service quality and customer satisfaction in private transport can be obtained according to different methods by different authors: Mazzula and Eboli (2006) indicates that evaluation can be done by asking customers the perception/satisfaction on service quality, by asking the expectation/importance, or by asking both perception and expectation; in addition, perception can be compared with the zone of tolerance of expectations (the range defined by the maximum desired level and minimum acceptable level of expectations). A rating or ranking of individual service attributes can be asked to customers.

There are techniques that presume the selection of some service quality attributes. According to Prioni and Hensher, 2000) cited in Mazzula and Eboli (2006) all the attributes are grouped in macro-factors defined by one or more attributes. Examples of these are Transport network design (e.g. number and regularity of bus stops, having stops near destination), Service supply and reliability (e.g. frequency, regularity and punctuality of rides), Comfort (e.g. availability of seats on bus, bus overcrowding), Fare (e.g. fairness/consistency of fare structure, ease of paying fare), Information (e.g. availability of information on schedules/maps, explanation and announcement of delays), Safety (e.g. safe and competent drivers, security against crimes), Relationship with personnel (e.g. friendly, courteous personnel), Customer preservation (e.g. repayment, complaint number), Environmental protection (e.g. use of vehicles with low environmental impact), Quality of system (quality of stops furniture, cleanliness of bus's seat).

All the above attributes contribute to global service quality each one in a different measure. Therefore to measure the performance of service delivery, there is the necessity to quantify the importance of each one.

### **2.1.8 Standards of Transport Service Quality**

The quality of transport service refers to the level of comfort the service offer during travel/ride. According to Armstrong-Wright et al. (1987) and Armstrong-Wright (1986) indicates that standards for quality of service are:-

1. Waiting time: - is the time passengers have to wait at bus stop for buses. Longer waiting times indicate poor adequacy. In developing countries to achieve a reasonable level of service, the average waiting time should be in the average of 5 to 10 minutes, with a maximum waiting time of 10 to 20 minutes under the prevailing conditions (Armstrong-Wright et al 1987).
2. Walking distance to bus stop: - is the distance that passengers have to walk to and from bus stops. It is an indicator of the coverage. For well-served urban areas it should be in the range of 300 to 500m from home to work place. Distance in excess of 500m may be acceptable in low-density area but the maximum should not exceed 1000m (Armstrong- Wright et al 1987).
3. Interchanges between routes and services

An Interchange between routes and services refers the number of buses to reach their destination. If the majority of passengers used only one bus to reach at their destination in every side of the city it indicates that there is well designed and accessible service.

4. Journey time: - is the total time spent to reach a destination from a given origin. It includes the walking time, waiting time, on vehicle time and walking to the destination. It should not be more than two to three hours per a day. Excessive journey time reflects inadequate bus supply or poor scheduling or routing (Armstrong-Wright et al 1987).

#### 5. Travel expenditure

Household expenditure on travel as a percentage of household income has to be 10 Armstrong-Wright et al (1987).

Fundamentally, quality of service is different between consumer's perceptions of the service received, compared with their expectations of service based on past service experiences (Parasuraman et al; 1985). However, Parasuraman's idea on quality were extended by Zeithaml et al;2004) to include a relationship between service quality and customer *should* expect from the organization/firm that delivers high-quality services, while satisfaction compares perceptions to what consumers *would* normally expect. As far this study is concern, urban transport services whose quality is defined by consumer's perception as the one which meets hi/her expectations particular service, and which ultimately leads to his/her satisfaction. In this case, the customer is a passenger. Therefore, when a passengers becomes satisfied with transport service he/her perceives the service as being of good or high quality and service of good or high quality and vice versa.

## **2. 1.9 Customer expectation and satisfaction**

The customer is an input resource for many service operations and thus not only do we need to know how to manage the customer but also we need to understand what they expect from the operation. Most importantly, they are in most cases the final judge as to how well the quality of the service matches up to the requirement, and by their continuous suggest determines its long-term success. The major focus of the management is to satisfy their customers. This should be more than sufficient motivation for operations managers to insure that there is a match between expectation and service delivery in order to satisfy or even delight their customers.

### **2.1.9.1 Customer expectation**

Customer expectations according to Davis and Heineke (2003, p.402) is the customer's preconceived notions of what level of service they should receive from a particular service. It is also viewed as what customers feel a service provider should offer rather than would offer (Simon and Foresight, 2009). Expectations can be derived from several sources; advertising, word of mouth, and previous experiences with similar types of operations Davis and Heineke (2003).

As Johnston and Clark (2008) described the customer is an input resource for many service operations and thus not only do we need to know how to manage customers but also we need

to understand what they expect from the operation. The purpose of understanding customer's expectations is to try to insure that service can be designed and delivered in order to meet those expectations. Thus expectations and indeed perceptions are key components in delivering a quality service. Customer expectations about service delivery vary from person to person, product to product, service to service, culture to culture, etc. and failure to meet adequate service delivery expectations results in customer dissatisfaction (Fogli, 2006). He further explained that when customers experience long wait times, late deliveries, incompetent service, or complicated procedures, they respond with dissatisfaction in various ways.

### **2.1.9.2 Managing Customer Expectations**

Managing expectations is a reasonable way to increase satisfaction. Customers will be satisfied only if the service meets their expectations and the service performance is colored by the customer's perceptions of the quality of service. If customers have better information about the service provider enterprise and its service provision process and standards they expect to get quality service as per the standard they gathered from different sources. The relationship between expectations, service performance, and the perception of that performance can be indicated like the following:

Satisfaction = Perception of performance – Expectation.

The relationship in this equation implies that there are two ways to increase satisfaction as defined Johnston and Clark (2008).

- a) To improve the customer's perception of performance and
- b) To decrease expectations (setting expectations law).

### **2.1.9.3 Levels of Expectation**

According to Davis and Heineke (2003) there are different levels of expectations that customers hold about service. The highest can be termed desired service, which is the level of service the customer hopes to receive and believes should be received. The second level is adequate service level which is to have a lower acceptable level of expectation by recognizing factors that limit a service's ability to deliver the desired service. If the service performance is below the adequate level, customers will be dissatisfied, disappointed, frustrated, and even

angry about the service. If the performance level is higher than the desired level of service, customers will be surprised and delighted with the service provided.

## **2.2 Conceptual Review**

This part of the review literature introduces the concept of customer satisfaction and service quality dimensions.

### **2.2.1 Customer satisfaction concept.**

Cosenza, Italia. Respondent were asked to rate the importance and satisfaction with 16 service quality attributes (bus stop availability, route characteristic, frequency, reliability, bus stop furniture, bus overcrowding, cleanliness, cost, information, promotion, safety on board, personal security, personnel, complains, environmental protection and bus stop maintenance).

Eboli and Mazzulla (2007) had used structural equation models to explore the impact of the relationship between customer satisfaction and service quality attributes. Even though the study involved on the students of the University of Calabria in the urban area of Cosenza (Southern Italy), the model was able to identify variables such as service planning and reliability as the latent variables having major effect on customer satisfaction. The route characteristics, network design and comfort are the other factors impacting customer satisfaction (took from a research study on Factors Influencing Customer's Satisfaction in Urban Public Transport in Tanzania, Andrew Morris Kundi, 2013).

The result shows that the latent variable important for global customer satisfaction is service planning which is reflected in reliability, frequency, information, promotion, personnel and complaint. For instance, Beirão (2007) conducted depth interviews in Porto to find out dissatisfying factors. Customers reported waste time, too crowded, lack of comfort, time uncertainty, lack of control, unreliability, long waiting times, need to transfer, they cannot change route to avoid traffic congestion, lack of flexibility, and long walking time. Edvardsson (1998) found that driver incompetence, punctuality and information were important factors causing dissatisfaction. In yet another study, Friman (1998) examined the effect of quality

improvements in private transport on customer satisfaction and frequency of perceived negative critical incidents. The studies were conducted in 13 regions in Sweden that were conducting quality improvements in public transport. Data were collected before and after implementation. Comparing passenger reaction is a way to understand the type of improvement that increases customer satisfaction. The conclusion of this study is that customer satisfaction influenced by quality improvements only to a limited extent. Adreassen (1995) conducted a survey among public transport users in Norway. As a result, he argued that in order to keep market share, public transport should provide service for different type of customers. Differentiation of service will lead to increasing customer satisfaction because of higher degree of congruence between supply and demand. Most important factors to work with are travel time, fare level and design of public transport.

A literature review (Oktiani 2009) confirms that there is research with an aim to identify unattractive and disappointing factors in private transport service. For instance, Beirão (2007) conducted depth interviews in Porto to find out dissatisfying factors.

Customers reported waste time, too crowded, lack of comfort, time uncertainty, lack of control, unreliability, long waiting times, need to transfer, they cannot change route to avoid traffic congestion, lack of flexibility, and long walking time. Edvardsson (1998) found that driver incompetence, punctuality and information were important factors causing dissatisfaction.

### **2.2.2. Service**

According to Kotler (2000), whether the production is tied with a tangible product or not, a service is any act or performance that one party offers to another that is essentially intangible and does not result in the ownership of anything. Using simple terms, services are also defined as deeds, processes and performances (Zeithaml and Bitner, 2003).

#### **2.2.2.1 Characteristics of Service**

Most literatures talk about four characteristics of services that differentiate them from that of physical goods. These unique characteristics have their implication on marketing strategy of services. Below are the descriptions as elaborated by Mudie and Pierrie(2006).

### **2.2.2.2 Intangibility**

Unlike tangible goods, services cannot generally be seen, tasted, felt, heard or smelled before being consumed.

### **2.2.2.3 Inseparability (or simultaneous production and consumption)**

There is a marked distinction between physical goods and services in terms of the sequence of production and consumption: Whereas goods are first produced, then stored and finally sold and consumed, services are first sold, then produced and consumed simultaneously (Mudie and Pierrie, 2006).

### **2.2.2.4 Variability (or heterogeneity)**

An unavoidable consequence of simultaneous production and consumption is variability in performance of a service. The quality of the service may vary depending on who provides it, as well as when and how it is provided.

### **2.2.2.5 Perish ability**

Services cannot be stored for later sales or use. Hotel rooms not occupied, airline seats not purchased and college places not filled cannot be reclaimed.

### **2.2.3 Service Quality**

Due to the characteristics inherent to services, it is difficult to define and judge service quality. Over the years service researchers have suggested that consumers judge the quality of services based on the process by which that outcome was delivered, and the quality of the physical surroundings where the service is delivered (Zeithaml and Bitner, 2003).

Service quality has significant impact on the customers' satisfaction level. According to Hoffman and Bateson (2006), service quality (SERVQUAL) is a 'diagnostic tool that uncovers a firm's broad weaknesses and strengths' in service quality.

There are five dimensions of the SERVQUAL scale that used to measure the performance of service delivery Parasuraman et al., (1988).

- The physical facilities, equipment, and the appearance of the staff (Tangibles);

- The dependability and accuracy of the service provider (Reliability);
- The ability to know and willingness to cater to customer needs (Responsiveness);
- The ability of the staff to install confidence and trust in the company (Assurance);
- The ability of the staff to provide and caring service to customers (Empathy).

The five dimensions of service quality affect customer satisfaction are here listed as follows:

### **2.2.3.1 Assurance**

This is the feeling of trust and confidence in the service delivering system. This reflects the knowledge, experience and their ability to build self confidence as well as confidence in the customers themselves.

H1. There is a positive relationship between assurance and customer satisfaction.

The tendency and willingness of service providers to help clients and satisfy their needs, immediately reply to their inquiries, and solve their problems as quickly as possible.

**2.2.3.2 Responsiveness:** Willingness to help customers and provide prompt service to satisfy customers as well as the way of giving immediate response for the request of clients.

**H2:** There is a positive relationship between responsiveness and customer satisfaction.

### **2.2.3.2 Tangibles**

The physical facilities, equipment and appearance of employees deliver service. In this case, the situation was concerned with the tangibility of Alliance bus services.

H3. There is a positive relationship between tangibility and customer satisfaction.

### **2.2.3.3 Reliability:**

Reliability is an important element of service quality, which determines the level of passengers' satisfaction. Provision of reliable service enables service providers to retain passengers for a long period. Passengers may be lost and may not be regained if the service is unreliable. Those passengers who use urban bus transportation services are increasingly sensitive to waiting time and they are more satisfied with scheduled service, which habitually operates exactly according to scheduled departure and arrival times by operating at the

appropriate frequency (Iles, 2005). The primary determinant of service reliability is the reliability of the vehicle itself (Ibid, 2005). Availability of sufficient numbers of buses will attract more passengers to use buses for their daily traveling needs. Poor reliability within an operation is the result of several breakdowns, which in turn has adverse effect on vehicle availability and affects the quality and quantity of the overall services (Ibid, 2005).

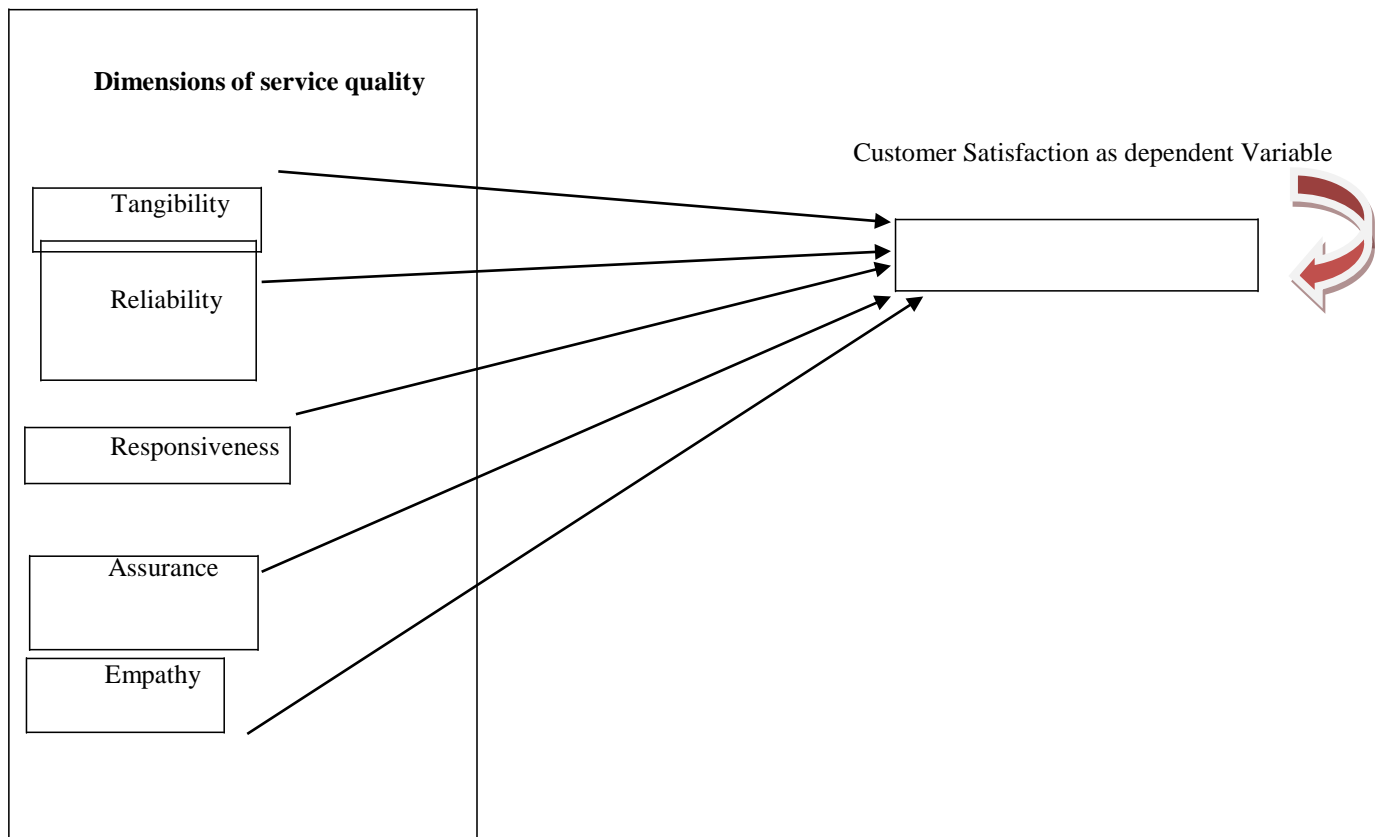
**H4:** There is a positive relationship between reliability and customer satisfaction.

#### **2.2.3.4 Empathy**

The ability to understand customers in every direction to accurately provide services and responsible to the promises made to the clients.

H5: There is a positive relationship between empathy and customer satisfaction. Figure 2: Conceptual framework of the study.

Customers reported waste time, too crowded, lack of comfort, time uncertainty, lack of control, unreliability, long waiting times, need to transfer, they cannot change route to avoid traffic congestion, lack of flexibility, and long walking time. Edvardsson (1998) found that driver incompetence, punctuality and information were important factors causing dissatisfaction. Edvardsson (1998) found that driver incompetence, punctuality and information were important factors causing dissatisfaction. In yet another study, Friman (1998) examined the effect of quality improvements in private transport on customer satisfaction and frequency of perceived negative critical incidents. The studies were conducted in 13 regions in Sweden that were conducting quality improvements in public transport.



### 2.3 Empirical Review

Dawit (2013) studied the service quality and passengers’ satisfaction of Ethiopian airlines by using seven modified dimensions of SERVQUAL namely, assurance, reliability, responsiveness, employees, flight pattern, facilities and customization. A sample size of 250 selected through non probabilistic sampling he was concluded that all the dimensions have shown a negative gap score. Reliability and responsiveness dimensions were found to be the significant contributors towards customer satisfaction.

To achieve a high level of customer satisfaction even in the transport service, most researchers suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction (Cronin and Taylor, 1992). However, the exact relationship between satisfaction and service quality performance has been described as a complex issue, characterized by debate regarding the distinction between the two constructs and the casual direction of their relationship. Parasuraman et al. (1988) concluded that the confusion surrounding the distinction between the

two constructs was partly attributed to practitioners and the popular press using the terms interchangeable, which make theoretical distinctions difficult. Interpretations of the role of service quality and satisfaction have varied considerably (Cronin and Taylor, 1992; Parasuraman, et al. 1988). Parasuraman et al. (1988) confined satisfaction to relate to a specific transaction as service quality was defined as an attitude. This meant that perceived service quality was a global judgment, or attitude, relating to the superiority of the service. Cronin and Taylor (1992) argued against Parasuraman et al.'s categorization. Cronin and Taylor (1992) found empirical support for the idea that perceived service quality led to satisfaction and argued that service quality was actually an antecedent of consumer satisfaction. Cronin and Taylor (1992) asserted that consumer satisfaction appeared to exert a stronger influence on purchase intention than service quality, and concluded that the strategic emphasis of service organizations should focus on total customer satisfaction programs.

There is a strong linkage between service and quality dimensions (Anderson and Sullivan, 1993). But debate arises from whether customer satisfaction is an antecedent of service quality judgments (Parasuraman et al; 1985) or the other way round (Anderson and Sullivan, 1993; Cronin and Taylor, 1992; Taylor et al; 1994).

Delivering quality service is indeed an important marketing strategy (Berry and Parasuraman, 1995), but the difficulty in defining service quality and customer satisfaction as well as problems in deploying to specific contexts current instrument for measuring such constructs, represent important constraints for the organizations to approach their markets (Berry and Parasuraman, 1995).

The foundations of service quality were viewed from widely accepted perspective- the SERVQUAL model and the technical/ fictional Quality Framework (Gronroos, 1983, 1990) SERVQUAL,(Parasuraman et al; 1985) offers five dimensions of service quality to be evaluated in any service setting; **reliability, responsiveness, assurance, empathy and tangibles**, responsiveness, assurance and empathy are more concerned with the service process. Customers judge the accuracy and dependability (i.e. reliability) of the derived service, but they judge the other dimensions as the service is being delivered. It was found that

although reliability is the most important dimension in meeting customer expectation, the process dimensions (especially assurance, responsiveness and empathy) are most important in exceeding customer expectations (Parasuraman et al; 1991). SERVQUAL assumes that customers can articulate both their expectations of the general characteristics of quality service and also their perceptions of actual service quality by a specific service provide. It is therefore important to observe customers insight of service quality. Reasons for service quality absence should be detected from that finally some measures should be detected from that and finally some measures should be taken to improve the quality of service by Zenithal et al; (1990,p.35).

Apart from worldwide view on customer satisfaction in transport sector, in Ethiopia many literatures are talking of customer satisfaction as a necessary condition for the success of any business. However, the fact that the topic of customer satisfaction is rich in literature, there is no one study in private transport sector was found.

Other empirical researchers Pitt et al. (1997); and Babakus and Boller (1992), also provide evidence that the performance- based measure is superior. Moreover, Zeithaml et al. (1993) also conceded that the performance-based measurement was more appropriate if the primary purpose of research was an attempt to explain the variance in a dependent construct. Alternatively, Parasuraman et al. (1988) proposed five service quality dimensions, namely, tangibles, reliability, responsiveness, assurance and empathy.

Marketing research measures customer satisfaction after a purchase, in this case after a service execution. Satisfaction can be described as the difference between consumer/passenger expectation and actual satisfaction (Shiau & Luo, 2012). Satisfaction with transport services can be influenced by the service quality that consists of many factors (De Ona, Eboli & Mazzulla, 2013). There is no competitive market with requirements in meeting passengers' needs. That is why operators can incline to focus on the needs of the owners of transport instead of the needs of the passengers. Therefore the view of the customer is often omitted whereas in economics and marketing this kind of view is widely studied (Mouwen, 2015). If the service quality is measured from the customers' perspective, the most important is the passengers' perceptions about the each factor characterizing the service. However it is not only important to know the

perceptions about the factors of quality, but the most important is to identify which factors have the highest influence on the global assessment of the service and which factors have the lowest influence on it. Nowadays asking customers to express their opinions about the importance of each service attribute is frequently used, but it can lead to the erroneous estimation, because some factors can be rated as important even though they have little influence on the overall satisfaction, or they are important only in one of the moments of the assessment (before or after thinking) (De Oña & Calvo, 2012; De Oña, Eboli & Mazzulla, 2013). Therefore it is recommended to use one of the derived methods, which determine the importance of the factors by statistically testing the strength of the relation of the individual factors with the overall satisfaction (Weinstein, 2000). In De Oña, Eboli and Mazzulla (2013) and also in Antonucci, L. et al. (2014) there was method of structural equation modeling applied in order to measure passengers' satisfaction with private transport services and in order to verify how much some service characteristics could influence the perceived quality. All these authors claim that factors affecting customer satisfaction with private city transport can be grouped into latent variables consisting service organization, safety and reliability, human resources and comfort and cleanliness.

## **CHAPTER THREE**

### **3.1 RESEARCH METHODOLOGY**

This chapter presents the description of the study area, research approach and design, sampling design and procedures, data type and source, methods of data collection, data analysis and target population of the study.

### **3.2 Description of the Study Area**

The study consists of all customers of Alliance Bus in Addis Ababa and its surroundings who used the enterprise's transport service in its four terminals (Piazza, Mexico, Legahar and megenagna ,etc).

All the terminals have homogeneous characteristics of services and customers and it is acceptable that different areas with similar features provide similar findings to the study (Aschalew Tsegaye, 2015). Hence, within the time and budget planned, the collection of data was focused to three of its terminals Piazza, Mexico and Legahar.

### **3.3 Research approach and design**

The study was conducted with the explanatory type of research method. This method has the power to describe the state of the problem raised and the cause and effect of the variables. The main aim of explanatory research is to identify any casual link between variables that is independent and dependent variables that pertains to research problem. Since the intention of the study was to evaluate the effect of service quality on the overall customer satisfaction of Alliance city Bus, using this type of research method is appropriate because it helped the researcher to conclude the effect that service quality has on the overall customer satisfaction in the ACBE.

### **3.4 Research Design**

In this explanatory research method, to measure the effect of service quality on the overall customer satisfaction of ACBE's customers, the SERVQUAL dimension was used. And also data collected from the respondents of the selected terminals was analyzed by using of frequency, mean; percentage and tables to offer valuable insight that holds general truth. The

survey of this study was designed as cross – sectional whereby data was collected from the terminals.

### **3.5 Population**

Target population of the study consists of all type of customers (who travels short, medium, and long distances in Addis Ababa and its surrounding by using this Alliance city bus enterprise, (Piazza ,mercato and Legahar).

### **3.6 Data type and source:**

Quantitative type of data was used and study was conducted by employing both primary and secondary source of data. Primary data was collected from customers and secondary data was collected from internet.

### **3.7 Data Collection approach**

The data collection tools used to gather primary data is questionnaires. Structured questionnaire was prepared and distributed to the respondents. And also internet was used to gather the secondary data about the enterprise.

### **3.8 Sampling Procedure**

Based on the data that collected from the respondents who use the terminal as an initial or destination point for their journey per a day, sample was selected. It is difficult to get correct number or to estimate close to exact number and knowing size of customers who start their journey from the terminals. By considering this difficulty and to carrying out a sampling program on a large scale in terms of practicability and economic feasibility, it is better to set up a modest program in which a special sampling is selected and defined (Mohammed Hussein, 2008 as cited by Zeritu Fikre, 2010). In line with this explanation, the researcher was tried to set up samples that represent most of the customers of selected terminals.

According to Kothari (2004) sampling design and procedures involves the decision to the type of sample and technique to be used in selecting the items for sample. However, due to limited time, the study was limited to a sample of 400 respondents. The non- probability sampling\convenience sampling (in which members of the target population is homogenous) was employed.

### **3.9 Population of Study**

The target population for the study was passengers from the identified terminals that mean the estimated daily average passengers from the identified terminals were taken as population for this study.

### **3.10 Data Collection Methods**

In order to assess the feelings of customers about Alliance City Bus transport service quality and their overall satisfaction, structured questionnaires were used and distributed to the respondents.

### **3.11 Ethical consideration**

Ethics are norms or standard of behavior that guide moral choices about our behavior and our relationships with others. The goal of ethics in research is to protect that one shall not be harmed or suffers by adverse consequences from the research activities. It will protect the behavior that guide morale of the respondents and the respondents were honored in this study. The deception, misrepresenting and other non-ethical behavior was avoided and the respondents were informed the purpose of the study. Right and obligation of the respondents had been properly protected in this study.

### **3.12 Data Reliability and Validity**

In order to determine the reliability and validity of the data collected the Cronbach's alpha test was conducted.

### **3.13 Data Analysis**

Both the descriptive and inferential analysis was employed since the former is statistically described, aggregate and present the construct of interest or association/correlation / between the constructs and the later is used to test hypothesis of test theory.

Data was analyzed using the SPSS version 20 by applying descriptive and inferential statistical instruments like mean, frequency, percentage, table, correlation, standard deviation, multicollinerity and multiple linear regressions.

Descriptive instrument was used to determine the gap scores. The Pearson correlation ( $r$ ) also was used to see the correlation between the five dimensions and overall satisfaction. Multiple linear regression analysis was used to see how much of the variation in overall satisfaction was explained by the service quality dimensions.

## **CHAPTER FOUR:**

### **RESULT AND DISCUSSION**

In this part of the paper, the researcher attempted to present the facts about the service delivery and customer satisfaction with the data collected from customers by using tools mentioned in the methodology part. The same data had been analyzed in Tabular forms. The first part of data discussion and analysis focused on customers' responses and then to customer satisfaction section.

#### **4.1 Demographic analysis of Respondents.**

Information which is relevant to the accomplishment of the study was collected through questionnaires from the passengers of the Enterprise. The facts about number of questionnaires distributed and returned presented hereunder.

The majority of questionnaires distributed were completed and returned to the researcher and the least numbers of the questionnaires were not returned to the researcher for different reasons. The first reason is that the researcher could not able to get the driver of the buses responsibly collected the questionnaires from the respondents and as the employees of the enterprise informed the researcher, certain numbers of the respondents returned the employees of the buses without complete the questionnaires because they arrived at their destination without finishing it. And 24% of the questionnaires left unreturned to the researcher but the major percent that is 76% is properly completed and returned to the researcher.

A total numbers of 400 questionnaires distributed, 304 (76%) of the questionnaires were completed and returned to the researcher and 24% of the questionnaires were left uncollected.

Table 4.1 Demographic analysis of Respondents

Items		Frequency	Percent
I. Sex	Male	132	43.9
	Female	169	56.1
	<b>Total</b>	<b>304</b>	<b>100</b>
II. Age	25 and below	63	20.9
	26-35	118	39.2
	36-45	41	13.6
	46 and above	79	26.2
	<b>Total</b>		
III. Educational level	up to 12	187	62.1
	Diploma	78	25.9
	Degree	33	11
	Above degree	3	1
	<b>Total</b>		
IV. occupation	Student	122	39.5
	Government official	90	29.9
	Private employee	50	16.6
	Self employee	42	14
	<b>Total</b>		

Source: Field Survey, 2017

As Table 4.1 shows, 56.1 % of the respondents were female and the rest 43.9% were male. It indicates that the majority of Alliance city bus passengers were females. More than thirty nine percent of the respondents were within the age groups of 25 and below (39.2%) and within the age of 46 and above. This means that the working age of the society used this transport service. The majority of the respondents' educational level is up to 12 grades (62.1%) and (25.9 %) of respondents were holder of diploma (certificate level of education). The majority of the passengers of the enterprise were those who do

private work (39.5%) followed by students since it holds 29.9% of the enterprise's customers. The researcher concluded that private employees and government officials were rarely traveled by this Alliance city bus (in this case, the private employees and government officials holds the least percent that is 14% and 16.6% respectively as shown on the above Table 4.2).

#### **4.2 Data Reliability and validity**

In order to determine the reliability of the data collected, the Cronbach's alpha test was conducted. As shown in Table 4.3 below, the value of the Cronbach's alpha for all the dimensions is above 0.7. The values of all the 22 variables of service quality dimension and of customer satisfactions are 0.814 and 0.726 respectively. The overall value of 0.812 indicates high internal consistency of the scale.

**Table 4.2 Cronbach`s Alpha of data reliability**

Dimension	Expectation	perception	No. of items
reliability	.771	.721	4
responsiveness	.812	.713	4
assurance	.713	.718	4
Tangibility	.731	.719	4
Empathy	.862	.706	4
All five dimension	.814	.726	20
Overall satisfaction	<b>0.812</b>		<b>28</b>

Source: Filed Survey,2017

### 4.3 multicollinerity and Normality

Table 4. 3 MultiCollinearity Analysis

Dimension	Variance Proportions						Tolerance	VIF
	(Const	reliability	Responsive	assurance	tangibility	empathy		
Reliability	.00	.00	.00	.00	0.00	0.00	0.652	1.534
	.01	.03	.00	.52	0.06	0.26		
	.10	.04	.97	.03	0.01	0.02		
	.08	.16	.00	.28	0.57	0.11		
Responsive	.09	.50	.01	.00	0.29	0.37	0.686	1.457
Assurance	.72	.26	.01	.16	0.6	0.14	0.616	1.623
							0.706	1.417

Source: Field Survey, 2017

Multicollinearity refers to the condition in which the independent/predictor variables are highly correlated. When independent variables are multicollinear, there is “overlap” or sharing of predictive power (Dillon, 1993). The VIF, which stands for variance inflation factor, is computed as “1/tolerance,” and it is suggested that predictor variables whose VIF values are greater than 10 may merit further investigation (Robert, 2006).

The multicollinearity in this study was checked using the Tolerance and VIF value. As it is showed in the table 4.3, all independent variables have a Tolerance value greater than 0.2 and a VIF value less than 10. So multicollinearity does not exist for the independent variables. It implies that results not mislead when determining how well each one of a number of individual independent variables can most effectively be utilized to predict or understand the dependent variable in a statistical model.

#### 4.3.1 Normality

According to Robert (2006), interpretation of normality is based on the absolute value of skewness and kurtosis and substantial non-normality is referred for absolute value of skewness larger than 2 and absolute value of kurtosis larger than 7. Thus, based on the above table the normality of the distribution is satisfied for this data.

**Table 4.4 descriptive Table of Normality**

Dimensions	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statis tic	Std. Error
Reliability	304	2.8937	1.05637	.273	.140	-.621	.279
Responsive Assurance	304	2.190	1.29615	.371	.141	-.737	.279
Tangibility Empathy	304	3.266	1.36174	.257	.140	-1.03	.279

Source: Own Source Field, 2017

As we can see from the above descriptive table 4.5, the mean value for all variables ranges from 2.19 to 4.19 and the smallest average was found in the responsiveness and the highest mean was observed in the empathy. This indicates that most of the respondents selected the satisfactory option and they selected very good option in the empathy dimension service quality. The standard deviation, on the other hand, is the measure of variability in data set where it ranges from 1.05 to 1.85 and it indicates that variability is less. Kurtosis and skewness are in between -2 and +, thus data is normally distributed and had a reasonable variance to use subsequent analysis (Kothari, 2004).

#### 4.4 Analysis of customer`s response to service quality parts

In this part of the paper, the data related with the study is presented and analyzed in detail. This section is further categorized into three broad proportions. These are general information related with customers` duration with the enterprise, purpose of using the bus and distance traveled by this bus, frequency, preference to use this bus.

**Table 4.5 Duration of the custom with ente**

Items	Frequency	Percent
Less Than 1 Year	96	31.9
1 Year	141	45.8
1-2 Years	54	17.9
3 Years	9	3.0
Greater Than 3 Years	4	1.3
Total	304	100

Source: Field survey, 2017

As it can be seen in Table 4.5 above, out of 400 respondents of customers 141(45.8%) of the respondents are within the range of one to one year, 96(31.9%) of them are within the range of less than one year, the rest of 54 (17.9%) of them are within the range of one to two years and the rest one was three years and greater than three years 9(3% and 4(1.3%) respectively. This

indicates that the majority of the respondents were became the customers of the Enterprise in the recent time that is one year and below one year. Thus, the larger numbers of these respondents are expected to have one year experience about the service delivery practice of the Enterprise and can measure performance of the Enterprise and their satisfaction level.

*Table 4.6 purpose of using the enterprise`s bus*

Items	Frequency	Percent
school	90	29.9
work	146	47.5
other places	68	22.6
Total	304	100

Source: Field Survey, 2017

As it can be seen in Table 4.6 shown above, the majority 146(47.5%) of the respondents used buses to go to work, 90(29.9%) used buses for the school and the rest 68(22.6%) are used for other personal affairs.

This indicates that the customers of the Alliance bus are used the bus to go to the work because among the 304 respondents, 146 were answered that use the buses to go to the work as table 4.6 indicates. In another words, the second large number of respondents are those used the buses to go school with it and the rest one is used the bus for different purpose.

Table 4.7 type of distance traveled customers travel from the bus stop

Items	Frequency	Percent	Mean
short distance( 300 -500M)	88	29.2	1.92
Medium distance(up to 1000M)	151	49.2	
long distance(greater than 1000m)	65	21.6	
<b>Total</b>	304	100	

Source: Field Survey,2017

Concerning the travelling distance mentioned in the Table 4.7 above, 151(49.2%) of the customers used buses to travel medium distance, 88(29.2%) of them used short distance and 65(21.6%) long distance. In this case, the enterprise should be give due concentration to the medium distance to assign buses in large quantity since the majority of the customers were those. For well-served urban areas it should be in the range of 300 to 500m from home to work place. Distance in excess of 500m may be acceptable in low- density area but the maximum should not exceed 1000m (Armstrong-Wright et al 1987). As the above table indicates, the mean value results in 1.92 mean that most of the respondents selected the medium distance option among the given options meaning that most of respondents travel medium distance from the bus stop.

Table 4.8 preference to use the enterprise`s bus

Items	Frequency	Percent	Mean
it is easily available	96	31.9	2.62
it provides fast transport service	37	12.3	
valid its price is cheap it is comfortable	155	49.5	
	19	6.3	

Source: Field Survey, 2017

For the question why they choose to use the buses 155(49.5%) of the respondents responded that they use the buses because of its fair price, 96(31.9%) of the respondents prefer it because of the buses were easily available. 37(12.3%) of the respondents uses the buses because it is fast compared to other and the 19(6.3%) of the respondents used the buses because it give comfort compared to other buses. This indicates that the majority of the passengers used this transport service because it provides fair price. As the above table 4.9 indicates, the mean values are 2.62 that have closeness to the 3 which represents the option it is cheap price. It is concluded that most of the passengers choose this transport because of its fair value.

*Table 4.9 Frequency to use the buses*

Items	Frequency	Percent	mean
7 times in a week	40	13.3	2.61
14 times in a week	91	30.2	
	121	38.2	
21 times in a week	55	18.3	
greater than 28 times in a week	304	100	

Source: Field survey, 2017

As shown in the above table 4.9, 121(38.2%) of the respondent responded that they used the buses 21 times in a week, 91(30.2%) of the respondents used the buses fourteen times in a week, 55(18.3%) of the respondents used the enterprise greater than 28 times in a week and the rest is 7 times in a week. This indicates that the majority of the respondents used the buses one times and above in a week.

*Table 4.10 waiting time of bus at its terminal*

Items	Frequency	Percent	Mean
5 to 10 minutes	101	33.6	
10 to 20 minutes	130	42.2	
valid above 20 minutes	73	24.2	
Total	304	100	2.3

Source: Filed Survey,2017

As shown in the above table 4.10, 130(42.2%) of the respondents answered that they waited up to 20 minutes for buses, 101(33.6%) respondents waited the buses up to 30 minutes and the rest 73(24.2%) waited the bus greater than 30 minutes on bus stops. This indicates that the buses stayed for a large number of times to arrive its stop place or bus stop. It is difficult to wait a transport for thirty minutes but the majority of the customers wait the bus for 20- 30 minutes at the bus stop as shown on the above table 4.10 and the 73(24.2%) of respondents said that they had waited the bus for greater than 30 minutes. This indicates that the majority of the customers dissatisfied from the service quality of the enterprises because the passengers wait the bus for a long time.

Waiting time: - is the time passengers have to wait at bus stop for buses. Longer waiting times indicate poor adequacy. In developing countries to achieve a reasonable level of service, the average waiting time should be in the average of 5 to 10 minutes, with a maximum waiting time of 10 to 20 minutes under the prevailing conditions (Armstrong- Wright et al 1987).

As this finding indicates the respondents wait the buses for ten minutes up to twenty minutes and some of them revealed that they wait above twenty minutes which is above the standard maximum waiting time set by Armstrong 1987.

Table 4.11 Distance passengers traveled to and from bus stop

Items	Frequency	Percent	Mean
100m-300m	96	31.9	
300m-500m	137	45.5	
500m-1000m	52	17.3	
Above 1000m	16	5.3	
Total	304	100	2.03

Source: Field survey, 2017

As table 4.11 shows, 140(45.5%) of the customers travels to and from bus stops 300M-500M, 96(31.9%) of the respondents replied that they traveled 100M-300M and the rest 52(17.3%) and 16(5.3%) them traveled 500M -1000M and above 1000M respectively. This shows that most of the customers spend excess time to and from bus stop to reach their homes. Traveling time: - is the total time spent to reach a destination from a given origin. It includes the walking time, waiting time, on vehicle time and walking to the destination. It should not be more than two to three hours per a day. Excessive journey time reflects inadequate bus supply or poor scheduling or routing (Armstrong-Wright et al 1987).

Table 4.12 Journey time of passengers.

Items	Frequency	Percent	Mean
Up to 30 minutes	96	31.9	
Up to an hour	140	45.5	
Up to One and half hours	52	17.3	
More than one and half hours	16	5.3	
Total	304	100	1.96

Source: Filed Survey, 2017

As the table 4.12 above indicates, majority of the respondents` journey time of work place to and from the bus stop is up to an hour. Out of 304 respondents, 140(45.5%) Of them answered that they journey to and from their work place. The second large numbers 96(31.9%) of the answered that they journey from their work place up to 30 minutes. 52(17.3%) of them responded that they journey up to one hours and thirty minutes. But some of them or 16(5.3%) answered that they journey greater than one and half hours. From this the researcher concluded that the majority of the respondents made their journey up to an hour and the least numbers of them were make their journey more than one hour and thirty minutes,

#### 4. 5 customer`s response to the Reliability dimension of SERVQUAL

**Table 4.13 provision of safe service to customers.**

Items	Frequency	Percent	Mean	St. deviation
Not good	95	31.6		
Satisfactory	137	44.5		
valid Good	58	19.3		
Very Good	14	4.7		
	304	100	2.05	0.871

Source: Filed Survey,2017

As can be seen from table 4.13 above, respondents rate each situation in the following way. Out of 301 respondents, 137 (44.5%) of them agree that there is no more consideration for safe service during travelling by buses because the majority of respondents were answered that the provision of safe service is satisfactory that is not satisfying them it means. 95 (31.6%) are agreed that the provision of safe service is not good. In other words, 58(19.3%) and 14 (4.7%) of the respondents answered that the safe service provision is good and very good respectively. And no one answered that safe service provision is excellent. And also as the mean and the standard deviation of table above shows, the mean value is 2.05 which are related to satisfactory option and thestandard deviation is o.871 that means the provision of safe service to customers is very low.

*Table 4.14 customer based service provision*

Items	Frequency	Percent	Mean
Not Good	84	27.9	
Satisfactory	158	51.5	
Good	53	17.6	
Very Good	9	3.0	
Total	304	100	
			2.04

Source: Filed Survey, 2017

As shown on the table 4.14 above, respondents rate each situation in the following way. Out of 304 respondents, 158 (51.5%) of them agree that there is no more consideration for customer based service provision during travelling by buses because the majority of respondents were answered that the provision of customer based service provision is satisfactory that is not satisfying them it means. 84 (27.9%) are agreed that the provision of customer based service is not good. In other words, 53(17.6%) and 9 (3%) of the respondents answered that the customer based service provision is good and very good respectively. And no one answered that customer based service provision is excellent. And also as the mean and the standard deviation of table above shows, the mean value is 2.04 which are related to satisfactory option.

Table 4.15 announcement of buses delay

Items	Frequency	Percent	Mean	St. deviation
Not Good	98	32.6		
Satisfactory	138	44.9		
Good	59	19.6		
Very Good	9	3.0		
	304	100	1.92	.799

Source: Filed Survey,2017

As shown on the table 4.15 above, respondents rate each situation in the following way. Out of 301 respondents, 135 (44.9%) of them agree that there is no one notice the passengers if the buses could not appear as usual because the majority of respondents were answered that the announcement of buses delay is satisfactory that is not satisfying them it means. 98 (32.6%) are agreed that the announcement of buses delay is not good. In other words, 59(19.6%) and 9 (3%) of the respondents answered that there is an announcement on the delay of buses are good and very good and no one answered that the announcement of buses delay is excellent. And as the mean and the standard deviation of table above shows, the mean value is 1.92 which is related to satisfactory option and the standard deviation is 0.799 that means the announcement of buses delay to customers is very low.

*Table 4.16 uniqueness of service*

Items	Frequency	Percent	Mean	St. deviation
Not Good	79	26.2		
	150	48.8		
	60	19.9		
	15	5.0		
	304	100	2.03	0.816

Source: Filed Survey,2017

Table 4.16 above shows that respondents rate each situation in the following way. Out of 301 respondents, 150(48.8%) of them answered that there is no more unique service provided by the enterprise because the majority of respondents were answered that the unique service of the enterprise is satisfactory that is not satisfying them it means. 79 (26.2%) are answered that the unique service provided by the enterprise is not good. In other words, the third large number of the respondents answered that the enterprise`s unique service is good and 15 (5%) of the respondents answered that the enterprise`s unique service is very good and no one answered that it is excellent.

In this reliability analysis, customers responded that they did not satisfy to service delivering of the Alliance city bus. So there is a positive relationship between service delivery and customer satisfaction or if service delivery declined also the customer satisfaction is decline. And as the mean and the standard deviation of table above shows, the mean value is 2.03 which are related to satisfactory option and the standard deviation is 0.816 that means the uniqueness of the enterprise`s buses low.

**4.6 customer`s response on the Responsive dimension of the service quality**

In this below analysis of service quality dimension, the employees failed to satisfy customers because the respondents answered that provision of goods service is poor and employee`s willingness to help passengers is not good. So the hypothesis developed is realized by this conclusion that as service quality decline also customer satisfaction is decline and there is a positive relationship between the two.

***Table 4.17 provision good service.***

Items	Frequency	Percent	Mean	St. deviation
Not Good	73	24.3		
Satisfactory	158	51.5		
Good	65	21.6		
Very Good	8	2.7		
valid	304	100	2.03	0.751

Source: Field Survey,2017

As shown on the table 4.17 above, Out of 304 respondents, 158(51.5%) of them answered that the provision of good service is not satisfying because the majority of respondents were answered that the good service provision is satisfactory that is not satisfying them it means. 73 (24.3%) are responded that the service provision system of the enterprise is not good. In other words, 65(21.6%) and 8 (2.7%) of the respondents answered that the service provision system of the enterprise are good and very good and no one answered that it is excellent. The mean and the standard deviation of table above shows, the mean value is 2.03 which are related to satisfactory option and the standard deviation is 0.751 that means provision of good service still very low as other parameters the above checked.

*Table 4.18 employee's willingness.*

Items	Frequency	Percent	Mean	St. deviation
Not Good	90	29.9		
Satisfactory	129	41.9		
valid Good	66	21.9		
Very Good	19	6.3		
	304	100	2.03	0.751

Source: Field Survey,2017

Table 4.18 above shows that Out of 304 respondents, 129 (41.9%) of them answered that employees are not so willingness because the majority of respondents were answered that the enterprise`s employees willingness is satisfactory that it is not satisfying them it means. 90 (29.9%) are answered that the enterprise`s employee willingness to help customer is not good. In other words, the third large number of the respondents answered that the enterprise`s employees` willingness to help customers is good and 19(6.3%) of the respondents answered that the enterprise`s willingness to help customers is very good and no one answered that it is excellent. This indicates that the employees are not cooperative and they do not give due consideration to the customers. But not all employees are considered to be uncooperative because among the 304 of the respondents

66 of them answered that the employees are good in willingness to help customers. The mean and the standard deviation of table above shows, the mean value is 2.03 which are related to satisfactory option and the standard deviation is 0.751 that means willingness of employees still very low as other parameters the above checked.

**Table 4.19 information about bus appearance time**

Items	Frequency	Percent	Mean	St. deviation
Not Good	89	29.6		
Satisfactory	126	40.9		
Good	69	22.9		
	20	6.6		
	304	100	2.04	0.880

Source: Field Survey,2017

Table 4.19 above shows that Out of 304 respondents, 126 (40.9%) of them answered that the frequent time of bus appearance at the bus stop is not very known because the majority of respondents were answered that the bus`s frequent appearing time is satisfactory that it is not satisfying them it means. 89 (29.6%) are answered that the buses` frequent time information is not good. In other words, the third large number of the respondents answered that the enterprise`s information about the bus frequent appearance time is good and 20 (6.6%) of the respondents answered that the enterprise`s information is very good and no one answered that it is excellent. This indicates that most of the enterprise`s customers do not know the frequent appearance time of the buses and only the smallest number of the customers is familiar with the frequent appearing time of the buses. So the researcher had recommended the enterprise about this situation in the next chapter. The mean and the standard deviation of table above shows, the mean value is 2.04 which are related to satisfactory option and the standard deviation is 0.880 that means provision of information about the appearance of buses still very low as other parameterstheabovechecked.

Table 4.20 response to customer

Items	Frequency	Percent	Mean	St. deviation
Not Good	77	25.6		
Satisfactory	150	48.8		
valid Good	69	22.9		
Very Good	8	2.7		
	304	100	2.06	0.886

Source: Field Survey,2017

As shown on the table 4.20 above, Out of 304 respondents, 150 (48.8%) of them answered that the employees `customer response is so not satisfying because the majority of respondents were answered that the response to customers is satisfactory that is not satisfying them does mean. 77 (25.6%) are responded that response to customers is not good. In other words, 69(22.9%) and 8 (2.7%) of the respondents answered that the response to customers are good and very good and no one answered that it is excellent. The researcher concluded that customers of the enterprises are not achieving good response for their request as the result of the study indicates. A very few respondent answered that the employee`s response to customers is very good.

**4.7 customer`s response to the Assurance dimension of SERVQUAL**

Table 4.21 the employees respectful and politeness.

Items	Frequency	Percent	Mean	St. deviation
Not Good	77	25.6		
Satisfactory	141	45.8		
valid Good	70	23.3		
Very Good	16	5.3		
	304	100	2.02	0.770

Source:FieldSurvey,2017

Out of 304 respondents, 141 (45.8%) of them answered that the employees politeness and respectfulness is not so satisfying because the majority of respondents were answered that the employees respect and politeness is satisfactory that it is not satisfying them does mean. 77 (25.6%) are responded that employees politeness and respectful is not good. In other words, 70(23.3%) and 16 (5.3%) of the respondents answered that there is a politeness and respect for customers are good and very good and no one answered that it is excellent.

*Table 4.22 the ability of the staff to install confidence and trust in the company.*

Items	Frequency	Percent	Mean	St. deviation
Not Good	86	28.6		
Satisfactory	123	39.9		
valid Good	75	24.9		
Very Good	20	6.6		
	304	100	2.08	0.835

Source: Field Survey,2017

Out of 304 respondents, 123 (39.9%) of them answered that the employees confidence is not so satisfying because the majority of respondents were answered that the staff's confidence is satisfactory that it is not satisfying them does mean. 86 (28.6%) are responded that the staff's ability to install confidence is not good. In other way, 75(24.9%) and 20 (6.6%) of the respondents answered that the staff's ability to install confidence is good and very good and no one answered that it is excellent. This indicates that the staff its self has no enough confidence to render the service the customers demand from the enterprise. As the study implies the major part of the respondents answered that the staffs have no good confidence in the company. Another study may expose in the future that why the staffs lose confidence to serve customers heart fully.

Table 4.23 employees service ability

Items	Frequency	Percent	Mean	St. deviation
Not Good	98	32.6		
Satisfactory	114	36.9		
valid Good	81	26.9		
Very Good	11	3.7		
	304	100	2.01	0.835

Source: Field Survey,2017

As shown on the table 4.23 above, Out of 304 respondents, 114 (36.9%) of them answered that the employees service related knowledge is not so satisfying because the majority of respondents were answered that the service delivering knowledge of employee is satisfactory that is not satisfying them does mean. 98 (32.6%) are responded that the employee`s service knowledge is not good. In other words, 81(26.9%) and 11 (3.7%) of the respondents answered that the employees` service related knowledge is good and very good and no one answered that it is excellent. The researcher concluded that employees of the enterprises have no good knowledge of service delivering system. The service delivering system of the enterprise is not satisfying the customers as the majority of the respondents were answered that the knowhow of the employees to give the full-service to its customers.

Table 4.24 the employee's confidence in supporting customers

Items	Frequency	Percent	Mean	St. deviation
Not Good	74	24.6		
Satisfactory	142	45.8		
valid Good	76	25.3		
Very Good	12	4.3		
	304	100	2.09	0.807

Source: Field Survey, 2017

Out of 304 respondents, 142 (39.9%) of them answered that the employees confidence in supporting customers is not so satisfying because the majority of respondents were

answered that the employees confidence in supporting customers is satisfactory that it is not satisfying them does mean. 76 (25.3%) of them responded that the employees` confidence in supporting customers is not good. In other way, and also the third large numbers of the respondents answered that the employee`s confidence in supporting customer is not good. At the end the remaining one the answered that the staff`s confidence in supporting customer is very good and no one answered that it is excellent. This indicates that the employees have no confidence to support customers that means the customers of the enterprise is not satisfying from the service delivering system of the Alliance city bus.

The hypothesis says that the trust and confidence (assurance) of employees positively affect customer satisfaction in the service delivery is realized by the response of customer on the assurance section of the service quality dimension because most of the respondents answered that as the service level is poor and satisfactory which means they did not satisfy from the service delivery.

**4.8 customer`s response to the Tangibility dimensions of SERVQUAL**

***Table 4.25 the physical facilities, equipment, and the appearance of staff***

Items	Frequency	Percent	Mean	St. deviation
Not Good	86	28.6		
Satisfactory	138	44.9		
valid Good	62	20.6		
Very Good	18	6.0		
	304	100	2.04	0.853

Source: Field Survey, 2017

As shown on the table 4.25 above, Out of 304 respondents, 138 (44.9%) of them answered that the physical, equipment and appearance of the staff is not so satisfying because the majority of respondents were answered that the service physical, equipment and physical appearance of the staff is satisfactory that it is not enough to satisfy customers. 86 (28.6%) are responded that the physical appearance and equipments of the enterprise`s buses s not good. In other words, 62(20.6%) and 18 (6%) of the respondents answered that the

physical, equipment and appearance of the staff is good and very good and no one answered that it is excellent. The researcher concluded that the appearance of the staff and the bus is not so attractive or not appealing. But the not least number of respondents answered that the physical, equipment and appearance of the staff is good and they believed that is enough to appeal the customers to travel by this transport.

Table 4.26 the buses`s seat

Items	Frequency	Percent	Mean
Not Good	87	28.9	2.03
	137	44.5	
	63	20.9	
	17	5.6	
	304	100	

Source: Field survey, 2017

As shown on the table 4.26 above, Out of 304 respondents, 137 (44.5%) of them answered that the buses` seat decoration, modern and Appealingness is not so satisfying because the majority of respondents were answered that the buses` seat decoration, moderns and Appealingness is satisfactory that it is not enough to satisfy customers. 87 (28.9%) are responded that the buses` seat decoration, modernism and Appealingness is not good. In other words, 63(20.9%) and 17 (5.6%) of the respondents answered that the buses` seat decoration, modernism and Appealingness is good and very good and no one answered that it is excellent. The researcher concluded that the Alliance city buses` seat is not decorated, not the modernized and is not so attractive or not appealing. But the not least number of respondents answered that the buses` seat is decorated, modernized and appealing in compared to other enterprises` buses and they believed that it is enough to appeal the customers to be traveled by. The mean value of above table indicates that the buses seat it is no so attractive and comfortable because the majority of customers responded that it is satisfactory.

Table 4.27 Employee's neatness and carrying of professional *attitude*.

Items	Frequency	Percent	Mean	St. deviation
Not Good	86	28.6		
Satisfactory	128	41.5		
Valid Good	76	25.2		
Very Good	14	4.7		
	304	100	2.06	0.846

Source: Field Survey, 2017

Out of 304 respondents, 128 (41.5%) of them answered that the employees` neatness and carrying of professional is not so satisfying because the majority of respondents were answered that the employees` neatness and carrying of professional attitude is satisfactory that it is not satisfying them does mean. 86(28.6%) of them responded that the employees` carrying of neatness and professional attitude is not good. In other way, the third large numbers of the respondents that is 76(25.2%) answered that the employees` carrying of neatness and professional attitude is good and 14(4.7%) answered that it is very good. But no one answered that it is excellent. This indicates that most of the employees of the enterprise do not show the professional attitude and have no good neatness to attract customers. The mean and the standard deviation of table above shows, the mean value is 2.06 which are related to satisfactory option and the standard deviation is 0.846 that means employees professionalism and appearance is still very low.

**Table 4.28 information in the buses**

items	Frequency	Percent	Mean	St. deviation
Not Good	74	24.6		
Satisfactory	146	47.5		
valid Good	65	21.6		
Very Good	19	6.3		
	304	100	2.10	0.849

Source : Field source, 2017

As shown on the table 4.28 above, Out of 304 respondents, 146 (47.5%) of them answered that as there is no adequate information in the buses because the majority of respondents were answered that the adequate information in the buses is satisfactory that it is not enough to satisfy customers. 74 (24.6%) are responded that the information in the buses is not good that means the staff of the enterprise do not give information to its customers for example the existence of the robbers in the bus and also calling of the buses stop to remind those who arrived their destination. In other words, 65(21.6% and 19 (6.3%) of the respondents answered that the physical, equipment and appearance of the staff is good and very good and no one answered that it is excellent. The researcher concluded that the staff of the enterprise does not give information to its customers for example the existence of the robbers in the bus and also calling of the buses stop terminal to remind those who arrived at their destination. The mean and the standard deviation of table above shows, the mean value is 2.10 which are related to satisfactory option and the standard deviation is 0.849

#### 4.9 customer`s response to the empathy dimensions of service quality

Table 4.29 the Ability of the staff to provide Service

Items	Frequency	Percent	Mean	St. deviation
Not Good	86	28.6		
Satisfactory	132	42.9		
	70	23.3		
Valid Good	16	5.3		
	301	100.0	1.95	0.788

Source: Field Survey,2017

As shown on the table 4.29 above, Out of 304 respondents, 132 (42.9%) of them answered that the staff to provide and take concern for the customers is not so satisfying because the majority of respondents were answered that the ability of the staff and concern they have for customers is satisfactory that it is not enough to satisfy customers.

86 (28.6%) are responded that the employees` ability to provide service and concern for the customers is not good. In other words, 70(23.3%) and 16 (5.3%) of the respondents answered that the staff`s ability to provide service and concern for the customers is good and very good and no one answered that it is excellent. The researcher concluded that the enterprises` staffs have no enough ability to render service for their customers. But not the least number of respondents answered that the enterprises staffs have a good ability to give service to their customers. The mean and the standard deviation of table above indicates that the mean value is 1.95 which are related to not good option means that the ability of the staff to deliver service is very low and the standard deviation deviates to weak ability of the staffs.

Table 4.30 cares given to customers

Items	Frequency	Percent	Mean	St. deviation
Valid				
Not Good	73	24.3		
Satisfactory	148	48.2		
Good	67	22.3		
Very Good	15	5.0		
Excellent	1	.3		
Total	304	100.0	2.07	0.746

Source: Field Survey,2017

Out of 304 respondents, 148 (48.2 %) of them answered that the staffs` care their customers is not so satisfying because the majority of respondents were answered that the employees care to the customer is satisfactory that means it is not satisfying them. 73(24.3%) of them responded that the employees care to the customers is not good. In other way, the third large numbers of the respondents that is 67 (22.3%) answered that the employees` caring to their customers is good and 15(5.0%) answered that it is very good. But no one answered that it is excellent. This indicates that most of the employees of the enterprise do not give to their customers. The researcher conclude that customers need to get care but the employees of the enterprise is failed to full fill the interest of the customers as the study indicates. The mean and the standard deviation of table above indicates that the mean value is 2.07 which are related to satisfactory option means that the care given to customers is not satisfying and the standard deviation is 0.746 that means the care given to passengers is weak.

*Table 4.31 the Employees` Commitment to Serve Customers.*

Items	Frequency	Percent	Mean	St. deviation
Not Good	80	26.6		
Satisfactory	128	41.5		
Good	72	23.9		
Very Good	24	8.0		
Total	304	100	2.05	0.774

Source: Field Survey, 2017

Out of 304 respondents, 128 (41.5%) of them answered that the employees` commitment to serve customer is not so satisfying because the majority of respondents were answered that the employees` commitment to serve customers is satisfactory that means it is not satisfying them. 80(26.6%) of them responded that the employees` commitment to serve their customers is not good. In other way, the third large numbers of the respondents that is 72(23.9%) answered that the employees` commitment to serve their customer is good and 24(8%) answered that it is very good. But no one answered that it is excellent. This indicates that most of the employees of the enterprise do not have commitment to serve the customers heart fully.

#### 4.10 Analyses of the responses on the customer satisfaction.

**Table 4.32 summary of Pearson correlation analysis**

Dimensions		reliability	responsiveness	assurance	tangibility	empathy	Customer satisfaction
Reliability	Pearson Correlation Sig. (2-tailed) N	0.456					
responsiveness	Pearson Correlation Sig. (2-tailed) N	.456** .000 304	1				
assurance	Pearson Correlation Sig. (2-tailed) N	.395** .000 304	.437** .000 304	1			
tangibility	Pearson Correlation Sig. (2-tailed) N	.471** .000 304	.470** .000 304	.470** .000 300	1		
empathy	Pearson Correlation Sig. (2-tailed) N	.392** .000 304	.401** .000 304	.371** .000 304	.375** .000 304	1	
customer satisfaction	Pearson Correlation Sig. (2-tailed) N	.471** .000 304	.413** .000 304	.340** .000 304	.457** .000 304	.390** .000 304	1

In order to see the relationship between the perceived service quality and overall satisfaction a Pearson product-moment correlation analysis was made.

As per the general principle suggested by Cronk (2008), correlation values less than 0.3 are considered weak, correlations between 0.3 and 0.7 are considered moderate, and correlations greater than 0.7 are considered strong as the closer it gets to 1 the stronger it becomes and the closer it gets to zero the weaker it is.

As shown in table 4.14 above, all the values of the Pearson correlation (r) were found to be significant at  $p < 0.01$  showing a reliable relationship. However, the strength of the correlation for most of the variables was found to be moderate. The moderate relationship was registered between reliability and tangibility at r value of 0.47

There was a moderate correlation between overall satisfaction and all the dimensions with r value ranging from .340 to .471. The highest score was with reliability and tangibility dimensions which indicate that both of them have a stronger positive correlation with overall satisfaction compared to the other four variables. Hence, suggesting improving on the reliability item will improve the satisfaction level of customers and that all the service quality dimensions have positive effect on the customer satisfaction. That means if service quality increase customer satisfaction also increased and the reverse is true.

**Table 4.33 Regression analysis result per dimension**

Model	Un standardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	6.160	.918		6.709	.000
reliability	.256	.112	.179	3.211	.062
responsiveness	.240	.101	.143	2.367	.059
assurance	.114	.095	.070	1.199	.232
tangibility	.369	.104	.220	3.560	.342
empathy	.241	.075	.137	2.297	.213

Source: Field Survey, 2017

a. Dependent Variable: customer satisfaction

In order to see the relevance of the five dimensions in affecting customer satisfaction, a regression analysis was made by taking the perceived service qualities of the five dimensions as independent variable and overall satisfaction as dependant variable. The results summarized in table 4.33 above show that tangibility and empathy are the only two important factors affecting overall satisfaction at significance level  $P < 0.05$ , which is in tandem with the correlation analysis. Tangibility has the highest Beta (.220) and t value (3.56) score followed by empathy with Beta (.179) and t value (3.211).

*Table 4.34 Model Summary of the multiple regression analysis*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig.F Change
1	.556 <sup>a</sup>	.309	.297	3.23592	.309	26.157	5	293	0.00

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

The summary of the linear regression model (Table 4.34) shows, 30.9% of the variation in overall satisfaction is explained by the model with a significance level  $P < 0.01$  hence, indicating the importance of service quality for overall customer satisfaction. . And the other 61.9% was another factor that affects the customer satisfaction of the enterprise.

#### 4.11 Gap Analysis

**Table 4.35 summary of expectation, perception and mean Gap**

Dimensions	Expectation(E)		Perception(P)			Gap score P-E
	Mea n (E)	SD	Mea n	SD	Mea n	SD
Tangibility	4.19	0.59	3.68	0.66	-0.45	0.82
Reliability	4.12	0.54	3.51	0.68	-0.60	0.75
Responsiveness	4.18	0.6	3.63	0.73	-0.55	0.74
Assurance	4.15	0.60	3.78	0.70	-0.35	0.67
empathy	4.13	0.61	3.59	0.80	-0.54	0.96
Total mean score	4.15	0.71	0.64	- 0.54	4.18	0.53

Source: Field Survey, 2017

There is a negative gap score of mean for the whole dimensions of service quality. The Gap model of service quality is one of the prominent models that were developed in order to evaluate service quality. Parasuraman et al. (1985) defined five gaps. The first four gaps are associated to the marketer or provider of the service leading to the fifth gap which is the measure of service equality from the customer perspective.

Table 4.35 summarizes the mean expectation and perception scores of the five dimensions and the Gap scores. The highest mean score for expectation was registered for responsiveness (4.18) while tangibility (3.19) has the highest mean score for perception. Reliability has the lowest mean scores both for expectation (4.12) and perception (3.51) but with the highest Gap score (-0.60) indicating that the highest service quality issue for the transport sector is related to reliability. The second biggest gap was found to be for responsiveness (-0.55) which goes hand with the high expectation. All the dimensions have negative Gap score indicating a quality concern in all aspects. The overall gap score (-0.54) shows that service quality of the Alliance city bus had fallen short of customers' expectations. In this case the hypothesis realized that the service quality dimensions have the positive effect on the customer satisfaction. In this gap analysis, level of customer expectation holds the highest position while customer's perception is in negative position through whole dimensions of service quality.

#### **4. 12 Hypothesis Result**

This study was aimed to examine the relationship between service quality and customer satisfaction in the Alliance City Bus Enterprise where SERVQUAL dimension like reliability, tangibility, assurance, empathy and responsiveness were selected as the independent variables affect the relationship between service quality and customer satisfaction.

H1. There is a positive and significance relationship between assurance and customer satisfaction.

The study finding by regression analysis in the table 4.37 above shows that there is a positive relationship between assurance and customer satisfaction and the hypothesis was accepted. As per the general principle suggested by Cronk (2008), correlation values less than 0.3 are considered weak, correlations between 0.3 and 0.7 are considered moderate, and correlations greater than 0.7 are considered strong as the closer it gets to 1 the stronger it becomes and the closer it gets to zero the weaker it is.

**H2:** There is a positive and significance relationship between responsiveness and customer satisfaction in the enterprise. As the study finding on the above table 4.33 shows there is a positive relationship between responsiveness and customer satisfaction which is above the standard value of the correlation. The analysis was under taken by using of the linear regression analysis. H3. There is a positive and significance relationship between tangibility and customer satisfaction in the ACBE. That means the physical appearance, the adequate information in the buses, the buses' seat decoration and modernity and appeal of the employees has a positive effect on the satisfaction of passengers as the above 4.33 table indicates.

The data was analyzed by regression analysis and the hypothesis is in the range of correlation acceptance.

**H4:** There is a positive and significance relationship between reliability and customer satisfaction in the enterprise. As the above table 4.33 indicates there is a positive relationship between reliability of service quality and customer satisfaction. That means Provision of service based on customer demand, uniqueness of the enterprises service than other transport service, the driver`s apologizes customer if there is delay of buses are all that affect the relationship between service quality and customer satisfaction in the ACBE.

H5: There is a positive and significance relationship between empathy and customer satisfaction in the service provision of ACBE.

Like that of other dimensions, empathy also has a positive relationship with customer satisfaction in the ACBE. The table above 4.33 indicates that the customer satisfaction and empathy has a positive relationship that means the ability of the staff to provide and caring service to customers, the employee's commitment to serve customers and employees value and respect their customers is The employees care for customer's specific need has a positive relationship over the customers satisfaction in the Alliance city bus enterprise.

### 4.13 Mean Score of overall Customer Satisfaction

Overall customer satisfaction was measured at 5 point liker scale; 5- excellent, 4-very good, 3- good, 2- satisfactory and 1 -not good.

Table 4. 36 overall level of satisfaction

item	N	Minimu m	Maximu m	Mean	Std. Deviation
The overall level of satisfaction.	301	1	4	2.07	.832
	301				

The mean scores given by the 304 respondents as shown in Table 4.38 above is 2.07, which is below the average and shows that customers are not satisfied with the service they got from the enterprise. This indicates that the customers are not satisfying with service provision activities of the Alliance city bus because the mean values of overall satisfaction of customers is below the average value of the me study findings indicates the employees of the enterprise has no a good knowledge of service provision.

### 4. 14 DISCUSSION

As the study finding indicates from Table 4.2, 56.1 % of the respondents were female and the rest 43.9% were male. It indicates that the majority of Alliance city bus passengers were females. More than thirty nine percent of the respondents were within the age groups of 25 and below (39.2%) and within the age of 46 and above. This means that the working age of the society used this transport service. The majority of the respondents` educational level is up to 12 grades (62.1%) and (25.9 %) of respondents were holder of diploma (certificate level of education). The majority of the passengers of the enterprise were those who do private work (39.5%) followed by students since it holds 29.9% of the enterprise`s customers. The researcher concluded that private employees and government officials were rarely traveled by this Alliance city bus (in this case, the private employees and government officials holds the least percent that is 14% and 16.6% respectively as shown on the Table 4.2).

The majority of the respondents were became the customers of the Enterprise in the recent time that is one year and below one year. Thus, the larger numbers of these respondents are expected to have one year experience about the service delivery practice of the Enterprise and can measure performance of the Enterprise and their satisfaction level as table 4.6 indicates.

The passengers of the Alliance bus are used the bus to go to the work because among the 304 respondents, 146 were answered that use the buses to go to the work as table 4.7 indicates. In another words, the second large number of respondents are those used the buses to go school with it and the rest one is used the bus for different purpose Table 4.7). As the table 4.13 indicates, majority of the respondents` journey time of work place to and from the bus stop is up to an hour.

Out of the 304 of respondents, 140(45.5%) they journey medium distance to and from their work place. The second large numbers 96(31.9%) of the answered that they journey from their work place up to 30 minutes. 52(17.3%) of them responded that they journey up to one hours and thirty minutes. But some of them or 16(5.3%) answered that they journey greater than one and half hours. From this the researcher concluded that the majority of the respondents made their journey up to an hour and the least numbers of them were make their journey more than one hour and thirty minutes.

Concerning the travelling distance mentioned in the Table 4.8, 151(49.2%) of the customers used buses to travel medium distance, 88(29.2%) of them used short distance and 65(21.6%) long distance. In this case, the enterprise should be give due concentration to the medium distance to assign buses in large quantity since the majority of the customers were those For well-served urban areas it should be in the range of 300 to 500m from home to work place. Distance in excess of 500m may be acceptable in low- density area but the maximum should not exceed 1000m.

Customers responded that they did not satisfy to service delivering of the Alliance city bus. So there is a positive relationship between service delivery and customer satisfaction or if service delivery declined also the customer satisfaction is decline. The majority of the respondents used the buses one times and above in a week (table 4. 10). It is difficult to wait a transport for thirty minutes but the majority of the customers wait the bus for

20- 30 minutes at the bus stop as shown on the above table 4.12 and the 73(24.2%) of respondents said that they waited the bus for greater than 30 minutes. This indicates that the

majority of the customers dissatisfied from the service quality of the enterprises because the passengers wait the bus for a long time (table 4.11).

As the study finding implies, employees of the enterprises have no enough good knowledge of service delivering system. The service delivering system of the enterprise is not satisfying the customers as the majority of the respondents were answered that the knowhow of the employees to give the full-service is satisfactory.

The highest mean score for expectation was registered for responsiveness (4.18) while tangibility (3.19) has the highest mean score for perception. Reliability has the lowest mean scores both for expectation (4.12) and perception (3.51) but with the highest Gap score (-0.60) indicating that the highest service quality issue for the transport sector is related to reliability.

The second biggest gap was found to be for responsiveness (-0.55) which goes hand with the high expectation. All the dimensions have negative Gap score indicating a quality concern in all aspects. The overall gap score (-0.54) shows that performance of the Alliance city bus had fallen short of customers' expectations. In this case the hypothesis realized that the service quality dimensions have the positive effect on the customer satisfaction. Tangibility and empathy are the only two important factors affecting overall satisfaction at significance level  $P < 0.05$ , which is in tandem with the correlation analysis. Tangibility has the highest Beta (.220) and t value (3.56) score followed by empathy with Beta (.179) and t value (3.211) as table 4.36 indicates.

The SERVQUAL dimension of the service quality are positively affect the customer satisfaction as the below hypothesis explained it briefly.

The mean values and the standard deviation of the SERVQUAL dimensions mostly 1.95 up to 2.10 and 0.746 to 0.886 respectively, that means the service delivery of the enterprise is satisfactory and weak respectively

## CHAPTER FIVE

### 5. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Summary of the findings

The main aim of this study was to investigate the relationship between service quality and customers satisfaction in the Alliance city Bus transport service.

The research questions that raised in this study includes, Is there a relationship between service quality and customer satisfaction in the Alliance City Bus, What is the response of customers about the service quality of Alliance city bus? Are passengers satisfied from service delivery of ACBE? What is the gap between level of satisfaction and level of perception in the ACBE? Do the ACBE employees have enough service delivering knowledge?

Since the main establishment of the Alliance city bus enterprise was to hold passengers to travel from place to place, customers or passengers were taken in to consideration for the accomplishment of the study. The SERVQUAL dimensions were used to measure the relationship between service quality and customer satisfaction. A survey questionnaire was used to collect data which was later analyzed through descriptive and inferential statistics.

The data collected from 304 respondents showed that the service quality of Alliance city bus fell short of customers' satisfaction in all the five dimensions, hence indicating those customers are not perceiving the service that holds its standards. However, when the overall customer satisfaction was assessed, it was found out that customers are slightly satisfied which shows service quality is not the only factor that determines customer satisfaction. About 47.5% customers used the buses to go to work and the remaining customers used to travel or personal affairs and to go to school. They traveled all type of distances and 49.5% of them prefer to travel by buses because of its cheapness or because of its fair price. Even if customers feel safe from accident during journey, the Enterprise doesn't provide time table of the buses appearance, and mostly it does not announce to customers about the service delay ahead of time.

The majority of customers answered that employees of the Enterprise have no willingness to help them and provide good service.

so they are not satisfied in employees' response because they don't tell them the exact arrival time of buses and there is also lack of patience to respond customers' request. Substantial number of customers believes that employees do not understand what customers needs from them regarding with the service and also there is no information exchanged between employees and customers.

The assurance dimension of the service quality is the number one in terms of having a lowest point of standardized coefficient.

The analysis made to see the relationship between service quality dimensions and overall customer satisfaction showed that the model as a whole explains 30.9% of the variation in customer satisfaction. However, only three dimensions namely tangibility, reliability and empathy are found to be the relevant factors of the relationship. The rest two namely: Assurance and responsiveness are not significant in influencing customer satisfaction as the study indicated.

## **5.2 conclusions**

Alliance city bus is one of the privately owned Enterprise which serves the low income group residents of Addis Ababa and its surrounding. As study indicates the majority of the respondents used the enterprises service because of its fair price. According to the findings of the study, most of its customers used the buses to go to work. The Enterprise has a service quality problem with every dimension of the service quality.

As the data collected from 304 respondents indicates the service quality of Alliance city bus fell short of customers' satisfaction in most of the five dimensions, hence indicating those customers are not perceiving the service that holds its standards.

Simultaneously, majority of customers are not satisfied with the process of service provision and the overall service quality of the Enterprise also rated below the average mean. There was a moderate correlation between overall satisfaction and all the dimensions with r value raging from .340 to .471. The highest score was with reliability dimension

which indicates that reliability has a stronger positive correlation with overall satisfaction compared to the other four variables. The employees of the enterprise have no a heart full commitment to support customers and they do not value to their customers. The staffs of the enterprise do not respect their customers. In relations to provision of information, the staff of the enterprise does not give information to its customer's even information like the existence of the robbers in the bus and calling the name of the bus stops terminals to remind those arrived at their destination. The buses seat is not comfortable and has no neatness to sit on it. The majority of the enterprises` employees have no a good knowledge of giving service. Another one is that the customers wait buses for a long period of time at buses stops and at its terminals but such like weak service provision kills the customer satisfaction and reduce confidence of the public trust of the enterprise.

Most of the issues are lying with reliability, tangibility and empathy and the enterprise should strongly focus to this part of service quality dimensions. Hence, managers and owners of the enterprise need to work on educating and training employees about service provision and dealing with customers in the areas of customer handling, service knowledge, and good industry practices. Customer satisfaction and service quality has a strong relationship as this study because if the service quality declines in the same case the customer satisfaction also declines. As the finding indicates, the 30.9% of customer satisfaction was affected by the five service delivery dimensions and the rest 69.1 was by another factor as the table 4.36 in the chapter four indicates.

### **5.3 Recommendation**

Customers are becoming more and more informed and demanding. Hence, for a sustainable development of the enterprise, the provision of quality service is an issues that has no another option. Generally, this study recommended as follows:

- The enterprise should give more consideration to the service delivering process of its staff
- Staff of the enterprise should give consideration to their customers

- Employee's appearance should be attractive and good facial expression- The passengers should get information about the thieves and other thing while traveling by the transport. Keeping customers informed is one of the ways to satisfy customers by making them informed about any things may affect them positively or negatively.
- Staff of the enterprise should focus to delivery of service quality.
- Employees of the enterprise should give value for their customers.
- Drivers and employees of the enterprise should apologies passengers if there is any delay
- The enterprise should give service delivering and customer handling training to its employees
- The enterprise should have to increase its capacity and reach every routes of the city to increase its accessibility.

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## **Appendix**

**Addis Ababa University**

**College of School of Commerce**

**MA Program in marketing management**

**(Questionnaire to be filled by Customers)**

Dear respondents,

I am a student of Marketing Management, Masters Program at Addis Ababa University School of commerce. The purpose of this questionnaire is to collect data for the study entitled “The service quality and Customer satisfaction in the case of Alliance Bus PLC”. The aim of the study is to investigate the relationship between service quality and customer satisfaction in the transport sector in the case of Alliance Bus PLC.

Your genuineness and timely response is vital for the success of the study.

The researcher wants to underline that *the data collected are kept confidential and used only for academic purpose. No respondent will be identified by his name or position.* Thank you, in advance for your kind cooperation and timely response.

Sincerely,

The researcher.

### **General instructions.**

- ✓ It is not necessary to write your name

✓ To indicate the option you selected put “√” mark in the circle provided. Part I. Demographic Information

1. Sex: Male  Female

2. Age:  25 and below  26-35  36-45  46 and above

3. Educational level:  up to grade 12  diploma  degree  above degree

4. Occupations:  Student  Government official

Private Employee  self employed

## Part II: service quality

1. For how long have you been a customer of the enterprise?

Less than 1 year  1 year  2 years  3 years  greater than 3 years

2. For what purpose do you use the transport service of the buses? To go to:

School  Work  other places

3. Based on the type of distance, which type of distance do you traveled?

Short distance  Medium distance  Long distance

4. How many times do you traveled by this transport?

One up to 7 times in a week

Up to 28 times in a week

Up to 14 times in a week

More than 28 times in a week.

5. Why do you choose to use bus transport? Because,

It is easily available

• It provides fast transport service

It is cheap price

It is comfortable

Other reasons, if any

6. How long do you walk to and from bus stops?

100m-300m

300m-500m

500m-1000m

above 1000m

7. How long do you wait at bus stop to get buses?

5-10min

10-20min

above 20 min

8. How long do you spend for a journey on buses to and from work place?

Up to 30 minutes

up to an hour

up to one and half

greater 1-30 hrs.

**How do you rate service quality in the enterprise related to the following service quality dimensions?**

1= Not good    2= Satisfactory    3= Good    4= Very Good    5= Excellent

<b>Factors used for assessment</b>	1	2	3	4	5
<b>Reliability</b>					
1. The buses provision of safe services? (Free from car accident, having competent drivers, security against crimes and others)					
2. Provision of service based on customer demand.					
3. The driver`s apologizes customer if there is delay of buses.					
4. Uniqueness of the enterprises service than other transport service.					
<b>Responsiveness</b>					
1. Employees provision of good services.					
2. Employees willingness to help customers/performance of employee.					
3. The employees inform the customer the time of bus appearance.					
4. the employees readiness to respond to customers enquiries					
<b>Assurance</b>					
1. The ability of the staff to install confidence and trust in the company					
2. The employees respectful and politeness.					
3. The employees adequate service knowledge.					
4. The employee`s confidence in supporting customers.					
<b>Tangibility</b>					
1. The physical facilities, equipment, and the appearance of the staff					
2. The buses` seat decoration`s modern and appeal.					
3. The employees are neat, clean and carry professional attitude is					
4. The adequate information in the bus is					
<b>Empathy</b>					
1. The ability of the staff to provide and caring service to customers					
2. The employees care for customer`s specific need is					
3. The employees value and respect their customers is					
4. The employee`s commitment to serve customers.					

**How do you rate the satisfaction you get from the enterprise? Please select the numbers represent your expectation and your perception from both side of the**

1= poor    2= Satisfactory    3= Good    4= Very Good    5= Excellent

Factors used for assessment	Lev					Level					of
	expectation					perception					
	1	2	3	4	5	1	2	3	4	5	
1. The buses provision of safe services? (Free from car accident, having competent drivers security against crimes and others)											
2. Provision of service based on customer demand.											
3. The driver`s apologizes customer if there is delay of buses.											
4. Uniqueness of the enterprises service than other transport service.											
5. Employees provision of good services.											
6. Employees willingness to help customers											
7.The employees inform the customer the time of bus appearance.											
8. the employees readiness to respond to customers enquiries											
9.The ability of the staff to install confidence and trust in the company											
10. The employees respectful and politeness.											
11. The employees adequate service knowledge.											
12. The employee`s confidence in supporting customers.											
13. The physical facilities, equipment, and the appearance of the staff											
14. The buses` seat decoration`s modern and appeal.											
15. The employees are neat, clean and carry professional attitude											
16.The adequate information in the bus											
17. The ability of the staff to provide and caring service to customers											
18. The employees care for customer`s specific need											
19.The employees value and respect their customers											
20. The employee`s commitment to serve customers.											

አዲስ አበባ ዩኒቨርሲቲ ንግድ ሥራ  
ትምህርት ቤት  
ማርኬቲንግ ማኔጅመንት ማስተርስ ኻሮግራም

/በደንበኞች የሚሞላ መጠይቅ/

ውድ ተጠያቂዎች

እኔ በአዲስ አበባ ዩኒቨርሲቲ ንግድ ሥራ ትምህርት ቤት የማርኬቲንግ ማኔጅመንት ሁለተኛ ዲግሪ /ማስተርስ/ተማሪ ነኝ። የዚህ መጠይቅ ምክንያት “የአሊያንስ አውቶብስ ኃ/የተ/የግ/ማህበር ደንበኞች እርካታ እና የአገልግሎት ጥራት” በተባለ ርዕስ ለሚቀርብ ጥናታዊ ጽሁፍ መረጃ ለመስጠት ነው።

የጥናቱ አላማ በትራንስፖርቱ ዘርፍ የአገልግሎት ጥራትና የደንበኛ እርካታ ያላቸውን ግንኙነት በአሊያንስ አውቶብስ ኃ/የተ/የግ/ማህበር ለማየት ነው። የርሶ ትክክለኛ ሰዓቱን የጠበቀ ምላሽ ለጥናቱ መሳካት አስተዋጽኦ ያደርጋል።

የሚሰበሰበው መረጃ በሚስጥር የሚያዝና ለጥናቱ ዓላማ ብቻ የሚውል መሆኑን እንዲሁም መጠይቁን የሚሞሉ ሰዎች ተለይተው እንደማይታወቁ እንገልጻለን።

ስለ ትብብርና በሰዓቱ ስለሞሉልን በቅድሚያ እናመሰግናለን። ጥናት

አድራጊው

አጠቃላይ መምሪያ

✓ ስምዎን መፃፍ አስፈላጊ አይደለም

✓ በተቀመጠው ሳጥን ውስጥ ምርጫዎችን ለማሳወቅ “√” ምልክት ያድርጉ-ክፍል 1 የግል መረጃ

- 1. ጾታ  ሴት  ወንድ
- 2. እድሜ 25 እናቀዳሽ በታች  26-35  36-45  46 እናቀዳሽ በላይ
- 3. የትምህርት ደረጃ እስከ  ዲግሎም  ዲግሪ  ከዲግሪ በላይ
- 4. ሥራ ተመራ  የመጀመሪያ ሰራተኛ  የግል ተቀጣሪ  የራስ ስራ ክፍል 2

የአገልግሎት ጥራት

- 1. ለተቋሙ ለምን ያህል ጊዜ ደንበኛ ነዎት?
  - ከ1 ዓመት ያነሰ  ከ1 ዓመት በላይ  1-2 ዓመት  3 ዓመት  ከ3 ዓመት በላይ
- 2. ትራንስፖርቱን የምትጠቀመው የትለመሄድ ነው?
  - ትምህርት ቤት  ሥራ  ሌላ በታ
- 3. ከምትጓዘው ርቀት አንጻር የምትጓዘው ምን ያህል ርቀት ነው?
  - አጭር ርቀት  ከ300- 500  መካከለኛ ርቀት/እስከ1000ሜ  ረጅም ርቀት ከ1000 ሜ በላይ
- 4. ምን ያህል ጊዜ የዚህ ትራንስፖርት አገልግሎት ተገዝዋል?
  - ከ1-7 ጊዜ በሳምንት  በሳምንት 14 ጊዜ  በሳምንት ከ28 ጊዜ በላይ
- 5. ይህን የአውቶብስ ትራንስፖርት ለምን መጠቀም መረጡ? ምክንያቱስ?
  - በቀላሉ የሚገኝ በመሆኑ
  - ፈጣን የትራንስፖርት አገልግሎት ስለሚሰጥ
  - ዋጋው ተመጣጣኝ
  - ስለሆነ ምቹ ስለሆነ
- 6. ከአውቶብስ ፊርማታው እና ወደ ፊርማታው ሲሄዱ ምን ያህል ይጓዛሉ?
  - 100ሜ-300ሜ  300ሜ-500ሜ  500ሜ-1000ሜ  1000ሜ በላይ
- 7. አውቶብሱን ለማግኘት ምን ያህል ጊዜ ይጠብቃሉ?
  - እስከ 20 ደቂቃ  እስከ 30 ደቂቃ  ከ30 ደቂቃ በላይ
- 8. በአውቶብስ ሲጓዙ ከስራ እና ከአውቶብስ መቆሚያ ምን ያህል ጊዜ ያጠፋሉ?
  - እስከ 30 ደቂቃ  እስከ አንዲት ሰዓት  1-30 ደቂቃ  ከ1ተኩል ሰዓት በላይ

የአገልግሎቱን ጥራት በሚቀጥሉት መስፈርቶች ተጠቅመህ እንዴት ትለከዋለህ

1ኛ ጥሩ አይደለም    2ኛ አጥጋቢ    3ኛ ጥሩ    4ኛ በጣም ጥሩ    5ኛ እጅግ በጣም ጥሩ

የዳሰሳ ጥናት መለኪያዎች	1	2	3	4	5
<b>ተአማኒነት</b>					
1. አውቶብሱ ከደህንነት እይታ (ከመኪና አደጋ ነፃ፣ ተወዳዳሪ ሽፌሮች መኖር፣ ከወንጀልና ለሌሎችም የተጠበቀ መሆኑን)					
2. አውቶብሱ ከደንበኛ ፍላጎት አንፃር ሲታይ					
3. በሹፌሩ ለሚፈጠሩ መዘግየቶች ይቅርታ ይጠይቃል					
4. ከሌሎች ተመሳሳይ የትራንስፖርት ሰጪ ድርጅቶች ጋር ሲነፃፀር <i>የልጡ የታለየ ኦገልግሎት</i>					
<b>ፈጣን ምላሽ ሰጪነት</b>					
1. የሰራተኞቹ መልካም አገልግሎት ሰጪነት					
2. ሰራተኞቹ ደንበኞችን ለመርዳት ያላቸው ፍቃደኝነት					
3. ሰራተኞች ለደንበኞቻቸው የአውቶብሱ መድረሻ ሰዓት ጥቆማ					
4. የሰራተኞች ለአገልግሎት ፈላጊዎች ምላሽ ለመስጠት ያላቸው <i>ዝግጅት</i>					
<b>እርግጠኝነት</b>					
1. ሠራተኞች በድርጅቱ ላይ ያላቸው መተማመንና እምነት					

2. የሰራተኞች ትህትና እና ሰዎችን የማክበር ሁኔታ					
3. የሰራተኞችን የአገልግሎት አሰጣጥ እውቀት					
4. የሰራተኞች ተገልጋይን በሚረዱበት ጊዜ ያላቸው በራስ መተማመን					
<b>ተጨማሪ</b>					
1. የእቃዎችና የሰራተኞች የግል ሁኔታ አቀራረብ፣ አለባበስ					
2. ያውቀው ማንኛውም ዘመናዊነት እና ማራኪነት					
3. የሰራተኞች ፅዳት፣ ንፅህና እና የሙያ ስነምግባር					
4. በአውቶብሱ ውስጥ አስፈላጊው መረጃ ስለመኖሩ					
<b>አዘነታ</b>					
1. የሰራተኞች ለደንበኛው እንክብካቤ በማድረግና አገልግሎት የመስጠት					
<b>ችሎታ</b>					
2. የሰራተኞች ለደንበኞች የተለዩ ፍላጎቶች ምላሽ የመስጠት ችሎታ					
3. የሰራተኞች ደንበኞችን የማክበርና ዋጋ የመስጠት ችሎታ					

**ክፍል ሦስት፡ የደንበኞች እርካታ**

**1. ከድርጅቱ ባገኘኋቸውን እርካታ እንዴት ትለካለህ**

ጥሩ አይደለም

በጣም ጥሩ

አጥጋቢ

እጅግ በጣም ጥሩ

ጥሩ

**2. በአውቶብስ ውስጥ መቀመጫ የመገኘት ሁኔታ**

ጥሩ አይደለም

ጥሩ

አጥጋቢ

በጣም ጥሩ

እጅግ በጣም ጥሩ

3. የአውቶብሱ ምቹትና የውስጥ የአየር ሁኔታ

ጥሩ አይደለም

አጥጋቢ አይደለም

ጥሩ ነው

በጣም ጥሩ

እጅግ በጣም ጥሩ

4. የሹፌሩ ወይም የሰራተኞች ጠባይና ሰዎችን የመርዳት ሁኔታ

ጥሩ አይደለም

አጥጋቢ

ጥሩ

በጣም ጥሩ

እጅግ በጣም ጥሩ

5. አውቶብሱ የሚሄድበትን መንገድና የሚደርስበትን ሰዓት መረጃ በቀላሉ የማግኘት ሁኔታ

ጥሩ አይደለም

አጥጋቢ

ጥሩ

በጣም ጥሩ

እጅግ በጣም ጥሩ

6. በአውቶብሱ ለመጓዝ ያለውን አመቺነት

ጥሩ አይደለም

አጥጋቢ

ጥሩ

በጣም ጥሩ

እጅግ በጣም ጥሩ

7. ሹፌሩ ወይም ሌላው ሰራተኛ ደንበኞችን የሚያስተናግዱበት ሁኔታ

ጥሩ አይደለም

አጥጋቢ

ጥሩ

በጣም

እጅግ በጣም ጥሩ

ከድርጅቱ የሚያገኙትን የእርካታ ደረጃና የሚጠብቁትን ደረጃ ከዚህ በታች የተዘረዘረውን መለኪያ ተጠቅመው ይምረጡ።።

1ኛ አነስተኛ 2ኛ አጥጋቢ 3ኛ ጥሩ 4ኛ በጣም ጥሩ 5ኛ እጅግ በጣም ጥሩ

መስፈርቶች	የሚጠበቅ እርካታ					የተገኘ እርካታ				
	1	2	3	4	5	1	2	3	4	5
1. አውቶብሱ ከደህንነት እይታ (ከመኪና አደጋ ነፃ፣ ተወዳዳሪ ሽፌሮች መኖር፣ ከወንጀልና ሌሎችም የተጠበቁ መሆኑን)										
2. አውቶብሱ ከደንበኛ ፍላጎት አንፃር ሲታይ										
3. በሽፌሩ ለሚፈጠሩ መዘግየቶች ይቅርታ ይጠይቃል										
4. ከሌሎች ተመሳሳይ የትራንስፖርት ሰጪ ድርጅቶች ጋር ሲነፃፀር ያለው የተለየ አገልግሎት										
5. የሰራተኞቹ መልካም አገልግሎት ሰጪነት										
6. ሰራተኞቹ ደንበኞችን ለመርዳት ያላቸው ፍቃድኝነት										
7. ሰራተኞች ለደንበኞቻቸው የአውቶብሱ መድረሻ ሠዓት ጥቆማ										
8. የሰራተኞች ለአገልግሎት ፈላጊዎች ምላሽ ለመስጠት ይረዳቸዋል										
9. ሠራተኞች በድርጅቱ ላይ ያላቸው መተማመንና እምነት										
10. የሰራተኞች ትህትና እና ሰዎችን የማክበር ሁኔታ										

11. የሰራተኞችን የአገልግሎት አሰጣጥ እውቀት										
12. የሰራተኞች ተገልጋይን በሚረዱበት ጊዜ ያላቸው በራስ መተማመን										
13. የእቃዎችና የሰራተኞች የግል ሁኔታ አቀራረብ፣ ክልላት										
14. ያውቁብሱ ማንጫዎች ዘመናዊነት እና ማራኪነት										
15. የሰራተኞች ፅዳት፣ ንፅህና እና የሙያ ስነምግባር										
16. በአውቁብሱ ውስጥ አስፈላጊው መረጃ ስለመኖሩ										
17. የሰራተኞች ለደንበኛው እንክብካቤ በማድረግና አገልግሎት የመስጠት ችሎታ										
18. የሰራተኞች ለደንበኞች የተለዩ ፍላጎቶች ምላሽ የመስጠት ችሎታ										
19. የሰራተኞች ደንበኞችን የማክበርና ዋጋ የመስጠት ችሎታ										
20. የሰራተኞች ደንበኛውን ለማገልገል ያላቸው										

**8. በአጠቃላይ በድርጅቱ አገልግሎት ያሉት እርካታ ተገገፈሽኝ**

- ጥሩ አይደለም      ጥሩ  እጅግ በጣም ጥሩ
- አጥጋቢ  በጣም ጥሩ

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