An Assessment of Service Delivery Quality in Relation to Customer Satisfaction in Industrial Projects Service

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LIST OF ABBREVIATIONS/ACRONOYMS

IPS	Industrial Projects Service
SPSS	Software Package for Social Science
NGO	Non Government Organization
SD	Standard Deviation
$\bar{x}$	Mean
E	Customers' Expectation
P	Customers' Perception
P-E	Customers' Perception - Customers' Expectation

Abstract

The Industrial Project Service is a consultancy firm with a capacity to render a wide range of professional consultancy services. Currently the organization is observing signs of customers' dissatisfaction with the service delivery. Thus, understanding customers' satisfaction level and identifying drawbacks are found to be necessary. This project is focused on service quality and customer satisfaction. The objective of the study is to assess and analyze service quality and customer satisfaction, and propose improvement for better service delivery. A quantitative method of analysis was employed. Since this study dwelled upon those customers who have been actively getting IPS service in the last 5 years, a total of 50 customers were taken as a target population. A structured questionnaire was used as an instrument for data collection. Descriptive statistics of means and standard deviations, and mean of customers' expectation and perception gap analysis methodologies were used. This study indicated that in most service quality dimensions the performance of the Industrial Projects Service was below customers' expectation. Majority of customers' expressed that they were not satisfied with the service delivery of the Industrial Project Service. Customers also suggested that in order to improve the service delivery, proper reform should be done on service quality and those observed weaknesses especially on staff and study report areas.

Key words: Service Quality, Customer Satisfaction, Customers' Expectation, Customers' Perception, SERVQUAL, Process Quality, Hard Quality, Soft Quality and Outcome Quality

CHAPTER ONE

INTORDUCTION

1.1 Industrial Projects Service Profile

Industrial Projects Service (IPS) is a public enterprise that provides multi-disciplinary consultancy services in development planning and business undertakings. Established in 1982, IPS is an autonomous consultancy house and well established firm with a capacity to render a wide range of professional consultancy services vital for national development planning and delivering innovative solutions to business challenges.

From project identification to project preparation and implementation, IPS organizes its consultancy services to ensure effective utilization of resources and the maximum possible efficient operation. Its operational mechanism has been tailored in such a way that comprehensive consultancy services are provided to governmental, non-governmental and private firms with high standard of professionalism.

IPS offers comprehensive multi-disciplinary consultancy services to industrial, agro-industrial and mining projects. Its services are not limited to planning, engineering and project implementation of new ventures but also include evaluation, rehabilitation/expansion studies of existing ones with emphasis on cost reduction, production increase, stream-lined organizational set-up and improved work efficiency. IPS activities generally focus on Technology, Engineering and Business Management Solution Consultancy, Sectoral, Pre-feasibility and Feasibility Studies, Implementation, Organization and Management studies, Asset and Business Valuations, and Total Quality Management Consultancy, and Training areas of specialized services.

The organization has a professional staff with multi-disciplinary specialization in mechanical, electrical, chemical, and civil and industrial engineering as well as economics, finance, marketing, organization and human resources, law, and scientific/technical writing.

To complement the professional staff, IPS has established a working relationship with qualified individual specialists from various universities, industrial and other institutions as well as with a number of national consultancy firms. It has also made arrangements for back-stop services with recognized foreign consultancy houses.

IPS has equipped facilities which provide comprehensive computer data storage and processing, engineering design and drafting, reprography (copying and duplicating) as well as a specialized library which houses, among others, scientific and technical books, documents and computer facilities.

1.2 Background of the study

In this highly competitive era, organizations have to work excellently and proficiently. Ensuring perfect handling of every activity has becoming the motto of many companies. Nevertheless, only those who deliver service that meet the demand of customer and create customer satisfaction become successful and survive in business. Kotler (2012) explained that a smart company creates a high level of employee satisfaction, which leads to higher effort, which leads to higher-quality products and services, which creates higher customer satisfaction, which leads to more repeated business, which leads to higher growth and profits, which leads to high stakeholder satisfaction, which leads to more investment, and so on. Thus, customer satisfaction increasingly becomes a key factor and element of a business strategy.

There are many definitions about Customer satisfaction. The most popular definition of customer satisfaction is that it is a comparison of customer expectations with perception regarding actual service encounter (Huffman & Bateson, 2001).

Various authors have written about determinant factor of customer satisfaction. Although there are debates among them, most of the authors explained that quality is major factor in satisfying customer. Kotler (2012) affirmed this assumption by stating "higher levels of quality result in higher levels of customer satisfaction, which support higher prices and (often) lower costs. Quality is clearly the key to value creation and customer satisfaction. Business companies should always assess the quality of their service. They should also work on in identifying the level of customer satisfaction, how quality affects their customers, how can they address problems and manage customer service.

In determining quality of service and customer satisfaction, identifying what to measure and applying appropriate measurement tools are important. Opinions differ with regard to which concept to measure. However, Gilmore (2003) explained that the comparison of customers' expectations with their perceptions of a service became a major focus of attention in measurement of service quality from the early 1980s until the present day. With regard to measurement tools, Gilmore (2003) also showed the most frequently used methods for

measuring and assessing service quality. SERVQUAL is one of these methods which is designed by Parasuraman *et al.* (1988). It measures customer satisfaction in terms of the relationship between expectations and outcomes. If the outcome matches expectations, then the customer is satisfied. If expectations exceed the outcome, then customer dissatisfaction is indicated. If the outcome exceeds expectations, then customer 'delight' may be the result.

1.3 Statement of the Problem

IPS is a consultancy firm with a capacity to render a wide range of professional consultancy services vital for national development planning and delivering innovative solutions to business and technology challenges. From project identification to project preparation and implementation, IPS organizes its consultancy services to ensure an effective utilization of resources and the maximum possible efficient operation. Thus, it has served as a national leader for the last twenty five years.

However, currently the organization is facing fierce competition from other consultancy firms. Specially, in its core service areas Project Feasibility, Asset and Business Valuation and Organization and Management studies competitors like WAAS International Consultant, SAB Business Management and Development Consultancy Plc, Notion International Business and Development Consultant, Mudai Business and Development Consultant, ETAB Business and Development Consultant, Mikir Sira Plc, Wamemu Agri-Development Consultant and Loyya Consultant are winning the customers mind and challenging IPS. Many customers are shifting to these competitors. Some loyal and long time customers are also demonstrating their dissatisfaction in the service delivery. Managers and experts of the organization have been observing and getting feedbacks from customers informally that the quality of the service is declining as compared to its previous time. Thus, management of the organization is desirous to know the customer satisfaction level and the reason for customer dissatisfaction.

1.4 Objective of the study

1.4.1 General Objective

The general objective of the project is to assess and analyze service quality and customer satisfaction, and propose improvement for better service delivery in Industrial Project Service.

1.4.2 Specific Objective

The specific objectives are:

1. To assess customers' expectations and perceptions in the service delivered
2. To measure the level of service quality
3. To measure customer satisfaction in service delivery and
4. To suggest advice for service delivery improvement.

1.5 Research Questions of the Study

1. What are the customers' expectations and perceptions in the service delivered?
2. What is the level of the service quality?
3. What is the level of customer satisfaction in service delivery?
4. What improvements should be done in service delivery?

1.6 Scope of the Study

At present, IPS is delivering service in Technology, Engineering and Business Management Solution Consultancy, Sectoral, Pre-Feasibility and Feasibility Studies, Implementation, Organization and Management studies, Asset and Business Valuations, and Total Quality Management Consultancy, and Training areas of specialized services. However, due to the nature and demand of service, and benefit that generates from, IPS has already identified and highly engaged in three core business area services. Thus, this project study focuses on these three core business area service delivery of the Industrial Projects Service, namely Project Feasibility, Asset and Business Valuation, and Organization and Management Studies. The scope includes assessing and analyzing service quality and customer satisfaction, and suggesting improvement of the above service deliveries.

1.7 Limitation of the Study

The limitation of this study was time and access to information. The time allocated for this study was very short. It didn't enable to gather data from all previous customers. The other constraint was accessing appropriate data. It was hard to get proper informant from all the customers of Industrial Projects Service.

1.8 Significant of the study

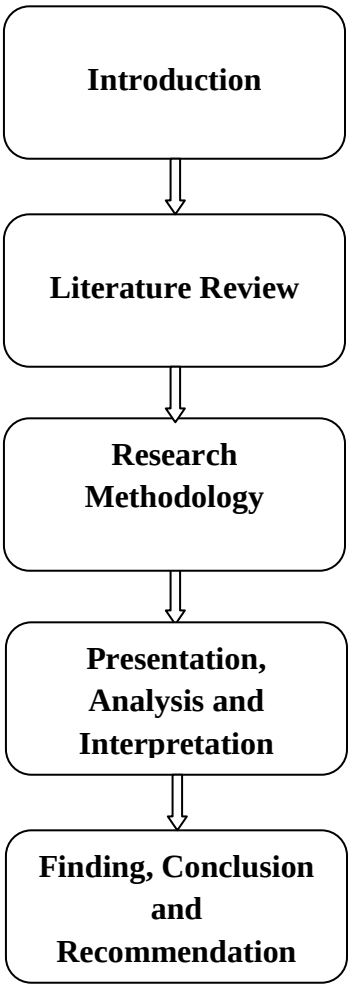
The output of this study uncovers the real problems that exist in the Industrial Project Service in the area of customer satisfaction and service quality. Based on the recommendations forwarded, the organization is able to improve its service delivery standards and competency in this highly competitive environment.

Furthermore, the result of this project serves as empirical evidence for those who deal research and study about customer satisfaction in the area of professional consultancy service.

1.9 Organization of the Study

This project study is organized in five chapters. In the first chapter the introduction of the study is presented. Review of literature and research methodology with all its components are explained in chapter two and three, respectively. Then in the fourth chapter, presentation, analysis, and interpretation including discussion are addressed. Finally in the fifth chapter and findings, conclusion and recommendation for future action and improvement is suggested. The organization of the study is shown in figure 1.1.

Figure 1.1 Organization of the study



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter relevant literature in service quality, customer satisfaction, relationship between service quality and customer satisfaction, and measuring service quality and customer satisfaction is reviewed.

2.2 What is Service?

Service can be explained in different forms. It is a day to day practice of human being. It can be visiting barber and visiting doctor, trip to hotel, religious service, counseling, etc. In their service definition, Lovelock & Wright (1999) explained that there are two approaches that capture the essence of the word.

- A service is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of Production.
- Services are economic activities that create value and provide benefits for customers at specific times and places, as a result of bringing about a desired change in or on behalf of the recipient of the service.

Service has different characteristics. Mudie & Pirrie (2006) in their book explained that service has four key characteristics. These are intangibility, perishability, variability (or heterogeneity) and inseparability.

2.3 Consultancy Service

Consultancy service is a process of offering specialized expertise to the clients, which may be businesses or individuals. Different firms offers different types of advice, and although there are many types of firms. Bell & Nadler (1979) stated that consultancy is fundamentally the act of helping. It is the provision of information or help by a professional helper (consultant) to

help-needing person or system (client) in the context of voluntary, temporary relationship which is mutually advantageous.

In consultancy service there are two parties which are the consultant and the client. Consultant is the person who, because of competence, experience, status, reputation, or a combination of these, is deemed by the client to be capable of providing needed information or help (Bell & Nadler, 1979). Consultant is the one who have developed an acknowledged expertise in a specific area and he typically operates outside an organization's hierarchy (Lant, 1982). Client is the one who receive the consultancy service. Client is an organization mostly affected by the consultation (Bell & Nadler, 1979).

2.4 Customer satisfaction

Customer satisfaction is an indicator of how far a firm satisfies its customers. In other word it is the ability of an organization to satisfy customers. Customer satisfaction is a short-term emotional reaction to a specific service performance (Lovelock & Wright, 1999). Although a variety of alternative definitions exist, the most popular definition of customer satisfaction is that it is a comparison of customer expectations with perceptions regarding the actual service encounter (Hoffman and Bateson, 2001).

Kotler (2003) a distinguished professional in marketing research noted in his book, if customer satisfaction starts slipping, then market share erosion will soon follow. The higher the customer satisfaction, the higher the retention will be. To support his idea he has stated the following four facts:

- Acquiring new customers can cost 5 to 10 times more than the costs involved in satisfying and retaining current customers.
- The average company loses between 10 and 30 percent of its customers each year.
- A 5 percent reduction in the customer defection rate can increase profits by 25 to 85 percent, depending on the industry.
- The customer profit rate tends to increase over the life of the retained customer.

Kotler (2003) further suggested that companies need to monitor and improve the level of customer satisfaction. Thus, customer satisfaction is a very important factor that determines the organizations' survival.

2.5 Service Quality

Many authors have studied about service quality. They have defined service quality as their own understanding and studies. Shahin (1999) defined service quality as the difference between customer expectations of service and perceived service. Service quality is degree of discrepancy between customers' normative expectation for service and their perceptions of service performance (Parasuraman et al., 1985). Ueltschy L. et al. (2006) by quoting the seminal work of Gro¨nroos (1982, p. 37) explained that service quality as "the outcome of an evaluation process where the consumer compares his expectations with the service he perceived or he has received."

In some service giving organization like Barbary, Professional Consultancy, Restaurant and other, customers focus on two issues when evaluating service that has been delivered. These are the service deliver activity and the outcome (product) of the service. Regarding this issue as quoted by Pollack (2009) European school of thought maintains that consumers judge the quality of services on two broad aspects: technical quality (service outcome quality) and functional quality (service process quality). Technical quality refers to how well the core service meets the customers' expectations and functional quality refers to the impact of the interaction process or how the service production and delivery process itself is perceived (Gro¨nroos, 1984).

Szmigin (1993) focused on service business clients' expectations of quality. She proposed a classification that includes three aspects of quality. The three elements of the classification scheme were defined as "hard", "soft", and "outcome" quality. "Hard" and "soft" quality refers to Gro¨nroos' (1984) concepts of technical quality and functional quality. Technical quality can often be assessed in an objective manner, as any technical dimension of a product might be, whereas functional quality is perceived in a much more subjective way. "Outcome" quality refers to customers' overall satisfaction with the relationship. In view of these facts, it

is logical to treat the service quality of consultancy service in two phases: service delivery process (soft and hard process quality) and outcome (product) quality phases.

2.6 Service Quality and Customer Satisfaction

Munusamy et al. (2010) in thier study explained that customer satisfaction and service quality are inter-related. Product and service quality, customer satisfaction, and company profitability are intimately connected (Kotler, 2012).

During the last decade, researchers have attempted to explain and predict similarities and differences between service quality and customer satisfaction in order to deepen our understanding of these constructs (Dabholkar and Overby, 2005). They have stated the relationship differently. Some of the researches explained that satisfaction is a function of service quality. Others challenged this assumption. There are also authors who considered that both satisfaction and quality are the same and measure the same things. Fornell (1992) found that, as a general psychological phenomenon, satisfaction is primarily a function of a customer's quality experience with a product or service.

Dabholkar & Overby (2005) explained that several researchers (e.g. Anderson and Sullivan, 1993; Cronin et al., 2000; Dabholkar et al., 2000; Ennew and Binks, 1999; Spreng and Mackoy, 1996) have found empirical support for customer satisfaction as a consequence of service quality. Mizenur et al. (2011) affirmed this assumption by noting Service quality is an approach to manage business processes in order to ensure full satisfaction of the customers which will help to increase competitiveness and effectiveness of the industry. Thus, in this research it is taken the assumption that service quality is the driver of customer satisfaction and as a building block of the framework.

2.7 Measuring Customer Satisfaction

It has been said that service quality is the driving force of customer satisfaction. Researchers have written about the relationship that exists between the two concepts (service quality and customer satisfaction) by supporting the above assumption. Many of these researchers also stated service quality and customer satisfaction have positive relationship. Higher level of

quality results in higher level of customer a satisfaction, which support higher prices and (often) lower costs (Kotler, 2012). Sonne (1999) noted that it is expected that the greater the perceived quality, the higher the level of customer satisfaction. Service quality is considered as a vehicle to increase value for the consumer and ensure consumer satisfaction (Sivadas & Baker-Prewitt, 2000).

In service delivery organization like consultancy there is additional factor that matter the satisfaction of the customer. This is outcome quality. Outcome quality is what the customer is left with when the service production process has ended. For example, a client of a consultant firm is left with a report or an organizational scheme, a restaurant customer is left with a meal, and an airline passenger has been transported to his point of origin (Sonne, 1999). As quoted by Buttle (1996), Richard and Allaway (1993) have tested an augmented SERVQUAL (Parasuraman et al., 1988) model which they claim incorporates both process and outcome components, and concluded that process-and-outcome is a better predictor of consumer choice than process, or outcome, alone.

2.8 Measuring Service Quality

Service quality is viewed as a multi-dimensional concept. Consumers assess and evaluate a number of factors or dimensions. The fifth gap, in the Gaps Model of Service Quality gave rise to SERVQUAL, a self-administered questionnaire purported to be a generic measure of service quality (Parasuraman et al., 1988). Many literature and research have been using this method as standardized instrument in various settings with only minor modification.

2.8.1 SERVQUAL

The fifth Gap-the difference between customers' perceptions of what a service should deliver and how well that service meets expectations is the conceptual basis for SERVQUAL. Parasuraman *et al.* (1988) designed SERVQUAL as a generic instrument that could be slightly modified for use in any particular service industry. It is the most widely used method in assessing service quality. It includes five dimensions tangible, reliability, responsiveness, assurance, and empathy. Within each dimensions several items are measured. In order to evaluate service quality, a pair of statement about each factor that a service provider delivers

is prepared. The first set of statements measures the customer's expectations by asking each respondent to rate how essential each factor is for an excellent service to deliver. The second set of statements formulates the same factors into descriptions about service delivered and ascertains the respondent's perceptions of the level of service given by the organization examined. For each pair of statements, the difference between the ranked perception minus the ranked expectation is calculated; the average of these Gap scores is the SERVQUAL overall quality score.

However, SRVQUAL has widely criticized by many authors. One of the criticism is that its process orientation and dimensionality. Several researchers have argued that SERVQUAL measures only the service process dimensions but not the perceived quality of the service outcome. SERVQUAL focuses on the process of service delivery, not the outcomes of the service encounter (Buttle, 1996). It does not measure, for instance, the quality of a consultancy study report (service outcome). As a result, it is required to add outcome dimension to measure the outcome quality.

The other issue debated is context and the relevance of a universal scale to measure quality. Carman (1990) found that the 5 dimensions of service quality measurement scale proposed by Parasuraman *et al.* (1988) are not so generic that users should not add new dimensions they believe are important. He found that if a dimension is extremely significant to customers it is possible to be decomposed into a number of sub-dimensions and vice versa. Babakus and Boller (1992) also empirically assessed the scale proposed by Parasuraman *et al.* (1988) and suggested that the number of service quality dimensions is dependent on the service being offered. Furthermore, Buttle (1996) questioned the adequacy of the overall model and suggested that the dimensionality is context specific (i.e. dimension importance depends on service type). This indicates us that SRVQUAL is not precisely fit to all service type. Therefore, it is necessary researches to modify and develop context specific service quality dimension based on the original SRVQUAL. Based on this fact and other researchers study, Sonne (1999) in her study contextualized the service quality dimension to professional consultancy service. She categorized service quality as perceived soft quality and perceived hard quality. And then further in to sub dimensions as shown in the table 2.1.

Table 2.1 Measurement of Service Quality

Quality Dimension	Quality Measures	Explanation
Perceived Soft Quality	Reliability	Punctuality and ability to keep agreements, contracts, budgets
	Responsiveness	Speed and timeliness of service delivery
	Access	Ease of contact
	Understanding	Ability to understand client's needs
	Security	Confidentiality
	Courtesy	Friendliness of personnel
	Relations	Cooperation between client and personnel
	Communication	Consultant listens and keeps client informed
Perceived Hard Quality	Competence	Skills and knowledge of consultant
	Tangibles	Tools and equipment
	Reliability (technical)	Doing things right
Perceived Outcome Quality	Implementability of solution	Can the solution be implemented practically?
	Fulfilled proposition	Live up to claims
	Objectives reached	Goal of project reached
	Reception within client organization	Is the result evaluated positively throughout the firm

Source: Sonne, A. (1999) and Parasuraman *et al.* (1988)

2.8.2 Customer Expectation

Service quality is determined by comparing customer's expectation and perception. Before the process of service delivery starts, we should know what customers expect to receive. Expectations are usually formed prior to usage of a service but may also occur where a customer is actively involved in the delivery of a service. They reflect inclinations or beliefs as to what will or should happen (Mudie & Pirrie, 2006). Past literatures define expectations as desires and wants of customers. It refers to what the customers think a company should provide. Customers might expect to be treated in a particular way unconsciously when they are entering into a transaction (Timm, 2001). They have their own set of expectations for different transactions. Specially consultancy service customers clearly define their expectation and select organizations that deliver the expected service.

2.8.3 Customer Perceptions

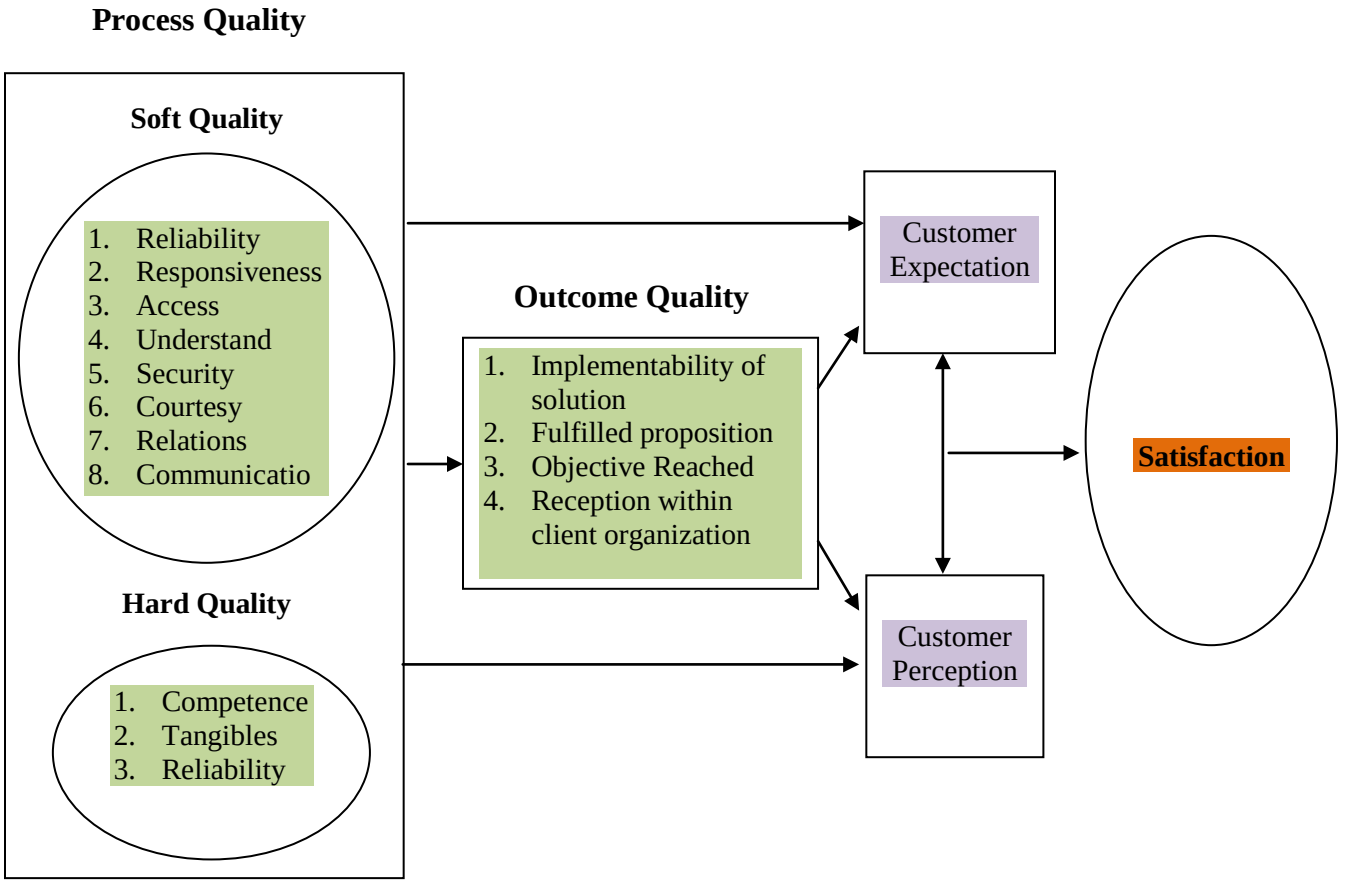
To analyze service quality customer expectation only is not enough. Assessing customer perception is necessary. Most literatures in the past stated that evaluation of service quality should consider both expectation and perception. Customers perceive service quality differently. They have their own standards based on their prior experience. A specific service that is considered as high quality service by one customer may be perceived as low quality by other. Perceptions can be developed during a service, but invariably materialize after usage (Mudie & Pirrie, 2006).

If their expectations are met, service quality will be regarded as satisfactory or good; otherwise, it will be regarded as unsatisfactory, bad, poor or deficient. When customers' perception exceeds their expectations, the firm would be commented as excellent and the chance of turning customers into repeat customers would increase (Timm, 2001).

2.9 Conceptual Framework

Based on the literature presented above, the following Conceptual Framework of the study has been developed.

Figure 2.1 Conceptual Framework of the study



Source: adapted from Sonne, A. (1999) and Parasuraman *et al.* (1988)

As it has been discussed in the literature review, the major driving force to customer satisfaction is the quality of service provided. In services firms like consultancy there are two dimensions that determine customer satisfaction. These are process quality and outcome quality. The outcome quality itself is affected by the service providing process quality. Therefore, it is dependent variable. Whereas, process quality is independent variable that

determines the outcome and also customer satisfaction. As it is depicted in the figure 2.1, customer satisfaction is determined by the customer expectations and customer perception, which is how–the expectations are met. They are also affected each other. The perception which the customers have had with the service given will affect the expectations they have and vice versa.

To measure the process service quality, the factors that are shown in soft quality and hard quality are chosen. In addition, implementability of solution, fulfilled proposition, objective reached and reception within client organization factors are also chosen to evaluate the outcome quality.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter looked at the methodology employed to achieve the objective of the study. It focused on the study design, data collection, sampling design, data collection instrument, data management and analysis, and ethical consideration.

3.2 Study Design

This is a customer satisfaction study that was conducted on the Project Feasibility, Asset and Business Valuation and Organization and Management Studies customer of Industrial Project Service. In order to meet this purpose quantitative method of analysis were employed. Data was collected through structure questionnaires.

3.3 Data Collection

There are two main types of data which can be collected during a research project: primary data and secondary data. Primary data is information collected by the researchers themselves for a specific purpose whereas secondary data is information collected by others for their own purpose. Thus, to conduct this research, both primary and secondary data were used. To collect primary data, structured questionnaires distributed for customer of Project Feasibility, Asset and Business Valuation, and Organization and Management studies. For secondary data journals, related papers, books and other relevant sources were consulted and reviewed to support the research.

3.4 Sampling Design

Since its establishment in 1982, IPS has been delivering service for different organizations especially for government public enterprises and share companies, ministries, agencies, and others. Since most of these customers have either transformed into other forms of business

organizations or closed their businesses, consultancy service partly has a one-time-job nature and due to some other reasons, accessing information from all organizations was not feasible. Therefore, this study dwelled upon those customers who have been actively getting service in the three core service areas for the last 5 years.

Currently, there are about 50 customers registered in the IPS database who have received Project Feasibility, Business and Asset Valuation and Organization and Management Studies services for the last 5 years. As a result, the target population of this study became 50 customers. Out of 50 Questionnaires distributed, 46 were returned. Thus, the respondent rate is 92%.

3.5 Data collection Instrument

A structured questionnaire was used as an instrument for data collection. The questionnaire consisted 4 parts. The first part contained general data of the customers. The second part included Liker-type of questions to measure customers' expectation and perception level, and gap score of the service quality. The third section designed to measure the general satisfaction level of customers. The last part of the questionnaire comprised customers' suggestions regarding the service quality improvement.

3.6 Data Management and Analysis

Having the necessary data collected, then the raw data was analyzed. The data was edited to detect and correct, possible errors and omissions that are likely to occur, to ensure consistency across respondents. Reliability of the data was tested using Cronbach's alpha method. Descriptive statistics of means and standard deviations, and mean of customers' expectation and perception gap analysis were made.

In assessing and analyzing customers' expectation, perception and the overall service quality level, Best (1977) criteria was used as follow.

Mean Rate	Interpretation/ level
1.00 – 1.80	Lowest
1.81 – 2.61	Low
2.62 – 3.41	Moderate
3.42 – 4.21	High
4.22 – 5.00	Highest

The SPSS 13.0 version software was used for analysis. The analyzed information was presented in tabular form, narrative forms and percentage.

3.7 Ethical Consideration

Concerned management officials of the industrial Project Service were informed about the study. In addition, the respondents were asked for their consent prior to the tools to gather the relevant information. The respondents' responses were taken absolutely confidential and they were informed that no part of their response will be exposed to any one without their complete consent.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRATION

4.1. Introduction

In this chapter data collected through questionnaires about general data of respondent, customers' expectation and perception, overall customers' Satisfaction and their suggestions concerning the service delivery are presented and analyzed.

4.2. Reliability Assessment

Gliem & Gliem (2003) explained that when using Likert-type scales it is imperative to calculate and report Cronbach's alpha coefficient for internal consistency reliability for any scales or subscales one may be using. The analysis of the data then must use these summated scales or subscales and not individual items. If one does otherwise, the reliability of the items is at best probably low and at worst unknown. Thus, in this study, in order to prove the internal consistency of the data collection instrument and the reliability of all dimensions Cronbach's Alpha was used. The Soft quality, Hard Quality and Outcome quality of both expectations and perception scores were assessed. Finally, the reliability of the overall items was evaluated. The Cronbach's Alpha test results are shown in table 4.1 and 4.2.

Table 4.1 shows reliability coefficients of both expectations and perception for the three major quality dimensions.

Table 4.1 Reliability coefficients for the three major quality dimensions

Major quality Dimensions	Dimensions	Alpha's Coefficient	
		Expectation	Perception
Soft Quality	Reliability	0.951	0.915
	Responsiveness		
	Access		
	Understand		
	Security		
	Courtesy		
	Relation		
	Communication		
Hard Quality	competence	0.912	0.867
	tangibility		
	reliability-technical		
Outcome Quality		.0837	0.924

Table 4.2 presents that the test of consistency of overall items. As pointed out in the table, the Cranach's Alpha value is 0.975. Gliem & Gliem (2003) stated that Cronbach's alpha reliability coefficient normally ranges between 0 and 1. However, there is actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient is to 1.0, the greater the internal consistency of the items in the scale. By quoting George and Mallery (2003) study Matkar (2011) explained the following technique is used to interpret the Cronbach's alpha results. Cronbach's alpha > 0.90 = Excellent, 0.80 - 0.89 = Good, 0.70 - 0.79 = Acceptable, 0.60 - 0.69 = Questionable, 0.50 - 0.59 = Poor and < 0.50 = Unacceptable. Hence, the Cronbach's Alpha value 0.975 of this study shows high level of instrument reliability and it is suitable to apply in this study.

Table 4.2 Reliability statistics for overall items

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items
0.974	0.975

4.3. General data of the of respondents

In order to collect data a total of 50 survey questionnaires were distributed to Project Feasibility, Asset and Business Valuation, and Organization and Management study customers of the Industrial Projects Service. However, four of the survey questionnaires were not returned. Therefore, 46 questionnaires of the survey were considered in this study. The general data of the respondents are shown in table 4.3 below.

Table 4.3 General data of Respondents

Variables		Frequency	percentage
Type of organization	Agriculture	8	17%
	Banking/ Insurance & related	3	7%
	Construction	2	4%
	Design/Supervision Installation	1	2%
	Education non Government	3	7%
	Government Organization/ Ministry, Agency, Authority only	6	13%
	Hotel & Related	2	4%
	NGO	2	4%
	Merchandising	3	7%
	Manufacturing	15	33%
	Not specified	1	2%
Service Frequency	One Time	10	22%
	Two Times	20	43%
	Three Times	11	24%
	Four Times	4	9%
	Five Times	1	2%

Variables		Frequency	percentage
Service Acquired	Asset & Business Valuation Study	24	52%
	Organization & Management Study	16	35%
	Project Feasibility Study	6	13%
Contact to IPS	Through open bid	13	28%
	Through invitation	27	59%
	By Reference	5	11%
	Not specified	1	2%

As shown in Table 4.3 above, the general data of the respondents' covers the type of organization, service frequency, service acquired and contact to IPS. The finding showed that the customers of Industrial Projects Service are engaged in ten different business types. Of all the customers, many of them are working in manufacturing business which accounts 33% of the respondents. 17% and 13% of the respondents are engaged in Agriculture and Government service activities, respectively. The remaining respondents accounts below 10%.

As to the frequency of customers served by IPS, the general data of the information reveals that 43%, 24% and 9% of the respondents were served two, three and four times respectively. Only 2% and 22% of IPS customers have got services five and one times, respectively. In general, 78% of the respondents have got at least two times service form IPS.

The majority of the respondents (52%) were Business and Asset Valuation Study service customers. 35% of the respondents were also Organization and Management Study customers. The remaining 13% of the respondents have got Project Feasibility study service.

28% of the respondents have responded that they contacted IPS through open consultancy service bid. Of all the respondents, 59% of them invited IPS to participate in consultancy service and then they have got the service. Only 11% of the respondents have contacted IPS through reference and the work was given to IPS directly.

4.4. Level of Customers' Expectation, Perception and Gap Score

In this section, customers' expectation and perception, level and gap score of service delivery quality by the Industrial Projects Service is presented. The respondents were asked to answer questions about soft quality, hard quality and outcome quality dimensions of the service delivered. The mean and standard deviation of customers' response were calculated. Since all the standard deviations are small and more concentrated around the mean, discussion focuses on the mean of customers' response.

4.4.1 Soft Quality

A. Reliability

Reliability entails the consistency of service performance and dependability. It includes the requirement of a firm to perform the service right first time (often referred to as having 'zero defects') and to live up to its promises to customers (Gilmore, 2003). Service must be accomplished as promised, over time, in the same manner and without errors.

Table 4.4 Customers' Expectation, Perception and Gap Score Concerning Reliability

Reliability Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant can provide the service as per agreement and contract	3.5	0.66	High	3.28	0.86	Moderate	-0.22

As shown in table 4.4 customers' expected that the consultant can provide the service as per agreement and contract with high level (3.5). On the contrary customers perceived the ability of the consultant to meet its agreement and contract was moderate level (3.28). The gap score of the customer expectation and perception was -.22. This clearly indicates that the consultant was not delivering service as per agreement and contact.

B. Responsiveness

Table 4.5 Customers' Expectation, Perception and Gap Score Concerning Responsiveness

Responsiveness Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant gives you prompt service.	3.54	0.62	High	3.24	0.95	Moderate	-0.3
2. The consultant tells you exactly when services will be provided (For example, the consultant informs you data collection, meeting, report delivery, etc. time.)	3.74	0.65	High	3.48	0.86	Moderate	-0.26
3. The consultant is willing to help you. (For example. Gives you information & advice to problems.	3.70	0.70	High	3.46	0.91	Moderate	-0.26
Overall Mean & Gap Score	**3.66**	**0.66**	**High**	**3.39**	**0.91**	**Moderate**	**-0.24**

Responsiveness concerns the willingness to help customers and provide prompt service (Parasuraman et al., 1988). Gilmore, A. (2003) explained that responsiveness concerns the willingness and readiness of staff to deliver the service and respond to customers' requirements. It may involve mailing information or transaction details immediately, calling customers back promptly when promised and giving prompt service.

As indicated in the table 4.5, the mean difference between customers' expectation and perception regarding the promptness of the service was -0.3. Customers expected highly prompted service (3.54). However, they perceived moderate prompt service (3.24). Thus, customers were expecting more than what IPS was performing. This implies that IPS has difficulty in meeting customers' expectation.

With regard to informing to customers when the services will exactly be provided, the score gap was -0.26. This shows that IPS failed to inform the service delivery time as customers'

expected. Like the promptness of the service, this service dimension was being provided at moderate level (3.48).

The mean expectation of customers, concerning willingness of the consultant in helping customers was at high level (3.7). With regard to customers' perception, the level was at moderate level (3.46). The gap score was also -0.26.

As presented in Table 4.5, the overall customers' expectation and perception concerning responsiveness were at high (3.66) and moderate (3.39) level, respectively. Thus, the overall gap score was -0.24.

C. Access

Accessibility refers to the approachability, availability and ease of contact with the consultant. It includes the ease with which the consultant may be reached. Table 4.6 shows the respondents assessment as to whether the consultant can be contacted easily for the service.

Table 4.6 Customers' Expectation, Perception and Gap Score Concerning Access

Access Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant can be contacted easily for the service.	3.83	0.64	High	3.33	0.87	Moderate	-0.50

As shown in the Table 4.6 above, the mean of customers' expectation that the consultant can be contacted easily for the service was high (3.83) and their perception also was moderate (3.33).The mean difference gap score was -0.50. This indicates that the consultant is not easily accessible as customers expected.

D. Understand

Table 4.7 Customers' Expectation, Perception and Gap Score Concerning Understand

Understand Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant knows your specific need.	3.61	0.65	High	3.52	0.94	High	-0.09

Table 4.7 presents customers response on understanding of consultant the specific needs of customers. Understanding the customers involves making the effort to understand the customers' needs. It involves learning the customers' specific requirements, providing individualized attention and recognizing the regular customer (Parasuraman et al., 1985).

As indicated in Table 4.7 above, though customers' perception and expectation concerning the consultant understanding customers' specific needs were high level, the gap score was -0.09.

E. Security

Security relates to how secure, free from danger, risk or doubt customers feel during interaction with the service. Parasuraman et al., (1985) stated that security is the freedom from danger, risk, or doubt. It involves confidentiality of customers' secret information.

As depicted in Table 4.8, customers' expectation as to consultant keeping customers' information confidentially was high level (4.09). With regard to customers' perception, they ranked highest level (4.35). The score gap was 0.26. This indicates that IPS is performing well in keeping customers' information from exposing any risk or danger.

Table 4.8 Customers' Expectation, Perception and Gap Score Concerning Security

Security Dimension	Customers' Expectation (E)		Customers' Perception (P)				Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant keeps your information confidential.	4.09	0.66	High	4.35	0.53	Highest	0.26

F. Courtesy

Courtesy involves politeness, respect, consideration, and friendliness of contact personnel (Parasuraman et al., 1985). Table 4.9 below reveals the respondents' assessment as to courtesy of consultant.

As reflected on the data, customers' expectation toward courtesy dimension was at high level (3.85). The consultant's politeness to give service to its customers received high ranking rate of perception (3.89). Thus, Customers found that the consultant was more polite than they expected. This was clearly reflected on the gap score result (+ 0.04).

Table 4.9 Customers' Expectation, Perception and Gap Score Concerning Courtesy

Courtesy Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant is polite enough to give service to you.	3.85	0.70	High	3.89	0.82	High	0.04

G. Relation

Customers found that the Industrial Projects Service was cooperative when delivering service. Thus, as depicted in Table 4.10 below customers rated their perception 3.7 (high level) which is greater than their expectation (3.67, high level). The mean difference gap score between them was +0.03 as shown in the table.

Table 4.10 Customers' Expectation, Perception and Gap Score Concerning Relation

Relation Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant is cooperative when delivering service	3.67	0.63	High	3.70	0.96	High	0.03

H. Communication

In Table 4.11 below customers' expectation, perception and gap score concerning communication is presented. Customers' expectation, and perception were 3.78 (high level) and 3.37(high level), respectively. However, the mean difference between customers' perception and expectation was -0.41. The negative gap score implies that the Industrial Projects Service gives attention and keeps informed customers less than expected.

Table 4.11 Customers' Expectation, Perception and Gap Score Concerning Communication

Communication Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant gives attention to you. E.g. listens and keeps you informed.	3.78	0.63	High	3.37	0.98	High	-0.41

I. Overall Mean and Gap Score of Soft Quality

Table 4.12 Customers' Expectation, Perception and Gap Score Concerning Soft Quality

Soft Quality Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. Reliability	3.50	0.66	High	3.28	0.86	Moderate	-0.22
2. Responsiveness	3.66	0.66	High	3.39	0.91	Moderate	-0.24
3. Access	3.83	0.64	High	3.33	0.87	Moderate	-0.50
4. Understand	3.61	0.65	High	3.52	0.94	High	-0.09
5. Security	4.09	0.66	High	4.35	0.53	Highest	0.26
6. Courtesy	3.85	0.70	High	3.89	0.82	High	0.04
7. Relation	3.67	0.63	High	3.70	0.96	High	0.03
8. Communication	3.78	0.63	High	3.37	0.98	High	-0.41
Overall Mean & Gap Score	**3.75**	**0.65**	**High**	**3.60**	**0.87**	**High**	**-0.14**

Table 4.12 imparts the overall mean and gap score of the soft quality dimension. The Overall customers' expectation concerning soft quality dimension was at high level (3.75). As indicated above of all dimension security was considered to be the most important (4.09) expectation.

Table 4.12 also reveals that overall perception of the soft Quality dimension was at the high level (3.6). Like expectation, customers' perception of the Security dimension was ranked highest at 4.35. This result informs that the consultant keeping customers' information confidentially was outstanding.

As it can be seen from the table 4.12, the mean difference gap score between customers' perception and expectation regarding reliability, responsiveness, access, understand and

communication dimensions were -0.22, -0.24, -0.50, -0.09 and -0.41, respectively. Contrary to this, the mean difference gap score between customers' perception and expectation regarding security, courtesy and relation dimensions were 0.26, 0.04 and 0.03, respectively. In general, the overall mean difference gap score between customers' perception and expectation of soft quality dimension was -0.14. This implies that IPS is delivering service below customer expectation in term of soft quality.

4.4.2 Hard Quality

A. Competence

Table 4.13 Customers' Expectation, Perception and Gap Score Concerning Competence

Competence Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant has required Knowledge to consult.	3.65	0.64	High	3.43	0.78	High	-0.22
2. The consultant has required skill to consult.	3.63	0.65	High	3.41	0.83	Moderate	-0.22
Overall Mean & Gap Score	**3.64**	**0.65**	**High**	**3.42**	**0.81**	**High**	**-0.22**

As shown in Table 4.13 above, the customers' expectation towards Knowledge of the consultant was high (3.65). The perception of customers was also 3.43 (high level). However, the mean difference between customers' perception and expectation was -0.22. As to the skill of the consultant, customers ranked their expectation at high level (3.63) and their perception at moderate level (3.41). Thus, mean difference gap score became -0.22.

The overall customers' expectation and perception towards competence dimension was ranked at high level (3.64) and high (3.42), respectively. The overall mean difference gap score of competency was -0.22. This result indicates that the consultant doesn't possess the competency as customers expected.

B. Tangibility

Table 4.14 Customers' Expectation, Perception and Gap Score Concerning Tangibility

Tangibility Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant has proper office and working materials. e.g. library, computer, etc	3.83	0.80	High	4.26	0.71	Highest	0.43
2. The study report is well organized, free of spelling and grammar error. And has good look.	3.76	0.64	High	2.83	0.61	Moderate	-0.93
Overall Mean & Gap Score	**3.80**	**0.72**	**High**	**3.55**	**0.66**	**High**	**-0.05**

As can be observed from Table 4.14 above, the respondents ranked the consultant's working office and materials as high level (3.83). On the contrary their perception was the highest level (4.26). Thus, gap score was 0.43. This shows that customers were satisfied with Industrial Projects Service working office and materials.

With regard to the quality of study reports - organization, free of spelling and grammar error, customers' perception was below their expectation. Thus, the mean difference gap score was -0.93. This gap score is the highest and it clearly indicates how far the Industrial Projects Service has poor performance in the study report preparation.

Customers' overall expectation and perception with regards to tangibility dimension was 3.8 (high) and 3.55(high), respectively. Even though the gap score of working office and material dimension was high, poor performance of the consultant in study report preparation made the overall gap score of the tangibility dimension negative. Hence, the gap score became -0.05.

C. Reliability

As revealed in Table 4.15 below, customers' expected that the consultant would perform its job correctly and then they rated at high level (3.65). However, they have found the

performance was at moderate level (3.17). As a result, the gap score became -0.48. This refers that customers were not satisfied with the Industrial Projects Service as far as technical reliability dimension is concerned.

Table 4.15 Customers' Expectation, Perception and Gap Score Concerning Reliability-technical

Reliability Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The consultant performs its job correctly. e.g. collects information properly, identify the problem, provide proper solution, etc.	3.65	0.64	High	3.17	1.06	Moderate	-0.48

D. Overall Mean and Gap Score of Hard Quality

Table 4.16 Customers' Expectation, Perception and Gap Score Concerning Hard Quality

Hard Quality Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. Competence	3.64	0.65	High	3.42	0.81	High	-0.22
2. Tangibility	3.80	0.72	High	3.55	0.66	High	-0.05
3. Reliability-technical	3.65	0.64	High	3.17	1.06	Moderate	-0.48
Overall Mean & Gap Score	**3.70**	**0.67**	**High**	**3.38**	**0.86**	**Moderate**	**-0.32**

Table 4.16 demonstrates customers' satisfaction concerning hard quality. Customers' expectation towards competence, tangibility and reliability hard quality dimensions were high with mean of 3.64, 3.80 and 3.65, respectively. Except reliability, all the rest hard quality dimensions were perceived as high by customers. Nevertheless, in all hard quality dimensions customers' expectation was greater than customers' perception. The study also shows that the overall customers' expectation in hard quality was high (3.70), where customers' perception was moderate (3.38). The mean difference between customers' perception and expectation

was also -0.32. The negative gap score implies that the Industrial Projects Service is doing its job below customers' expectation.

4.4.3 Outcome Quality

Table 4.17 Customers' Expectation, Perception and Gap Score Concerning Outcome Quality

Outcome Quality Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. The study can be implemented practically. (implimentability)	3.37	0.65	High	3.00	0.94	Moderate	-0.37
2. The study does not live up to claims	3.09	0.46	Moderate	2.85	0.82	Moderate	-0.24
3. The goal of consultancy study is achieved. E.g., your problems solved.	3.26	0.58	Moderate	2.83	0.83	Moderate	-0.43
4. The study is evaluated positively throughout the firm.	3.20	0.54	Moderate	2.87	0.83	Moderate	-0.33
Overall Mean & Gap score	**3.23**	**0.56**	**Moderate**	**2.89**	**0.86**	**Moderate**	**-0.34**

As depicted in Table 4.17, of all outcome quality dimensions, the implementability of the study was considered as high level (3.37). But all the rest outcome quality dimensions were expected to be at moderate level. Thus, the overall customers' expectation level became moderate (3.23).

Customers ranked their perception regarding all outcome quality dimensions at moderate level. Of all outcome quality, implementability of the study was perceived greater than other outcome qualities. The overall customers' perception concerning outcome quality dimensions were also at moderate level (2.89).

The overall mean difference between customers' perception and expectation of outcome dimension was -0.34.

4.4.4 The Overall SERVQUAL Gap between Customers' Expectation and Perception

Table 4.18 Overall SERVQUAL Gap between Customers' Expectation and Perception

Service Quality Dimension	Customers' Expectation (E)			Customers' Perception (P)			Gap Score
	$\bar{x}$	SD	Level	$\bar{x}$	SD	Level	P-E
1. Soft Quality	3.75	0.65	High	3.60	0.87	High	-0.14
2. Hard Quality	3.70	0.67	High	3.38	0.86	Moderate	-0.32
3. Outcome Quality	3.23	0.56	Moderate	2.89	0.86	Moderate	-0.34
Overall Mean & Gap Score	**3.56**	**0.63**	**High**	**3.29**	**0.86**	**Moderate**	**-0.27**

Table 4.18 demonstrates the gap between overall customer perception and expectation of service quality dimensions. As indicated in the table, the overall customers' expectation was at high level (3.56). However, the overall customers' perception was moderate (3.29). Thus, the gap between these two mean differences was -0.27.

This overall negative SERVQUAL gap signifies that the quality of Project Feasibility, Business and Asset Valuation, and Organization and Management studies services delivered by the Industrial Projects Service were below customers' expectation. Therefore, customers were not satisfied with the Industrial Projects Service performance.

4.5 Overall Customer Satisfaction

Table 4.19 presents the respondents' general feeling towards IPS's services delivery. It can be observed from the data that customers' satisfaction level ranges from dissatisfied up to highly satisfied level.

Table 4.19 Overall Customer Satisfactions

Overall Customer Satisfaction level	Number	Percentage	Cumulative Percent
1. Highly satisfied	1	2.2	100
2. Satisfied	12	26.1	97.8
3. Somewhat Satisfied	14	30.4	71.7
4. Dissatisfied	19	41.3	41.3
5. Highly Dissatisfied.	0	0	0
Total	**46**	**100**	

Out of the total respondents, 41.3% responded that they were dissatisfied and the 30.4% of the respondents also indicated they were somewhat satisfied. Only 2.2% (1) customer explained that he was highly satisfied. Of all respondents, 26.1% showed that they were satisfied in IPS service delivery.

It is clearly observed that 71.1% of customers' satisfaction level was below satisfied level. The majority of customers (97.8%) satisfaction level was satisfied and below that. In general, the study indicates that majority of customers were not satisfied with the IPS Service delivery performance.

4.6 Customers' Suggestion in Improving Service Delivery

With regards to improving the service delivery of the Industrial Projects Service, customers suggested their idea as indicated in Table 4.20 below. Of all customers, 35% (16) of them said that Industrial projects Service should increase the number of its staff. Improving study reports & editorial problem, and improving delay problem were suggested by the same Percent of respondents (each 13%).

Table 4.20 Customers' Suggestions in Service Delivery

Customer Suggestions	Number	Percentage
1. Increase the number of staff	16	35
2. Train & develop your staff	3	7
3. Motivate your staff for better performance	4	9
4. Improve reports & Editorial problem	6	13
5. Improve delay problem	6	13
6. Collect data & information properly	1	2
7. Assign proper experts	5	11
8. Keep on current performance	1	2
9. Use update information	1	2
10. Know the customer demand carefully	2	4
11. Not specified	1	2
Total	**46**	**100**

The other suggestions forwarded by the respondents were assigning proper experts 11% (5), motivating IPS staff for better performance 9% (4), and training & developing IPS staffs 7% (3). Only 4% (2) of customers pointed out that data and information should be collected properly and also updated information should be used. Of all 46 customers, 4% (2) gave their advice that IPS should know customer demand carefully in order to improve its service delivery.

CHAPTER FIVE

FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter puts together all the information gathered from the first four chapters. Findings generated, conclusion to the project as well as recommendation is presented.

5.2 Findings

The main objective of this study was assessing and analyzing the service quality and customer satisfaction of the Industrial Project Service, and proposing possible improvements for better performance. As indicated in previous chapter, collected data and information through questionnaires were analyzed and interpreted. Based on the discussion made, findings are presented as follows.

- Customers of IPS are engaged in different business. Out of all customers, those involved in manufacturing business are the highest (33%).
- 78% of the customers have been served at least two times by the Industrial Projects Service.
- Majority of the respondents (52%) were Asset and Business Valuations service customers.
- Of 46 respondents, 59% were contacted the Industrial Projects Service through invitation.
- The gap score between customers' expectation and perception with regards to the consultant ability in providing the service as per agreement and contract was negative (-0.22).

- With regards to the responsiveness of the consultant, the consultant was performing below the expectation of customers in all responsiveness dimensions. Therefore, the overall gap score between customers' expectation and perception was negative. Especially the gap score of the consultant's responsiveness in giving prompt service was the highest.

- Accessibility of the consultant was much more below customers' expectation.

- Customers' expectation regarding to the consultant's ability in understanding the specific need of the customers was exceeded perceived performance.

- Perceived performance of the consultant with regard to keeping customers' information confidential was greater than customer expectation. Of the entire consultant's performance, securing customers information was the best.

- The perception of customers' towards the consultant's politeness in delivering service to the customers was higher than customers' expectation.

- With regards to the consultant cooperativeness when delivering the service, customers' perception was also greater than expectation.

- The gap score between Customers' perception and expectation concerning the consultant's giving attention to customers was -0.41.

- Although some of the soft quality dimensions like security, courtesy and relation gap score were positive, the overall soft quality dimensions gap score was negative(-0.14).

- As far as the competency of the consultant is concerned, customers' expected that the consultant would have high knowledge and skill. However, they found it below their expectation.

- Even though perception of the customers regarding the consultant's office and working materials like library, computer etc, was greater than their expectation, the consultant's study report organization, editorial quality (free of grammar and

spelling errors) and other quality perception was less than expectation. Because of this, the gap score of tangibility became negative.

- The perception of customers' performance concerning consultant's performance in doing jobs correctly was much less than expectation.

- In all hard quality dimensions- consultant's competence, Tangibility and Reliability (technical) customers' expectation was greater than perception. Thus, the overall gap score of hard quality became negative.

- The outcome quality of customers' expectation like practical implementability of the study, the possibility of the study not live up to claims, achievements of the study goal and positively evaluation of the study throughout customers firms was greater than their perception.

- In majority of service quality attributes (84%), customers expected to get high level service quality performance. However, they perceived that 10%, 32% and 58% of service quality attributes highest, high and moderate level service quality performance, respectively.

- Generally, the overall gap score of the three major service qualities dimensions (Soft, hard and outcome quality) was negative (-0.27). Therefore, the SERVQUAL gap of the Industrial Projects Service was negative.

- Majority of the customers felt that they were below satisfaction level with the service delivery of Industrial Projects Service.

- Most of customers suggested that in order to improve the service delivery, the Industrial Projects Service should increase the number of its staff, improve reports, editorial and delay problems, and assign appropriate consultant experts.

5.3 Conclusion

In today's competing environment standing out from other competitor requires challenging effort. In order to win competition, business organizations have to work more on their customers. Customers expect better service quality from their service providers. Understanding customers' needs and improving the service quality on the basis of their demand is a critical issue. Thus, only then customers will become satisfied and loyal.

This research is the study of customer satisfaction in Industrial Projects Service. It focuses on Project Feasibility, Business and Asset Valuation and Organization and Management Studies service delivery. In this study customers were given questionnaires to fill their Expectation and Perception level regarding the service Quality. In addition, they were asked to express their satisfaction level and suggestion to improve the service delivery.

From this study, it was found that customers expected the service delivery of the Industrial Projects Service to be at least to their expectation level. However, in most service quality dimensions, the performance of the Industrial Projects Service was found below customers' expectation. The overall service quality was also below customers' expectation. Furthermore, the study revealed that the majority of customers' satisfaction level was below satisfaction with the service delivery.

In order to fill the gap and improve the service delivery performance, customers pointed out what measures should be done. According to the majority of customers, the industrial Projects Service problems revolve around its staff and study reports. They suggested that as employees are the main input, the Industrial Projects Service should deploy enough and proper staff, and also motivate, train and develop its staff. Beside this, improving the report quality and delay problem were other critical issues suggested by customers.

5.4 Recommendation

In this study it has been shown that IPS service delivery performance was below customers' expectation so that majority of customers were not satisfied. Areas where the problems are critical were also indicated. Thus, in order to solve these problems and improve the service delivery the following recommendations are made.

- Consultancy services like IPS present their service output through reports. Report is a means by which consultants transmit their service to the customer. Unless this report is prepared in way that can easily be understandable, well organized, attractive and complete, the work of consultant become a futile effort. Consultants should have report writing, communication and other relevant skill. There should be created awareness among all staff regarding the impact of reports on performance of IPS.

- Reliability improvements lie at the heart of service quality enhancement efforts because unreliable service implies broken promises on the attributes that customers care about (Loverlock & Wright, 1999). If the core service is not performed reliably, customers may assume that the company is incompetent and may switch to another service provider. Thus, the Industrial projects Service should establish quality standards that can create consistency and dependable service quality. By considering the contract agreement and commitment that have engaged with customers, every responsible staff and leaders should work by following the established standard.

- Human resource is a vital input in any consultancy service. It is necessary to give due consideration so as to improve the performance of the firm. Hence, the Industrial Projects Service need to offer appropriate training and development programs to explicitly upgrade employees' skills and knowledge for better job performance. Appropriate compensation system and other staff motivating effort should be implemented in order to drive staff toward positive and effective

behaviors. Furthermore, assigning the right quality and number of staff to the right jobs needs to be considered seriously.

- Although solving all identified problems are necessary, IPS should first focus its effort on those dimensions that have serious performance gaps like accessibility, reliability-hard quality, communication, outcome quality, in general. Then it should take mitigation measures on the remaining problems step by step.

- In order to address the gap effectively, each low performances attributes should also be seriously analyzed and the root cause should be identified.

- In general, the Industrial Projects Service has scored negative gap in most of the service quality and very small positive gap (almost equal to customers' expectation) in few service quality dimensions. Not only negative gap scored but also positive gap scored services quality dimensions should be improved. In today customer behavior, only meeting customer expectation is a minimum requirement to stay in the market. Unless performance exceeds customer expectation in a confident level, customers will shift to other competitor who demonstrates better performance. Hence, the industrial Projects Service should pay attention and work hard in order to satisfy its customer and then survive in this competing environment.

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APPENDICES

Appendix I

Survey Questionnaire

Addis Ababa University

College of Business and Economics

Department of Management

Dear Respondents,

This questionnaire is designed to collect information for the study which is being conducted, on Customer Satisfaction in Industrial Project service (**IPS**). The objective of the study is to assess and analyses service quality and customer satisfaction and propose improvements for better service delivery in **IPS**. Hence, you are kindly requested to fill all the questions below. Your genuine answer is paramount important to the outcome of the study. Your response to the questions will be kept confidential.

Part I: General Data

1. Type of organization

1. Construction	
2. Banking/ insurance & related	
3. Merchandising	
4. Manufacturing	
5. Hotel & Related	
6. Agriculture	
7. Design/supervision installation	
8. Education non government	
9. Government Organization/ Ministry, Agency, Authority only	
10. NGO.	
11. Unspecified/other	

2. How many times have you been served by IPS?

☐ 1) 1 time ☐ 2) 2 times ☐ 3) 3 times

☐ 4) 4 times ☐ 5) others (please specify)_____

3. Type of service acquired.

☐ 1) Project Feasibility ☐ 2) Asset & Business valuation ☐ 3) Organization & Management

4. How did you contact IPS?

☐ 1) Through open bid ☐ 2) Through invitation ☐ 3) By reference

☐ Others (please specify……...

Part II: Survey of your expectations and perceptions of service quality.

Based on your experiences as a customer of **IPS**, please put a tick (/) in a box which mostly explains your attitudes.

A. Level of **expectation** in service quality of **IPS**

B. Level of **perception** in service quality of **IPS**

The score level are described as **5** = highest, **4** = high, **3** = moderate, **2** = low and **1** = lowest

Dimensions	**A. Level of Expectation**					**B. Level of Perception**				
Soft Quality	**5**	**4**	**3**	**2**	**1**	**5**	**4**	**3**	**2**	**1**
1. The consultant can provide the service as per agreement and contract(Reliability)										
2. The consultant gives you prompt service. (Responsiveness)										
3. The consultant tells you exactly when services will be provided (for example, the consultant informs you data collection, meeting, report delivery, etc. time. (Responsiveness)										
4. The consultant is willing to help you. e.g. giving you information & advice to problems. (Responsiveness)										
5. The consultant can be contacted easily for the service. (Access)										
6. The consultant knows your specific need. (Understand)										
7. The consultant keeps your information confidential. (Security)										
8. The consultant is polite enough to give service to you. (Courtesy)										
9. The consultant is cooperative when delivering service (Relation)										
10. The consultant gives attention to you. e.g. listens and keeps you informed.(Communication)										

Dimensions	A. Level of Expectation					B. Level of Perception				
Hard quality	**5**	**4**	**3**	**2**	**1**	**5**	**4**	**3**	**2**	**1**
11. The consultant has required Knowledge to consult.(competence)										
12. The consultant has required skill to consult. (Competence)										
13. The consultant has proper office and working materials. e.g. library, computer, etc.(tangibility)										
14. The study report is well organized, free of spelling and grammar error. And has good look. (tangibility)										
15. The consultant performs its job correctly. e.g. collects information properly, identify the problem, provide proper solution, etc. (reliability-technical)										
Outcome Quality										
16. The study can be implemented practically. (implimentability)										
17. The study does not live up to claims.										
18. The goal of consultancy study is achieved. e.g. your problems solved.										
19. The study is evaluated positively throughout your firm.										

Part III: Overall customer satisfaction.

1. In general, your feeling towards IPS's services can best be described as

☐ 1) Highly dissatisfied ☐ 2) Dissatisfied ☐ 3) Somewhat satisfied
☐ 4) Satisfied ☐ 5) Highly Satisfied

Part VI: Customer suggestions.

1. What do you suggest to improve the service delivery of IPS?

…….....
…….....
…….....
…….....
…….....
…….....

Thank you for your kind cooperation.

Appendix II

Customers Response Frequency

Part I: General Data

1. Type of organization

Response Coding Categories	Item	Frequency
1.	Construction	2
2.	Banking/ insurance & related	3
3.	Merchandising	3
4.	Manufacturing	15
5.	Hotel & Related	2
6.	Agriculture	8
7.	Design/supervision installation	1
8.	Education non government	3
9.	Government Organization/ Ministry, Agency, Authority only	6
10.	NGO.	2
99.	Not specified	1

2. How many times have you been served by IPS?

Response Coding Categories	Item	Frequency
1.	1 time	10
2.	2 times	20
3.	3 times	11
4.	4 times	4
5.	5 times	1
99	Not specified	0

3. Type of service acquired.

Response Coding Categories	Item	Frequency
1.	Project Feasibility	6
2.	Asset & Business Valuation	24
3.	Organization & Management	16
99.	Not specified	0

4. How did you contact IPS?

Response Coding Categories	Item	Frequency
1.	Through open bid	13
2.	Through invitation	27
3.	By reference	5
99	Not specified	1

Part II: Survey of your expectations and perceptions of service quality.

A. Level of expectation in service quality of IPS

The score level are described as **5** = highest, **4** = high, **3** = moderate, **2** = low and **1** = lowest

Score level 1- 5 were used as response Coding categories for each dimensions question

Dimensions	**Frequency**				
	5	**4**	**3**	**2**	**1**
Soft Quality					
1. The consultant can provide the service as per agreement and contract(Reliability)	4	15	27	0	0
2. The consultant gives you prompt service. (Responsiveness)	3	19	24	0	0
3. The consultant tells you exactly when services will be provided (for example, the consultant informs you data collection, meeting, report delivery, etc. time. (Responsiveness)	5	24	17	0	0
4. The consultant is willing to help you. e.g. giving you information & advice to problems. (Responsiveness)	6	20	20	0	0
5. The consultant can be contacted easily for the service. (Access)	6	26	14	0	0

Dimensions	Frequency				
	5	**4**	**3**	**2**	**1**
6. The consultant knows your specific need. (Understand)	4	20	22	0	0
7. The consultant keeps your information confidential. (Security)	12	26	8	0	0
8. The consultant is polite enough to give service to you. (Courtesy)	8	23	15	0	0
9. The consultant is cooperative when delivering service (Relation)	4	23	19	0	0
10. The consultant gives attention to you. e.g. listens and keeps you informed.(Communication)	5	26	15	0	0
Hard quality					
11. The consultant has required Knowledge to consult.(competence)	4	22	20	0	0
12. The consultant has required skill to consult. (Competence)	4	21	21	0	0
13. The consultant has proper office and working materials. e.g. library, computer, etc.(tangibility)	11	16	19	0	0
14. The study report is well organized, free of spelling and grammar error. And has good look. (tangibility)	5	25	16	0	0
15. The consultant performs its job correctly. e.g. collects information properly, identify the problem, provide proper solution, etc. (reliability-technical)	4	22	20	0	0
Outcome Quality					
16. The study can be implemented practically. (implimentability)	2	15	27	2	0
17. The study does not live up to claims.	1	4	39	2	0
18. The goal of consultancy study is achieved. e.g. your problems solved.	2	9	34	1	0
19. The study is evaluated positively throughout your firm.	2	6	37	1	0

B. **Level of perception in service quality of IPS**

The score level are described as **5** = highest, **4** = high, **3** = moderate, **2** = low and **1** = lowest

Score level 1- 5 were used as response coding categories for each dimensions question

Dimensions	Frequency				
	5	**4**	**3**	**2**	**1**
Soft Quality					
1. The consultant can provide the service as per agreement and contract(Reliability)	4	13	21	8	0
2. The consultant gives you prompt service.	4	14	18	9	1

Dimensions	Frequency				
	5	4	3	2	1
(Responsiveness)					
3. The consultant tells you exactly when services will be provided (for example, the consultant informs you data collection, meeting, report delivery, etc. time. (Responsiveness)	4	21	14	7	0
4. The consultant is willing to help you. E.g. giving you information & advice to problems. (Responsiveness)	6	16	17	7	0
5. The consultant can be contacted easily for the service. (Access)	3	17	19	6	1
6. The consultant knows your specific need. (Understand)	7	17	15	7	0
7. The consultant keeps your information confidential. (Security)	17	28	1	0	0
8. The consultant is polite enough to give service to you. (Courtesy)	11	21	12	2	0
9. The consultant is cooperative when delivering service (Relation)	8	24	6	8	0
10. The consultant gives attention to you. e.g. listens and keeps you informed.(Communication)	5	18	13	9	1
Hard quality					
11. The consultant has required Knowledge to consult.(competence)	5	13	25	3	0
12. The consultant has required skill to consult. (Competence)	5	14	22	5	0
13. The consultant has proper office and working materials. e.g. library, computer, etc.(tangibility)	18	23	4	1	0
14. The study report is well organized, free of spelling and grammar error. And has good look. (tangibility)	0	5	28	13	0
15. The consultant performs its job correctly. e.g. collects information properly, identify the problem, provide proper solution, etc. (reliability-technical)	5	13	15	11	2
Outcome Quality					
16. The study can be implemented practically. (implimentability)	3	10	18	14	1
17. The study does not live up to claims.	1	8	21	15	1
18. The goal of consultancy study is achieved. E.g. your problems solved.	2	5	23	15	1
19. The study is evaluated positively throughout your firm.	2	7	20	17	0

Part III: Overall customer satisfaction.

1. In general, your feeling towards IPS's services can best be described as

Response Coding Categories	Item	Frequency
1.	Highly dissatisfied	0
2.	Dissatisfied	19
3.	Somewhat satisfied	14
4.	Satisfied	12
5.	Highly Satisfied	1
99	Not specified	0

Part VI: Customer suggestions.

1. What do you suggest to improve the service delivery of IPS?

Response Coding Categories	Item	Frequency
1.	Increase the number of staff	16
2.	Train & develop your staff	3
3.	Motivate your staff for better performance	4
4.	Improve reports & Editorial problem	6
5.	Improve delay problem	6
6.	Collect data & information properly	1
7.	Assign proper experts	5
8.	Keep on current performance	1
9.	Use update information	1
10.	Know the customer demand carefully	2
99.	Not specified	1

Declaration

I, the undersigned graduate student, hereby declare that this thesis is my original work, and it has not been presented for a degree in any other university and all sources of the materials used for this thesis have been duly cited and acknowledged.

Mohammed Beyan

Signature: _____

Date: _____

Advisor Approval

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

Advisor_____

Signature: _____

Date: _____

Declaration

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

Mohammed Beyan

Signature: _____

Date: April 24, 2014

Advisor Approval

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

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Date: 10th June 2014

An Assessment of Service Delivery Quality in Relation to Customer Satisfaction in Industrial Projects Service

BY

Mohammed Beyan

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