



**EVALUATING THE SERVICE QUALITY OF ETHIOPIA'S INDUSTRIAL  
PARK DEVELOPMENT CORPORATION AND ITS IMPACT ON  
INVESTORS' SATISFACTION**

**A THESIS SUBMITTED TO SCHOOL OF COMMERCE, MASTER OF  
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Evaluating the service quality of Ethiopia's industrial park development  
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## CERTIFICATION

This is to certify that this thesis work entitled, “**Evaluating the service quality of Ethiopia’s industrial park development corporation and its impact on investors' satisfaction**” undertaken by **Daniel Lemma** for the partial fulfillment of the requirements for the degree of Mater of arts in Business Leadership at Addis Ababa University, College of Business and Economics, School of Commerce, is an authentic work carried out by him under our guidance. The matter embodied in this thesis has not been submitted earlier for award of any degree or diploma to the best of our knowledge and belief.

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## **Declaration**

I, **DANIEL LEMMA** declare that this work entitled “**EVALUATING THE SERVICE QUALITY OF ETHIOPIA'S INDUSTRIAL PARK DEVELOPMENT CORPORATION AND ITS IMPACT ON INVESTORS' SATISFACTION**” is an outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the research advisor. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the Master of Business Leadership.

By: Daniel Lemma

Signature \_\_\_\_\_ Date \_\_\_\_\_

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## **List of Acronyms**

<b>CS:</b>	Customer Satisfaction
<b>SERVQUAL:</b>	Service quality model
<b>SQ:</b>	Service Quality
<b>EIPDC:</b>	Ethiopian Industrial Parks Development Corporation
<b>BLIP:</b>	Bole Lemi Industrial Park
<b>DDIP:</b>	Dire Dawa Industrial Park
<b>SPSS:</b>	Statistical Package for Social Science

## **Abstract**

*This study was conducted to assess the impact of service quality on customer satisfaction using SERVQUAL model in the case of Ethiopian industrial park development corporation, EIPDC. The general objective was to explore the service quality of the Corporation and the satisfaction level of investors. This research essentially employed explanatory mixed design to assess the Corporation's service quality and its impact on customers' satisfaction. The study purposefully selected two industrial parks: Bole Lemi and Dire Dawa whereby 55 respondents from Dire Dawa and 122 from Bole Lemi industrial park were involved. Both Quantitative and qualitative data were collected and analysed. Questionnaires were used to measure the five dimensions of service quality (according to the SERVQUAL model) of the corporation based on a five likert scale. Key management staff were also selected for interviews to understand the facts and hear their opinions of the service quality they're receiving from the corporation. The measures of the service quality dimensions showed that customers at the industrial parks are at an average level of satisfaction and there are gaps between customers' expectations and actual service delivered.*

## CHAPTER ONE: INTRODUCTION

This chapter includes the background of the study, statement of the research problems, the research questions, research objectives, scope and limitation of the study, and significance of the study.

### 1.1 Background of the Study

It is unanimously agreed among several scholars that high level of service quality should be provided by the service provider in order to achieve a high level of customer satisfaction, as service quality is typically considered an antecedent of customer satisfaction (Khan & Fasih, 2014; Marković, & Raspor Janković, 2013; Sureschandar et al, 2002; Cronin, Brady, and Hult, 2000; Cronin and Taylor, 1992). One among the other reason is the recent increase in service industry demand of more innovative ways to offer service quality and the competitive advantage the companies achieve per se.

It is based on this notion that the concept of *service quality* is understood as the ability of service providers to match the expected service with perceived service mainly to achieve customers' satisfaction (Seth, Deshmukh & Vrat, 2005). Other scholars view service quality as “the totality of inherent characteristics of a product or service that bear on its ability to increase the demand for that product or service at a fixed price” (Jan Van, 2009). Based on this notion, Anglova et al. (2011) stated the three dimensions of service quality such as technical quality, functional quality and corporate image. Accordingly, what the customer receive from service delivery is considered as technical quality and can be measured by the customers objectively. Whereas, functionality involves the manner the service is delivered and interaction between the employees of a company and its customers. With regards to corporate image, it is related with how the customers perceive the company.

On the other hand, several definitions have been offered about customer satisfaction by many scholars. To cite some, Fornell, (1996) defined customer satisfaction as a function of customer expectations, perceived quality, and perceived value; Oliver described it as “customer’s judgment that a product or service feature, or the product or service itself, provides a pleasurable

level of consumption related fulfillment” (1997); for Saxena (2002), customer satisfaction is a function of customer expectation from the firm and the actual performance by the firm. Likewise, Baron et al, (2003) explained satisfaction as the outcome of the evaluation a customer makes of any specific transaction or service.

Be this as it may, there is an ongoing debate on the relationship between service quality and customer satisfaction. For one thing, the provisions of high level of service quality enable the organization to achieve high customer satisfaction (Cronin, Brady, and Hult, 2000). For the proponent of this view, the issue of customer satisfaction is one of the fundamental factors that determines the success and failure of the business organization as reflected in the several studies such as Saxena, 2002; Doyle, 2002; Arshi et al., 2013). Whenever a business organization provides best quality service to its customer, there is greater chance that this leads to favorable customer behavior to remain loyal and high profitability. With the same token, poor quality service provision leads to lost customers, low spending and leaving the business in worst cases (Kotler, 1998). In addition to these, there are other studies which showed the strong correlation between service quality and customer satisfaction (Sureshchandear et al., 2002; Rust and Oliver, 1994; Brady and Cronin, 2001).

On the other hand, scholars such as Cronin and Taylor (1994) argue that the uni-directionality of the service quality - satisfaction relationship remain controversial as it should incorporate multidimensional factor that constitute service encounter satisfaction from overall satisfaction. Regardless the ongoing debate, there have been growing interest in measuring the service quality to say strong or weak correlation between service quality and customer satisfaction. With this regard, many of the aforementioned scholars utilized the standardized scale to assess quality of service called SERVQUAL scale, which is developed by Parasuraman, et al., (2005). According to Parasuraman, et al. (2005), the SERVQUAL scale contains 44-items grouped into five categories. These include tangibility (visible elements of a service such as buildings, sites and tools), reliability (the ability for a service provider to assure customers of a reliable and proper service), assurance (the level of knowledge displayed by a service provider when delivering its services), empathy (ability for a service provider to pay attention to individual customer demands) and responsiveness (how fast service providers respond to customer queries) to measure service quality (Khan & Fasih, 2014).

Cognizant of this, the current researcher holds the view that assessing the customer satisfaction towards the service quality being provided by the Ethiopian Industrial Parks Development Corporation is worth studying. To this end, the SERVQUAL scale is considered the appropriate method to assess the customers' satisfaction level of the EIPDCs' service quality in the case of Bole Lemi Industrial Park and Dire Dawa Industrial Park.

## **1.2 Statement of the problem**

With the ever-increasing competition in the business industry, the delivery of high level of service quality by companies has become a marketing strategy in the recent decades (Miller, 1993). As a result, companies have been offering several incentives such as price tolerance and irregularity handling in an effort to construct and maintain the loyalty of customers (Ibid).

Among other things, the Ethiopian Industrial Park Development Corporation (EIPDC) was founded in 2014 by proclamation 886/2015 to administer industrial parks and provide the required infrastructures to industrial park investors or customers ([www.EIPDC.gov.et](http://www.EIPDC.gov.et)). Currently, there are 16 IPs developed at federal government level and 04 IPs developed at regional governments' level. The major reason for establishing EIPDC include promoting technological learning, upgrading innovation, creating job opportunities, encouraging private sector in investment and attracting FDI which is a major means for capital in-flow and achieving economic transformation (UNIDO, 2018).

However, this can be achieved not only by increasing the administrative and the operational capacity of the EIPDC, but also can be manifested through the delivery of its quality service. However, as several studies identified, several factors have been constraining the delivery of quality service for the EIPDC customers/investors during their stay. Among the major factors include prolonged waiting time for processing logistics and custom procedures, lack of access to foreign exchange, long processing time for tax returns, lack of knowledge and experience of the management staff and poor infrastructures. These has been attested in the findings of both international and local studies and to the best of the researcher knowledge, quite few number of studies have been conducted to critically examine the service quality of the EIPDC and assess its impact on customers' satisfaction of different companies.

To state few studies conducted on the area, Temam Afdel (2013); Seyoum (2012) and Zeritu (2010) evaluated the satisfaction level of customers on service quality at EEPCo; Admassu Moges (2021) evaluated service quality in aviation industry using AIRQUAL model; Kalkidan Tsegaye (2014) conducted service quality and customer satisfaction at CBE; Yechalework Aynalem (2019) assessed opportunities and challenges of Industrial Park Development in Ethiopia. Globally, scholars such as Aga & Safakli (2007) investigated service quality and customer satisfaction in professional accounting firms; Ehigie and Jesse (2018) assessed the impact of service quality on customer satisfaction; the study of Kaura et al (2012) found that the quality of a service positively influences customer satisfaction.

Regardless of these, this research attempted to assess the effects of service quality provided by industrial park development corporation vis ä vis the customer's/investor's satisfaction. More specifically, the current researcher will assess the Ethiopian Industrial Parks Development Corporation's service quality on investor's satisfaction by implementing SERVQUAL model as *Theoretical Framework (Adopted from Khan & Fasih, (2014)* with slight modification. Accordingly, this study analyzed each of the five service quality dimensions which were basis for evaluating the customer satisfaction and to measure the service quality of EIPDC; secondly determined the satisfaction of service users at the selected industrial parks.

### **1.3 Research Questions**

- 1.3.1** What are the gaps between industrial park investors' expectations of EIPDC's service quality and the real practice?
- 1.3.2** What are the customers'/investors' satisfaction level regarding the quality of service being provided?
- 1.3.3** Which service quality dimensions affect customers' satisfaction?
- 1.3.4** What are the major factors that affect customers' satisfaction regarding the quality of service?

### **1.4 Objectives of the study**

#### **1.4.1 General objective**

The general objective of this study was to explore the service quality of Ethiopian Industrial Parks Development Corporation and the satisfaction level of investors.

### **1.4.2 Specific objectives**

The study seeks to achieve the following objectives:

- 1.4.2.1 To identify the gap between customers'/investors' expectations of EIPDC's service quality;
- 1.4.2.2 To measure customers'/investors' satisfaction level regarding the quality of services being provided;
- 1.4.2.3 To find out the correlation between each quality dimensions and investors' satisfaction
- 1.4.2.4 To identify organizational factors that affect the investors' satisfaction and service quality

### **1.5 Significance of the Study**

This study mainly focuses on analyzing the quality of service provided at Ethiopian Industrial Parks Development Corporation and its impact on customers'/investors' satisfaction. Thus, the findings of this study will be significant to realize the relationship that affects customers' satisfaction and service quality in Ethiopian Industrial Parks Development Corporation.

Added to this, the findings will be used as an input for the two industrial parks as it may reveal the problems they encounter while they implement service quality responsibilities and its impact on customers' satisfaction. Added to this, the recommendations that will be offered may serve as springboard to rectify the existing challenges (if any) the investors have been encountering.

### **1.6 Scope of the Study**

This study is limited to assess the impact of service quality being provided by Ethiopia's Industrial Parks Development Corporation (only the government owned) on customers'/investors' satisfaction. Specifically, the five dimensions of quality service such as reliability, responsiveness, assurance, empathy, and tangibles were considered to measure the service quality of EIPDC and the customers' satisfaction level. To this end, the managers and employees of EIPDC's were the respondents from whom the data were gathered. In addition, this study was carried out in two industrial parks, namely Bole Lemi Industrial Park and Dire Dawa Industrial Park.

## **1.7 Organization of the study**

This study is organized into five chapters. The first chapter contains the introduction part of the study. It deals with the background of the study, statement of the problem, research questions, and objective of study, significance of the study and scope of the study. The second chapter provides review of related literature. The third chapter deals with the research methodology including research design, study area, source of data, sampling method, data collection method, data analysis method and ethical consideration. Chapter four contains the analysis of the data collected and discussion of results. Chapter five concludes the study and provides recommendations.

## **CHAPTER TWO: LITERATURE REVIEW**

This chapter focuses on the theoretical and empirical review of service quality and customer satisfaction. The first part deals with the theoretical aspects such as concept of service quality and customer satisfaction, service quality dimensions, and factors affecting the service quality. The second part focuses on the empirical literature review. The theoretical framework of this study is also briefly discussed.

### **2.1 Theoretical Review**

#### **2.1.1 The concept of Service Quality**

Scholars defined service quality, also known as SERVQUAL, of organizations by focusing on different, but complementary perspectives. For instance, Lewis and Mitchell (1990); Dotchin and Oakland (1994) defined service quality as the ability to meet or exceed the customer expectations. Likewise, citing the customer's requirement, Paul (2015) defined service quality as the act of meeting a customer's needs by providing and delivering competent, supportive, and high-quality service and assistance before, during, and after the customer's requirements are met.

Quintana (2006) suggests that when it comes to customers, it is their perceptions of the quality of service one offers that determines success. The final measure of quality customer service is simply how the customer perceives it. Perceptions are considered relative to expectations. Customers perceive service in terms of the quality of the service they receive and whether or not they are satisfied with their experiences (Parasuraman, Zeithmal & Berry 1988, 1991, 1985). The perceptions that customers form are vital to service organizations, as the services they offer are intangible and sales heavily rely on a positive perception (Perreault & McCarthy, 1999).

Outstanding service quality can give an organization a competitive advantage which leads to superior sales and profit growth (Canning, 1999). Similarly, Kotler (1996) points out that if the perceived service of a given organization exceeds expected service, customers are likely to use the service provider again or recommend the service provider to others.

Service quality is important to all organizations as it is "regarded as a driver of corporate marketing and financial performance" (Buttle, 1996, p.8). It has also been put forward as a critical determinant of competitiveness (Lewis, 1989), and a source of lasting competitive

advantage through service differentiation (Moore, 1987). More particularly, service quality affects the re-purchase intentions of customers (Ghobadian et al., 1994). Most people hear about poor customer service experience than good customer service, and negative word of mouth can have a devastating effect on an organization's efforts to attract new customers. Customers who have experienced poor service will reveal their experience to other people, and therefore this is likely to lead to a reduction in potential customers (Horovitz, 1990).

Service quality, from the organizations' perspective, means establishing requirements and specifications. Once established, the quality goal is based primarily on satisfying customers' needs. From the customers' perspective, service quality means how well the goods/services provided by the organization meet or exceed customer expectations (Parasuraman, Zeithmal & Berry 1988, 1991, 1985; Mc Coll et al., 1998).

From these definitions, it can be inferred that service quality has been defined as service marketing, process of satisfying customers and organizational performances. Added to this, quality service is seen as set of activities which can be provided in terms of tangibles and intangible service an organization uses to win and retain the customers' satisfaction.

### **2.1.2 Customer Satisfaction**

Customer satisfaction is defined by Kotler (2008); Choi and Chu (2001) as the feeling of satisfaction or dissatisfaction as a result of comparing the perceived performance of services or products with the expected performance. Similarly, Nathorst-Boos et al. (2001) defined customer satisfaction as respondents' judgment whether or not satisfied or dissatisfied with specific quality factors and essentially can be measured by asking them.

Moreover, Kottler (1998) described customer satisfaction as "the outcome felt by buyers who have experienced a company performance that has fulfilled expectations are met and delighted when their expectations are exceeded". Relating customer satisfaction with emotion, Yi (1990) described it as an emotional reaction to experiences related to specific products and services purchased, retail shops, or even molar patterns of behavior such as shopping and buyer behavior, as well as the whole market space.

On the other hand, customer satisfaction is described as a means to certain end, i.e., successful and profitable business. For example, scholars such as Fornell (1992); Bitner and Hubbert (1994) argue that customer satisfaction plays a significant role in making the business successful and profitable as a result of pleasing the customer's needs. The implication of this is that whenever the company provides quality service, there is high chance that the customer become willing to return for the service or product, advertise informally about the service which attract other customer and this in turn Increase Company's profitability.

From these definitions, it is clearly indicated that satisfying customers' needs is the fundamental factor that determines the success and failure of a company. It has further implications other than economic and commercial activities, which is establishing goodwill, reputation, brand and long-standing legacy of a company.

### **2.1.3 Dimensions of Service Quality**

It is unquestionable that organizations identify existing gaps for each service they provide for their customers through several mechanisms. The starting point for service quality is measurement and analysis (Edvardsen et al., 1994). There is a need for service quality models to enable management to identify high quality and to determine where problems exist, and it has been argued that attempts to improve quality management are being prevented because of the lack of instruments designed to measure quality (Farrell et al., 1991). It is also important to measure service quality to identify quality related problems, to allow for comparison before and after a service change, and to establish standards of service delivery (Bryslan & Curry, 2001).

Many service quality models have been proposed (Moore, 1987; Heywood Farmer, 1998; Beddowes et al., 1988; Nash, 1988; Phillip and Hazlett, 1997; Robledo, 2001). Of all the models, the most enduringly popular, widely cited and best researched method of assessing service quality is SERVQUAL (Asubonteng et al., 1996; Robinson, 1999; Waugh, 2002) developed by Parasuraman et al. (1985, 1988). Thus an advantage of using SERVQUAL is that "it is a tried and tested instrument which can be used comparatively for benchmarking purpose" (Bryslan & Curry, 2001, p. 389). The scale that is the focus of SERVQUAL is perceived quality, which is a customer's judgment about the excellence of a service (Zeithaml, 1987).

Parasuraman et al. (1985) and McColl et al., (1998) have originally identified ten determinants of service quality generic to the service industry. These determinants were tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication, and understanding the customer. At a later stage, Parasuraman et al. (1998) developed a 22-item instrument, recognized as SERVQUAL, which has become widely used as a generic instrument for measuring service quality. The instrument items represent the five dimensions explained (Parasuraman 1998) as follows:

**Tangibles** - this dimension includes the appearance of physical facilities, equipment, staffs, and communication materials. Customers will use tangibility to evaluate service quality because it provides physical representations or images of the service as a result organization often use tangibles to enhance their image, provide continuity and signal quality to customers (Wilson et al.2008).

**Responsiveness** -This dimension emphasizes attentiveness and promptness in dealing with responding clients' requests, questions, complaints and problems. Responsiveness also encompasses the concept of flexibility and the ability to tailor a service to customer needs. The organization must look at the service delivery and request handling processes through the customer's point of view (Wilson et al., 2008).

**Reliability** - The reliability dimension of service quality refers to organizations' ability to perform the promised service dependably and accurately, and thus reflects the consistency and dependability of an organization's performance (Wilson et al., 2008).

**Empathy** - denotes caring and individualized attention that the organization provides to its customers. The essence of empathy is about conveying customers that they are unique and special through personalized or customized service and showing them what it is like to be a customer to the company through understanding their needs and make its services available to their customers. (Wilson et al. 2008).

**Assurance** - The assurance component of service quality is concerned with the organization's competency, courtesy to its customers, and operational security. It refers to employee's knowledge and the ability of the organization to inspire trust and confidence on users. Added to that assurance pertains the organization's knowledge and skills in providing the promised service

to how its employees interact with the customer and the customer's possessions (Wilson et al.2008).

#### **2.1.4 Factors affecting service quality**

There are several factors which may directly and/or indirectly affect the service quality of a company. Among other things, the findings of scholars such as Johnston (1990) showed hygiene or clean service facility, enhancing factor that fail to satisfy customer cause dissatisfaction; Hussien et. al (2018) stated lack of the five dimensions used to assess service quality including lack of ability to deliver on promises trustworthy service, unwilling to assist customers and provide fast service, employees' lack of knowledge and courtesy to build trust, absence of caring or giving individual attention to the customers and poor facilities or equipment, communications for the customers.

On the other hand, studies showed that the five SERVQUAL dimensions' have an impact on customer satisfaction as presented below.

First, empathy – the individual attention the firm provides to its customers, including access, communication and caring greatly impacts customer satisfaction. For instance, Ganguli & Roy (2011) argue that positive correlation does exist between empathy and customer satisfaction. Similarly, scholars such as Wieseke, et al. (2012) claim that empathy creates a condition of emotional relationship between customers and service providers and this motivates customers to do business with the company.

Second, reliability - the firm's ability to provide the service dependably and accurately to its customers positively impacts the customer satisfaction. Supporting this, Ibáñez, Hartmann & Calvo (2006) suggest that a positive correlation do exist between the reliability of service, service quality and customer's satisfaction.

Third, assurance - the employees' knowledge, competence, courtesy and ability to inspire confidence in customers is another factor that impacts the customer satisfaction. With regard, Parasuraman, et al (1988) claim that implants a favorable perception of an organization in the mind of a customer

Fourth, tangibles - the appearance of firm's physical facilities, equipment, personnel and communication material are among those factors affecting customer satisfaction. The findings of Admasu Moges (2021) who studied the service quality in aviation industry using AIRQUAL model with particular reference to Ethiopian airlines passenger service identified that the better the quality of the airline tangibles, the higher the level of customer satisfaction.

Fifth, responsiveness - the firm's willingness to help customers and its ability to provide prompt service. Regarding this, Besterfield, et al (2004) described elements that show organizations' willingness to care its customers such as - get the customer's point of view, deliver what is promised, make the customer feel valued, respond to all complaints, over-respond to the customer, provide a clean and comfortable customer reception area.

From these, it can be inferred that the five dimensions are regarded as the essential factors which determine the quality service. The implication of this is that organizations need to fulfill the five dimensions if they really want to stay competitive, profitable and successful in the business. Added to this, the company needs to evaluate service quality of it to detect the indicators that needs more improvement.

## **2.2 Empirical Review**

Under this section, overview of empirical studies conducted previously on service quality and customer satisfaction will be presented.

The most notable names in service quality studies, A Parasuraman, VA Zeithaml and L Berry have conducted a number of studies. They published a journal in 1988 entitled "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality". This paper describes the development of a 22-item instrument (called SERVQUAL) for assessing customer perceptions of service quality in service and retailing organizations. After a discussion of the conceptualization and operationalization of the service quality construct, the procedures used in constructing and refining a multiple-item scale to measure the construct are described. Evidence of the scale's reliability, factor structure, and validity on the basis of analyzing data from four independent samples is presented next. The paper concludes with a discussion of potential applications of the scale.

“Delivering quality service: Balancing customer perceptions and expectations” was published by the same authors in 1990. They studied customers’ view of service quality, potential causes of service quality shortfalls, how to start a service quality journey and have assessed service quality challenges for the 1990’s.

In 1994, another journal by the title “Reassessment of Expectations as a Comparison Standard in Measuring Service Quality: Implications for Further Research” was published. The authors responded to concerns raised by Cronin and Taylor (1992) and Teas (1993) about the SERVQUAL instrument and the perceptions-minus-expectations specification invoked by it to operationalize service quality. After demonstrating that the validity and alleged severity of many of those concerns are questionable, they offer a set of research directions for addressing unresolved issues and adding to the understanding of service quality assessment.

Babakus, Emin and Boiler, Gregory W. (1992), did a research on “An Empirical Assessment of the SERVQUAL Scale”. They have studied the definition and measurement of service quality as a 5-dimensional construct, as in SERVQUAL, and have found that the dimensionality of service quality may depend on the type of services under study. The use of mixed-item wording and the current operationalization of service quality on the basis of gap scores appear in the process of using SERVQUAL. The results of this study suggest exercising caution. Suggestions are provided with implications for theory development and measurement in the service marketing area.

Brown, Tom J., Churchill, Gilbert A., and Peter, J. Paul (1993), in their study “Improving the Measurement of Service Quality,” have examined the most popular measure of service quality, the SERVQUAL model. They have reviewed and empirically investigated the problems in conceptualizing service quality as a difference score which is used by SERVQUAL. After their study, they have proposed an alternative method for measuring service quality which they claim to have favorable psychometric properties and to be more efficient than SERVQUAL.

Cronin, J. Joseph and Taylor, Steven A. (1992), “Measuring Service Quality: A Reexamination and Extension”. In this study the researchers investigate the conceptualization and measurement of service quality and the relationships between service quality, consumer satisfaction, and purchase intentions. They tested (1) an alternative method of operationalizing perceived service

quality and (2) the significance of the relationships between service quality, consumer satisfaction, and purchase intentions. The results suggest that (1) a performance-based measure of service quality may be an improved means of measuring the service quality construct, (2) service quality is an antecedent of consumer satisfaction, (3) consumer satisfaction has a significant effect on purchase intentions, and (4) service quality has less effect on purchase intentions than does consumer satisfaction. Implications for managers and future research are discussed.

Despite the fact that industrial park development in Ethiopia has been a new phenomenon, few studies are available as far as the knowledge of the current researcher is concerned. To highlight the existing literatures, Tigist Girma (2021) conducted a study entitled “Ethiopian industrial park development corporation service quality and its impact on investors’ satisfaction: the case of BLIP. Tigist used SERVQUAL to measure the service quality of industrial park and its impact on customer satisfaction. The result of this study showed that there are gaps between customers’ expectation and quality of service provided such as interruption and unsustainable service provision, lack of communication, delay in responding to problems that customers encounter.

Likewise, Yechalework Aynalem (2019) studies “Opportunities and Challenges of Industrial Park Development in Ethiopia” where the research was carried out in Bole Lemi and Hawasa Industrial parks to assess the opportunities and challenges gained from the industry. To achieve the objectives, the researcher used key informant interview and focus group discussion as data collection tools. Accordingly, the result of the study shows that there are FDI advantages, transfer of technology and skills, created huge job opportunities and high-income generation. With regards to the challenges, the researcher identified major constraints such as poor trade logistics and customs procedures, high labor turnover, insufficiency of infrastructure facilities, lack of access to foreign exchanges and weak linkages of IPs with the local economy.

In addition, Kalkidan Tsegaye, Nigist Negash, Haset Lakew (2014) evaluate the service quality and customer satisfaction in case of CBE Arada ghiorgis branch and found that there are gaps in delivering quality service to their customers. According to the finding of their study, lack of professional development schemes such as training, workshop and seminars; poor working environment; low benefit packages care among the factors contributed to low quality service and

poor customer satisfaction. Based on these finding, they recommended that the bank should make salary increment, benefit packages such as bonus, allowance, promotion, recognition, and providing conducive working environment.

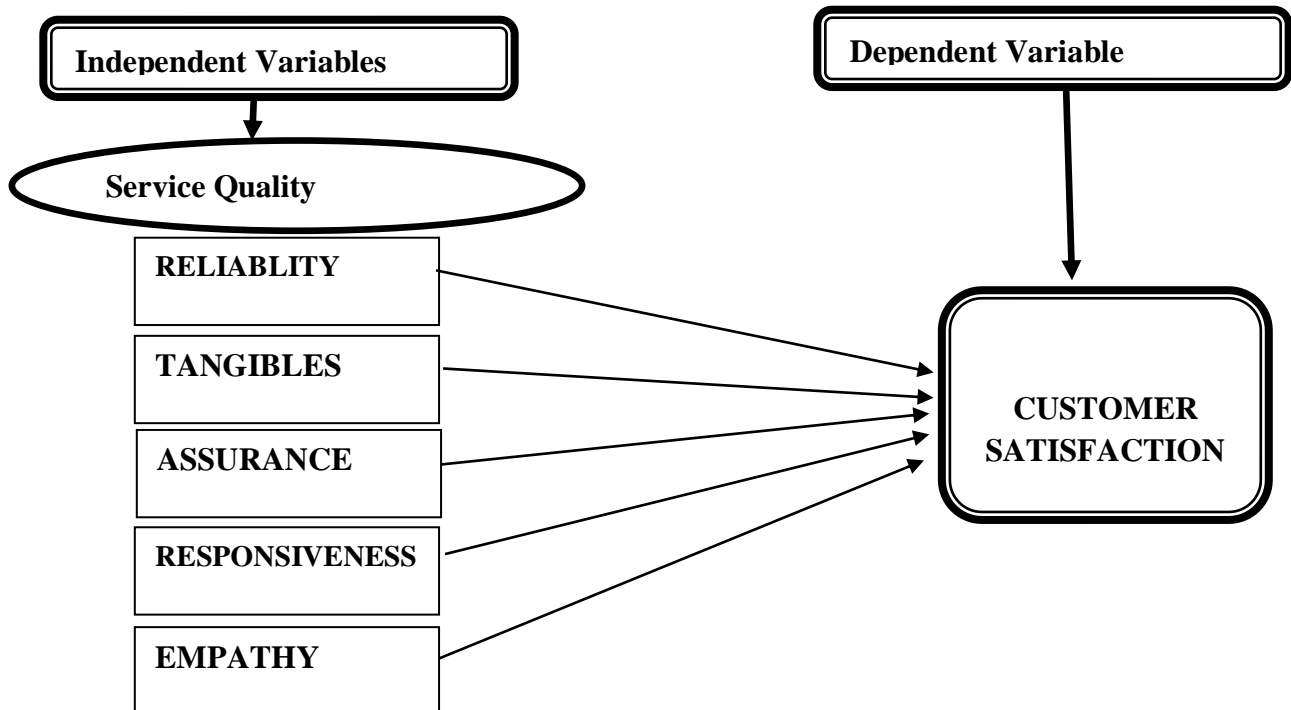
Similarly, Admasu Moges (2021) conducted a study on service quality in aviation industry using AIRQUAL model with particular reference to Ethiopian airlines passenger service. The result indicates that there is high level of service quality and that is positively related to customers' satisfaction in Ethiopian Airlines. Contrary to this, the results from Ethiopian Airlines customers indicated that lack of in-flight entertainment availability and number of shops in the airport did not satisfy them.

Another comprehensive study conducted on “Industrial Park Development” was conducted by a group of scholars such as Alebel Bayrau, Mulu Gebreeyesus, Girum Abebe & Berihu Aseffa in 2017. Their study aimed at assessing the objective, governance system, policy preferences, administrative pattern, and investment promotion of Industrial Park Development of China to use it as reference for other African countries. Based on their finding, there are insights which can be taken as a lesson for successful implementation of industrial park development for countries such as Ethiopia in terms of accelerating industrialization and urbanization. Added to this, they suggested that the need for government and political leaders' commitment for its successful implementation.

Temam and Mesfin Lemma (2013) conducted a study on industrial customers' satisfaction at Ethiopian Electric Power Corporation with particular case of South Addis Ababa Region using SERVQUAL model. According to their finding, the performance of EEPCo in providing quality service to its industrial customers is not in a situation to meet their expectations. More specifically, the regression analysis showed that there is a negative gap between service expectations and service perceptions in all five SERVQUAL dimensions. Based on these, they suggested the need for improvement on areas such as the appropriate service delivery standards, proper complaint handling mechanisms, relevant training for its employees, and strengthening decision making power of employees.

## 2.3 Conceptual Framework

The conceptual framework of this study defines customer satisfaction as dependent variable and service quality dimensions as independent variable. The following table shows that there is a basic relationship between the two variables i.e., service quality and customer satisfaction in this study.



**Figure 1. SERVQUAL Conceptual Framework** (Adopted from Khan & Fasih, 2014 and Kaura, et al., 2012 after, Parasuraman, et al., 2005).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

This chapter describes the research methodology including research design, study area, source of data, sampling method, data collection method, validity and reliability, data analysis method and ethical consideration to achieve the main objective of the study.

### **3.1 Research design**

This research essentially employed explanatory mixed design to assess the Ethiopian Industrial Parks Development Corporation's service quality on customer's satisfaction. This research design was adopted for it is considered the best fit to answer the proposed research questions, i.e., EIPDC's service quality and investors' satisfaction and draw on broader conclusions of findings. The qualitative methodology component assumes an interpretive approach to the respondents' experiences and makes sense of phenomena and understanding; while the quantitative methodology part was believed to explain the relationship between the variables in terms of usage of numbers (Plano Clark & Creswell, 2018; Patton, 2002). Thus, explanatory mixed research design was considered for main reasons such as triangulation, complementarity, explanation, development, initiation, and expansion (Bryman, 2006; Creswell, 2016).

### **3.2 Population of the Study**

This study was conducted at two industrial parks located in Addis Ababa and Dire Dawa city administration. From Addis Ababa city administration, Bole Lemi industrial park was considered and Dire Dawa industrial park was considered from Dire Dawa city administration. Bole Lemi is located in south-eastern Addis Ababa, covering 342 hectares and specializes in manufacturing Textile and Garments and Leather and Leather Products. Dire dawa industrial park was inaugurated in 2018 and currently there are 10 manufacturing companies and more than 1300 employees specializing with leather goods Production.

### **3.3 Source of Data**

In this study, the researcher used both primary and secondary source of data to achieve research questions, i.e., identifying the service quality baseline and its effect on customers' satisfaction. The primary source of data was obtained from respondents through questionnaire to be administered for customers' management team including managers of different enterprises.

Whereas, the secondary source of data was obtained from pertinent documents such as company data base, journal articles, manuals, annual reports and other empirical data which indicate the service quality of the industrial parks.

### **3.4 Sample and Sampling Techniques**

The population of the study was customers of the two industrial parks that are currently located in both Addis Ababa and Dire Dawa city administrations. Taking into consideration of geographical location, budget and time constraints, the study purposefully selected two industrial parks. Currently, there are 19 companies with 13 departments each in Bole Lemi Industrial Park. The departments include customer service, production, quality, planning, merchandize, technical support, product design, raw material store, cutting and maintenance, finished goods store, human resources, complaints office and industrial Engineering.

From these departments, there are only four departments that have direct service interaction with the EIPDC's representative office, but the researcher considered all of them for questionnaire. The management team has 6 members such as operational manager, deputy operational manger, plant manager, production manager, assistant production manager and customer supervisor. With regards to Dire Dawa industrial park, there are four companies operating in the industrial park with almost similar organizational structure of the management team and employees.

As a result, this study was considered the management team and employees of the two industrial parks to participate in key informant interview and questionnaire respectively. To select the sample size that represent the population for key informant interview, the current researcher employed purposive sampling to select respondents, i.e., the management team who may have rich experience and knowledge on factors that may affect customer satisfaction and quality gaps. Added to this, systematic sampling technique was used to select employees of the industrial investors/customers from their list to fill the questionnaire. To this end, the population size of Bole Lemi Industrial Park and Dire Dawa are 242 and 113 staff members respectively. Hence, a sample size of 149 and 88 respondents of Bole Lemi Industrial Park and Dire Dawa Industrial Park staff members were taken respectively using the formula below. Therefore, the total number of sample size of both industrial parks is 237.

Assumptions: A 95% confidence level, and  $e = \pm 5\%$

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

$$n = 242 / 1 + 242 * (.05)^2$$

$$n = 149 \text{ (Bole Lemi)}$$

$$n = 113 / 1 + 113 * (.05)^2$$

$$n = 88 \text{ (Dire Dawa)}$$

where

n = the sample size

N = the population size

1 = designates the probability of the event occurring.

e = the desired level of precision with level of confidence is 95% confidence interval and  $\pm 5\%$  precision.

### **3.5 Data collection method**

To collect data for the study, both primary and secondary source of data, three types of instruments, namely: questionnaire, key informant interview and document analysis was used. First, the questionnaire for the present study comprised of two parts: the first part focused on the demographic information of the respondent. For the second part of the questionnaire, the researcher adopted standard questions to assess the main variables for this study which aim to measure the EIPDC's office service quality.

More specifically, SERVQUAL scale of measuring service quality developed by American marketing gurus Valarie Zeithalm, A. Parasuraman, and Leonard Berry in 1988 was adopted as it is designed to measure quality of service on five identified dimensions such a tangibility, assurance, reliability, responsiveness and empathy. Added to this, this instrument used the Likert scale from 1 to 5 which require the respondents rate their level of agreement or disagreement that indicate their level of satisfaction as adopted by Khan & Fasih, (2014) and Kaura, et al. (2012).

In addition, this study employed key informant interviews (KIIs) as a tool for gathering qualitative data on participant's insights and experiences in their own words. The interview questions focused on major aspects of the study which helped the researcher to know what the customer's/investors perception of the services delivered by Ethiopian Industrial Parks Development Corporation office.

### **3.6 Data analysis method**

In order to answer the research questions both quantitative and qualitative data analysis was employed. Both data analysis methods eventually lead to evaluate and explain the service quality of Ethiopian Industrial Parks Development Corporation and the satisfaction level of investors. After quantitative data were collected through questionnaire, the researcher conducted both descriptive and inferential analysis. The whole data was checked for completeness and was coded into the statistical package for social sciences (SPSS) version 25.0. After that, both descriptive and inferential statistical analyses were performed.

Besides, qualitative data that were collected through key informant interview was analyzed qualitatively. More specifically, analysis of the qualitative data was done thematically which assisted the process of coding procedures of the data analysis. Data coding was conducted as qualitative thematic analysis by focusing on patterns that emerged from the collected data and in line with the research question. The analysis process adopted the inductive approach whereby it involved the coding and searching themes in the transcription of KII data.

### **3.7 Ethical Considerations**

The researcher believes that this study was conducted respecting the respondents' dignity and maintaining their privacy. Before beginning data collection, the researcher offered orientation to participants about the purpose of the study. In addition, the objectivity and confidentiality of personal information was valued by the researcher. To avoid any mistakes, or ambiguities, the researcher believes it was necessary to completely eliminate anything that may identify the respondents in the form of names and addresses. A guarantee was given to respondents that their names will not be exposed in the research report.

## CHAPTER FOUR: DATA ANALYSIS AND DISCUSSION

The objective of this study is to examine the service quality of Ethiopian Industrial Parks Development Corporation and the satisfaction level of investors. To empirically test the research questions, 149 questionnaires for Bole Lemi and 88 for Dire Dawa industrial park were distributed; however, 122 (81.88%) questionnaires from Bole Lemi and 55 (62.5%) questionnaires from Dire Dawa were returned.

This chapter focuses on the presentation and analysis of the data collected via questionnaire, key informant interview and document analysis. To analyze the effect of the independent variables on the dependent variable, descriptive statistics along with correlation and regression analysis was applied.

### 4.1. Demographic characteristics of respondents

Demographic information includes the following feature of the respondents; gender, age, education level and work experience based on frequency distributions and percentage.

*Table 4.1 A. Gender distribution of respondents*

<b>Gender</b>	<b>No</b>	<b>percentage</b>
Female	64	36.2%
Male	113	63.8%
Total	177	100%
<b>Total</b>	<b>177</b>	<b>100%</b>

As can be seen in table 4.1, out of the 177 respondents, 64 (36.2%) are females and the remaining 113 (63.8%) are males. It is indicated that the majority of the respondents are males.

*Table 4.1 B. Work experience of the respondents*

<b>Gender</b>	<b>No</b>	<b>percentage</b>
Less than 1 year	42	23.7
2-5 Years	86	48.6
More than 5 Years	49	27.7
<b>Total</b>	<b>177</b>	<b>100%</b>

As shown in table 4.1.B, majority of the participants involved in this study were working in the industrial park for more than two years indicating 86 (48.6%). Whereas, 42(23.4%) of the

respondents have worked in the industrial park for less than one year. This indicates, respondents have enough experience in the industrial park that they had ample interaction with the service provided in the industrial park.

**Table 4.1 C: Age of respondents**

<b>Work experience</b>	<b>No</b>	<b>Percent</b>
Below 25 Years	36	20.3
26-30 Years	99	56.1
31-40 Years	36	20.3
41 – 50 Years	6	3.3
<b>Total</b>	<b>177</b>	<b>100%</b>

*Source: own survey, 2022: SPSS 25*

With regards to the respondents’ age, 36 (20.3%) of them were below 25 years old; while 99 (56.1%) of them were between 26 – 30 years of age. In addition, 36 (20.3%) of them were between the age of 31 – 40 and only 6 (3.3%) are between 41 – 50 years of age.

**Table 4.1 D Level of Education of the respondents**

<b>Work experience</b>	<b>No</b>	<b>Percent</b>
Diploma	45	25.4
Bachelor’s Degree	112	63.3
Master’s Degree	20	11.3
<b>Total</b>	<b>177</b>	<b>100%</b>

Table 4.1 C presents the respondents education level. Out of the total respondents, those who completed bachelor’s degree were the highest number with 112 (63.3%) followed by diploma holders’ with 45(25.4%) and the rest 20(11.3%) have Master’s degree.

## **4.2 Reliability Analysis**

To check the accuracy and appropriateness of the instruments, the researcher conducted the assessment of validity and reliability of the questionnaire. Added to this, the measurement technique used, i.e., SERVQUAL model was checked for its validity and reliability to ensure that the data are sound and replicable, and the results are accurate. Thus, the valid and reliable scale for the measurement information and means of items for variables such as tangibility, responsiveness, assurance, empathy and reliability were conducted. Accordingly, the most

recommended method to test the internal consistency of the items is the result of reliability test for all indicators or dimensional scales and Baker et al., (2002) suggested it should be above (Cronbach's  $\alpha = 0.60$ ). In addition, if the score is less than 0.9 but greater than 0.8 is a good value (Vaske and Beaman, 2017). Based on this, Cronbach's alpha was calculated to check the reliability and validity of the SERVQUAL instrument based on a five Likert scale questions.

**Table 4.2: Reliability Test**

<i>Dimensions</i>	<i>Cronbach's Alpha</i>	<i>Cronbach's Alpha based on standardized items</i>	<i>Number of items</i>
Tangibility	0.591	0.574	4
Reliability	0.885	0.858	5
Responsiveness	0.933	0.944	5
Assurance	0.927	0.989	4
Empathy	0.886	0.858	4
Overall reliability	0.910	0.958	22

***Cronbach's alpha***

As shown in the table 4.2, the five dimensions showed coefficients higher than 0.7, except for tangibility (though within acceptable limits) indicating the true measure of service quality using items for dimensions. The reliability of each subscale or the five dimensions of service quality to be used in the study was estimated through test-retest reliability until it indicated adequate internal consistency. Therefore, the total reliability scale for this study is 0.91. This indicates that the reliability score of the overall reliability factor is almost similar to 0.92, Parasuraman et al., (1988). This implies the reliability value for the items of the five dimensions of SERVQUAL model are accepted for analysis.

**4.3. Descriptive Analysis of Service Quality Measurements**

The SERVQUAL model used in this study contains 22 questions for the five quality dimensions where respondents asked to rate their agreement from strongly agree (5), agree (4), neutral (3) disagree (2) to strongly disagree (1) regarding Tangibility, Reliability, Responsiveness, Assurance and Empathy. The mean scores of customers' response regarding service quality attributes are presented in both industrial parks are presented below.

### 4.3.1 Service quality attributes, Dimensional mean score and Standard Deviation

- Reliability

**Table 4.3: SERVQUAL questions for item Reliability**

<b>SERVQUAL questions for item Reliability</b>	<b>BLIP</b>		<b>DDIP</b>	
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>
1. When the EIPDC staffs promises to do something within a certain time, they do it.	3.30	1.025	3.14	1.051
2. The EIPDC staffs provide accurate and updated information regarding related services.	3.24	1.240	3.02	1.752
3. When you have a problem the EIPDC staffs show sincere interest in solving it	3.16	1.311	3.41	1.062
4. The EIPDC staffs perform the service right the first time.	3.02	1.175	3.01	1.341
5. Sufficient manpower and material are kept to avoid the interruption of service provision.	3.34	1.14	3.16	1.146
<b>Reliability average mean</b>	3.245		3.21	

Source: researcher's survey data (2022)

As indicated in the Table 4.3, the overall respondents' satisfaction level towards reliability is above average with average mean of 3.245 for BLIP and 3.21 for DDIP. This implies that the two industrial parks are keeping their promises in providing right service, solving problems on time, and providing service at the right time among other things.

- **Tangibility Dimension**

**Table 4.4: SERVQUAL questions for item Tangibility**

<b>SERVQUAL questions for item Tangibility</b>	<b>BLIP</b>		<b>DDIP</b>	
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>
1. The staffs delivering the services are nice, neat and professional in appearance.	3.31	1.121	3.75	1.921
2. Physical facilities in the Industrial Park are very appealing.	3.01	1.172	3.31	1.350
3. The Industrial Park has modern equipment and technology.	3.32	1.025	3.42	1.225
4. Materials associated with communication service such as pamphlets, signposts in the Industrial Park are visually appealing.	3.29	1.357	3.60	1.153
<b>Tangibility average mean</b>	3.24		3.52	

From Table 4.4, it can be seen that the overall customers' satisfaction regarding tangibility at BLIP showed above average, mean score with 3.24; the DDIP overall satisfaction regarding the service provided indicates high with 3.52 mean score. There is slight difference between the two industrial parks in terms of availability of service such as communication service, modern technology, facilities and appealing appearance.

- **Responsiveness**

**Table 4.5: SERVQUAL questions for item Responsiveness**

<b>SERVQUAL questions for item Responsiveness</b>	<b>BLIP</b>		<b>DDIP</b>	
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>
1. Staffs of EIPDC are never too busy to respond to your requests.	3.61	1.204	3.01	1.310
2. Staffs of EIPDC keep you informed when services will be performed.	3.30	1.152	3.61	1.531
3. Staffs of the EIPDC give prompt service to you.	3.05	1.318	3.46	1.204
4. Staffs of the EIPDC are happy and always willing to help their customers.	3.51	1.207	3.35	1.162
5. The staffs make the information easily obtainable	3.72	1.305	3.50	1.250
<b>Responsiveness average mean</b>	3.438		3.386	

Table 4.5 shows that the overall satisfaction level with regards to responsiveness of the industrial parks with 3.438 for BLIP and 3.386 for DDIP, indicating above average results. Customers' expectation of the industrial parks' responsiveness in the areas of giving promoted service,

making information available and obtainable, being happy and willing to help customers and keep customers informed about the services was as good enough. This implies, the two industrial parks need to work on enhancing their service related to the aforementioned dimension.

- **Empathy**

**Table 4.6: SERVQUAL questions for item Empathy**

SERVQUAL questions for item Empathy	BLIP		DDIP	
	Mean	SD	Mean	SD
1. The staffs of the EIPDC usually give you individual attention	3.58	1.304	2.52	1.172
2. The staffs of the EIPDC have operating hours that are convenient to you.	3.56	1.197	2.64	1.114
3. The staffs of the EIPDC understand your specific needs.	3.01	1.072	3.34	1.257
4. The EIPDC and its staffs have their customer's best interest at heart.	3.34	1.184	3.02	1.281
<b>Empathy average mean</b>	3.375		2.88	

With regards to empathy dimension of service quality at BLIP and DDIP, the overall mean score of the former with 3.375 and the later with 2.88, showing that respondents from DDIP score low compared the BLIP which is average level. This implies that the empathy dimensions such as giving individual attention, operating at convenient hours, understanding specific needs and knowing the customers' best interest at heart in DDIP was not fulfilled and customers are dissatisfied with this regard.

- **Assurance**

**Table 4.7: SERVQUAL questions for item Assurance**

SERVQUAL questions for item Assurance	BLIP		DDIP	
	Mean	SD	Mean	SD
1. The staffs of the EIPDC have the required skill and knowledge in providing services.	3.86	1.315	3.218	1.240
2. You feel safe in your service transaction with the EIPDC	4.01	1.036	3.02	1.273
3. The staffs of EIPDC are polite and consistently courteous with you.	3.24	1.154	3.41	1.281
4. The behavior of the staffs of EIPDC inspires/ instills confidence in you.	3.29	1.491	3.63	1.172
<b>Assurance average mean</b>	3.6		3.319	

The above Table 4.7 regarding assurance dimension showed that the overall mean score of both BLIP and DDIP is above average with 3.6 and 3.31 respectively. This implies that customers at both industrial parks are not thoroughly satisfied in terms of the knowledge and skills of the EIDPC staff members, not feeling safe in the current service transaction (especially in DDIP) and instilling confidence in the customers' heart. This might be attributed to several factors but the two industrial park staff members need to work on assuring the customers with necessary conditions.

#### 4.3.2. Level of Customer Satisfaction

To assess the customer satisfaction regarding the service quality being provided by the industrial parks, the respondents were asked to gauge their level of satisfaction using the Parasuraman, Zeithaml, and Berry (1985) proposed understanding that if the perceived service quality is high, there will be an increase in customer satisfaction. Therefore, the respondents rated to the alternative statements which measure their level of satisfaction in the service provided at the industrial parks as presented in the table below.

**Table 4.8 Overall Satisfaction of the Respondents on BLIP and DDIP Service Delivery**

		BLIP			DDIP		
		Frequency	Percent	Valid Percent	Frequency	Percent	Valid Percent
Valid	Worst	4	3.27	3	3	5.45	5
	Poor	6	4.91	5	7	12.72	13
	Neutral	24	19.67	20	15	27.27	28
	Good	53	43.44	43	20	36.36	36
	Excellent	35	28.68	29	10	18.18	18
	Total	122	100	100.0	55	100	100.0
Missing	System	-			-		
Total		122	100		55	100	

*Source: Own survey, 2022*

The above table showed that 53(43.44%) of the respondents from BLIP indicated their satisfaction level as good followed by 35 (28.68%) indicating their satisfaction level as excellent with the service provided. On the other hand, the respondents from DDIP showed their highest

level of satisfaction as good with 20(36.36%) followed by 15 (27.27%) of them showed their satisfaction level as neutral or they are neither satisfied nor dissatisfied. However, 4 (3.7%) and 3 (5.45%) of the respondents worst level of satisfaction or highly dissatisfied at BLIP and DDIP respectively.

**Table 4.9: Customer Satisfaction Statistics Description**

	BLIP			DDIP		
	N	Mean	Std. Deviation	N	Mean	Std. Deviation
Overall satisfaction level of customers regarding the service quality of EIDPC.	122	3.68	1.524	55	3.72	1.340

*Source: Own Survey, 2022*

As observed from table 4.9, the mean value of customer satisfaction of BLIP is 3.68, indicating agreement to the Likert scale with standard deviation of 1.524; while the overall mean value of the customer satisfaction at DDIP showed 3.72 which is agreement level on the Likert Scale with (std. deviation, 1.340). This indicates that the customers at both industrial parks are at the average level which implies the EIDPC need to work to enhance the customers' satisfaction level.

## **4.4 Correlation Analysis**

### **4.4.1 Pearson Correlation Analysis**

Pearson correlation analysis which measures to quantify the degree of relationship between independent and dependent variables was conducted. Accordingly, the association/correlation between the five service quality dimensions and customer satisfaction was tested using Pearson correlation. The current researcher used Pearson's Product Moment Correlation Coefficient (Pearson's  $r$ ) which ranges from -1 to 1. According to Senthilnathan (2019), if  $r = -1$ , it indicates that there is perfect negative linear relationship between variables; whereas, if  $r = 0$ , it shows there is no relationship between variables and if  $r = 1$ , it implies perfect positive linear relationship between variables.

**Table 4.10: Correlation Analysis**

		<b>Overall Customer satisfaction</b>	<b>Tangibility</b>	<b>Reliability</b>	<b>Responsiveness</b>	<b>Assurance</b>	<b>Empathy</b>
<b>Overall Customer Satisfaction</b>	<b>Pearson Correlation</b>	1	.824**	.761**	.705**	.731**	.514**
	<b>Sig. (2-tailed)</b>		.005	.001	.004	.001	.001
	<b>N</b>	177	177	177	177	177	177
<b>Tangibility</b>	<b>Pearson Correlation</b>	.824**	1	.706**	.561**	.614**	.519**
	<b>Sig. (2-tailed)</b>	.005		.001	.002	.001	.001
	<b>N</b>	177	177	177	177	177	177
<b>Reliability</b>	<b>Pearson Correlation</b>	.761**	.706**	1	.737**	.814**	.515**
	<b>Sig. (2-tailed)</b>	.001	.001		.000	.000	.000
	<b>N</b>	177	177	177	177	177	177
<b>Responsiveness</b>	<b>Pearson Correlation</b>	.705**	.561**	.737**	1	.812**	.690**
	<b>Sig. (2-tailed)</b>	.014	.002	.000		.001	.000
	<b>N</b>	177	177	177	177	177	177
<b>Assurance</b>	<b>Pearson Correlation</b>	.731**	.614**	.814**	.812**	1	.741**
	<b>Sig. (2-tailed)</b>	.001	.001	.000	.001		.001
	<b>N</b>	177	177	177	177	177	177
<b>Empathy</b>	<b>Pearson Correlation</b>	.514**	.519**	.515**	.690**	.741**	1
	<b>Sig. (2-tailed)</b>	.001	.001	.000	.000	.001	
	<b>N</b>	177	177	177	177	177	177

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

\**. Correlation is significant at the 0.05 level (1-tailed).*

**Source:** Own survey, 2022: SPSS 25

As shown in Table 4.10, the person correlation result shows that the .824, .761, .705, .731 and .514 *r* values for tangibility, reliability, responsiveness, assurance and empathy respectively. Based on the result, it is indicated that the customer satisfaction towards the five dimensions were positively correlated. With regards to the P values, the analysis result showed a significant  $p < 0.05$  which implies the existence of a significant relationship between the five dimensions of service quality and customer satisfaction.

In addition, the correlation analysis reveals that there is a strong correlation between tangibility and customer satisfaction with ( $r = .824, p = .005$ ) which indicates the level of significance that there exist strong positive correlation between customer satisfaction and tangibility quality dimension. In addition to this, there is high correlation between the other service quality dimensions such as reliability with ( $r = .761, p = .001$ ), assurance with ( $r = .731, p = .001$ ) and responsiveness ( $r = .705, p = .014$ ) towards the customer satisfaction. With regards to empathy and customer satisfaction, the correlation analysis showed there is poor correlation between them with ( $r = .514, p = .001$ ).

From the finding showed in Table 4.10, it can be said that all service quality dimensions (responsiveness, reliability, assurance, accessibility and tangibility) have a positive relationship with customer satisfaction.

#### **4.5 Regression Analysis**

Regression is a statistical tool used for the estimation of relationships between a dependent variable and one or more independent variables.

To investigate the impact of service quality dimensions on customers/ investors satisfaction and to discover the fundamental EIPDC's service quality factor(s) that have the most influence on the level of customers'/investors' satisfaction, a linear regression analysis was computed.

#### 4.5.1 Regression Analysis for Item Tangibility

##### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701 <sup>a</sup>	.491	.473	.528

a. Predictors: (Constant), Tangibility

##### ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.101	1	7.101	25.459	.000 <sup>b</sup>
	Residual	8.368	175	.279		
	Total	15.469	176			

a. Dependent Variable: Respondents satisfaction level on EIPDC's service quality

b. Predictors: (Constant), Tangibility

##### Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
		1	(Constant)	.904		
	Tangibility	.790	.157	.678	5.046	.000

a. Dependent Variable: Respondents satisfaction level on EIPDC's service quality

#### Source: own survey, 2022: SPSS 25

The result of the regression analysis for item tangibility is shown in table 4.5.1. This service factor describes the scales through which the researcher tried to capture the respondents' perception of the infrastructure, the professionalism, discipline and neatness of the staffs associated with the services, etc.

According to the analysis as the ANOVA table explains the P value .000 is less than .05, which tells the overall regression model was significant predictor of the outcome variable. Besides the positive relationship that tangibility and customer satisfaction had the model summary revealed coefficient of determination ( $r^2$ ) = 0.491, which indicates this explanatory variable tangibility is able to account for a good amount of variance in customer satisfaction which determines about 49% of respondents' satisfaction.

The coefficient table also assesses whether this specific independent variable is a significant predictor of the dependent variable and how much tangibility uniquely contributed to customers' satisfaction. Accordingly, as seen on this table since the P value equals .000 which is less than 0.05, explains that this factor is a significant predictor of the dependent variable and also states tangibility had significant impact on customer satisfaction with the standardized beta value ( $\beta$ ) = 0.678. This value tells us for every full standard deviation movement we see in tangibility, customer satisfaction was increasing by 0.678. In other words, as this service quality dimension increases by 100%, customer satisfaction is also predicted to increase by 68%.

#### 4.5.2 Regression Analysis for Item Reliability

##### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815 <sup>a</sup>	.664	.655	.383

a. Predictors: (Constant), Reliability

##### ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.076	1	11.076	75.651	.000 <sup>b</sup>
	Residual	4.392	175	.146		
	Total	15.469	176			

a. Dependent Variable: Respondents satisfaction level on EIPDC's service quality

b. Predictors: (Constant), Reliability

##### Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
		1	(Constant)	1.102		
	Reliability	.784	.090	.846	8.698	.000

a. Dependent Variable: Respondents satisfaction level on EIPDC's service quality

**Source: own survey, 2022: SPSS 25**

Reliability is about those aspects that whether EIPDC's staffs perform a given service within a promised time, do the service right the first time, provide reliable and accurate information, have sincere interest in solving customers' problems, and whether the office keeps sufficient manpower and materials to avoid interruption of service provision.

Based on the above test the ANOVA table describes  $P = .000$ , which implies the model is a good significant predictor of customer satisfaction. The regression results showed  $(r^2) = .664$  indicated that the explanatory variable reliability accounts for 66% of variance in customer satisfaction.

The  $P$  and Beta ( $\beta$ ) value in the coefficient table .000 and 0.846 respectively also revealed the influence of reliability was very significant and justified the intensity of this service aspect; That is, when reliability increases by 100%, customer's satisfaction is also predicted to increase by 85%.

### 4.5.3 Regression Analysis for Item Responsiveness

#### *Model Summary*

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.785 <sup>a</sup>	.616	.600	.502

a. Predictors: (Constant), Responsiveness

#### *ANOVA*

<i>Model</i>		<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	7.917	1	7.917	31.449	.000 <sup>b</sup>
	Residual	7.552	175	.252		
	Total	15.469	176			

a. Dependent Variable: Respondents satisfaction level on EIPDC's service quality

b. Predictors: (Constant), Responsiveness

#### *Coefficients*

<i>Model</i>		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>T</i>	<i>Sig.</i>
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
1	(Constant)	1.434	.428		3.350	.002
	Responsiveness	.636	.113	.715	5.608	.000

a. Dependent Variable: Respondents satisfaction level on EIPDC's service quality

**Source: own survey, 2022: SPSS 25**

Responsiveness represents how the representatives are helpful in handling queries and solving complaints to offer services that fulfill clients' requirement. It also involves their willingness to help customers, appropriateness to make the information easily obtainable and timeliness for prompt action to resolve customers' problems.

As table 4.5.3 illustrates, the analysis of the survey shows P value equals .000, meaning the model and the effect of this service quality aspect is highly significant. The coefficient of determination ( $r^2$ ) in the model summary for this service quality aspect is .616, which shows almost 62% of the variation in customers' satisfaction is explained by responsiveness. The coefficient table with  $P = .000$  and beta ( $\beta$ ) = 0.715 also indicates the impact of reliability was very significant. This illustrates customer satisfaction were predicted to increase by 72% when reliability service aspect rises by 100%.

#### 4.5.4 Regression Analysis for Item Assurance

##### *Model Summary*

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.801 <sup>a</sup>	.641	.635	.497

a. Predictors: (Constant), Assurance

##### *ANOVA*

<i>Model</i>		<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	8.064	1	8.064	32.668	.000 <sup>b</sup>
	Residual	7.405	175	.247		
	Total	15.469	176			

a. Dependent Variable: Respondents satisfaction level on EIPDC's service quality

b. Predictors: (Constant), Assurance

##### *Coefficients*

<i>Model</i>		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>T</i>	<i>Sig.</i>
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
1	(Constant)	1.608	.390		4.122	.000
	Assurance	.596	.104	.722	5.716	.000

a. Dependent Variable: Respondents satisfaction level on EIPDC's service quality

**Source: own survey, 2022: SPSS 25**

Assurance describes whether the staffs of EIPDC have the required skill, knowledge and behavior that instill confidence in customers to feel safe while involving in the service transaction.

In the regression analysis the ANOVA table result indicated  $P = .000$  which clarifies the model is very significant. Also, the model summary confirms this service quality aspect is highly related with customers' satisfaction and it is a significant predictor of the dependent variable as  $(r^2) = .641$ . It clarifies that 64% of the variation in customer satisfaction is caused by Assurance.

Moreover, as seen in the coefficient table the beta ( $\beta$ ) value for this predictor variable was 0.722 meaning as this aspect of service quality of EIPDC increases by 100% service users' satisfaction were predicted to increase by 72%.

#### 4.5.5 Regression Analysis for Item Empathy

<i>Model Summary</i>				
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.575 <sup>a</sup>	.331	.310	.592

a. Predictors: (Constant), Empathy

<i>ANOVA</i>						
<i>Model</i>		<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	4.938	1	4.938	14.068	.001 <sup>b</sup>
	Residual	10.531	175	.351		
	Total	15.469	176			

a. Dependent Variable: Respondents satisfaction level on EIPDC's service quality

b. Predictors: (Constant), Empathy

<i>Coefficients</i>						
<i>Model</i>		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>T</i>	<i>Sig.</i>
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
1	(Constant)	1.605	.590		2.722	.011
	Empathy	.572	.153	.565	3.751	.001

a. Dependent Variable: Respondents satisfaction level on EIPDC's service quality

**Source: own survey, 2022: SPSS 25**

Empathy is one of the service quality components used to understand respondents' insight into the convenience of EIPDC's office operating hour, the staffs ability to recognize customers' specific needs and capacity to give individual attention to their customers, and so on.

The P value in the ANOVA table is .001, which is much lower than 0.05 showing that the results in the overall model for empathy and customer satisfaction were statistically significant. The calculated  $r^2$  value has shown 0.331 that is 33% of the variation on customer satisfaction is caused by the independent variable empathy. Furthermore, the findings of the analysis in the coefficient table states  $P = .001$  and  $\beta = 0.565$ , indicating that this specific service factor had a positive significant effect on customers' satisfaction, which means if empathy rises by 100% it would result in an increase in customer satisfaction by almost 57%.

#### **4.6 Qualitative Analysis of Responses from Key Informants Interview**

Respondents were asked about the service quality of EIPDC office via eight questions based on the research questions to identify the gap between customers' expectations of EIPDC's service quality; customers' satisfaction level regarding the quality of services being provided; the quality dimensions effect on investors' satisfaction and factors that affect the investors' satisfaction and service quality. Accordingly, the responses of some key informants were analyzed using thematic analysis as presented below.

##### *The gap between customers' expectations of service quality and the actual practice*

When respondents were asked if the respective industrial parks office have been helpful in upholding its core values while delivering quality service to its customers, the majority of them rated neutral. Regarding this, a respondent from DDIP stated that there have been promising initiatives to meet the core values of the industrial park. To cite the respondent's statement,

“If not all, there has been promising measures being taken in an attempt to fulfill the value expectations of the industrial park. Recently, the office was identifying gaps in their service delivery that customers' encounter in the course of conducting their day-to-day-operation. But, they have been helpful in most cases though we have reservation on certain issues.”

From the above statement, it can be inferred that the DDIP service quality was not working towards realizing the core values or achieving service delivery excellence. This can be attested from the reservation of a respondent on the commitment of the industrial park in safeguarding its own core values.

Regarding the existing infrastructure, respondents were asked what they like most and least from the industrial parks service delivery to its customers. One of the interviewee attested that there has been serious problem of fulfilling infrastructure necessary for operating our day-to-day operation. To cite the KII's response,

“There are serious issues regarding the provision of necessary infrastructure such as ICT, telecom service, shortage of electric power, timely delivery of information, communication with customers, legal limitations, prolonged procedure for business registration and taxation issue.”

The above statement is clear indication of customers' dissatisfaction with poor infrastructure in the industrial park. Most importantly, the issue of basic infrastructure such as ICT, electric power supply, and telecom service are among the major reasons that discourage customers to invest in the industrial park. Regarding this, scholars such as Lukea-Bhiwajee and Naidoo (2010) pinpoint that customers are dissatisfied if the performance falls below expectations and they are satisfied if performance matches or exceeds.

#### *Customers' satisfaction level regarding the quality of services being provided*

When asked about how fast and efficient the industrial park staffs have been in responding to the investors'/customers' questions or needs, the informant from DDIP replied by agreeing to some of the existing practice that lowered satisfaction level. To cite her response,

“In recent times, there are times when our demands have been answered promptly. But in the past year, like before two years, it took us several days or weeks and even in worst cases months to get response to our questions. But now things are getting better compared to past years and the office is cooperating with us.

It is evident in this statement that the customer's satisfaction was affected by industrial staffs poor cooperation in responding to their needs or question on time and with best efficiency. This implies that the customer's satisfaction lowers when the industrial parks performance is below their expectation. For example, the industrial parks management or administrations need to listen to the questions or needs and treat them promptly and with due respect to make their customers' satisfied.

*The effect of service quality dimensions on customers' satisfaction*

Respondents were asked if the industrial parks staffs have possessed the required knowledge, experience, quality to the customers' enquiries. Regarding this question, the respondents clearly indicated the existence of qualified and experienced staff at Bole Lemi Industrial Park. But the respondents from Dire Dawa Industrial park indicated otherwise. For instance, a respondent from DDIP underlined the need for recruiting qualified and experienced human resource on the area. As he puts,

“Though not all of them, there are staff members that are not sympathetic to our needs. So the office need to recruit qualified and experienced individuals who care about customers and who show sincere interest to solve problems customers may encounter”.

From this statement, it can be deduced that the reliability and assurance dimensions of service quality are among those factors that has affected customers' satisfaction. As evidenced in the response, an employee with adequate knowledge and experience along with sincerity in solving the customer's problem would have positively affected the customer's satisfaction.

On top of this, respondents indicated the repercussion of low quality service in industrial parks on their confidence to continue operating or for the sustainability of their investment. According to the response from BLIP, “the industrial parks experience has not met our expectation as a customer; unless major reform is conducted, it would be difficult to sustain in this business”

- *Proactive measures to solve major factors that affect customers' satisfaction*

At the last, respondents were asked to state what kind of proactive measures should be taken to make the industrial parks office responsive and cooperative to the customers' concerns. The respondents emphasized that

“The concerned government body should work towards easy taxation process, availability of foreign exchange, fulfilling infrastructures such as ICT, telecommunication service, shortage or disruption of power supply and legal bottlenecks that needs reform”

From this statement, it can be understood that the way forward in elevating customers satisfaction and in best cases to attract foreign investors to the industrial parks, the industrial park office need to work and solve the aforementioned problems. Without which, it would be unlikely to achieve the anticipated mission of the industrial park in Ethiopia.

## CHAPTER FIVE: CONCLUSION AND RECOMMENDATION

Under this chapter, the summary, conclusion and recommendations based on the data obtained from questionnaire and key informant interview.

### 5.1. Conclusion

The main purpose of this study was to explore the service quality of Ethiopian Industrial Parks Development Corporation and the satisfaction level of investors. More specifically, this study attempted to identify the gap between customers'/investors' expectations of EIPDC's service quality; to measure customers'/investors' satisfaction level regarding the quality of services being provided; to find out the correlation between each quality dimensions on investors' satisfaction and to identify organizational factors that affect the investors' satisfaction and service quality.

Based on the findings obtained, the following are summary of this study:

- With regards to the respondents' demographic data, 177 respondents from both BLIP and DDIP were included in this study. Out of this, 64 (36.2%) are females and the remaining 113 (63.8%) are males. Whereas, the majority of the participants involved in this study were working in the industrial park for more than two years indicating 86 (48.6). With regards to the respondents' age, the finding of this study showed that 36 (20.3%) them were below 25 years old; while 99 (56.1%) of them were between 26 – 30 years of age. As to the educational level of respondents, majority of them have completed their bachelor's degree scoring the highest number of 112 (63.3%) followed by diploma holders' with 45(25.4%).
- The reliability of the five dimensions of SERVQUAL model was measured. Accordingly, the total reliability scale for this study is 0.91 which implies that the reliability value for the items of the five dimensions of SERVQUAL model is accepted for analysis. This is because, the reliability scores of the overall reliability factor is almost similar to 0.92, (Parasuraman et al., 1988).
- Descriptive analysis on service quality measurements which contains 22 questions on the five quality dimensions: reliability, tangibility, responsiveness, empathy and assurance

was conducted. The result of the descriptive analysis regarding each of the dimensions for both BLIP and DDIP has been presented.

- Accordingly, the overall respondents' satisfaction levels towards reliability is moderate level with mean score of 3.245 for BLIP and mean score of 3.21 for DDIP; the overall customers' satisfaction for item tangibility at BLIP showed close to average with mean score of 3.24 and DDIP's overall score indicated above average with 3.52 mean score; the overall satisfaction level for item responsiveness with 3.438, BLIP and 3.386 DDIP, indicating above average; the overall mean score for item empathy with 3.375, BLIP and mean score 2.88, DDIP showing low score compared to BLIP which is average level; the overall mean score for item assurance, both BLIP and DDIP scored above average with 3.6 and 3.31 respectively.
- With regards to the level of customer satisfaction, Table 4.9 showed the overall satisfactions of the respondents from BLIP and DDIP. Majority of the respondents with 53(43.44%) from BLIP indicated their satisfaction level as good followed by 35 (28.68%) indicating their satisfaction level as excellent. The respondents from DDIP showed their highest level of satisfaction as good with 20(36.36%) followed by 15 (27.27%) of them as neutral or they are neither satisfied nor dissatisfied.
- Table 4.9 shows the mean score of customer satisfaction statistical description of both industrial parks. Accordingly, the result of overall mean score of BLIP is 3.68, indicating agreement to the Likert scale with standard deviation of 1.524; while the overall mean value of the customer satisfaction at DDIP showed 3.72 which is agreement level on the Likert Scale with standard deviation of 1.340. This indicates that the customers at both industrial parks are at the average level of satisfaction.
- The result of person correlation analysis in Table 4.10 for the five dimensions along with customer satisfaction shows that the .824, .761, .705, .731 and .514 *r* values for tangibility, reliability, responsiveness, assurance and empathy respectively. Besides, the finding of correlation analysis indicated that there is a strong correlation between tangibility and customer satisfaction with ( $r = .824$ ,  $p = .005$ ) which indicates the level of significance that there exist strong positive correlation between customer satisfaction and

tangibility quality dimension. In addition, there is high correlation between the three quality service such as reliability with ( $r = .761$ ,  $p = .001$ ), assurance with ( $r = .731$ ,  $p = .001$ ) and responsiveness ( $r = .705$ ,  $p = .014$ ) towards the customer satisfaction. Lastly, there is poor correlation between empathy and customer satisfaction with ( $r = .514$ ,  $p = .001$ ). Based on the result, it is indicated that the customer satisfaction towards the five dimensions were positively correlated.

This study, from both qualitative and quantitative analysis found out that there are gaps between customers' expectations and perceptions of service quality. Accordingly, the result showed that service quality was not seriously upheld towards realizing the core values of EIPDC or achieving service delivery excellence. There have been found problems with fulfilling infrastructure necessary for day-to-day operations, poor ICT service, poor telecom service, shortage of electric power, non-timely delivery of information, poor communication with customers, legal limitations, and prolonged procedure for business registration and issues with taxation.

The result of customers' satisfaction level regarding the quality of services being provided indicated that it was affected by the industrial park staffs' level of cooperation in responding to their needs or questions on time and with best efficiency. The effects of poor service quality dimensions on customers' satisfaction include loss of confidence to continue their business or sustainability of their investment. With regards to proactive measures that should be taken to solve major factors that affect customers' satisfaction, the finding of this study showed that the government body should work towards easy taxation process, availability of foreign exchange, fulfilling infrastructures such as ICT and telecommunication service, improve electric power supply and reform legal bottlenecks.

## 5.2. Recommendation

Based on the finding of this study, the researcher forwards the following recommendations:

- The respective managers in both BLIP and DDIP should assess their performance regarding the five dimensions of service quality to elevate their customer's level of satisfaction. Most importantly, the DDIP need to improve customer's satisfaction regarding the recruitment of skilled and experienced human resource.
- In addition, the problems related with tangibility dimension have an immediate impact on customers' day-to-day operation if left unchecked or unmonitored frequently. In the case at hand, issues related to infrastructures that customers are encountering demands immediate response from the EIPDC's office. More specifically, issues such as disruption of electric power supply, poor ICT and telecom service, prolonged procedure for business registration and taxation issue, and amendments of regulations related to EIPDC demands government's special attention.
- The current administrations of both BLIP and DDIP should provide necessary awareness creation or professional training for its workers to enhance their understanding of giving individual attention to customers' needs and questions, delivering customers' service promptly, keeping customer's best interest at the center of their day-to-day activities, and keep informing the customer with accurate information about latest developments to uplift customers satisfaction so that they could sustain in their business.
- In general, the EIPDC office should work aggressively to attract foreign direct investment and sustain the currently operating business organizations. This has dual purpose. For one thing, it benefits the country that has been suffering from foreign investors leaving their investment in the industrial park; on the other hand, it may change Ethiopia's image which was spoiled by security issues among international community. This can be done by crafting investment benefit packages, tax relief, deregulation of law that discourage investors, preferential treatment regarding procedures of taxation and registration issues.

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## APPENDIX: I

### ADDIS ABABA UNIVERSITY

### SCHOOL OF COMMERCE

### GRADUATE STUDIES

#### QUESTIONNAIRE PREPARED FOR INVESTORS /CUTOMERS

Dear respondent, I am Daniel Lemma, a Master of arts student in Business Leadership at Addis Ababa University doing a research on “*Evaluating The Service Quality of Ethiopia's Industrial Park Development Corporation and Its Impact on Investors' Satisfaction*”. To this end, this questionnaire is intended to assess your perception about the existing service quality provided by EIPDC. Your genuine responses which you will give me in this questionnaire are very crucial for the success of my study. So, you are requested to read each item carefully and offer your genuine and appropriate response. I assure you from the beginning that your responses will be kept confidential, and it will be used only for the purpose of the study. Please do not write your name on the questionnaire.

Thank you in advance for your cooperation!

#### General Direction:

#### Part I: Demographics of respondents (Please tick ‘√’ the most suitable response)

1. **Gender:** Sex: Male  Female
2. **Age group:** below 25  26-30  31-40  41 -50  above 50
3. Your experience in the industrial park:  below 2 years  2-5  5-10
4. Educational level:  
High school complete  Diploma  BA/BSC degree  Postgraduate
5. What is the title of your job position? \_\_\_\_\_

**Part II: Dimensions of service quality and customer satisfaction determinants**

Read the following statements and circle the appropriate answer based on your real experience or perception that express the EIPDC service quality according to each category. (Where, 1= “Strongly Disagree”; 2 = “Disagree”; 3 = “Neutral”; 4= “Agree” and 5 = “Strongly Agree”).

No.	Transformational Leadership Styles	Scale				
		1	2	3	4	5
	<b>Reliability</b>					
1	When the EIPDC staffs promises to do something within a certain time, they do it.					
2	The EIPDC staffs provide you accurate and updated information regarding related services.					
3	When you have a problem the EIPDC staffs shows sincere interest in solving it					
4	The EIPDC staffs perform the service right the first time					
5	Sufficient manpower and material are kept to avoid the interruption of service provision.					
	<b>Tangibility</b>					
1	The staffs delivering the services are nice, neat, disciplined, professional in their appearance					
2	Physical facilities in the Industrial Park are very appealing.					
3	The Industrial Park has modern equipment and technology.					
4	Materials associated with communication service such as pamphlets, signposts in the Industrial Park are visually appealing					
	<b>Responsiveness</b>					
1	Staffs of EIPDC are never too busy to respond to your requests.					
2	Staffs of EIPDC keep you informed when services will be performed.					
3	Staffs of the EIPDC gives prompt service to you.					
4	Staffs of the EIPDC are happy and always willing to help their customers.					
5	The staffs make the information easily obtainable					
	<b>Empathy</b>					

1	The staffs of the EIPDC usually give you individual attention					
2	The staffs of the EIPDC have operating hours that are convenient to you.					
3	The staffs of the EIPDC understand your specific needs.					
4	The EIPDC and its staffs have their customer's best interest at heart.					
	<b>Assurance</b>					
1	The staffs of the EIPDC have the required skill and knowledge in providing services.					
2	You feel safe in your service transaction with the EIPDC					
3	The staffs of EIPDC are polite and consistently courteous with you.					
4	The behavior of the staffs of EIPDC inspire/ instills confidence in you (you can be confident that the service will be provided in a correct manner)					

**Part III. Customer/Investor's Level of Satisfaction**

**Direction:** Please circle a number that shows your overall level of satisfaction with respect to the following statement

	<b>Your overall satisfaction on service quality of EIPDC</b>	<b>Worst</b>	<b>Poor</b>	<b>Neutral</b>	<b>Good</b>	<b>Excellent</b>
1.	Your satisfaction level on the EIPDC quality service delivers.	1	2	3	4	5

## APPENDIX II

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

GRADUATE STUDIES

### INTERVIEW PROTOCOL FOR INVESTORS/CUSTOMERS

**Interview Protocol Project:** *“Evaluating the Service Quality of Ethiopia's Industrial Park Development Corporation and Its Impact on Investors' Satisfaction”.*

#### **Basic Information about the Interview**

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Interviewer: \_\_\_\_\_

Interviewee: \_\_\_\_\_

Recording/storing information about interview: \_\_\_\_\_

#### **Introduction**

- I am Daniel Lemma, a Master of arts student in Business Leadership at Addis Ababa University doing a research entitled *“Evaluating The Service Quality of Ethiopia's Industrial Park Development Corporation and Its Impact on Investors' Satisfaction”*. So, your contribution in this matter is highly appreciated by the researcher and it is to be used for the purpose of this research only.

- The purpose of this study is to assess the impact of service quality of industrial park on the investors' satisfaction in the case of Bole Lemi and Dire Dawa Industrial parks.

- Get informed consent signature: \_\_\_\_\_

- *This interview will be recorded, and only 10 questions will be covered in this interview and it will take 15-20 minutes of your time.*

- Do you have any question before we start this interview?

- Define any terms necessary if any:

#### **Opening Questions**

1. What is your role in the industrial park? And how do you spend most of your day?

Probes: Tell me more about yourself?

### **Content Question**

2. Do you think EIPDC office is helpful by upholding its core values in delivering quality service to its customer needs?

Probes: Could you explain your response more?

3. What do you like most about how the EIPDC office delivers its services to customers/investors in terms of infrastructure such as ICT, timely delivery of information, communication with customers, procedure for business registration, & taxation issues??

Probes: Please explain more.

4. What do you like least about how the EIPDC office delivers its services to customers/investors in terms of infrastructures such as ICT, timely delivery of information, communication with customers, procedure for business registration, & taxation issues?

Probes: Tell me more.

5. How fast and efficient do you think are the EIDPC staffs in responding to the investors'/customers' questions?

Probes: Please explain

6. Do you think the EIDPC staffs have possessed the required knowledge and experience to the customers' enquiries?

Probes: Could you explain more about the reason?

7. Do you think your overall EIDPC experiences has exceeded your expectation as a customer?

Probes: Please explain more on this?

8. What proactive measures should be taken to make the EIDPC office responsive and cooperative to the customers' concerns regarding the services being provided?

Probes: Could you explain?

### **Closing instructions**

- Thank you for your time and response to the question.
- This information will be kept confidential.
- How do you like to receive the result of this study?