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**THE IMPACT OF VOUCHER CARD SELLING SERVICE
OUTSOURCING ON SERVICE QUALITY OF DISTRIBUTORS**

A CASE STUDY ON ETHIOTELECOM

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**A Thesis submitted to the school of Graduate Studies of Addis Ababa
school of commerce in Partial Fulfillment for the Degree of Masters of Art in
Logistics and supply chain Management (LSCM) in the Department of
logistics and supply management**

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May, 2016

Addis Ababa, Ethiopia

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STATEMENT OF DECLARATION

I, Fasika Dadi, declare that this research entitled **“The impact of voucher card selling service outsourcing on service quality of distributors”** is the outcome of my own effort and study and that all source of material used for the study have been duly acknowledged . I have produced independently except the guidance and suggestion of the research advisor. No part of this thesis has either been presented whole or in part to any other institutions for any award. It is offered for the Partial Fulfillment of the Degree of Masters of Art in Logistics and supply chain Management (LSCM)

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Acknowledgement

First and for most I am very enchanted to take this opportunity to thank almighty God who helped me to begin and finish this study.

Second, I would like to thank my advisor Dr. Getie Andualem for his valuable and constructive criticism from the very beginning to the end that guided me to the right direction.

Next, my deepest thanks goes to ethio telecom indirect channel employees and the sub distributors who helped me by filling the questionnaires and providing documents that used as an input for the study, especially Mr. Aynalem Albene manager of Retail Logistic, Tesfa Tiruneh the training specialist and Mr. Wondirad Bitew manager of Sales Administration gave their office hours for me to conduct the secondary data. Moreover, when I looked back on the past, from where I have started to follow my dreams there have always been people who gave me enormous courage, inspiration and support. In relation to this I would like to truly and deeply thank my family. Last but not least thanks are due for my friends and work colleagues for their support and encouragement.

Table of contents

CHAPTER ONE: INTRODUCTION	1
1.1. Back ground of the study.....	1
1.2. Back ground of the company.....	3
1.3. Statement of the problem	6
1.4. Research questions	7
1.5. Research objective.....	7
1.6. Significance of the study	7
1.7. Operational definition of terms	8
1.8. Organization of the study	9
CHAPTER TWO: REVIEW OF RELATED LITERATURE.....	10
2.1. Theoretical Review of Literature	10
2.1.1 The concept of outsourcing.....	10
2.1.2. Reasons for outsourcing.....	11
2.1.3 The History of sales outsourcing:.....	12
2.1.4. Service quality.....	13
2.1.5. Service quality models.....	14
2.1.6. Choice of service quality model for the study.....	18
2.1.7. Customer satisfaction.....	19
2.1.8. Factors that affect customer satisfaction	21
2.2. Empirical Review	21
2.2.1. Relationship between outsourcing and service quality:	23
2.2.2. Relationship between service quality and customer satisfaction:	23
2.3. Conceptual framework	25
2.4. Hypotheses of the study	26

CHAPTER THREE: Research Design and Methodology	27
3.1. Introduction	27
3.2. Research design	27
3.3. Population and sampling techniques	27
3.4. Sources and methods of data collection	28
3.5. Techniques of data analysis.....	29
3.6. Reliability and validity	30
3.6.1. Reliability.....	30
3.6.2. Validity.....	30
3.7. Ethical considerations.....	30
CHAPTER FOUR: DATA ANALYSIS AND DISCUSSIONS	31
4.1. General information about respondents	31
4.2. Reliability test.....	34
4.3. Service quality dimensions, overall service quality & sub-distributors atisfaction..	35
4.5. Multicolliniarity test	38
4.6. Impact of service quality dimensions on over all service quality	38
4.7. Impact of service quality dimensions on sub distributors’ satisfaction.....	40
4.8. Impact of overall service quality on sub distributors’ satisfaction.....	41
4.9. Summary of hypotheses testing.....	42
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	43
5.1. Summary of findings	43
5.2. Conclusion.....	46
5.3. Recommendations	47
5.4. Limitations and Direction for Future Research	47
Appendix.....	54

Acronyms and list of Abbreviations

IBTE----- Imperial Board of Telecommunications of Ethiopia

ETA-----Ethiopian Telecommunication Authority

ETC----- Ethiopian Telecommunication Corporation

ZTE----- Chines telecom operator

EPS----- Ethiopian post service

SPSS-----Statistical package for social science

EAAZ-----East Addis Ababa zone

NAAZ-----North Addis Ababa zone

SAAZ----- South Addis Ababa zone

WAZZ----- West Addis Ababa zone

SWAAZ -----South west Addis Ababa zone

CAAZ-----Central Addis Ababa zone

CSI-----Customer satisfaction index

List of tables

Table 4.1. Frequency (General information about the respondents)	31
Table 4.2. Cronbach's Alpha (Reliability analysis).....	34
Table 4.3 Descriptive statistics (Perception of SQ dimensions, over all service quality and sub-distributors satisfaction).....	35
Table 4.4: Correlation (Relationship among Service quality dimension, over all service quality and sub distributors satisfaction)	36
Table.4.5. Multiple regression Analysis (Multicollinearity and impact of each service quality dimensions on service quality).....	39
Table 4.6. Multiple regression analyses (Impact of service quality dimension sub distributors 'satisfaction).....	40
Table 4.7. Linear regression analysis (Impact of overall service quality on sub distributors satisfaction).....	41
Table 4.8. Summary of hypothesis testing.....	42

List of Figures

Figure 1.1 structure of Residential sales Division	5
Figure 2.1 The relationship between loyalty, satisfaction and perception Source: Anton (1997)	20
Figure 2.2 Conceptual framework model	26

Abstract

Business process outsourcing has been rapidly growing during the past decade and today most companies outsource their product and service to sell through the indirect channel which helps to get additional sources of market share and revenue that normally are not attainable with direct sales. Apart from this Outsourcing brings quick and Quality of service to customers and quality service is a vital antecedent of customer's satisfaction which in turn customer satisfaction is believed to affect post-purchase, perception and future decisions of customers. The purpose of this research is to assess the impact of voucher card selling service outsourcing on service quality of distributors. The study covers all sub-distributors which distributes the voucher card getting from main distributors to retailers in Addis Ababa. To meet this objective, quantitative research strategy was adopted and quantitative data was collected from sub- distributors'. Descriptive statistics like frequency, mean and correlation analysis techniques were applied to analyze background information of respondents, to analyze respondents' perception on service delivery quality and satisfaction as well as relationship between service quality dimensions, overall service delivery quality and sub- distributors' satisfaction. In addition, regression analysis technique was undertaken to investigate the impacts of service quality dimensions on sub-distributors' satisfaction as well as to test the hypothesis developed. The finding of the study shows that sub-distributors are moderately satisfied on responsiveness, assurance and tangibility while they are dissatisfied on reliability and empathy of main distributors' when compare to other. In addition, the relationship between service quality dimensions and customer satisfaction was analyzed and the result shows all service quality dimensions have positive and significant relation with sub-distributors' satisfaction. The finding also shows that a positive relationship between overall service quality and sub-distributors' satisfaction which implies the higher the quality of overall service, the higher the level of sub-distributors' satisfaction. From this finding, it can be concluded that main distributors can improve its service by mostly focusing on reliability and empathy service quality dimensions and at the same time it can increase sub-distributors' satisfaction by focusing on overall service quality and important dimensions.

Keywords: *outsourcing, voucher card, main distributors, sub-distributors*

CHAPTER ONE: INTRODUCTION

This chapter contains the background of the study, background of the Company, problem statement, research questions, objective of the study, significance of the study, scope of the Study, Operational definition of terms and organization of the paper.

1.1. Back ground of the study

Outsourcing is simply acquiring a product or service from outside supplier rather than producing in the organization or it is transfer or delegation of the operation and day-to-day management of the business process to an external service provider (What is Outsourcing: The Outsourcing Magazine Zone). From logistics outsourcing, Practices presently many organizations outsource one or more of the business function from outside vendors. Moreover, as various researches indicate the trend of outsourcing throughout the world has been increasing from time to time. (Koonth & Wehrich 2004)

Outsourcing is a fashionable way of solving some business problems and most people believe that it is like fad. Initially it had been used primarily for information technology (IT); but, currently a wide variety of business process is being outsourced. The use of outsourcing is becoming more sophisticated; more organizations are outsourcing responsibility for business processes. According to Koontz & Wehrich (2004) the aim of outsourcing may be to reduce costs by saving on personal benefits, or to be able to reassign employees to other tasks that are more important. Other reasons why companies engage in outsourcing includes delivering fast and high quality of service later brings customer satisfaction, gaining access to the best sources available worldwide, sharing of risks between the firm and its suppliers, allocating capital to key success factors, (Harold Koontz and Heinz Wehrich, 2004). In general outsourcing enables a firm to focus on its core competencies and let outside companies do what these firms can do best.

From logistics outsourcing practices, In Ethiopian case the application of outsourcing is in its infancy stage. Currently there are few companies that are engaged in providing outsourcing service.

The current outsourcing practice is limited to a company's non-core activities which are confined to recruitment, security, janitorial and somehow sales service. (Koonth & Wehrich 2004)

From service providing sectors telecommunication is one of the most important sector which has a great impact on an economic growth and the role of this sector cannot be under emphasized because the service is a means through which all daily transactions and activities are undertaken. It also aids for decision making, influencing product purchasing, providing online learning lessons and feedback, promoting interpersonal and business relationships as well as exchange of information. In general all social, economic, political, cultural, trade and commercial activities are undertaken through telecommunication. But the nature of a country's telecommunication industry affects the pace of these activities. (William J. Kramer & Beth Jenkins 2007)

The sector provides Telephone, Internet and Broad casting service; the telephone service is delivered either through fixed line or Mobile, whereas the internet service is delivered either through Broad or narrow band and the broad casting service is delivered through Radio stations and Television channel.(Dharmakumar, Rohin 2011). According to Telecommunications Regulation Handbook, the global telecommunications landscape in 2010 has been particularly shaped by the rapid take-up of the Internet and mobile wireless communications across the world. Apart from these general trends, the last few years also have witnessed a phenomenal growth in the wireless industry, both in terms of mobile technology and its subscribers. There has been a clear shift from fixed to mobile cellular telephony, especially since the turn of the century. By the end of 2010, there were also over four times more mobile cellular subscriptions than fixed telephone lines. Currently with nearly 80 percent of the world's population using a mobile phone and there is no denying that the mobile service becomes an essential part of most consumers' daily lives but the service is meaningless most of the time without voucher card.(Colin Blackman & Lara Srivastava 2010).

It is estimated that two thirds of telecommunications services are sold by outsourcing through an indirect channel (David Byrd, 2013), so that many carriers are taking advantage of this growing and successful trend because there are many experienced venders ever investigating and expanding their product offerings, searching for better sources of existing products, or just want better support and return. Carriers should embrace these venders as they already have familiarity with the market

and are the trusted advisors to a base of customers. The knowledge and experience vendors have can be readily leveraged to communicate with prospects in a language they can understand (Avinash G. Mulky, 2013).

1.2. Back ground of the company

Ethiotelecom is the oldest public telecommunications operator in Africa which dates back to 1894. Since this year, the technological scheme contributed to the integration of the Ethiopian society when the extensive open wire line system was laid linking the capital city with all important administrative cities of the country (Worku Bogale, 2005).

After the end of the war with Italy, during which telecommunication network was destroyed, the country reorganized the telephone, telegraph and postal service in 1941. In 1952 the Empirical Board of Telecommunications (IBTE) was established by proclamation No. 131/52.

The board had full financial and administrative autonomy and was in charge of the provision and expansion of telecommunications services in Ethiopia. The Empirical Board of Telecommunications of Ethiopia, which became the Ethiopian Telecommunications Authority in 1981, placed in charge of both the operation and regulation of telecommunication services in the wake of the market reforms (Worku Bogale, 2005).

In 1996, the government established a separate regulatory body, the Ethiopian Telecommunication Agency (ETA) by proclamation No. 49/1996, and during the same year, by regulation 10/1996, the council of minister set up the Ethiopian Telecommunication Corporation (ETC). Under the supervision of ETA, the principal duty of ETC is maintaining and expanding telecommunication services in the country and providing domestic and international telephone, telex and other telecommunication services (Worku Bogale, 2005).

In 2008, the company (ETC) signed a huge telecommunication infrastructure expansion project all over the country with Chinese Company named ZTE mainly to expand fixed line, mobile and internet services (Gosaye Gebra 2015)

In 2010 the company restructured and renamed itself as Ethio telecom and the company was signed management contract with France telecom for two years and the contract is closed in 2012. Now, it is named as Ethio telecom which is state owned company and telecom services provider of the country with having many prospects and more than 35 million customers throughout the country (www.ethiotelcom.et).

Because of the increasing demand of the telecommunication services, currently the company is signed a huge project to expand telecom infrastructure with foreign company like Huawei, ZTE and Ericson (www.ethiotelcom.et).

According to the current structure of the company, the new organization categorized under 4 large domains namely Technical, Commercial, Support and Others. The Commercial domain composed of Enterprise and Residential sales, Marketing and customer service division are responsible for all commercial activities. Among commercial divisions, Enterprise and Residential sales and Marketing divisions are working on pre-sales and sales activities whereas customer service is the primary division responsible for post-sales activities (www.ethiotelcom.et).

The Residential sales divisions composed of two sales channels namely direct and indirect channel. The Direct channel sales ethio telecom products and service through its' own shops or point of sales whereas the indirect channel which sales ethio telecom products and service through partners and distributors (www.ethiotelcom.et).

The indirect channel has also two departments namely the Indirect and Alternative channels. The Indirect channel department is further sub divided into the zonal and regional indirect channel. The zonal indirect channel has nine main private distributors which are working under the six zones in Addis Ababa (www.ethiotelcom.et).

The alternative channel department also has a National Distributors which includes three main distributors namely, the Ethiopian post service (EPS), Hidassie telecom and small & medium Enterprises. These main distributors are also working together with the previous nine main private distributors' in Addis Ababa. The following diagram shows the current Residential sales Division structure of the company (www.ethiotelcom.et).

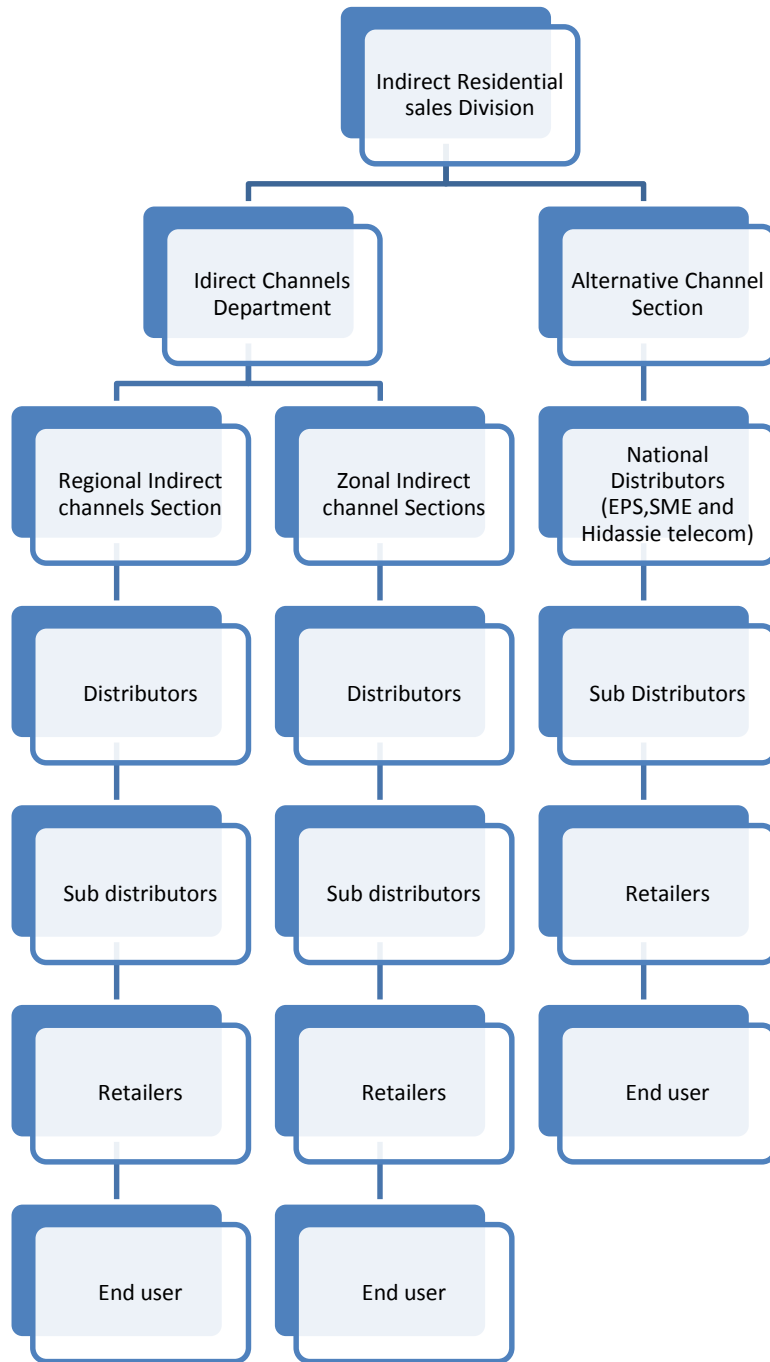


Figure: 0.1structure of Residential sales Division (www.ethiotelecom.et)

1.3. Statement of the problem

Globally outsourcing becomes more sophisticated and complex. The functions that are being outsourced ranges: from non-core functions like janitorial service to core or main function such as production and Marketing. .

Currently ethiotelecom outsources the distribution of voucher card sales which is a convenience offerings—products to third parties or distributors since October 2010 with the objective of realizing penetration to the addressable market in every corner of the country with best quality of service and lesser operation cost. The company has made an agreement on the terms and conditions of each indirect channel member or distributors regarding price policies, conditions of sale, territory rights, and the specific services to be performed by each channel member. The company also establishes sales volume of the voucher card for specific period of time and a fair set of sales distribution for each channel members. Apart from these, the company delivers a customer handling on sales training for sales representative of the distributors before starting their work. According to ethiotelecom agreement No5.2 the company also prepares a credit facility for distributors which makes them beneficiary and running their business without financial fear.

Moreover, ethiotelecom introduced sub-distributors as new intermediaries between retailer and distributor to achieve the distribution objective twenty months ago. Accordingly, there are 553 sub-distributors are involved in voucher card distribution all over the country. These sub-distributors are distributing voucher cards on commission basis. Among other things end customer satisfaction on voucher card service depends on the service quality and satisfaction of sub-distributors.

Though, ethiotelecom exerted the above mentioned efforts, most customers are raising complaint on voucher card shortage and quality problems through 994 to the call center. Accordingly the researcher made a Preliminary study on December 2015 to investigate the complaints raised by customer, and the researcher found that there was a scarcity on denomination of voucher card birr 10,15 and 25 in some retailers' shop in Addis Ababa. Thus, this study tries to investigate the outsourced voucher card service delivery quality of main distributors and its impact on the level of sub- distributors' satisfaction.

1.4. Research questions

Based on the identified research problems, the following research questions are developed and the study will focus on answering these questions.

- What is the overall level of service quality and sub-distributor satisfaction in Voucher card outsourcing?
- What is the relationship between service quality dimensions on sub-distributor satisfaction?
- What is the impact of overall service quality on sub-distributor satisfaction?
- How outsourced distributions of voucher cards affect sub-distributor satisfaction?

1.5. Research objective

The general objective of this study was to assess the impact of Voucher card selling service outsourcing on service quality of Distributors

The specific objective of this research work is:

- To assess the quality of services provided to sub-distributors
- To investigate the relationship between service quality dimensions and over all service quality provided by main distributors.
- To analyze the overall level of sub- distributors' satisfaction with the services provided by main distributors.
- Which service quality dimensions have greater influence on sub-distributor satisfaction with Voucher card outsourcing?
- To analyze the impact of service quality dimensions on sub-distributor satisfaction regarding to voucher card outsourcing.

1.6. Significance of the study

The ultimate goal of any business organization is to remain in business profitably through production and sale of products or services. Without optimal profit, a business firm cannot survive. One of the core activities in a business organization is providing quality service to its customers to bring satisfaction and retaining the customers on the circle. So the success or failure of a

company may depend on its ability to sell what it produces and continues offering quality services relatively for longer period. In doing so, outsourcing is highly essential business function. Therefore, this study will contribute the knowledge on service quality and customer satisfaction level, the relationship between service dimensions, service delivery quality of main distributors and sub-distributors satisfaction in voucher card outsourcing activity.

The study finding will also be relevant input to the management of ethiotelecom and other companies which are outsourcing their distribution of sales services in identifying the existing strength and weaknesses of service quality delivery and level of sub-distributors satisfaction experienced by sub-distributors during their visit to the main distributors. In addition, this study will help ethiotelecom to focus on highly influential service dimensions of service quality and sub-distributors satisfaction for voucher card outsourcing service. At last the study will be essential for researchers who want to undertake further studies related to distribution of sales outsourcing service to serve as a reference.

1.7. Scope of the study

Currently ethiotelecom outsourced voucher card distribution service for main distributors through sub-distributors' and the study will take sub-distributors' in Addis Ababa as the scope of the study.

The rationale for selecting sub-distributors' is that the main distributors sold all of the voucher card they have got from the central warehouse and zonal point of sales to the sub-distributors' and these sub-distributors again redistribute to retailers and the retailers sold to end customers through . So the finding of the study cannot be generalized the sub-distributors' out of Addis Ababa.

1.7. Operational definition of terms

Outsourcing: defined as having work that was formerly done inside the organization performed by an external organization. (Nicholas Beaumont and Amrik Sohal 2004)

Service Quality: Service quality is "the global evaluation or attitude of overall excellence of services". Therefore, service quality is the difference between customers' expectation and perceptions of services delivered by service firms. (Parasuraman 1988)

Customer Satisfaction: is the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption (Tse & Wilton 1988).

Voucher Card: A voucher is a recharge number sold to a customer to recharge their SIM card with money and to extend the card's availability period. Vouchers are typically sold at retail outlets, such as phone stores run by the mobile operator or by distributors, grocery stores, and gas stations (Bender, Michael C. 2008).

Call center (994): is defined as a place where calls are placed in a high volume for the purpose of sales, marketing, customer service, telemarketing, technical support or other specialized business activity (Bodin and Dawson 1999).

SERVQUAL: is a service quality (gap) model which measures service quality by using the expectation and perception of customers (Parasuraman 1985).

SERVPERF: is a service quality model which measures service quality by using perception of customers (Cronin 1992).

1.8. Organization of the study

This research is organized into five chapters. Chapter one contains background of the study and company, statement of the problem, research questions and objectives, significance, scope of the study and Operational definition of terms . The next chapter, chapter two is mainly focus on existing literatures which covers theoretical framework related to the study, empirical studies related to the company and the topic under study(voucher card outsourcing), and finally to develop conceptual frame work from the theories and empirical studies with hypothesis Chapter three discusses the methodology employed in the study, including, research design, sample size and sampling technique, data source and collection method, procedure of data collection and method of data analysis. Chapter four is about data analysis and discussion of results. Finally, chapter five contains summary, conclusions and recommendations.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

Introduction

The main contents of this chapter are review of theories and empirical studies related to sales outsourcing, services and service quality and customer satisfaction in service sectors. After critical reviews, the conceptual framework of the study is drawn.

2.1. Theoretical Review of Literature

2.1.1 The concept of outsourcing

According to Nicholas Beaumont and Amrik Sohal (2004), outsourcing is defined as having work that was formerly done inside the organization performed by an external organization. Alternatively Christine Harland, Louise Knight and Helen Walker, (2005) defined outsourcing as the contracting with an external party to provide services or products that could be provided by an internal source.

Furthermore, Beaumont and Sohal (2004) give the following clarification for Insourcing and Out-tasking so as to show their difference from outsourcing:

Insourcing means applying outsourcing's discipline to internal suppliers, often having them compete with external suppliers.

Out-tasking means work being done outside the organization, but the organization retaining full control over the operation; precisely defining the task and how it is to be done. The outsourcer has no discretion and performs a programmable task. Partnering implies that the client passes discretion for how the task is done to the vendor.

Outsourcing broadly can be classified in to onshore and offshore outsourcing, to reveal the difference between onshore and offshore outsourcing Maynard (2006) provides the following explanation:

Today, when a company contracts work from another company, it is called outsourcing. If the Outsourced work performed locally (i.e. in the same country) it is called “onshore outsourcing”. But if the Outsourced work that is performed in countries that are many time zones or a long distance away is called offshore outsourcing. For instance outsourcing the works performed in U.S to China, India, Singapore and South Africa.

Globally outsourcing becomes more sophisticated and complex. The functions that are being outsourced ranges: from non-core functions like janitorial service to core or main function such as production and Marketing. The benefits of outsourcing of course are variable, dependent upon the nature and situation of the organization. (Meresea Mulat, 2007)

2.1.2. Reasons for outsourcing

According to the Outsourcing Management Zone website the following is a list of common reasons why outsourcing is undertaken:

- Lower operational and labor costs are among the primary reasons why companies choose to outsource. When properly executed it has a defining impact on a company's revenue recognition and can deliver significant savings
- Companies also choose to outsource or offshore so that they may continue focusing on their core business processes while delegating mundane time consuming processes to external agencies
- Outsourcing and offshoring also enable companies to tap in to and leverage a global knowledge base, having access to world class capabilities
- Freeing up internal resources that could be put in to effective use for other purposes is also one of the primary benefits realized when companies outsource or offshore
- Many times stranded with internal resource crunches, many world class enterprises outsource to gain access to resources not available internally
- Outsourcing, many a time is undertaken to save costs and provide a buffer capital fund to companies that could be leveraged in a manner that best profits the company

- By delegating responsibilities to external agencies companies can wash their hands off functions that are difficult to manage and control while still realizing their benefits
- Outsourcing and especially offshoring helps companies mitigate risk and is also among the primary reasons embarked upon
- Outsourcing also enables companies to realize the benefits of re-engineering
- Some companies also outsource to help them expand and gain access to new market areas, by taking the point of production or service delivery closer to their end users

Accordingly in case of ethiotelecom outsourcing of voucher card distribution is believed to result in the following benefits: It avoids excessive resource requirement to ensure widespread distribution coverage

- It helps ethiotelecom to focus on core service provisioning activity
- Enhances penetration and widespread coverage and enabled ethiotelecom to distribute 1.7 billion voucher cards per year
- lowering the commission expense ethiotelecom is paying to distributors significantly when compared with distribution by self-effort that enhancing financial performance of ethiotelecom and getting around 17 billion birr per annum.
- The customers are able to get voucher cards almost in everywhere because of outsourcing the distribution activity
- The likely expenses of customers in acquiring voucher cards are significantly reduced because of outsourced distribution (Annual sales report of ethiotelecom, 2010).

2.1.3 The History of sales outsourcing:

According to history of outsourcing-jobs and careers-love to know when people started living together in villages, as opposed to smaller family groups, they also started producing food and goods. These items were traded within their home communities first, and over time the practice expanded to include trading with other villages, regions, and countries. Since people weren't able to produce all the items they needed to survive for themselves, you could consider this trading as being an early form of outsourcing (Maynard, 2006).

In the 19th and early 20th century, companies didn't use outsourcing as a business practice. Many manufacturers would take a product from the raw materials stage through the production portion without seeking outside assistance. When the goods were ready to be shipped, they used their own resources to make sure that the products were delivered to company-owned stores, ready to be bought by consumers. But the Industrial Revolution changed the way companies did business during this period, company owners started to outsource some services, as opposed to keeping them in house (Maureen Cubberley and Stan Skrzyszewski, 1999)

Today most companies outsource their product and service to sell through the indirect channel. Indirect channel means a chain of intermediaries through which a product moves in order to be made available for purchase by a consumer. An indirect channel of distribution typically involves a product passing through additional steps as it moves from the manufacturing business via distributors to wholesalers and then retail stores. Rely on indirect sales channels helps to get additional sources of market share and revenue that normally are not attainable with a direct sales force or face to face sells and be cost effective without a large investment. (David Sanderson 2005).

2.1.4. Service quality:

For a company's offer to reach the customers there is a need for services. These services are depending on the type of product and differ in the various organizations. Service can be defined in many ways depending on which area the term is being used. An author defines service as “any intangible act or performance that one party offers to another that does not result in the ownership of anything” (Kotler & Keller, 2009). In all, service can also be defined as an intangible offer by one party to another in exchange of money for pleasure.

Quality is one of the things that consumers look for in an offer, which service happens to be one (Solomon 2009). Quality can also be defined as the totality of features and characteristics of a product or services that bear on its ability to satisfy stated or implied needs (Kotler, 2002). It is evident that quality is also related to the value of an offer, which could evoke satisfaction or dissatisfaction on the part of the user.

Service quality in the management and marketing literature is the extent to which customers' perceptions of service meet and/or exceed their expectations as defined by (Zeithaml, 1990) cited

in Bowen & David, 2005) Thus service quality can intend to be the way in which customers are served in an organization which could be good or poor. Parasuraman also defines service quality as “the differences between customer expectations and perceptions of service” (Parasuraman, 1988). They argued that measuring service quality as the difference between perceived and expected service was a valid way and could make management to identify gaps to what they offer as services.

Furthermore Bitner and Hubbert (1994) “define service quality as the customers’ overall impression of the relative inferiority or superiority of the organization and its services.” Gronroos (1984) again “identified service quality as the evaluation process outcome, in which customers are involved and where a certain experience is always compared to the perceived service received.” “Service quality is not objectively measured according to some technical standards but is subjectively felt by customers and measured relative to customer determined standards” (Kwortnik, 2005). Berry (1990) also “defined service quality as the discrepancy between customers’ expectations or desire and their perceptions.”

In addition, other researchers defined service quality in different ways. Lovelock and Wright (1999) “define service quality as the degree to which a service satisfies customers by meeting their needs, wants and expectations.”

2.1.5. Service quality models

2.1.5.1. SERVQUAL model

One of the most useful measurements of service quality is the dimensions from the SERVQUAL model. In the creation of this model for the very first time, “Parasuraman (1985) identified 97 attributes which were condensed into ten dimensions; they were found to have an impact on service quality and were regarded as the criteria that were important to access customer’s expectations and perceptions on delivered service (Kumar, 2009).

The SERVQUAL scale which is also known as the gap model by Parasuraman, (1988) has been proven to be one of the best ways to measure the quality of services provided to customers. This service evaluation method has been proven consistent and reliable by some authors (Brown, 1993). They held that, when perceived or experienced service is less than the expected service; it implies

less than satisfactory service quality; and when perceived service is more than expected service, the obvious inference is that service quality is more than satisfactory (Jain , 2004.). From the way this theory is presented, it seems the idea of SERVQUAL best fits the evaluation of service quality from the customer perspective. This is because when it is stated “perceived” and “expected” service, it is very clear that this goes to the person, who is going to or is consuming the service; who definitely is the consumer/customer. The original study by Parasuraman, (1988) presented ten dimensions of service quality namely, Tangibles, Reliability, Responsiveness, Competence, Courtesy, Credibility, Security, Access, Communication and Understanding the customer

In first SERVQUAL model that came had 22 pairs of Likert-type items, where one part measured perceived level of service provided by a particular organization and the other part measured expected level of service quality by respondent. After refinement, these ten dimensions above were later reduced to five dimensions as below: (Zeithaml, 2006)

Tangibility: physical facilities, equipment, appearance of personnel and communication materials. In other words, the tangible dimension is about creating first hand impressions. A company should want all their customers to get a unique positive and never forgetting first hand impression, this would make them more likely to return in the future.

Reliability: It is consistently shown and it is the most important determinant of perceptions of service quality. It is the ability to perform the promised service dependably and accurately. The promise may include delivery, service provision, problem resolution and pricing.

Responsiveness: Is the willingness to help customers and provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer request, questions, complaints and problems. It is all about length of time they have to wait for assistance, answers to questions or attention to problems. To truly distinguish themselves on responsiveness companies need well-staffed customer service department as well as responsive frontline people in all contact positions.

Assurance: knowledge and courtesy of employees and their ability to inspire trust and Confidence. This dimension is likely to be particularly important for services that customers perceive as high risk or uncertain about their ability to evaluate outcomes. Trust and confidence are embodied in the contact employee and the company itself.

Empathy: caring individualized attention the firm provides to its customers. “It is suggested that employees' commitment to deliver quality services, skillfully handling of conflicts and efficient delivery of services resulted in satisfied customers for long term benefits” (Nelson and Chan, 2005).

The aggregated sum of difference between perceptions and expectations from the five dimensions forms the global perceive quality construct. Laroche (2004,) following this view, customers' expectations were met through the outcome dimension (reliability) and exceed it by means of the process dimension (tangibility, assurance, responsiveness, and empathy). To confirm the validity of SERVQUAL model in the evaluation of service quality, Zeithaml (2006), stated that “service quality is a focused evaluation that reflects the customer's perception of reliability, assurance, responsiveness, empathy, and tangibles” (Zeithaml, 2006,). They added that among these dimensions, “reliability” has been shown consistently to be the most important dimension in service quality (Zeithaml, 2006).

2.1.5. 2. Service quality gap model:

Parasuraman, (1985) developed a conceptual model of service quality where they identified five gaps that could impact the consumer's evaluation of service quality in four different industries (retail banking, credit card, securities brokerage and product repair and maintenance). These gaps were;

Gap 1: Consumer expectation - management perception gap/the position gap/

Service firms may not always understand what features a service must have in order to meet consumer needs and what levels of performance on those features are needed to bring deliver high quality service. This results to affecting the way consumers evaluate service quality. (Parasuraman, 1985)

Gap 2: Management perception - service quality specification gap/the specification gap/

This gap arises when the company identifies what the consumers want but the means to deliver to expectation does not exist. Some factors that affect this gap could be resource constraints, market

conditions and management indifference. These could affect service quality perception of the consumer. (Parasuraman, 1985)

Gap 3: Service quality specifications – service delivery gap/the delivery gap/

Companies could have guidelines for performing service well and treating consumers correctly but these do not mean high service quality performance is assured. Employees play an important role in assuring good service quality perception and their performance cannot be standardized. This affects the delivery of service which has an impact on the way consumers perceive service quality. (Parasuraman, 1985)

Gap 4: Service delivery – external communications gap/the communication gap/

External communications can affect not only consumer expectations of service but also consumer perceptions of the delivered service. Companies can neglect to inform consumers of special efforts to assure quality that are not visible to them and this could influence service quality perceptions by consumers. (Parasuraman, 1985)

Gap 5: Expected Service – perceived service gap/the perception gap/

From their study, it showed that the key to ensuring good service quality is meeting or exceeding what consumers expect from the service and that judgment of high and low service quality depend on how consumers perceive the actual performance in the context of what they expected. (Parasuraman, 1985)

Gaps 1-4 are within the control of an organization and need to be analyzed to determine the cause or causes and changes to be implemented which can reduce these four gaps emerge from an executive perspective on a service organization's design, marketing and delivery of service. They, in turn, contribute to another gap, mentioned earlier; gap 5 which is the discrepancy between customers' expected services and the perceived service actually delivered.

2.1.5.3. Technical and functional Dimension model:

Identify two service components that lead to customer satisfaction namely, the technical quality of the product which is based on product characteristics such as durability, security, physical features

while functional quality is concerned with the relationships between service provider and customer such as courtesy, speed of delivery, helpfulness. (Parasuraman, 1985)

2.1.5. 4. SERVPERF model

Although the elements listed in SERVQUAL model have been proven to be the main method for evaluating service quality from the consumer's perspective (Brown, 1993), drawbacks in using SERVQUAL in measuring service quality has been the reason that the SERVPERF scale was proposed by Cronin & Taylor (1992, cited in Jain (2004) after they called into question the conceptual basis of the SERVQUAL, having found it, led to confusion with service satisfaction (Jain, 2004).

These researchers discarded the 'E' for 'expectation' claiming instead that 'P' for 'performance' alone should be used. They meant that higher perceived performance requires higher quality service. Unfortunately, during this past century, customers have changed their behaviors in ways that do not suit organizational Behavior. Till date, it is unclear as to which of SERVQUAL and SERVPERF is superior in measuring service quality (Jain, 2004). Laroche, (2004) made an assessment of the dimensionality of should and will service expectations. They used a survey measuring customers' post encounter expectations and vis-à-vis a well-known airline with a sample of 363 and examined the existence of hypothesized functional and technical dimensions of should and will expectations and determined the casual relationships between two types of expectations and hypothesized dimensions.

They tested their dimensions in the context of the turbulent airline industry. This study measured service quality with other service quality dimensions such as technical and functional dimensions proposed by Grönross (1983).

Hence it was proven that the SERVQUAL model must not be used in evaluating service quality in all organizations. This could mean that; different industries might require different measurements for service quality.

2.1.6. Choice of service quality model for the study

After reviewing many service quality models, SERVPERF proposed by Cronin & Taylor (1992) model of service quality was selected in understanding service quality dimensions that may be

relevant to service providing industry. The Model was deemed appropriate for the study for the bellow main reasons.

First SERVPERF is found to be superior not only as more efficient in reducing the number of items to be measured by 50% but, it has also been empirically found superior to the SERVQUAL scale for being able to explain greater variance in the overall service quality measured through the use of single item scale. (Hartline & Ferrell, 1996; Babakus & Boller, 1992; Bolton and Drew, 1991 cited in Mesay, 2012).

Second, according to Cronin and Taylor (1992), their performance based SERVPERF scale is a better method of measuring service quality. They claim that this scale's reliability ranges between 0.884 to 0.964, depending on the industry type, and exhibits both convergent and discriminant validity (Mesay,2012.) In addition, it is more concentrated on functional quality of dimensions which is good to assess the impact of voucher card outsourcing service delivery quality.

2.1.7. Customer satisfaction:

Customer satisfaction is conceptualized transaction-specific meaning. It is based on the customer's experience on a particular service encounter, (Cronin & Taylor, 1992) and also customer satisfaction is cumulative based on the overall evaluation of service experience (Jones and Suh, 2000). These highlight the fact that customer satisfaction is based on experience with service provider and also the outcome of service.

Giese and Cote, (2000,) clearly state that there is no generic definition of customer satisfaction and after carrying a study on various definitions on satisfaction they came up with the following definition, "customer satisfaction is identified by a response (cognitive or affective) that pertains to a particular focus (i.e. a purchase experience and/or the associated product) and occurs at a certain time.

From this definition, it is clear that the consumer's /customer /satisfaction is determined by his/her contact experience with the service provider and this is supported by Cicerone et al., (2009,) and Sureshchandar et al., (2002), who believe customers' level of satisfaction is determined by their cumulative experiences at all of their points of contact with a supplier organization.

Fornell, (1992), clearly defines customer satisfaction as an overall post-purchase evaluation by the consumer and this is similar to that of Tse and Wilton, (1988,) who defined customer satisfaction as the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption. These definitions consider satisfaction as a post purchase response and in the case of voucher card sales it is important in evaluating customer satisfaction.

It is important to note that customer loyalty is affected by customer satisfaction (Heskett, 1997). A loyal customer will retain to use the service or sustain to repurchase and with least change to search for substitution. There is empirical support for positive association between customer satisfaction and intention to spread word of mouth (Dabholkar and Thorpe, 1994; Richins, 1983).

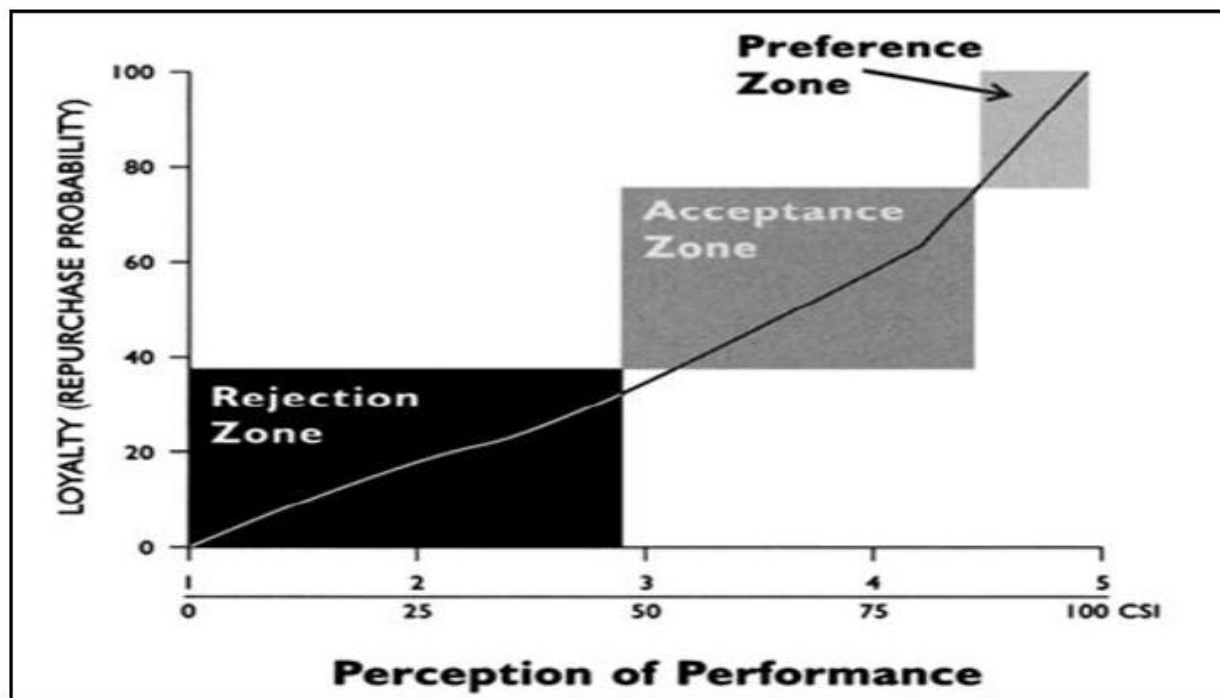


Figure: 2. 1 the relationship between loyalty, satisfaction and perception Source: Anton (1997)

Figure 2.1 shows the non-linearity of the relationship between satisfaction and loyalty (Anton, 1997). According to Anton (1997), perception of service quality (performance) can be classified into three zones. Rejection, acceptance and preference by the customer Satisfaction index (CSI). According to him, the score above 85 is under preference zone, the score between 50-84 is under tolerance zone and the score below 50 is under rejection zone.

2.1.8. Factors that affect customer satisfaction

Different researcher has been identified that human needs, quality of services and products, the user friendly nature of product and services, and comfort assurance Bailey (1983); Karen (2001); Shi (2005) are some of the important determinants of customer satisfaction. Even though different customers will require different levels and combinations of these variables, generally they are important factors that affect customer satisfaction.

Matzler (2002) went a step forward to classify factors that affect customers' satisfaction into three factor structures;

1. Basic factors: these are the minimum requirements that are required in a product to prevent the customer from being dissatisfied. They do not necessarily cause satisfaction but lead to dissatisfaction if absent. These are those factors that lead to the fulfillment of the basic requirement for which the product is produced. These constitute the basic attributes of the product or service. Thus they have a low impact on satisfaction even though they are a prerequisite for satisfaction. In a nutshell competence and accessibility

2. Performance factors: these are the factors that lead to satisfaction if fulfilled and can lead to dissatisfaction if not fulfilled. These include reliability and friendliness.

3. Excitement factors: these are factors that increase customers' satisfaction if fulfilled but does not cause dissatisfaction if not fulfilled which include project management.

2.2. Empirical Review

This topic shows the research of other scholars which is related to the benefits of outsourcing, specifically in telecommunications and bank services. According to a survey conducted by a European group called MENA (Middle East and North Africa), Telecom markets face lower capital expenditure due to financial crisis. The study concluded that outsourcing leads to lower operation cost in the provision of Telecom services and it will be easy for operators to be proficient in their core areas of operation. It also improves response system for Value Added Services and Social provisions (George T. Abed and Hamid R. Davoodi, 2003)

Another study was conducted by Berners (2009) on benefits of outsourcing in telecommunications infrastructure to operators. The study argues that the need for outsourcing services within the Telecom sector in Nigeria and other parts of Africa has been growing steadily over the years and also with the coming of the global recession, there is the need for telecom companies to ensure financial stability.

Another survey of Yankelovich (2003) indicated that two-third of companies world-wide outsource at least one business process to an external third party. This practice appears to be most common in the U.S., Canada, and Australia, where 72 percent of outsourcing is being sought. Javaligi (1998) noted that successful implementation of an outsourcing strategy has been credited with helping to cut cost increase capacity, improve capacity and improve quality.

Similarly, a survey conducted by European Central Bank in 2004 reveals that although the benefits of outsourcing are evident, in practice, many banks believe that outsourcing introduces new challenges and risks.

The study highlights the benefits of outsourcing, suggesting; cost reduction; access to better technology and infrastructure and strategy of focusing on core activities; economies of scale which leads to improvement in synergies achieve diversification benefits or streamline services; focusing on core activities; free scarce resources; quality services; and flexibility. As with US studies, the European study also reveals several risks associated with outsourcing, namely, operational, legal, strategic risk, country risk reputational risk, loss of flexibility, loss of control and cultural/social problems.

Another findings of M.Ababe (2015) on challenges and prospect of outsourcing indicates in connection with the outsourced services of commercial bank of Ethiopia able to save management time that they allocate to manage non-core functions before the services were outsourced and as the result the management get more time to focus on core activities and able to increase the accessibility of banking service by opening new branches in different part of the country.

An important feature of all the prior research studies documented in the preceding section shows that outsourcing has a benefits of operational cost cutting ,saving management time

allocated for non-core activities, improve capacity and quality of service which later brings customer satisfaction somehow which is related to the focus of this study.

2.2.1. Relationship between outsourcing and service quality:

Business process outsourcing has been rapidly growing during the past decade. However, many companies are just beginning to discover the true cost of outsourcing, and suddenly find themselves in a disadvantaged position. Service providers are frequently cited thousands of miles away, often in a foreign country, and it can be very difficult to obtain perfect information on every aspect of their service operations. After companies engage in an outsourcing transaction, they are often surprised to find out the true costs of their vendors (Kharif 2003).

Speed and quality are both critical in outsourced service. Poor service performance by the outside service supplier reflects directly on its outsourcing company. Slow service wastes customers' time and may cause frustration and anxiety. For instance in revenue-generating customer contact centers (e.g., a phone-order service), a well-trained and motivated sales agent can answer customers' inquiries to their satisfaction and increase the likelihood of a sale. In non-revenue-generating service areas (e.g., a technical support center), a knowledgeable agent can solve technical problems in a timely manner, which can reduce the likelihood of customer complaints and enhance the outsourcing company's image. Indeed, according to a recent survey of more than 200 large companies, quality, price, and delivery performance have been ranked the top three selecting criteria used for outsourcing service providers (CAPS Research 2006). Apart from this at early stage outsourcing deals focus on cost savings but recently the goal of outsourcing has shifted from cost reduction to value creation. The value additions found by researchers have included: improved speed or quality of services deliver, Thus to ensure this benefit currently company's being outsource most of their sales activity to a well-staffed and trained service providers. (Yong-Pin Zhou and Z. Justin Ren 2010)

2.2.2. Relationship between service quality and customer satisfaction:

Since customer satisfaction has been considered to be based on the customer's experience on a particular service encounter, (Cronin & Taylor, 1992) it is in line with the fact that service quality is a determinant of customer satisfaction, because service quality comes from outcome of the

services from service providers in organizations. Another author stated in his theory that “definitions of consumer satisfaction relate to a specific transaction (the difference between predicted service and perceived service) in contrast with ‘attitudes’, which are more enduring and less situational-oriented,”(Lewis, 1993) This is in line with the idea of Zeithaml (2006).

Regarding the relationship between customer satisfaction and service quality, Oliver (1993) first suggested that service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative or transaction-specific. Some researchers have found empirical supports for the view of the point mentioned above (Anderson & Sullivan, 1993; Fornell 1996; Spreng & Macky1996); where customer satisfaction came as a result of service quality.

In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service .Wilson (2008). Although it is stated that other factors such as price and product quality can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml, 2006). This theory conforms to the idea of Wilson (2008) and has been confirmed by the definition of customer satisfaction presented by other researchers.

It has been proven from past researches on service quality and customer satisfaction that Customer satisfaction and service quality are related from their definitions to their relationships with other aspects in business. Some authors have agreed to the fact that service quality determines customer satisfaction. Parasuraman (1985) in their study proposed that when perceived service quality is high, then it will lead to increase in customer satisfaction. Some other authors did realize with the idea brought up by Parasuraman (1995) and they acknowledged that “Customer satisfaction is based upon the level of service quality that is provided by the service providers” Saravana & Rao (2007). Since service quality acted as one of the factors that influence satisfaction and more evidence of this relationship has been proven.

2.3. Conceptual framework

Outsourcing brings quick and Quality of service to customers and quality service is a vital antecedent of customer's satisfaction (Cronin and Taylor, 1992). In turn customer satisfaction is believed to affect post-purchase, perception and future decisions of customers. Following from the literature review done above, there is a relationship between sales outsourcing and service quality which later brings customers Satisfaction; and also that service quality could be evaluated with the use Of five service quality dimensions using different service quality model like SERVQUAL and SERVPERF which are the most useable even though they have their own criticism and their applicability is vary depend on service type. The empirical studies shows that service quality dimensions have relations with service quality which comes through outsourcing and customer satisfaction. In addition different articles and journals shows that service quality dimensions have their own impact on customer satisfaction but their level of impact is different in between service quality dimensions and among service types.

SERVPERF model is derived from Parasurman's SERVQUAL model which is mainly focus on perceived service quality. The SERVQUAL approach integrates the two constructs (service quality and satisfaction) and suggests that perceived service quality is an antecedent to satisfaction as already stated in theoretical part

After critical review of both theories and empirical studies on service quality that comes through outsourcing a customer not always be satisfied due to outsourced service unless otherwise the outsourcing companies fulfill the necessary requirements. The following conceptual frame work is drawn for this study.



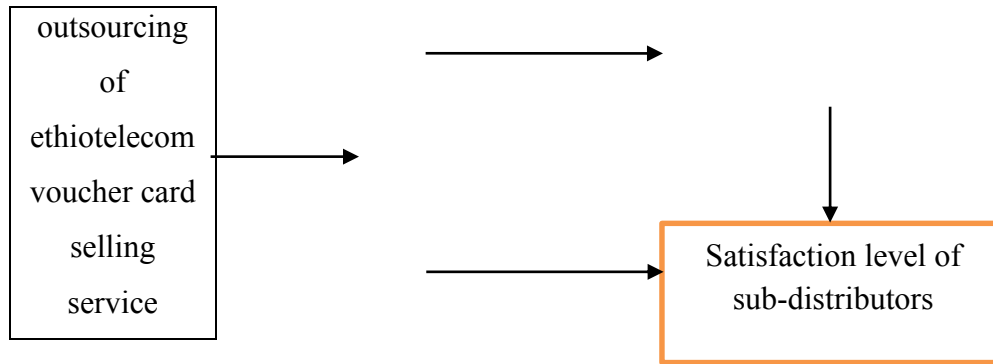


Figure: 2. 2 Conceptual framework model adopted from Chakrabarty_Whitten_Green_48_2 and modified by the researcher

The conceptual framework Figure 2.2. is drawn by combining service quality dimensions of SERPERF scale derived from the original SERVQUAL model with (Anton, 1997). Based on the revision made by Parasuraman, (2004) on the SERVQUAL model and (Anton, 1997) revised service quality model, the 22 items of service quality model are listed for this study in order to identify the most important dimensions that matter most to customers and bring their satisfaction.

2.4. Hypotheses of the study

H1: Service quality dimensions contribute positively and significantly to overall service quality

H2: Service quality dimensions contribute positively and significantly to sub distributors' satisfaction.

H3: Over all service quality has positive and significant effect on sub distributors' satisfaction.

CHAPTER THREE: Research Design and Methodology

3.1. Introduction

This chapter presents details of the research design and methodology. This includes the research design, sample size and sampling technique, data source and collection method, procedure of data collection, questionnaire and reliability test. At the end the method of data analysis was presented.

3.2. Research design

Both descriptive and explanatory study design using quantitative method was used to analyze for data collected from the sample. The reason behind using descriptive study design is because the researcher is interesting to describe the existing situation of voucher card sales outsourcing on customer satisfaction under the study. In addition to this the researcher used descriptive analysis in the study to describe the service quality dimensions due to voucher card outsourcing that lead to customer satisfaction. The study also used explanatory study design, to explaining, understanding, predicting and controlling the relationship between variables. The study would be cross-sectional in the sense that relevant data would be collected at one point in time.

3.3. Population and sampling techniques

The population of the study includes the one hundred thirteen (113) sub-distributors which distribute the voucher cards directly to retailers. These sub-distributors are working in to six Addis Ababa zones namely East Addis Ababa zone (EAAZ), North Addis Ababa zone (NAAZ), South Addis Ababa zone (SAAZ), West Addis Ababa zone (WAAZ), South west Addis Ababa zone (SWAAZ) and Central Addis Ababa zone (CAAZ) . Since the population size of the study was very small, the researcher taken the population as a sample size.

The sample respondents were asked how often they have bought a voucher card from distributors and how long they have served as a sub-distributor. To get accurate information, only respondents who used to buy once a month and served more than a year are made to fill the questionnaire.

During the full scale survey the questionnaire is administered to the target population through personal contact by researcher. Respondents are kindly requested to fill the questionnaire to evaluate their perception based on the experience they have at the distributors' shops during the transaction of voucher card sales service.

3.4. Sources and methods of data collection

In gathering necessary data, both primary and secondary data sources are used to answer research questions. Primary data was mainly obtained through the administering of questionnaires. The questionnaire instrument is consisted of three parts.

The first part contained six questions focusing on the General background of the respondents (sub-distributors) which include questions like for how long they serve as sub-distributors; from which distributors they are getting voucher card, where their place of shop and how is their experiences in buying the voucher card from main distributors.

The second part focuses on respondents' perceptions of voucher card sales outsourcing service quality. This part of the questionnaire is developed based on five dimensions of service quality dimensions of the SERVQUAL system, these are: Tangibility, reliability, responsiveness, assurance, and empathy based on Parasuraman et al. (1988). Based on this model, questionnaire is developed by incorporating the five dimensions of service quality and the 22 items of SERVPERF model. The 22 items are distributed among five service quality dimensions as follows: Four items are put under Tangibility dimension, five items are put to reliability dimension, and the same four and five items are related to responsiveness and assurance dimension respectively and finally the remaining four items are distributed to empathy dimension. The third and the final part has two question which requested respondents to rate their perception of overall service quality of main distributors and their level of satisfaction on a five point likert scale during their experience on voucher card buying service.

The questionnaire was first prepared by English and constructive comments were given by my advisor. After modification based on the comments of advisor, it was translated to Amharic language by Zemen translation office and test survey was conducted for 20 respondents and minor modification was done on Amharic version questionnaire based on the comments from test survey

to make it clear and understandable. Secondary data sources like related literatures including theories, past studies (empirical findings) that can be applied in order to have better understanding of customer satisfaction, service quality and SERVPERF model are gathered from books, articles, and internet.

3.5. Techniques of data analysis

After the relevant data is collected, it is analyzed using statistical package for social sciences (SPSS). Each research questions are answered accordingly and output of the analysis is presented in tables and finally their implications are explained. Descriptive statistics (like percentage, frequencies, mean and correlation coefficient) and inferential statistics like one way ANOVA, linear regression and multiple regressions are applied. Percentage and frequency is undertaken to discuss the general information of the respondents. In addition, it is applied to assess service quality of main distributors on voucher card distribution and sub-distributors satisfaction on service delivery.

Comparison of mean scores of each service quality dimension is conducted to see on which service quality dimensions the main distributors performing well based on the perception of respondents. In addition, it is applied to evaluate the perception of sub- distributors on over all service quality of distributors and to evaluate their satisfaction level. Correlation analysis is performed to analyze whether there is relation between each item of the five service quality dimension and service quality. Moreover, it is performed to see the relation between the five service quality dimension and sub- distributors satisfaction on distributors voucher card distribution service. Correlation analysis technique is used to check whether or not service quality dimensions and sub- distributor's satisfaction has relations.

One way ANOVA is conducted to analyze sub- distributor's satisfaction level and if there is significant satisfaction due to voucher card sale outsourcing. Linear regression is applied to evaluate the impact of overall service quality on sub- distributor's satisfaction. Multiple regression analysis is also undertaken to evaluate the impact of service quality dimensions on overall service quality as well as their impact on sub- distributor's satisfaction.

3.6. Reliability and validity

3.6.1. Reliability

This quality criterion of the research refers to the consistency of a measure of a concept. This quality criteria deals with the question whether the results of a study are repeatable (Bryman and Bell, 2007). Cronbach's alpha is used in this study to assess the internal consistency (reliability of the instrument (questionnaire). Cronbach's alpha is a coefficient of reliability used to measure internal consistency of a test that means; it resulted as a number between 0 and 1. As the result approaches to 1, the more is its internal consistency of the items, which means all the items measures the same variable i.e. over all service quality and sub- distributor's satisfaction.

3.6.2. Validity

In addition to evaluating reliability of instruments, their validity was also assured by evaluating its construct validity. Construct validity is a measurement of validity of an operationalization (measurement) the extent to which it really measures what it claims to measure. To assure the validity of the dimensions whether they can measure the predefined dependent variables or not different theories and empirical studies were assessed to assure its validity. More over the external validity was also checked. External validity explains that the findings being applicable to other contexts.

3.7. Ethical considerations

There is a growing emphasis on overcoming the ethical issues in business research because of the increased involvement of social responsibility and consumer's wellbeing (Ghauri and Gronhaug, 2005,). All the information was treated and kept secretly with high confidentiality without disclosure of the respondents' identity. No information is changed or modified, hence the information is presented as collected and the same with the literatures collected for the purpose of this study. Moreover, there is no any intention to use unfair means to influence the participants to obtain information. The questionnaire was anonymous and high level of confidentiality is considered. The information gathered through questionnaire was used only for its purpose i.e. for the fulfillment of the requirement of my MA degree.

CHAPTER FOUR: DATA ANALYSIS AND DISCUSSIONS

The aim of this chapter is to analyze and discuss the survey finding using different statistical tools. It consists of reliability test, analysis and interpretations of background of the respondents and analysis and interpretations of the different findings from the survey.

4.1. General information about respondents

To discuss the general information of the respondents, descriptive statistics (frequency statistics) was used. The general information include: From where the respondents get the voucher card for distributing to retailers, how often they bought the voucher card from their supplier within a month, the place of respondents shop, the experience of respondents on distributing voucher card, the types of voucher card mostly demanded by retailers and the types of voucher card getting shortage when buying from their main distributors. The next table (table 4.1) summarizes all general information of the respondents.

Table: 4.1. Frequency (General information about the respondents)

Background	Response options	Frequency	Percent
Sub-Distributor Service Year	One to twelve months	21	22.3
	Thirteen to eighteen months	36	38.3
	Above eighteen months	37	39.4
	Total	94	100
Supplier of Sub-distributor	Post office	43	45.7
	Private distributors	29	30.9
	Small and medium Enterprise	22	23.4
	Hidasse	0	0
	Total	94	100
	Once	17	18.1

Background	Response options	Frequency	Percent
Voucher card Buying frequency of Sub- distributors per month	Twice	37	39.4
	Three times	17	18.1
	More than three times	23	24.5
	Total	94	100
Place of sub-distributors shop	EAAZ	0	0
	NAZZ	0	0
	WAAZ	0	0
	CAAZ	0	0
	SWAAZ	0	0
	SAAZ	0	0
	Any where	94	100
	Total	94	100
Type of voucher card mostly Demanded by retailers	5birr	14	14.9
	10birr	29	30.9
	15birr	23	24.5
	25birr	17	18.1
	50birr	5	5.3
	100birr	6	6.4
	250 birr	0	0
	500 birr	0	0
	1000 birr	0	0
	Total	94	100

Background	Response options	Frequency	Percent
Type of voucher card mostly in shortage supply	5birr	0	0
	10birr	40	42.6
	15birr	32	34.0
	25birr	22	23.4
	50birr	0	0
	100birr	0	0
	250 birr	0	0
	500 birr	0	0
	1000 birr	0	0
	Total	94	100

Source: Survey result (2016).

Table 4.1 shows the general information of the respondents. The Majority of the respondents have more than eighteen months experience as a sub-distributors which accounts (39.4%) followed by One to twelve months experience which occupies (38.3%). The lowest share is Thirteen to eighteen months of experience (22.3%).

With respect to the supply of the voucher card, the survey result shows (45.7%) of the respondents used to buy the voucher card from post office followed by (30.9%) which used to buy from private distributors and the rest (23.4%) used to buy from small and medium enterprise. Moreover, around (39.4%) of respondents bought the voucher card from their main distributors twice per month whereas (24.5%) of respondents used to buy for more than three times per month while (18.1%)of respondents used to buy either once or three times per month from their main distributors.

Concerning the place of voucher card distribution, the result shows that all the sub-distributors do not have a specific distribution area or zone and they simply distribute where there is demand.

From the types of voucher card, the voucher card having the denomination of birr 10 is highly demanded by retailers and reaches around 30.9%, followed by the denomination of birr 15 and 25

which counts (24.5%) and (18.1%) respectively. The denominations of birr 5, 100 and 50 are the least demanded types of voucher card with percentage of 14.9, 6.4 and 5.3 respectively.

Regarding the types of voucher card that are not usually supplied by the main distributors, the denomination of birr 10 is rarely supplied to sub distributors and counts around (42.5%) and followed by denomination of birr 15 which counts (34%). Furthermore, denomination of birr 25 voucher card that counts (23.6%), somehow has a fair supply comparing with the above two types of voucher card.

4.2. Reliability test

Reliability is the quality of a measurement procedure to provide repeatability and accuracy. A construct is said to be reliable if it brings the same result when we use it multiple times (Bhattacharjee 2012).

Table 4.2. Cronbach's Alpha (Reliability analysis)

Dimensions	Cronbach's Alpha value	Number of items
Tangibility	.867	4
Reliability	.845	5
Responsiveness	.869	4
Assurance	.874	4
Empathy	.854	5
Overall scale reliability	.976	22

Source: survey result (2016)

Because the study used a multiple-item construct measure to the respondents, the extent to which respondents rate these items in a similar manner (internal consistency) was computed including all items. For reliability test, Cronbach's alpha is used. Cronbach's alpha is a coefficient of reliability used to measure the internal consistency of a test or scale. As the number approach to 1 the more is its internal consistency of the items to measure service quality, implies that all items measures the same variable.

For internal reliability (consistency of the research instrument), reliability test for all service quality dimensions was done. Therefore, the overall reliability of the scale was found to be 0.976 (table 4.2) which indicates the acceptability of the items.

Moreover, the scale consistency of each dimensions adapted from the combination of service quality dimensions of Parasuraman (1985) and Anton (1997) namely tangibility, reliability, responsiveness, assurance and empathy were also computed with the value of 0.867, 0.845, 0.869, 0.874 and 0.854 respectively as table 4.2 shows.

4.3. Service quality dimensions, overall service quality and sub-distributors satisfaction

Respondents' perception towards main distributors' service delivery quality is measured through five service quality dimensions with their 22 items using SERVPERF model. Respondents' perception towards over all service quality and their satisfaction level also measured using their mean score. Table 4.3 shows respondents' perception towards service quality dimensions, over all service quality and customer satisfaction.

Table 4.3 Descriptive statistics (Perception of SQ dimensions, over all service quality and sub-distributors satisfaction)

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Tangibility	94	1	4	3.30	.73674
Reliability	94	1	4	2.40	.61088
Responsiveness	94	2	4	3.74	.78896
Assurance	94	1	4	3.61	.67951
Empathy	94	1	4	2.24	.59029
Overall service quality	94	1	4	3.06	1.243
Overall sub-distributors satisfaction	94	1	4	2.78	.79896

Source: Survey result (2016)

As table 4.3 shows perception of respondents on responsiveness and assurance is good compared to other service quality dimensions which have mean score of 3.74 and 3.61 respectively. Tangibility has moderate perception with mean score of 3.30 as well as reliability and empathy have least perception with mean value of 2.40 and 2.24 respectively.

From this finding, main distributors' service delivery is good in responsiveness that means informing the exact time of service delivery, having willingness and quick respond of to support the sub-distributors request are better compared to other dimensions.

Respondents' perception towards assurance like having information about the distribution of voucher card, inspiring confidence in sub-distributors and being courteous to sub-distributors are good.

The perception of respondents' service quality of tangibility like having attractive physical facilities and deploying modern equipment are moderate. But the perception of respondents' service quality of reliability and empathy like doing the promised thing on time, solving damaged voucher card immediately, solving problems efficiently and knowing the best interest sub-distributors are not good

From table 4.3 above the mean of perception of respondents with over all service quality and customer satisfaction are moderate with a mean value of 3.06 and 2.78 respectively. In general According to Anton (1997) three zones of perception of service performance this table shows the customer Satisfaction index between 50-84 which is under tolerance zone.

4.4 Correlation analysis between service quality dimensions, service quality and sub distributors satisfaction

Correlation analysis is used to assess the relationship among service quality dimensions, over all service quality and sub distributors' satisfaction. Correlation analysis deal with relationships among variable and helps to gain insight in to the direction and significance of relation between the variables. Correlation coefficient take values between -1 and 1 ranging from being negatively correlated (-1) to uncorrelated (0) to positively correlated (1). According to Dancey and Reidy (2004), a correlation result which is 0 indicates zero correlation , a result between 0.1 to 0.3 indicates weak correlation, a result which is between 0.4 to 0.6 indicates moderate correlation and a correlation coefficient between 0.7 to 0.9 indicates a strong correlation and a result which is equal to 1 indicates perfect correlation.

Table 4.4: Correlation (Relationship among Service quality dimension, over all service quality and sub distributors satisfaction)

Correlations	Tangibility	Reliability	Responsiveness	Assurance	Empathy	Overall service quality	Customer satisfaction
Tangibility	1						
Reliability	.611**	1					
Responsiveness	.685**	.857**	1				
Assurance	.306**	.371**	.658**	1			
Empathy	.359**	.344**	.422**	.640**	1		
Over all service quality	.819**	.763**	.805**	.773**	.758**	1	
Customer satisfaction	.736**	.742**	.825**	.692**	.685**	.647**	1

Source: Survey result (2016).

Table 4.4 shows the relationship among service quality dimensions, over all service quality and customer satisfaction. As the table shows, all service quality dimensions have positive and significant relationship with over all service quality even though their correlation is different among service quality dimensions. Tangibility and responsiveness have strong relationship with over all service quality with high coefficient value of .819 and .805 respectively followed by assurance which has coefficient value of .773. Reliability and empathy have comparatively low relationship with over all service quality with correlation coefficient value of .763 and .758 respectively. According to Dancy and Reidy (2004), there is a positive correlation between all service quality dimensions and over all service quality delivery of voucher card main distributors’.

Correlation analysis was also undertaken to discuss the relationship between the service quality dimensions and sub distributors satisfaction. According to table 4.4 all service quality dimensions and sub distributors satisfaction has positive and significant relationship.

Like the relationship between service quality dimensions and over all service quality, the strength of correlation is different between service quality dimensions and sub distributors satisfaction. Responsiveness, reliability and tangibility have better correlation with correlation coefficient value of .825, .742 and .736 respectively followed by Assurance which has coefficient value of .692. Empathy has the lowest correlation coefficient value of .685. This implies that the better the quality of service with service quality dimensions items of responsiveness, reliability and tangibility items brings the higher the level of sub distributors satisfaction.

The relationship between the overall service delivery quality of main distributors' and sub distributors satisfaction is also discussed using correlation analysis. As the table shows over all service quality and customer satisfaction has positive and significant relationship with correlation coefficient value of 0.647. Parasuraman, Zeithmal and Berry (1985, 1988) point out that service quality and customer satisfaction are closely related. The existence of this relationship between service quality and customer satisfaction is more explained by Cronin and Taylor (1992), service quality is an antecedent of satisfaction.

4.5. Multicolliniarity test

In statistics, multicollinearity is also known as collinearity and it is a phenomenon in which two or more predictor variables in a multiple regression model are highly correlated, if there is an existence of multicollinearity between variables it implies that one variable can be linearly predicted from the others with a substantial degree of accuracy .The test of Multicollinearity is indicated by Tolerance and Variance inflation factor result.

Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and is calculated using the formula $1 - R^2$ for each variable. If this value is very small that means if it is less than .10, it indicates that the multiple correlations with other variables is high, suggesting the existence of multicollinearity.

The other value given is the VIF (Variance inflation factor), which is just the inverse of the Tolerance value that means 1 divided by Tolerance. If the VIF values is above 10 it is indicating that there is s multicollinearity between variables. Multicollinearity can be detected with the tolerance values and variance inflation factor (VIF). The tolerance values of all independent variables and the Variance inflation factor are above 0.1 and below 10 respectively which indicates there is no multicollinearity problem, so the researcher can proceeds to do the multiple regression Analysis now.

4.6. Impact of service quality dimensions on over all service quality

The main assessment in this part is impact of each independent variable on dependent variable. In addition, the existence of multicollinearity of variables was analyzed.

Table.4.5. Multiple regression analysis (Multicollinearity and impact of each service quality dimensions on service quality)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.032	.119		-.271	.387		
Tangibility	.404	.060	.506	2.988	.002	.361	2.767
Reliability	.497	.085	.540	1.610	.000	.167	5.994
Responsiveness	.362	.043	.479	.730	.003	.124	6.061
Assurance	.336	.039	.429	9.086	.004	.240	4.174
Empathy	.139	.030	.341	3.515	.005	.331	3.021

Source: Survey result (2016).

As table 4.6 shows the tolerance values of all independent variables are above 0.1 and the VIF values are below 10 which indicate there is no multicollinearity problem.

The independent variables estimated to predict over all service quality are tangibility, reliability, responsiveness, assurance and empathy. All these independent variable are significant predictors of service quality with a p value of 0.002, 0.000, 0.003, 0.004 and 0.005 respectively which is less than 0.05. Moreover, the standardized coefficient β in the table which shows the impact of independent variables on over all service delivery quality for all service quality dimensions have positive result this indicates that Service quality dimensions contribute positively and significantly to overall service quality (Test of Hypothesis-1) on service delivery quality of main distributors' though their impact is different.

Reliability and tangibility, have comparatively high impact on over all service delivery quality of main distributors' with β value of 0.540, 0.506 respectively followed by responsiveness and assurance with β value of 0.479 and 0.429. Empathy has the least positive impact with β value=0.341.

Furthermore the value of R square is used to evaluate the model. It tells us how much of the variance in the dependent variable over all service delivery quality is explained by the model which includes the independent variables of tangibility, reliability, responsiveness, assurance and empathy. In this case, the value is 0.823 which can be expressed by percentage (0.823*100) this means that this model explains by 82.3 percent of the variance to overall service quality.

There is no over estimation of the model as the adjusted R square value (appendix 2.6) shows because it has almost the value approaches to the normal R square i.e. 81%. In case of small sample size, adjusted R square value should be checked to avoid over estimation of the model by R square value. As depicted in the ANOVA table (appendix 2.6), the significance value of F statistics is 0.000 which is less than 0.05. It means that the variation explained by the model is not due to chance. This also shows that there is a significant relationship between the dependent and independent variables.

4.7. Impact of service quality dimensions on sub distributors' satisfaction

Multiple regressions analysis was applied again to assess the impact of service quality dimensions on sub distributors' satisfaction. Table 4.7 shows the SPSS result of the analysis.

Table: 4.6. Multiple regression analyses (Impact of service quality dimension sub distributors 'satisfaction)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-1.220	.304		-4.013	.000		
Tangibility	.243	.126	.449	2.955	.005	.361	2.767
Reliability	.254	.139	.459	1.263	.004	.267	5.994
Responsiveness	.412	.217	.628	2.866	.002	.224	6.061
Assurance	.422	.248	.689	.014	.001	.240	4.174
Empathy	.276	.153	.487	2.045	.003	.331	3.021

Source: Survey result (2016).

The values of tolerance for all independent variables (tangibility, reliability, responsiveness, assurance and empathy) are above 0.1 and the values of VIF for these variables are below 10 which indicate that there is no multi collinearity problem.

In evaluating each independent variables' impact on dependent variable (sub distributors satisfaction), the table shows that assurance, responsiveness, empathy, reliability and tangibility which are the independent variables have a positive coefficient β values which indicates that Service quality dimensions contribute positively and significantly to sub distributors' satisfaction (Test of Hypothesis-2).

Assurance has the biggest impact with value of $\beta = 0.689$ on customer satisfaction followed by responsiveness and empathy compared to other variables with value of $\beta = 0.628$ and 0.487 respectively. Reliability and tangibility have the lowest positive and insignificant impact with value of $\beta = 0.459$ and 0.449 respectively.

As the value of R squared (Appendix 2.7) shows, in aggregate the dependent variable (customer satisfaction) is explained (impacted) by all independent variables (tangibility, reliability, responsiveness, assurance and empathy) by 75.6 percent which shows the evaluation of the model. This R square is not over estimated while evaluating the model's fitness as its variation from adjusted R square is not big. As depicted in the ANOVA table (appendix 2.7), the significance value of F statistics is 0.000 which is less than 0.05. This also shows that there is a significant relationship between the dependent and independent variables

4.8. Impact of overall service quality on sub distributors' satisfaction

Linear regression analysis is used to investigate the impact of overall service quality on sub distributors' satisfaction. Table 4.8 shows the survey result of the two variables.

Table: 4.7. Linear regression analysis (Impact of overall service quality on sub distributors satisfaction)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.049	.211		.235	.815
overall service quality	.948	.062	.647	15.287	.000

Source: Survey result (2016).

Over all service quality has significant positive impact with p value = 0.00 on sub distributors satisfaction of main distributors service delivery. The directions of the impact also positive with coefficient β value of 0.647 which indicate that based on this model **overall service quality has significant impact on sub distributors satisfaction with β value=0.647 (Test of Hypothesis-3)** In general the regression analysis shows that all independent variables listed in the model have significant and positive impact on dependent variables.

4.9. Summary of hypotheses testing

After the analysis of all survey result, the hypothesis tests are summarized.

Table: 4.8. Summary of hypothesis testing

Hypothesis	Statistical test	Result
H1: Service quality dimensions contribute positively and significantly to overall service quality	Multiple regression	Supported
H2: Service quality dimensions contribute positively and significantly to sub distributors satisfaction	Multiple regression	Supported
H3: Over all service quality dimensions contribute positively and significantly to sub distributors satisfaction	Linear regression	Supported

Source: Survey result (2016)

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter is the final chapter which contains summary of the findings, conclusion, recommendations, limitations and future implication of the study.

5.1. Summary of findings

The main objective of the study was to assess the overall service delivery quality of main distributors and sub- distributors satisfaction with outsourced ethiotelecom voucher card distribution and to investigate the impact of service quality dimensions on sub- distributors satisfaction. In this study hypothesis were also developed to investigate how service quality dimensions can affect sub- distributors' satisfaction.

To meet this objective, quantitative research strategy was adopted and quantitative data was collected from sub- distributors'. Descriptive statistics like frequency, mean and correlation analysis techniques were applied to analyze background information of respondents, to analyze respondents' perception on service delivery quality and satisfaction as well as relationship between service quality dimensions, overall service delivery quality and sub- distributors' satisfaction. In addition, regression analysis technique was undertaken to investigate impacts of service quality dimensions on sub- distributors' satisfaction as well as to test the hypothesis developed.

- More than 70% of the respondents have work experience more than one year implying that outsourcing is not a recent phenomenon.
- More than 45% of the respondents used to buy voucher cards from post office. This is because, as the post office obtains the voucher cards from ethio telecom on credit base, it sales the cards on credit base too. So the sub-distributors are tempted to buy only from Post office.
- Almost all of the sub-distributors distribute the products where there is demand. This result in congestion of products in some places while there is shortage of voucher cards in some other places.

- By far, the denomination of voucher card birr 5, birr10, birr15 and birr 25 are highly needed by retailers but there is clear shortage of supply.

Mean score comparison was also conducted to evaluate customers perception on service quality dimensions, overall service quality and customer satisfaction. Based on the finding of the mean value of table 4.3, respondents are perceived that service quality of responsiveness dimension is good followed by assurance which counts 3.74 and 3.61. Tangibility is moderate with mean value of 3.30 and reliability is the least followed by empathy with mean value of 2.40 and 2.24 respectively. The mean value of perceived over all service quality and customer satisfaction are 3.06 and 2.78. This shows that the main distributors' are very low in keeping their promise, replacing damaged voucher card on time, having sufficient stock of highly demanded voucher card by retailers and knowing the best interests of their sub-distributors'

Correlation coefficient statistics shows that tangibility and responsiveness service quality dimensions have strong and significant relationship with over all service quality with coefficient value of 0.819 and 0.805 respectively followed by assurance with coefficient value of 0.773. Reliability and empathy have lower correlation with over all service quality compared to other service quality dimensions.

Significant relationships were also detected between service quality dimensions and customer satisfaction. Responsiveness, reliability and tangibility have higher relationship with customer satisfaction having beta coefficient value of 0.825, 0.742 and 0.736 respectively.

The finding also indicated that there is significant relationship among independent variables (service quality dimensions). Relatively stronger correlation is scored between responsiveness and reliability followed between responsiveness and tangibility with coefficient value of 0.875 and 0.685 respectively.

The correlation analysis also found that there is significant and positive relationship between overall service quality (independent variable) and sub-distributors' (dependent variable) with beta coefficient value of 0.647. In general, all independent variables have significant relationship with dependent variables even though their strength is different.

After testing the relationship of all independent and dependent variables, the existence of multi-collinearity among these variables was checked and there is no multicollinearity among them this leads to do the analysis of regression.

Regression analysis (both linear and multiple regression analysis was undertaken to investigate impacts of each independent variables on dependent variable. All Service quality dimensions namely: tangibility, reliability, responsiveness, assurance and empathy have significant impact on overall service delivery quality of main distributors' regarding voucher card distribution with $p < 0.05$ even though their impact is different.

Reliability service quality dimension has strongest impact on service quality with $\beta = 0.540$ followed by tangibility with $\beta = 0.506$ and the third is assurance with $\beta = 0.429$. Empathy has the least impact on service quality with $\beta = 0.341$. This indicates that reliability, tangibility and assurance accessibility dimensions have greater impact on service quality than other dimensions. As R square value shows, overall service quality (dependent variable) is explained by the model which includes tangibility, reliability, responsiveness, assurance and empathy. The R square value is 0.823 which implies that overall service quality is aggregately impacted or explained by all service quality dimensions by 82%.

Another finding of this study was that all service quality dimensions have significant impact on sub-distributors' satisfaction. The most significant impact is shown in assurance dimension with $\beta = 0.689$ followed by responsiveness dimension with $\beta = 0.628$. Based on the finding tangibility has the least impact of tangibility on sub-distributors' satisfaction. The R square value show that the independent variables (tangibility, reliability, responsiveness and assurance) are explains dependent variable (sub-distributors' satisfaction) by 75.6% which evaluates the model. It was also found out that overall service quality has significant and moderate impact on sub-distributors' satisfaction with the value of $\beta = 0.647$.

Finally, the hypotheses developed in this study were tested and the result shows that all service quality dimensions have significant and positive impact on service quality. Moreover, all service quality dimensions have significant and positive impact on customer satisfaction. Overall service quality has also significant and positive impact on customer satisfaction.

5.2. Conclusion

As many empirical studies indicates, service quality dimensions, service quality and customer satisfaction are highly related and interdependent. According to Sureshchandar et al., (2002), customer satisfaction should be seen as a multi-dimensional construct just as service quality.

The mean score of sub-distributors' satisfaction for each service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) shows that sub-distributors are moderately satisfied on responsiveness, assurance and tangibility while they are dissatisfied on reliability and empathy of main distributors' when compare to other.

As the result of correlation analysis shows, all service quality dimensions have positive and significant relationship with over all service quality. The highest relationship is observed between tangibility dimension and over all service quality followed by between assurance and sub-distributors' satisfaction and the lowest relation is between empathy and over all service quality.

In addition, the relationship between service quality dimensions and customer satisfaction was analyzed and the result shows all service quality dimensions have positive and significant relation with sub-distributors' satisfaction. The highest relationship is between responsiveness and sub-distributors' satisfaction followed by between reliability and sub-distributors' satisfaction. The lowest relationship is between empathy and sub-distributors' satisfaction. There is also positive relationship between overall service quality and sub-distributors' satisfaction which implies the higher the quality of overall service, the higher the level of sub-distributors' satisfaction. From this finding, it can be concluded that main distributors can improve its service by mostly focusing on reliability and empathy service quality dimensions and at the same time it can increase sub-distributors' satisfaction by focusing on overall service quality and important dimensions.

In investigating the impact of service quality dimensions (independent variables) on service delivery quality of main distributors' and sub-distributors' satisfaction (dependent variables), it is found out that all service quality dimensions have significant impact on service quality and all service quality dimensions have significant impact on customer satisfaction but there impact is different.

5.3. Recommendations

Based on the findings of the study, the following recommendations are made:

- Most sub-distributors buying the voucher card from post office this shows that all distributors have no equal competition advantages. If all distributors could not be compete in equal terms consequently the main distributors' could not getting the competitive advantage may force to leave the distribution work.
- Almost all sub-distributors are business-oriented. They care little or no to societal services and they tend to provide the vouchers cards where there is high demand. As a result, there is a tendency of overcrowding of cards in some places while there is shortage in some other places. Consequently there will be unequal distribution of cards among different places of Addis Ababa. Therefore, Ethio telecom should place controlling mechanism to curb the problem.
- Based on the finding of the research denomination of voucher card with birr 5, birr10, birr15 and birr 25 are highly needed by the market as they are affordable. So Ethio telecom has to increase the supply of those cards which are in clear shortage.
- Since the overall service quality has also significant impact on sub-distributors' satisfaction, the main distributors can improve service quality and the sub-distributors' satisfaction by improving service quality dimensions specially by focusing on such dimensions such as reliability, and empathy.
- The main distributors are unable to keep their promise in replacing damaged voucher card on time. So ethio telecom has to provide a dedicated service platform for replacing damaged voucher card as requested by main distributors.

5.4. Limitations and Direction for Future Research

There are some limitations associated with this study that need to be explained. Firstly, the results obtained from this study cannot be generalized to a wide range of regional sub- distributors' that means it is geographically limited to sub- distributors' distributing in Addis Ababa. Second it does not incorporate things that hinder and the distribution of voucher card from ethio telecom side.

Moreover, there were no adequate prior studies in Ethiopia related to voucher card distribution service. However, the above limitations are less significant compared to the importance of carrying out this type of study.

The purpose of this study was to find how sub- distributors' of voucher card perceive service delivery quality of main distributors and to measure their satisfaction. Knowing how sub-distributors' perceive service delivery quality and being able to measure service delivery quality can benefit management of ethiotelecom by providing reliable data that can be used to monitor and maintain improved service quality.

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Appendix 1

Addis Ababa University School of commerce

Post Graduate Studies

Department of logistics and supply chain management

Target respondents: Ethio telecom customers

Dear respondent,

The purpose of this questionnaire is to gather information to conduct a research on the Perceived service quality and satisfaction of customers with the impact of sales outsourcing of Ethio telecom (ET). This information will be used solely for academic purpose for the fulfillment of MA in logistics and supply chain management Education. All information you will provide to my study will be kept strictly confidential and shall be used only for academic purpose. However, the findings of the research may use to improve the voucher card sales services of the company

Thank you very much for active cooperation.

Feel free to contact me if you have any questions.

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Section One: Company Profile

1. For how long have you been working as sub-distributor of voucher card?

1. 1-12 Months 2. 13-18 Months 3. Above 18 Months

2. From where have you bought the voucher card?

1. Post office 2. Hidasse 3. Private distributors 4. Small and medium
Enterprise

3. How often you buy the voucher card from the main distributors within a month?

1. Once 2. Twice 3.three times 4.more than three times

4. Where is your distribution Area?

1. EAAZ 2.NAAZ 3.WAAZ 4.CAAZ 5.SWAAZ 6.SAAZ 7.Any where

5. Which type of voucher card mostly demanded by retailers?

1. 5birr 2.10birr 3.15birr 4.25birr 5.50birr 6.100birr 7.250
8.500 9.1000

6. Which type of voucher card mostly getting shortage?

1. 5birr 2.10birr 3.15birr 4.25birr 5.50birr 6.100birr 7.250
8.500 9.1000

Section Two: Service Quality Dimensions (SQD)

Directions: Based on your experiences as a voucher card buyer, how well retail shops provide voucher card sales service and handling your compliant at the time of recharging your balance relative to your expectations and perception.

Please rate each of the following statements by encircling the appropriate number with respect to your level of agreement/disagreement against each question. (Where, 1 = “Strongly Disagree”; 2= “Disagree” 3= “Neutral”; 4= “Agree” and 5= “Strongly Agree”).

<i>Service Quality Attributes</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.Tangibility					
1.1 The main distributors have modern equipment.	1	2	3	4	5
1.2. The main distributors have attractive physical facilities	1	2	3	4	5

<i>Service Quality Attributes</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.3 The employees of main distributors are neat in their appearance	1	2	3	4	5
1.4. Materials associated with voucher card sales (pamphlets or statements) are visually appealing at main distributors shops	1	2	3	4	5
2.Reliability					
2.1. When your main distributor promises to supply voucher card within a specific time to you, they do so	1	2	3	4	5
2.2. Your main distributor solves the problem of damaged voucher card effectively.	1	2	3	4	5
2.3. The main distributors' employees provide accurate information to their sub- distributors.	1	2	3	4	5
2.4. The main distributors' employees are dependable in handling voucher card shortage and damaged problem.	1	2	3	4	5
2.5. The main distributors have sufficient stock for each denomination to avoid the shortage of voucher card distribution.	1	2	3	4	5
3.Responsiveness					
3.1. The main distributors' employees tell sub- distributor's exactly when the voucher card distribution will be provided	1	2	3	4	5
3.2. The main distributors' employees are happy and willing to serve their sub- distributor's	1	2	3	4	5
3.3. You get prompt service due to voucher card outsourcing	1	2	3	4	5
3.4. The main distributors' employees give quick response to sub- distributor's requests.	1	2	3	4	5
4.Assurance					

<i>Service Quality Attributes</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
4.1. The main distributors' employees have the required skill in providing services.	1	2	3	4	5
4.2. The main distributors' employees are trustworthy	1	2	3	4	5
4.3. The main distributors' employees have sufficient knowledge of voucher card distribution information	1	2	3	4	5
4.4. The main distributors' employees inspire confidence in sub-distributor's	1	2	3	4	5
4.5. The main distributors' employees are consistently courteous	1	2	3	4	5
5. Empathy					
5.1. The main distributors' employees usually give individual attention.	1	2	3	4	5
5.2. The main distributors' employees do know promptly what your needs are.	1	2	3	4	5
5.3. The main distributors' employees have their sub-distributor's best interest at heart	1	2	3	4	5
5.4. The main distributors have operating hours convenient to all their sub-distributor's	1	2	3	4	5

Section Three:

This part indicates overall level of service quality and your overall level of satisfaction on main distributors voucher card distribution service. Please circle a number that shows over all service quality perception and your level of satisfaction with the following statements.

Overall service quality of main distributors

Over all service quality of main distributors	worst	poor	Neutral	good	excellent
1. the overall service quality of main distributors on the outsourced voucher card distribution is	1	2	3	4	5

Level of sub-distributors Satisfaction (LCS)

Overall sub-distributors satisfaction on voucher card outsourcing service.	Strongly dissatisfied	Dissatisfied	Neutral	Satisfied	Strongly satisfied
1. I am satisfied with main distributor's complete range of services.	1	2	3	4	5

አዲስ አበባ ዩንቨርሲቲ ቢዝነስና ኢኮኖሚክስ ኮሌጅ ንግድ ስራ ትምህርት ቤት

የድህረ ምረቃ ትምህርት

ሎጀስቲክስ እና ሰጥላይ ችይን አስተዳደር ትምህርት ክፍል

የተመረጡ መላሾች፡- የኢትዮ ቴሌኮም ደንበኞች

የተከበራችሁ መላሾች፤

የዚህ መጠይቅ ዓላማ በኢትዮ ቴሌኮም የሽያጭ ስራን ለሶስተኛ ወገን በወል ስምምነት አሳልፎ መስጠት (አውትሶርሲንግ) በኢትዮ ቴሌኮም ደንበኞች በሚቀበሉት የአገልግሎት ጥራትና የደንበኛው እርካታ ላይ ትምርታዊ ጥናት ለማካሄድ እንዲረዳኝ መረጃ ለማሰባሰብ ነው።፤፤

ስለሆነም እርሶዎ እንደ አንድ ኢትዮ ቴሌኮም ደንበኛነትዎ የመጠይቁ ዋና ተሳታፊ እንዲሆኑ በክብር ተመርጠዋል። ለመጠይቆቹ ትክክለኛና ተገቢውን ምላሽ መስጠትዎ ለጥናቱ ወጤት ከፍተኛ ጠቀሜታና አስተዋፅዖ ስለሚኖረው የእርስዎን ውስጣዊ ስሜት የሚገልፁ ምላሾች ስለሚሰጡ ምስጋናዬ የላቀ ነው።

በተጨማሪም የሚሰጡት መረጃ ሚስጥራዊነቱ እንደተጠበቀና ለማደርገው ትምህርታዊ ጥናት ብቻ እንደምጠቀምበት ከወዲሁ ማረጋገጫ እሰጣለሁ።፤፤

በመጨረሻም የተወደደ ጊዜዎን መዕለዎት አድርገው ይህንን መጠይቅ ሊሞሉ ስለፈቀዱ የላቀ ምስጋናዬን እገልጻለሁ።፤፤

መጠይቁ ግልጽ ያልሆነ ነገር ካለና ተጨማሪ ማብራሪያ ካስፈለገ ክታች በተጠቀሰው አድራሻ ሊጠይቁ ይችላሉ።፤፤

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ክፍል አንድ፤ የካምፓኒው መረጃ

1. ለምን ያክል ጊዜ ከኢትዮ ቴሌኮም ጋር የካርድ መለስተኛ አከፋፋይ ሆነው ሰርተዋል?

1. 1-12 ወራት 2. 13-18 ወራት 3. ከ18 ወራት በላይ

2. ከየት ነው ካርዱን የሚገዙት?

1. ከፖስታ ቤት 2. ከህዳሴ ቴሌኮም 3. ከግል አከፋፋዮች

4. ከጥቃቅንና አነስተኛ ድርጅቶች

3. በወር ውስጥ በየስንት ጊዜው ነው ከኢትዮ ቴሌኮም ዋና የካርድ አከፋፋዮች ካርድ

የሚገዙት?

1. አንድ ጊዜ 2. ሁለት ጊዜ 3. ሶስት ጊዜ 4. ከሶስት ጊዜ በላይ

4. በየትኛው አካባቢ ነው ካርዱን የሚገዙበት አከፋፋይ የሚገኘው?

1. ምስራቅ አዲስ አበባ ዞን 2. ሰሜን አዲስ አበባ ዞን 3. ምዕራብ አዲስ አበባ

- ዞን 4. ማዕከላዊ አዲስ አበባ ዞን 5. ደቡብ ምዕራብ አዲስ አበባ ዞን

6. ደቡብ አዲስ አበባ ዞን 7. ከማንኛውም ቦታ

5. ባለ ስንት ብር ካርድ ነው ብዙ ጊዜ በቸርቻሪዎች የሚፈለገው?

1. ባለ 5 ብር 2. ባለ 10 ብ 3. ባለ 15 ብር 4. ባለ 25 ብር

5. ባለ 50 ብር 6. ባለ 100 ብር 7. ባለ 250 ብር

8. ባለ 500 ብር 9. ባለ 1000 ብር

6. ባለ ስንት ብር ካርድ ነው ብዙ ጊዜ እጥረት የሚያጋጥመው?

1. ባለ 5 ብር 2. ባለ 10 ብ 3. ባለ 15 ብር 4. ባለ 25 ብር

5. ባለ 50 ብር 6. ባለ 100 ብር 7. ባለ 250 ብር

8. ባለ 500 ብር 9. ባለ 1000 ብር

ክፍል ሁለት፤ የአገልግሎት ጥራት መገለጫዎች

መመሪያዎች፡ ከእርስዎ ልምድ በመነሳት እንደ ካርድ ገዢ፤ ካርዱን የሚሸጡሎት ቸርቻሪዎች ያላቸው የሽያጭ አገልግሎትና የደንበኞችን ቅሬታ የማስተናገድ አቅማቸው እርስዎ ከሚጠበቁት እና ከአመለካከትዎ አንጻር

እባክዎ ይወክለዋል የሚሉት ቁጥር ላይ የ(✓) ምልክት በማድረግ ምላሽዎን ይስጡ።። (የተቀመጡት ቁጥሮች የሚወክሉት፤ 1= “በጣም አልስማማም”, 2=“አልስማማም”, 3=“እርግጠኛ አይደለሁም”, 4=“እስማማለሁ”, 5=“በጣም እስማማለሁ”):።

የአገልግሎት ጥራት መገለጫዎች	በጣም አልስማማም (1)	አልስማማም (2)	እርግጠኛ አይደለሁም (3)	እስማማለሁ (4)	=”በጣም እስማማለሁ” (5)
1.ተጨባጭነት					
1.1 ዋና አከፋፋዮች ዘመናዊ መገልገያ መሳሪያዎች አላቸው	1	2	3	4	5
1.2. ዋና አከፋፋዮች የሚሰጡ አካላዊ አቀራረብ አላቸው	1	2	3	4	5
1.3 የዋና አከፋፋዮች ሠራተኞች ጽዳቸውን ጠብቀው ነው የሚቀርቡት	1	2	3	4	5
1.4. በዋና አከፋፋዮች ሱቅ ውስጥ ከካርድ ሽያጭ ጋር የተያያዙ በራሪ ወረቀቶች በቀላሉ አግኝቶ ማየት ይቻላል	1	2	3	4	5
2.ተዓማኝነት					
2.1. ዋና አከፋፋዮች ካርድ ለማቅረብ ቃል በገቡት መሰረት ሰዓቱን ጠብቀው ያቀርባሉ	1	2	3	4	5
2.2. ዋና አከፋፋዮች የተበላሹ ካርዶቻችን ቶሎ መልሰው በአግባቡ መፍትሄ ይሰጣሉ	1	2	3	4	5
2.3. የዋና አከፋፋዮች ሠራተኞች ትክክለኛ መረጃ በስራቸው ላሉ መለስተኛ አከፋፋዮች ይሰጣሉ	1	2	3	4	5

የአገልግሎት ጥራት መለያዎች	በጣም አልስማማም (1)	አልስማማም (2)	እርግጠኛ አይደለም (3)	እስማማለሁ (4)	="በጣም እስማማለሁ" (5)
2.4. የዋና አከፋፋዮች ሠራተኞች ኃላፊነት ወስደው የተበላሹ እና እጥረት ያለባቸውን ካርዶችን መፍትሄ ይሰጣሉ	1	2	3	4	5
2.5. ዋና አከፋፋዮች የሁሉም የካርድ አይነቶች እጥረት እንዳይከሰት በቂ ክምችት አላቸው	1	2	3	4	5
3. ምላሽ አሰጣጥ					
3.1. የዋና አከፋፋዮች ሠራተኞች በስራቸው ላሉ መለስተኛ አከፋፋዮች ትክክለኛ መረጃ መቼ ካርዶች እንደሚቀርብ ይሰጣሉ	1	2	3	4	5
3.2. የዋና አከፋፋዮች ሠራተኞች በስራቸው ያሉ መለስተኛ አከፋፋዮችን ለማገልገል ደስተኛና ለማገልገል ዝግጁ ናቸው	1	2	3	4	5
3.3. የካርድ ሽያጭ በሶስተኛ ወገን መከናወኑ ፈጣን የሆነ አገልግሎት እንድናገኝ አስችሎናል	1	2	3	4	5
3.4. የዋና አከፋፋዮች ሠራተኞች በተጠየቁ ጊዜ በስራቸው ላሉ መለስተኛ አከፋፋዮችን ፈጣን የሆነ ምላሽ ይሰጣሉ	1	2	3	4	5
4. እርግጠኝነት					
4.1. የዋና አከፋፋዮች ሠራተኞች አገልግሎቱን ለመስጠት የሚያስችል በቂ ክህሎት አላቸው	1	2	3	4	5
4.2. የዋና አከፋፋዮች ሠራተኞች ታማኝ ናቸው	1	2	3	4	5
4.3. የዋና አከፋፋዮች ሠራተኞች በቂ የካርድ ማከፋፈል መረጃ ላይ ዕውቀት አላቸው	1	2	3	4	5
4.4. የዋና አከፋፋዮች ሠራተኞች በስራቸው ላሉ መለስተኛ አከፋፋዮች ላይ በራስ መተማመን ለመፍጠር ጥረት ያደርጋሉ	1	2	3	4	5
4.5. የዋና አከፋፋዮች ሠራተኞች ሁሉ ጊዜ በስነ ምግባር የታነጹ ናቸው	1	2	3	4	5
5. የመረዳት አቅም					

የአገልግሎት ጥራት መለያዎች	በጣም አልስማማም (1)	አልስማማም (2)	እርግጠኛ አይደለም (3)	እስማማለሁ (4)	="በጣም እስማማለሁ" (5)
5.1. የዋና አከፋፋዮች ሠራተኞች ጠቡ ጊዜ ያልተከፋፈለ ትኩረት ይሰጣሉ	1	2	3	4	5
5.2. የዋና አከፋፋዮች ሠራተኞች የናገተን ፍላጎት በፍጥነት ይረዳሉ	1	2	3	4	5
5.3. የዋና አከፋፋዮች ሠራተኞች በስራቸው ያሉ መለስተኛ አከፋፋዮችን ፍላጎት ለሟሟላት ክልባቸው ይሰራሉ	1	2	3	4	5
5.4. የዋና አከፋፋዮች የስራ ሰዓት በስራቸው ላሉ መለስተኛ አከፋፋዮችን አመቺ ነው	1	2	3	4	5

ክፍል ሶስት:

ከዚህ በታች የተመለከቱት በዋና አከፋፋዮች አጠቃላይ የአገልግሎት ጥራትና ፍላጎት ማሟሟላት ደረጃ ላይ ያለውን የእርስዎ አመለካከትን ይመለከታል፤ ስለዚህም ይወክለዋል የሚሉትን ቁጥር በማክበብ ምላሽ ይስጡ

የዋና አከፋፋዮች አጠቃላይ የአገልግሎት ጥራት

የዋና አከፋፋዮች አጠቃላይ የአገልግሎት ጥራት	የከፋ	ዝቅ ያለ	መካከለኛ	ጥሩ	በጣም ጥሩ
1. የካርድ ዋና አከፋፋዮች አጠቃላይ የአገልግሎት ጥራት በሶስተኛ ወገን መሰራቱ ላይ	1	2	3	4	5

የመለስተኛ አከፋፋዮች የእርካታ ደረጃ

አጠቃላይ የመለስተኛ አከፋፋዮች የእርካታ ደረጃ ካርድ በሶስተኛ ወገን የካርድ መከፋፋል አገልግሎት ላይ	በጣም አልረካውም	አልረካውም	መካከለኛ	እረክቻለሁ	በጣም እረክቻለሁ
1. በዋና አከፋፋዮች አጠቃላይ የሚሰጡት አገልግሎት ላይ በጣም እረክቻለሁ	1	2	3	4	5

Appendix 2: Statistical output

Appendix 2.1: Background information of the respondents

Sub-Distributor Service Year

company		Frequency	Percent	Valid Percent	Cumulative Percent
Sub-Distributor Service Year	1-12 Months	36	38.3	38.3	38.3
	13-18 Months	21	22.3	22.3	60.6
	Above18 Months	37	39.4	39.4	100.0
	Total	94	100.0	100.0	

Sub-Distributor Supplier

Supplier of Sub-distributor	"POST OFFICE"	43	45.7	45.7	45.7
	"PRIVATE DISTRIBUTORS"	29	30.9	30.9	76.6
	"Small and Medium Enterprise "	22	23.4	23.4	100.0
	Total	94	100.0	100.0	

Voucher card buying frequency

Voucher card Buying frequency of Sub-distributors per Month	"Once"	17	18.1	18.1	18.1
	"Twice"	37	39.4	39.4	57.4
	"three times "	17	18.1	18.1	75.5
	"more than three times"	23	24.5	24.5	100.0
	Total	94	100.0	100.0	

Place of Distribution

working Place of sub-distributors	EAAZ	18	19.1	19.1	19.1
	NAZZ	16	17.0	17.0	36.2
	WAAZ	14	14.9	14.9	51.1
	CAAZ	20	21.3	21.3	72.3
	SWAAZ	14	14.9	14.9	87.2
	SAAZ	12	12.8	12.8	100.0
	Total	94	100.0	100.0	

Type of voucher card mostly Demanded

Type of voucher card mostly demanded by retailers	5birr	14	14.9	14.9	14.9
	10birr	29	30.9	30.9	45.7
	15birr	23	24.5	24.5	70.2
	25birr	17	18.1	18.1	88.3
	50birr	5	5.3	5.3	93.6
	100birr	6	6.4	6.4	100.0
	Total	94	100.0	100.0	

Type of Voucher card mostly getting shortage

type of voucher card mostly getting shortage	10birr	40	42.6	42.6	42.6
	15birr	32	34.0	34.0	76.6
	25birr	22	23.4	23.4	100.0
	Total	94	100.0	100.0	

Appendix 2.2: Reliability test

Dimensions	Cronbach's Alpha value	Number of items
Tangibility	.867	4
Reliability	.845	5
Responsiveness	.869	4
Assurance	.874	4
Empathy	.854	5
Overall scale reliability	.976	22

Appendix 2.3: Descriptive statistics (Perception of SQ dimensions, over all service quality and sub-distributors satisfaction)

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Tangibility	94	1	4	3.30	.73674
Reliability	94	1	4	2.40	.61088
Responsiveness	94	2	4	3.74	.78896
Assurance	94	1	4	3.61	.67951
Empathy	94	1	4	2.24	.59029
Overall service quality	94	1	4	3.06	1.243
Overall sub-distributors satisfaction	94	1	4	2.78	.79896

Appendix 2.4: Correlation (Relationship among Service quality dimension, over all service quality and sub distributors satisfaction)

Correlations	Tangibility	Reliability	Responsiveness	Assurance	Empathy	Over all service quality	Customer satisfaction
Tangibility	1						
Reliability	.611**	1					
Responsiveness	.685**	.857**	1				
Assurance	.306**	.371**	.658**	1			
Empathy	.359**	.344	.422**	.640**	1		
Over all service quality	.819**	.763**	.805**	.773**	.758**	1	
Customer satisfaction	.736**	.742**	.825**	.692**	.685**	.647**	1

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

Appendix 2.5: Multiple regressions Analysis (Multicollinearity and impact of each service quality dimensions on service quality)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.032	.119		-.271	.387		
Tangibility	.404	.060	.506	2.988	.002	.361	2.767
Reliability	.497	.085	.540	1.610	.000	.167	5.994
Responsiveness	.362	.043	.479	.730	.003	.124	6.061
Assurance	.336	.039	.429	9.086	.004	.240	4.174
Empathy	.139	.030	.341	3.515	.005	.331	3.021

Appendix 2.6: Multiple regressions Analysis (Multicollinearity and impact of each service quality dimensions on service quality)

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.896 ^a	.823	.810	.267	.552

a. Predictors: (Constant), Empathy, Reliability, tangibility, Assurance, Responsiveness

b. Dependent Variable: overall service quality

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	127.636	5	25.527	57.169	.000 ^b
Residual	6.289	88	.071		
Total	133.926	93			

a. Dependent Variable: overall service quality

b. Predictors: (Constant), Empathy, reliability, tangibility, Assurance, responsiveness)

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.032	.119		-.271	.387
tangibility	.404	.060	.506	2.988	.002
reliability	.497	.085	.540	1.610	.000
responsiveness	.362	.043	.479	.730	.003
Assurance	.336	.039	.429	9.086	.004
Empathy	.139	.030	.341	3.515	.005

a. Dependent Variable: overall service quality

Appendix 2.7: Multiple regression analyses (Impact of service quality dimension sub distributors 'satisfaction)

Coefficients^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.870 ^a	.756	.742	.682

a. Predictors: (Constant), Empathy, reliability, tangibility, Assurance, responsiveness

b. Dependent Variable: Overall customer satisfaction

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	126.746	5	25.349	54.579	.000 ^b
	Residual	40.871	88	.464		
	Total	167.617	93			

a. Dependent Variable: Overall customer satisfaction

b. Predictors: (Constant), Empathy, reliability, tangibility, Assurance, responsiveness

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.220	.304		-4.013	.000
	tangibility	.243	.126	.449	2.955	.005
	reliability	.254	.139	.459	1.263	.004
	responsiveness	.412	.217	.628	2.866	.002
	Assurance	.422	.248	.689	.014	.001
	Empathy	.276	.153	.487	2.045	.003

a. Dependent Variable: Overall customer satisfaction

Appendix 2.8: Linear regression Analyses (The impact of overall service quality on customer satisfaction)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.847 ^a	.718	.714	.717	.299

a. Predictors: (Constant), overall service quality

b. Dependent Variable: Overall customer satisfaction

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	120.271	1	120.271	53.705	.000 ^b
Residual	47.346	92	.515		
Total	167.617	93			

a. Dependent Variable: Overall customer satisfaction

b. Predictors: (Constant), overall sevice quality

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.049	.211		.235	.815
overall sevice quality	.948	.062	.847	15.287	.000

a. Dependent Variable: Overall customer satisfaction