



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF CUSTOMERS' SATISFACTION OF LEHULU
KIFIYA MEXICO BRANCH**

**By
MAHLET ENDALE**

**JUNE, 2017
ADDIS ABABA, ETHIOPIA**

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MAHLET ENDALE

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE
STUDIES IN PARTIAL FULFILLEMENT OF THE REQUIREMENTS FOR THE
DEGREE OF MASTER OF BUSINESS ADMINISTRATION**

JUNE, 2017

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DECLARATION

I, Mahlet Endale, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University for a similar or any other degree award.

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June, 2017

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ACKNOWLEDGEMENTS

I would begin by sincerely thanking almighty God who has been giving me everything to accomplish my study and this thesis: patience, health, wisdom, and blessing.

I would like to express my sincere gratitude to my advisor Temesegen Belayneh (PhD) for the unyielding support that he extended to me to come up with quality write-up. I appreciate his efforts because he offered me all the necessary guidelines I needed during preparation of this academic paper.

My special gratitude and thanks goes to Kifiya Financial Technology PLC employees specially HR department and Lehulu Kifiya Mexico branch for giving me such attention and time.

Lastly, but most importantly, my utmost gratitude to my husband, son and family members, who have been put at risk all the time to making sure that I've a better life than what they actually have never thought of it for themselves.

ABBREVIATIONS

SERVQUAL	Service Quality Model
UBS	Unified Billing System

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ABSTRACT

Consumers all over the world have become more quality conscious; hence there has been an increased customer demand for higher quality service. The general objective of this study is to assess customers' satisfaction on service quality of Lehulu Kifiya. The focus was on Mexico branch of Lehulu Kifiya located in the Addis Ababa, Mexico. The objective of the study is to assess customer satisfaction, and propose improvement for better service delivery. A quantitative method of analysis was employed. Since this study dwelled upon those customers who have been actively getting Lehulu Kifiya service, a total of 398 customers were taken as a target population. A structured questionnaire was used as an instrument for data collection. Descriptive statistics of means and standard deviations, and mean of customers' expectation and perception gap analysis methodologies were used. The expectations and perceptions of Lehulu Kifiya customers were assessed under the five dimensions of SERVQUAL. This study indicated that in most service quality dimensions the performance of the Lehulu Kifiya was below customers' expectation. . It can be concluded from the analysis that customers were not satisfied with service delivery of Lehulu Kifiya. To ensure customer retention and improve on competitiveness, Lehulu Kifiya should regularly assess service delivery. Customers also suggested that in order to improve the service delivery, proper reform should be done on service quality, HR should be increased in number and materials associated with service delivery needs to be visually clear.

Key Words: SERVQUAL, customer satisfaction, service quality, customers' expectation and perception.

CHAPTER ONE

GENERAL INTRODUCTION

1.1 Introduction

This chapter introduces the phenomenon under study. It consists of the background of the study, statement of the problem, objectives of the researcher in carrying out the study, research questions, scope of the study, limitations of the study and the importance of the study to the organization in which the study is conducted. The chapter finally outlines the structure of the thesis.

Kifiya Financial Technology PLC. (Kifiya) is a digital finance and payment services' provider. It leverages innovative technology to build and enable distribution channels that make financial and non-financial services affordable and accessible. Among different ventures Lehulu Kifiya is the one.

In public private partnership (PPP) with the Ethiopian Ministry of Communication and information Technology (MCIT), Kifiya launched Lehulu in Addis Ababa on February 2013. The first eService centers in Africa, Lehulu processes bills from three separate government offices in unified billing system for over a million residents of Ethiopian Capital.

There are 34 Lehulu centers operating in Addis Ababa, currently receiving payments for Ethio Telecom, Addis Ababa Water and Sewerage Authority and the Ethiopian Electric Agency. The locations have now expanded to include the regional capitals Bahir Dar, Hawassa, Mekelle, and Adama, where 14 Lehulu centers opened their doors in the last quarter of 2014.

The centers are also expanding their service offering to support an additional 32 Government to Citizen (G2C) including processing payments for Traffic fines, TV registration and taxes and pre-paid electricity increasing convenience and quality of services to citizens.

1.2 Background of the study

In this highly competitive era, organizations have to work excellently and proficiently. Ensuring perfect handling of every activity has becoming the motto of many companies. Nevertheless, only those who deliver service that meet the demand of customer and create customer

satisfaction become successful and survive in business. (Kotler 2012) explained that a smart company creates a high level of employee satisfaction, which leads to higher effort, which leads to higher-quality products and services, which creates higher customer satisfaction, which leads to more repeated business, which leads to higher growth and profits, which leads to high stakeholder satisfaction, which leads to more investment, and so on. Thus, customer satisfaction increasingly becomes a key factor and element of a business strategy.

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

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

In determining quality of service and customer satisfaction, identifying what to measure and applying appropriate measurement tools are important. Opinions differ with regard to which concept to measure. However, (Gilmore 2003) explained that the comparison of customers’ expectations with their perceptions of a service became a major focus of attention in measurement of service quality from the early 1980s until the present day. With regard to measurement tools, (Gilmore 2003) also showed the most frequently used methods for measuring and assessing service quality. SERVQUAL is one of these methods which is designed by (Parasuraman et al. 1988). It measures customer satisfaction in terms of the relationship between expectations and outcomes. If the outcome matches expectations, then the customer is satisfied. If expectations exceed the outcome, then customer dissatisfaction is indicated. If the outcome exceeds expectations, then customer ‘delight’ may be the result.

1.3 Statement of the Problem

(Weimer 2010) mentioned that good customer service is an expectation held by the customer regarding the manner in which they are treated by anyone representing the company. Consumers want and expect to be addressed in a respectful and professional manner when dealing with any situation, problem, complaint, question or assistance that may arise pertaining to any aspect of their business relationship.

A negative customer service experience often leads to a dissatisfied or disgruntled customer; and an unhappy customer can tarnish the name and reputation of a company by generating negative feedback. Customer service is a standard in customer satisfaction, so consumers expect to have their issue managed while being addressed in a polite and in a timely manner. Customers want efficient, well trained people representing the businesses they deal with routinely. Being impolite, outspoken, disconnected or refusing to listen to a customer does not reflect a positive image for the company or its expectations of good client service. The focus must always remain on the customer and their needs first making them feel valued.

After carefully analyzing various research studies conducted so far using the SERVQUAL model, the researcher realize that many research works have been carried in different service industries such as telecommunication, banking, etc, but limited empirical study has been conducted using SERVQUAL model to assess customer satisfaction in unified billing system. The researcher considers unified billing system as a part of the service industry. The researcher therefore think using SERVQUAL model would be a contribution to existing research on unified billing system context. This is the researcher research gap and in order to fill the gap, the researcher tried to measure customer satisfaction using the SERVQUAL model from consumer's perspective in order to know their perception.

1.4 Research Questions

The overarching research question of this thesis is:

Are Lehulu Kifiya Mexico branch customers satisfied by its service quality?

Based on this basic research question, the following sub-questions further investigated:

Q.1 What are the gap of customers perception and expectation based on service dimensions in Mexico branch?

Q.2 What is the level of customers' satisfaction of Mexico branch?

Q.3 what are the key challenges in Mexico branch?

1.5 Objective of the study

1.5.1 General objective

The general objective of the study is to assess customers' satisfaction on service quality of Lehulu Kifiya Mexico branch.

1.5.2 Specific objective

More Specifically the study seeks

- ✓ To examine customer perception and expectation gap on service dimensions
- ✓ To asses level of customers' satisfaction
- ✓ To identify the key challenges and provide alternative options which enable Lehulu to improve its service quality

1.6 Scope of the Study

Because of time and resource constraint, the research took Mexico branch as a representative of Lehulu Kifiya centers. Mexico branch has the highest turnover and serve more customers in number than other centers.

Therefore, the scope of this study is limited to the assessment of customer satisfaction on Lehulu Kifiya Mexico branch only.

1.6.1 Limitation of The Study

There were some limitations associated with this study that need to be addressed.

The results obtained from this study cannot be generalized to a wide range of similar situations concerning other Lehulu Kifiya branches because of the non-probability sampling technique used even though the methodology used in this study could be applied to these similar situations. The issue of customers' perceptions could be questioned because the sample size considered constituted respondents the expectation may differ significantly.

The above limitations however are less significant compared to the importance of carrying out this type of study. Such study should be carried out frequently in order to monitor satisfaction levels of customers and service quality and hence apply necessary adjustments for addressing the prevailing weaknesses.

1.7 Significance of the study

The output of this study contributes to knowledge and literature in the subject is under investigation. It is immensely useful as a source of reference to researchers, academics, students, policy makers, marketing professionals and other stakeholders interested in how quality service delivery is impacting on Customer Satisfaction in the business world in developing country as Ethiopia

To the management of Lehulu Kifiya, the findings and results in this study provides a more reliable scientific measure and perspective for describing and evaluating the level of their customer satisfaction with the services they deliver. It also serves as a source of information that brings to the fore the switching intentions of their current and potential customers. Therefore providing the empirical support for management strategic decisions in several critical areas of their operations, and above all, provide a justifiably valid and reliable guide to designing workable service delivery improvement strategies for creating and delivering customer value, achieving customer satisfaction and loyalty, building long-term mutually beneficial relationship with profitable customers and achieve sustainable business growth.

To policy makers like government agencies, the finding and results of this study provides insights and a more reliable guide to monitoring the impact of the operations of Lehulu Kifiya. It also serves as a yardstick for measuring partly their respective policy goals and

objectives. It serves as assistance to the government agency among other things to facilitate the availability of quality equipment to consumers and operators, to ensure that communications systems operators achieve the highest level of efficiency in the provision of communications services; ensuring that the UBS operators are responsive to customer and community needs, and that customers' interest is protected.

To stakeholders like investors, shareholders, employees, pressure groups, consumer associations, etc., the study provides information that suggests to the improvement in service delivery of the respective mobile telecommunications in Ghana.

1.8 Organization of the Paper

The research paper is comprised of five chapters. Chapter one is the introductory chapter that covers background of the study, Statement of the problem, the research objective the significance of the study, scope of the study, limitation of the study and organization of the study. The second chapter dealt with review of related literatures on customer satisfaction, service quality concept, theoretical analysis, research gap and conceptual framework. Chapter three is research methodology section. It focuses on research approach method, sources of data, population of the study, sampling techniques and procedures, sample size determination, methods of data collection, validity and reliability, methods of data analysis and ethical research considerations. Chapter four is data analysis discussions and presentation of data. The last chapter covers summary of findings, conclusion and recommendations.

CHAPTER TWO REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter reviews the literature and related models to research problem. The chapter introduces the key concepts on customer satisfaction, service quality, relationship between service quality and customer satisfaction. Service quality dimensions, concept formations of customer satisfaction and empirical analysis of the Past studies. Also it shows the research gap, and conceptual framework.

2.2 Conceptual Definition

From the title of this research work look at, to assess customer satisfaction of Lehulu Kifiya Mexico Branch using SERVQUAL model, therefore all the term related to customer satisfaction were defined.

2.2.1 Customer Satisfaction

Customer satisfaction is conceptualized as been transaction-specific meaning it is based on the customer's experience on a particular service encounter, (Cronin & Taylor, 1992, p.60) and also some think customer satisfaction is cumulative based on the overall evaluation of service experience (Jones & Suh, 2000). These highlight the fact that customer satisfaction is based on experience with service provider and also the outcome of service. Customer satisfaction is considered as an attitude, (Yi, 1990, p.75). In the case of Lehulu Kifiya, there is some relationship between the customer and the service provider and customer satisfaction is based on the evaluation of several interactions between both parties.

Therefore the researcher consider satisfaction as a part of overall customer attitudes towards the service provider that makes up a number of measures (Levesque et McDougall, 1996, p.14). Organizations that consistently satisfy their customers enjoy higher retention levels and greater profitability due to increased customers' loyalty, (Wicks & Roethlein, 2009, p.83). This is why it is vital to keep customers satisfied and this can be done in different ways and one way is by

trying to know their expectations and perceptions of services offered by service providers. In this way, service quality could be assessed and thereby evaluating customer satisfaction.

In our study, we use customers to evaluate service quality by considering several important quality attributes in Lehulu Kifiya and we think firm must take improvement actions on the attributes that have a lower satisfaction level. This means customer satisfaction will be considered on specific dimensions of service quality in order to identify which aspects customers are satisfied with.

2.2.2 Service Quality Concept

Service quality is defined as the overall assessment of a service by the customer (Eshghi et al., 2008, p.121). (Ghylin et al., 2008, p.76) points out that, by defining service quality, companies will be able to deliver services with higher quality level presumably resulting in increased customer satisfaction. Understanding service quality must involve acknowledging the characteristics of service which are intangibility, heterogeneity and inseparability, (Parasuraman et al., 1985, p.42); (Ladhari, 2008, p.172). In that way, service quality would be easily measured.

In this study, service quality can be defined as the difference between customer's expectation for service performance prior to the service encounter and their perception of the service received. Customer's expectation serves as a foundation for evaluating service quality because, quality is high when performance exceeds expectation and quality is low when performance does not meet their expectation (Asubonteng et al., (1996, p.64). Expectation is viewed in service quality literature as desires or wants of customer i.e., what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988, p.17). Perceived service is the outcome of the customer's view of the service dimensions, which are both technical and functional in nature (Gronroos, 1984, p.39).

2.3 Theoretical Analysis

2.3.1 Service Quality Models

As stated earlier service quality has been defined differently by different people and there is no consensus as to what the actual definition is. We have adopted the definition by (Parasuraman et al., 1988, p.5), which defines service quality as the discrepancy between a customers'

expectation of a service and the customers' perception of the service offering. Measuring service quality has been one of the most recurrent topics in management literature, (Parasuraman et al., 1988, p.5), (Gronroos, 1984, p.36-44), (Cronin et al., 1992, p. 55-68). This is because of the need to develop valid instruments for the systematic evaluation of firms' performance from the customer point of view; and the association between perceived service quality and other key organizational outcomes, (Cronin et al., 2010, p.93), which has led to the development of models for measuring service quality. (Gilbert et al., 2004, p.372-273) reviewed the various ways service quality can be measured. They include;

- i. The expectancy-disconfirmation approach which is associated with the identifying of customer expectation versus what they actually experienced. It focuses on the comparison of the service performance with the customer's expectations. The customer's expectations could be assessed after the service encounter by asking him/her to recall them.
- ii. Performance-only approach merely assesses service quality by merely asking customers about their level of satisfaction with various service features following a service encounter.
- iii. Technical and functional dichotomy approaches 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.
- iv. Service quality versus service satisfaction approach which mainly focuses on two service components that are interrelated; the transition-specific assessment which evaluates specific features of quality and the overall assessment which evaluates overall quality. This approach links perceived quality at the time of the service encounter or immediately after it and overall satisfaction with the service. Perceived quality is based on attributes of the service over which the company has control and it is a measure of the customer's assessments of the service's value without comparison to customer's expectation.
- v. Attribute importance approach focuses on the relative weight on the importance the customer places on attributes found to be linked with service satisfaction.

- vi. (Parasuraman et al., 1985, p.41-50) developed a conceptual model of service quality where they identified five gaps that could impact the customer's evaluation of service quality in four different industries (retail banking, credit card, securities brokerage and product repair and maintenance).

These gaps were;

- i. **Gap 1: Customer expectation - management perception gap** Service firms may not always understand what features a service must have in order to meet customer needs and what levels of performance on those features are needed to bring deliver high quality service. This results to affecting the way customers evaluate service quality.
- ii. **Gap 2: Management perception - service quality specification gap** This gap arises when the company identifies what the customers 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 customer.
- iii. **Gap 3: Service quality specifications – service delivery gap** Companies could have guidelines for performing service well and treating customers 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 customers perceive service quality.
- iv. **Gap 4: Service delivery – external communications gap** External communications can affect not only customer expectations of service but also customer perceptions of the delivered service. Companies can neglect to inform customers of special efforts to assure quality that are not visible to them and this could influence service quality perceptions by customers.
- v. **Gap 5: Expected Service – perceived service gap** From their study, it showed that the key to ensuring good service quality is meeting or exceeding what customers expect from the service and that judgment of high and low service quality depend on how customers perceive the actual performance in the context of what they expected. (Parasuraman et al., 1988, p.12), later developed the SERVQUAL model which is a mult item scale developed to assess customer perceptions of service quality in service and retail

businesses. The scale decomposes the notion of service quality into five constructs as follows: Tangibles, Reliability, Responsiveness, Assurance and empathy. It bases on capturing the gap between customers expectations and experience which could be negative or positive if the expectation is higher than experience or expectation is less than or equal to experience respectively.

The SERVPERF model developed by (Cronin & Taylor, 1992, p55-68), was derived from the SERVQUAL model by dropping the expectations and measuring service quality perceptions just by evaluating the customer's the overall feeling towards the service.

In their study, they identified four important equations:

$SERVQUAL = Performance - Expectations$

$Weighted\ SERVQUAL = importance \times (performance - expectations)$

$SERVPERF = performance$

$Weighted\ SERFPERF = importance \times (performance)$

Implicitly the SERVPERF model assesses customers experience based on the same attributes as the SERVQUAL and conforms more closely on the implications of satisfaction and attitude literature, (Cronin et al., 1992 p.64). (Later, Teas, 1993, p.23) developed the evaluated performance model (EP) in order to overcome some of the problems associated with the gap in conceptualization of service quality (Grönroos, 1984; Parasuraman et al., 1985, 1988). This model measures the gap between perceived performance and the ideal amount of a feature not customers expectation. He argues that an examination indicates that the P-E (perception – expectation) framework is of questionable validity because of conceptual and definitional problems involving the conceptual definition of expectations, theoretical justification of the expectations component of the P-E framework, and measurement validity of the expectation. He then revised expectation measures specified in the published service quality literature to ideal amounts of the service attributes (Teas,1993, p.18)

(Brady & Cronin, 2001, p.44), proposed a multidimensional and hierarchical construct, in which service quality is explained by three primary dimensions; interaction quality, physical environment quality and outcome quality. Each of these dimensions consists of three corresponding sub-dimensions. Interaction quality made up of attitude, behavior and expertise;

physical environment quality consisting of ambient conditions, design and social factors while the outcome quality consists of waiting time, tangibles and valence.

According to these authors, hierarchical and multidimensional model improves the understanding of three basic issues about service quality:

- a) What defines service quality perceptions
- b) How service quality perceptions are formed
- c) How important it is where the service experience takes place and this framework can help managers as they try to improve customers' service experiences (Brady & Cronin, 2001, p.44). (Saravanan & Rao, 2007, p.440), outlined six critical factors that customer-perceived service quality is measured from after extensively reviewing literature and they include;
 - i. Human aspects of service delivery (reliability, responsiveness, Assurance, empathy)
 - ii. Core service (content, features)
 - iii. Social responsibility (improving corporate image)
 - iv. Systematization of service delivery (processes, procedures, systems and technology)
 - v. Tangibles of service (equipments, machinery, signage, employee appearance)
 - vi. Service marketing

From their study, they found out that these factors all lead to improved perceived service quality, customer satisfaction and loyalty from the customer's perspective.

According to (Brady & Cronin, 2001, p.36), based on various studies, service quality is defined by either or all of a customer's perception regarding 1) an organisations' technical and functional quality; 2) the service product, service delivery and service environment; or 3) the reliability, responsiveness, empathy, assurances, and tangibles associated with a service experience. Mittal and Lassar's SERVQUAL-P model reduces the original five dimensions down to four; Reliability, Responsiveness, Personalization and Tangibles. Importantly, SERVQUAL-P includes the Personalization dimension, which refers to the social content of interaction between service employees and their customers (Bougoure & Lee, 2009, p.73)

2.3.2 The Development and Evolution of the SERVQUAL Model

“(Parasuraman et al. 1985) identified 97 attributes which were found to have an impact on service quality. These 97 attributes were the criteria that are important in assessing customer’s expectations and perceptions on delivered service” (Kumar et al., 2009, p.214). These attributes were categorized into ten dimensions (Parasuraman et al., 1985) and later subjected the proposed 97 item instruments for assessing service quality through two stages in order to purify the instruments and select those with significant influences (Parasuraman et al., 1988, p.13).

The first purification stage came up with ten dimensions for assessing service quality which were; tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding, knowing, customers, and access. They went into the second purification stage and in this stage they concentrated on condensing scale dimensionality and reliability. They further reduced the ten dimensions to five which were;

- i. Tangibility: physical facilities, equipment, and appearance of personnel.
- ii. Reliability: ability to perform the promised service dependably and accurately.
- iii. Responsiveness: willingness to help customers and provide prompt service.
- iv. Assurance: knowledge and courtesy of employees and their ability to inspire trust and confidence.
- v. Empathy: caring individualized attention the firm provides to its customers.

2.3.3 Functioning of the SERVQUAL

SERVQUAL represents service quality as the discrepancy between a customer's expectations for a service offering and the customer's perceptions of the service received, requiring respondents to answer questions about both their expectations and their perceptions (Parasuraman et al., 1988). The use of perceived as opposed to actual service received makes the SERVQUAL measure an attitude measure that is related to, but not the same as, satisfaction (Parasuraman et. al., 1988). The difference between expectations and perceptions is called the gap which is the determinant of customers’ perception of service quality

2.3.4 Criticisms of SERVQUAL Model

Notwithstanding its growing popularity and widespread application, SERVQUAL has been subjected to a number of theoretical and operational criticisms which are detailed below:

2.3.4.1 Theoretical Criticisms

- i. Paradigmatic objections: SERVQUAL is based on a disconfirmation paradigm rather than an attitudinal paradigm; and SERVQUAL fails to draw on established economic, statistical and psychological theory.
- ii. Gaps model: there is little evidence that customers assess service quality in terms of P – E gaps.
- iii. Process orientation: SERVQUAL focuses on the process of service delivery, not the outcomes of the service encounter.
- iv. Dimensionality: SERVQUAL's five dimensions are not universal; the number of dimensions comprising service quality is contextualized; items do not always load on to the factors which one would a priori expect; and there is a high degree of inter correlation between the five dimensions (Reliability, assurance, tangible, empathy and responsiveness).

2.3.4.2 Operational Criticisms

- i. Expectations: the term expectation is polysemic meaning it has different definitions; customers use standards other than expectations to evaluate service quality; and SERVQUAL fails to measure absolute service quality expectations.
- ii. Item composition: four or five items cannot capture the variability within each service quality dimension.
- iii. Moments of truth (MOT): customers' assessments of service quality may vary from MOT to MOT.
- iv. Polarity: the reversed polarity of items in the scale causes respondent error.
- v. Scale points: the seven-point Likert scale is flawed.
- vi. Two administrations: two administrations of the instrument (expectations and perceptions) cause boredom and confusion.
- vii. Variance extracted: the over SERVQUAL score accounts for a disappointing proportion of item variances.

2.3.5 Customers' Expectations Compared to Perceptions

(Gronroos, 1982); Parasuraman et al., 1985) have proposed that customer's perception of service quality is based on the comparison of their expectations (what they feel service providers should offer) with their perceptions of the performance of the service provider. (Parasuraman et al., 1988, p.17) point out that expectation is viewed differently in both satisfaction literature and service quality literature. In satisfaction literature, expectations are considered as 'predictions' by customers about what is likely to happen during a particular transaction while in service quality literature, they are viewed as desires or wants of customers, that is, what they feels a service provider 'should' offer rather than 'would' offer.

For this study, expectations define as desires or wants of customers because this allows us to know exactly what service providers show offer and this is based on based past experience and information received (Douglas & Connor, 2003, p.167). It is important to understand and measure customer's expectations in order to identify any gaps in delivering services with quality that could ensure satisfaction, (Negi, 2009, p.36). Perceptions of customers are based solely on what they receive from the service encounter (Douglas & Connor, 2003, p.167).

The study is mainly based on this discrepancy of expected service and perceived service from the customer's perspective. This is in order to obtain a better knowledge of how customers perceive service quality in Lehulu Kifiya. We are not focusing on the 1st four gaps because they are mainly focused on the company's perspective even though they have an impact on the way customers perceive service quality in Lehulu Kifiya and thus help in closing the gap which arises from the difference between customer's expectation and perception of service quality dimensions.

(Parasuraman et al., 1985, p.47) identified 10 determinants used in evaluating service quality; reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer, and tangibles. Most of these determinants of service quality require the customer to have had some experience in order to evaluate their level of service quality ranging from ideal quality to completely unacceptable quality. They further linked service quality to satisfaction by pointing out that when expected service is greater than perceive service, perceived quality is less than satisfactory and will tend towards totally unacceptable quality; when expected service equals perceived service, and perceived quality is satisfactory; when

expected service is less than perceived service, perceived quality is more than satisfactory and will tend towards ideal quality (Parasuraman et al., 1985, p.48).

2.3.6 Factors that Affect Customer Satisfaction

(Matzler et al., 2002 p. 318), classify factors that affect customers' satisfaction into three factor structures;

- i. 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. They thus have a low impact on satisfaction even though they are a prerequisite for satisfaction. In a nutshell competence and accessibility
- ii. 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
- iii. Excitement factors: these are factors that increase customers' satisfaction if fulfilled but does not cause dissatisfaction if not fulfilled which include project management.

2.3.7 Relationship Between Service Quality and Customer Satisfaction

According to (Sureshchandar et al., 2002, p. 363), customer satisfaction should be seen as a multi dimensional construct just as service quality meaning it can occur at multi levels in an organization and that it should be operational zed along the same factors on which service quality is operational zed. (Parasuraman et al., 1985) suggested that when perceived service quality is high, then it will lead to increase in customer satisfaction. He supports that fact that service quality leads to customer satisfaction and this is in line with (Saravana & Rao, 2007, p.436) and (Lee et al., 2000, p.226) who acknowledge that customer satisfaction is based upon the level of service quality provided by the service provider.

(Fen & Lian, 2005, p.59-60) found that both service quality and customer satisfaction have a positive effect on customer's re-patronage intentions showing that both service quality and customer satisfaction have a crucial role to play in the success and survival of any business in the competitive market. This study proved a close link between service quality and customer satisfaction. (Su et al., 2002, p.372) carried a study to find out the link between service quality and customer satisfaction, from their study, they came up with the conclusion that, there exist a great dependency between both constructs and that an increase in one is likely to lead to an increase in another. Also, they pointed out that service quality is more abstract than customer satisfaction because, customer satisfaction reflects the customer's feelings about many encounters and experiences with service firm while service quality may be affected by perceptions of value (benefit relative to cost) or by the experiences of others that may not be as good.

2.4 Conceptual frame work of the research

The conceptual framework (Figure 1) explains the underlying process, which is applied to guide this study.

Based on the revision made by (Parasuraman, 2004) on the SERVQUAL model, we have adopted the 22-items to our study in order to identify the most important dimensions that matter most to customers and that bring them satisfaction. These items are outlined in the questionnaire.

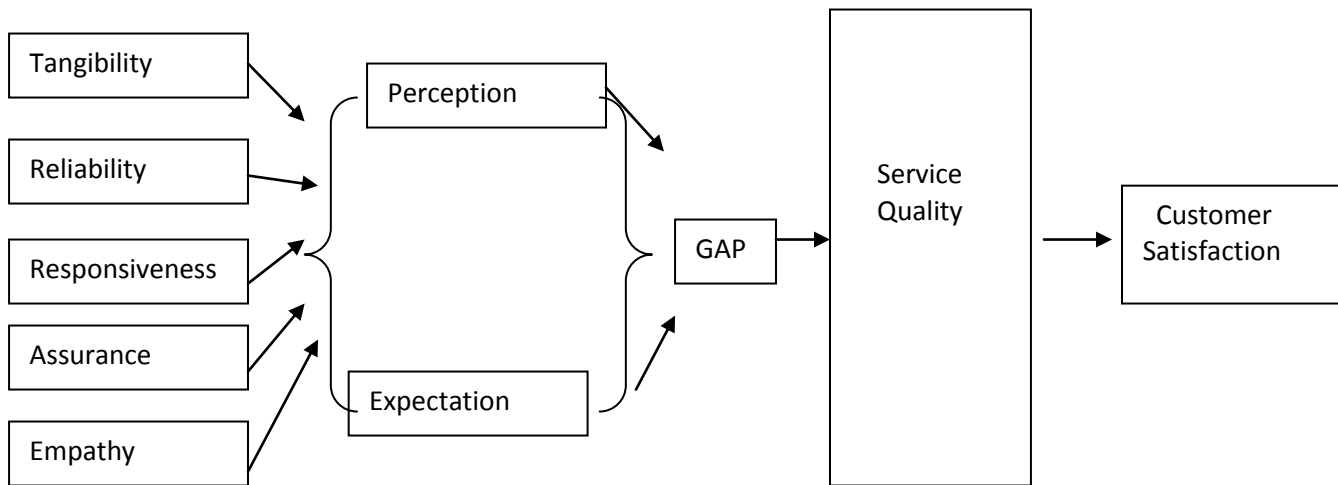


Figure 2.1 Conceptual Framework

Source: Kumar et al., (2009)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives a brief description on how this research conducted. This include research approach, source of data, population of the study, sampling techniques and procedures, sample size determination, method of data collection, validity and reliability, method of data analysis and ethical research consideration.

3.2 Research Approach

According to (Saunders et al., 2009), there are two main research approaches: deduction and induction. With deduction a theory and hypothesis (or hypotheses) are developed and a research strategy designed to test the hypothesis. With induction, data are collected and a theory developed as a result of the data analysis. At this study researcher used induction approach because there was no hypothesis testing and data was qualitative in nature.

3.3 Research Design

Research design is a plan or strategies to use to achieve the expected results. There are different types of research design depending on the nature of a particular study. This includes case study design survey study and experimental design study (Cooper et al, 1998). This study carried out using a Case Study Design. Case study involved when researchers want to gain a rich understanding of the context in the research..

3.4 Sources of Data

There are two types of data which is usually used in researches, primary and secondary data. Primary data does not actually exist until and unless it is generated through the research process as part of the consultancy or dissertation or project. It was collected through techniques such as experimentation, interviewing, observation and surveys. On the other hand secondary data is

information which already exists in some form or other but which was not primarily collected, at least initially, for the purpose of the consultancy exercise at hand, in fact, secondary data is often the start point for data collection in as much as it is the first type of data to be collected. (Lancaster, 2005).

This study used primary and secondary source of data. Regarding the primary data the researcher distributed structured questionnaires to relevant participants. In order to strength the result and findings of the study the researcher examined different articles, academic journals, useful academic books as secondary data.

3.5 Population of the Study

The population of the study is customers of Lehulu Kifiya Mexico Branch. The researcher selected customers who have used at least one time service of Mexico Branch office. These groups are targeted because the researcher believes that they are appropriate people to provide appropriate information and answer the research questions.

3.6 Sampling Techniques and Procedures

The sampling procedure involves from non probabilistic sampling Ad hoc quta was used because the research is Case study design. According to Saunder (2009) non probability sampling (or non-random sampling) provides a range of alternative techniques to select samples based on your subjective judgment to answer research questions and meet the objectives. Non-probability sampling techniques also provide researcher with the opportunity to select the sample purposively and to reach difficult-to identify members of the population. The researcher followed appropriate procedure to avoid errors that may occur and cost the whole study.

3.7 Sample Size Determination

The main focus of this study is to assess customers' satisfaction on service quality of Lehulu Kifiya Mexico Branch.

The target population for the study is customers of Lehlu Kifiya in Mexico branch, Addis Ababa. The sample size of this study is determined by using the formula developed by Taro Yamane (1967)

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

Where, n is the sample size

N is the population size,

e is the level of precision or sampling error = (0.05)

$$n = \frac{70,000}{1 + 70,000(0.05)^2}$$

$$n = \underline{\underline{398}}$$

3.8 Methods of Data Collection

In this research, as data collection tools SERVQUAL 5 dimensions (Tangibles, Reliability, Responsiveness, Assurance, and Empathy) questionnaire were used which are subdivided into 22 statements, which were directed to measuring service quality in Lehulu Kifiya Mexico branch. As stipulated by the SERVQUAL model, the statements are divided into two parts, the first part seeks to measure the expectations of customers and the second part seeks to measure their perceptions. There was also a part which measure satisfaction level for the purpose of knowing factors that hinders satisfaction, the measures to be taken to improve customer satisfaction and the last party which is demographic part that provides general information about respondents on age, gender, and institution come from to pay.

This was to enable to get a better understanding of the type of respondents and relate it to how they perceive service quality in Lehulu Kifiya Mexico branch. The SERVQUAL model was used as the basis for the structured questionnaire because it provides information in research questions in which it trying to show how customers perceive service quality in Lehulu Kifiya by assessing the difference between the expectation and perception of services experienced by customers in

Lehulu Kifiya Mexico branch. This enabled to know how perceived service quality by customers and identify which items in the SERVQUAL dimensions customers are satisfied with. Also factors that hinder customer satisfaction in Lehulu Kifiya and what should be done to improve customer satisfaction.

Regarding the administration of questionnaires, as mentioned earlier in this study, a convenience sampling technique has used and had 398 questionnaires to administer which it took 10 days to administer these 398 questionnaires but unfortunately the researcher only received 337 questionnaires that were complete. This was because some people got the questionnaires and went away with them and others did not completely answer the questions and so considered them invalid.

3.9 Validity and Reliability

The questionnaire used in this research was adopted from SERVQUAL model and used in other researches.

3.10 Methods of Data Analysis

Regarding the service quality measurement the gap analysis model, which was developed by (Zeithaml, Berry, and Parasuraman in 1988), (Gronroos, 2000), The model concentrated on five 'gaps' which can impair the extent of service quality delivered. This study focused on Gap 5: the difference between Lehulu Kifiya customers' experiences and expectations of service. The result can be either positive or negative. Although the other four gaps are also important factors in service quality, Gap 5 is the only one that can be determined solely from data collected from the Lehulu Kifiya customers. In order to determine the other gaps, we would require data from the company, itself. In order to measure Gap 5, which determines the difference between customer expectations and perceptions, the SERVQUAL instrument, developed by Parasuraman, Zeithaml and Berry in 1985 and improved by 'Gronroos' will be adopted. It contains five determinants; namely 'Tangibles', 'Reliability', 'Responsiveness', 'Assurance', and 'Empathy'.

In the analytical part of this thesis, the data collected was edited and coded. The coded data was then processed using Statistical Package for Social Sciences (SPSS). Furthermore, the findings

arrived at will be interpreted on the basis of related literature reviewed and previous research are integrated in the existing body of knowledge.

3.11 Ethical Research Consideration

In relation to ethical issues, before filling out the questionnaire the purpose of the study was clearly explained to get consent of the study participants and increase the response rate of the study respondents name were also kept anonymous for the reason that respondents will fill the questioners freely. The researcher tried to avoid misleading or deceptive statements in the questionnaire. Lastly, the questionnaires were distributed only to voluntary customers.

CHAPTER FOUR

DATA PRESENTATIONS, ANALYSIS AND OF INTERPRETATION

In this chapter the research questions are answered by analyzing data collected from both primary and secondary sources.

4.1 Demography of Respondents

The demography of respondents were to ascertain the facts whether they qualified to form the respondent for the study.

Table 4.1 Gender of Respondents

	Frequency	Percent
Valid Male	167	49.6
Female	170	50.4
Total	337	100.0

Source: Field data (2017)

There were a total of 337 respondents representing 49.6% (167) were male and the remaining respondents representing 50.4% (170) were female. This is illustrated in the above table 4.1.

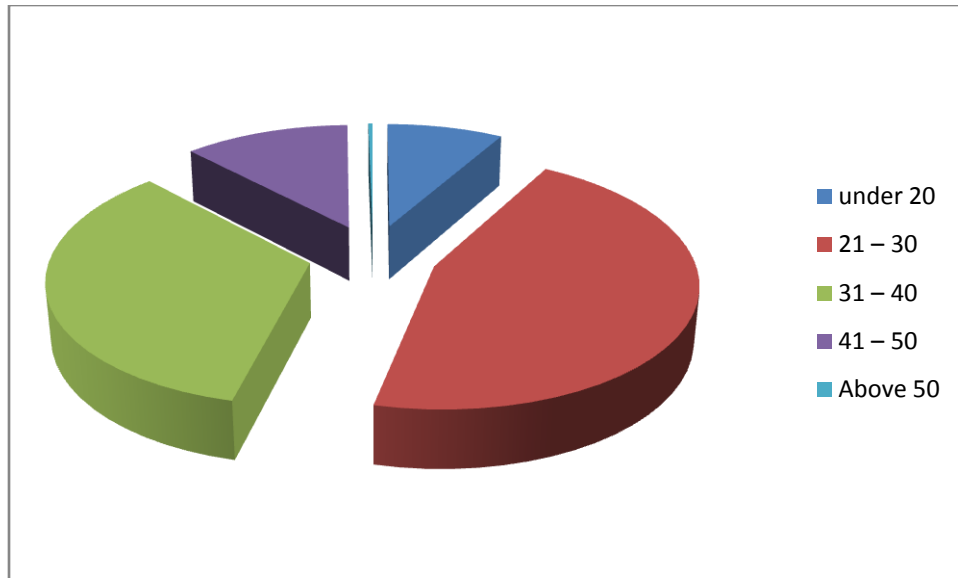


Figure 4.1 Ages of Respondents

Source: Field data (2017)

On the age of respondents, as shown in Figure 4.1, the study is mainly respondents between 21-30 years which constitute 45.4 percent, follow by those in 31-40 years representing 34.1 percent, 41-50 years represents 11.9 percent, under 20 years represents 8.3 percent and above 51 years also constitute 0.3 percent. Clearly, the analysis shows that, the higher the age dimension the less the number of respondents chosen.

Table 4.2 Institution come from of Respondents

	Frequency	Percent
1	272	80.7
2	52	15.4
3	13	3.9
Total	337	100.0

Source: Field data (2017)

4.2 Service Quality Dimensions of Customers

After reviewing the literature, a five service quality dimensions made up of twenty two (22) factor questionnaire was developed to measure service delivery in Lehulu. Each question was based on a 5-point weighted likert scale as shown below:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly Agree

The performance of the services delivered was measured by the customers' expectation and perception of the SERVQUAL dimensions, a descriptive statistics on the responds from the customers were used to undertake the needed measurements.

The quality gap according to Parasuraman et al (1988) is the difference between perception (P) and expectation (E). ($Q = P - E$).

When Q is positive it implies customers are satisfied and when negative dissatisfied.

In this section research questions, what are the gaps of customers perception and expectation based on service dimension and what are the key challenges in Lehulu Kifiya Mexico branch are answered.

4.2.1 Tangibility

Tangibility deals with the appearance of physical facilities, equipment, appearance of personnel, and communication materials, descriptive statistics were taken based on the expectation and the perception of the customers of Lehulu Kifiya.

Table 4.3 Gap score on Tangibility

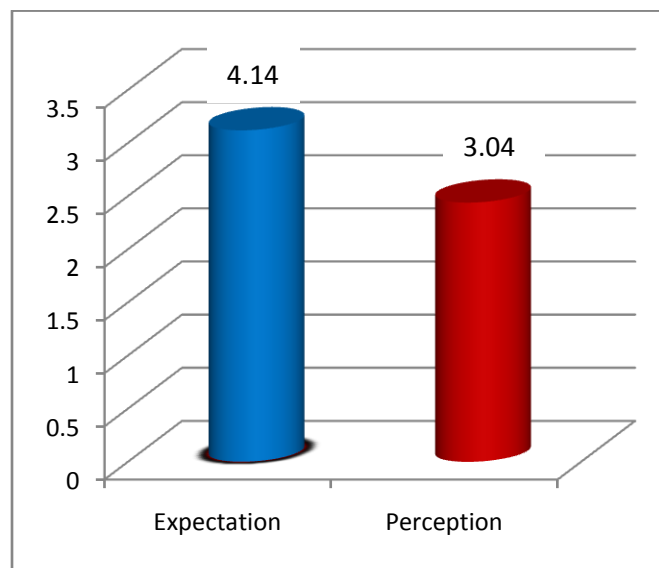
Details	Expectation Mean	Perception Mean	Gap
UBS should have modern looking equipment	4.19	3.16	-1.0
Physical features should be visually appealing	3.80	2.90	-0.9
Front desk employees should be neat appearing	4.27	3.27	-1.0
Materials associated with the service (such as invoice, bills) should be visually appealing	4.29	2.83	-1.5
Average	4.14	3.04	-1.1

Source: field data (2017)

From Table 4.3, Out of the items, customers are very much interested in modern looking equipment and visually appealing whereas, they find it not visually appealing.

Irrespective of the various means of the factors for both expectation and perception, average score for the expectation were found to be relatively higher than its perception for each of the factors considered.

Figure 4.2 Analysis of service dimension gap for tangibility



Source: field data (2017)

Clearly, it has been shown from Figure 4.3 that, in terms of tangibility, as the customers were expecting the company to provide a service quality level of 50%, the company is rather providing a service quality level of 3.04 representing 37% with a gap of 1.1 (13%) lower than the expectation of the customers. This was in agreement with Rubinstein (2010), who found out that because corporate world is moving across borders, tangibility of corporation has increase dramatically across all service delivery. This finding may be attributed to that fact since service renders are in a competition for customers; items on tangibility were expected to be higher. However this was not so, since perception falls short of the expectation of the customers, which also can be attributed to the fact that, respondents were having a higher expectation thereby leaving it in such underscore for its perception on the tangibles.

4.2.2 Reliability Dimension

Reliability dimension of a corporate entity is the ability to perform the promised service dependably and accurately, in this study, the researcher deals with the promise of executing a task, solving customer’s problems and taking sincere interest in the problems solving and others.

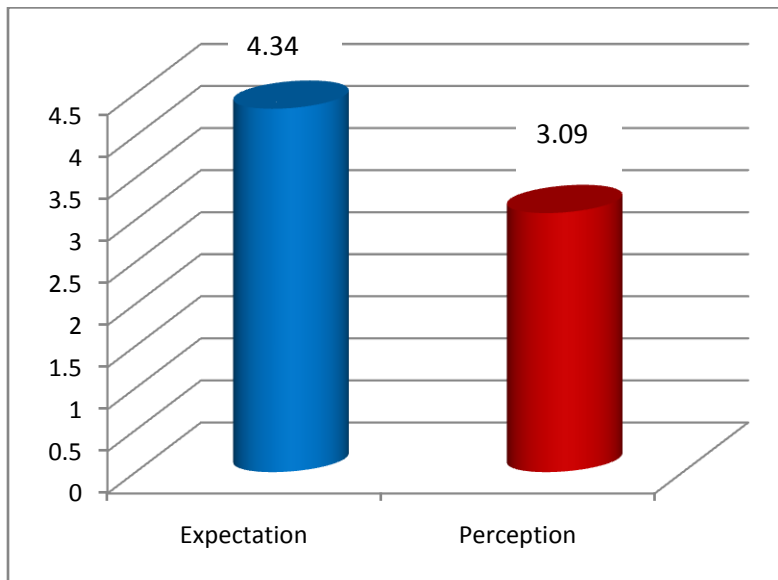
Table 4.4 Gap score on Reliability

Details	Expectation Mean	Perception Mean	Gap
When Unified billing system company promises to do something by a certain time, they should do so	4.32	3.04	-1.3
When you have a problem, unified billing system company should show a sincere interest in solving it	4.39	3.07	-1.3
Unified billing system company should perform the service right the first time	4.34	3.24	-1.1
Unified billing system company should provide its service at the time it promises to do so	4.30	3.07	-1.2
Unified billing system company should insist on error free records	4.33	3.03	-1.3
Average	4.34	3.09	-1.25

Source: field data (2017)

On the issue of reliability of the services delivered by Lehulu Kifiya, five items were measured. Out of the five items measuring service reliability item, the company insists on service at the time it promises to do so, highest score of 3.24 for its perception. This means that Lehulu Kifiya gives service at the time it promises to do so. Cumulatively, irrespective of the higher Average for both expectation and perception, the cumulative average score were 4.34 and 3.09 respectively.

Figure 4.3: Analysis of service dimension gap for reliability



Source: field data (2017)

As shown in Figure 4.3, as customers were expecting a service quality level of 4.34 (50%), Lehulu Kifiya was rather delivering a service quality level of 3.09 (36%) with a service gap of 1.24 (14%) falling short of the expectations of the customers. This indicates that, service delivery was unsatisfactory to the customers in terms of service quality dimension on reliability. This finding is in total agreement with Hussar (2000) who stated that the increasing rate of technology growth, has affected the expectations of customers from their service providers thereby affecting service quality.

4.2.3 Responsiveness Dimension

Responsiveness is the willingness to help customers and provide prompt service and others such as making information available to customers and not appearing too busy to respond to request.

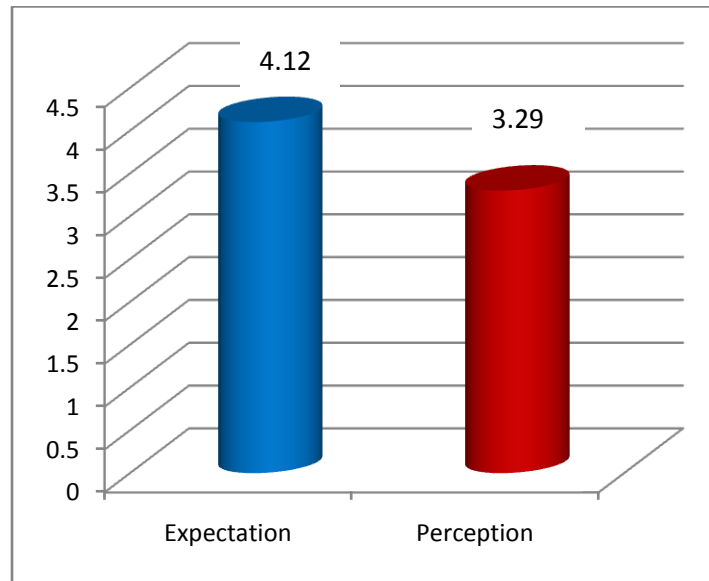
Table 4.5 Gap Score on Responsiveness

Details	Expectation Mean	Perception Mean	Gap
Employees in unified billing system company should tell you exactly when the services will be performed	4.33	3.29	-1.0
Employees in unified billing system company should give you prompt service	4.34	3.47	-0.9
Employees in unified billing system company should always be willing to help you	4.24	3.41	-0.8
Employees should never too busy to respond to your request	3.56	2.99	-0.6
Average	4.12	3.29	-0.8

Source: field data (2017)

On the issue of reliability of the services delivered by Lehulu Kifiya, four items were measured. Out of the four items, employees give prompt service” gave the highest mean score of 3.47 for its perception; however it was relatively lower than the expectation of the customers. This means that customers waiting time is minimal at the company hall. Cumulatively, irrespective of the higher Average for both expectation and perception, the cumulative average score were 4.12 and 3.29 respectively.

Figure 4.4: Analysis of service dimension gap for Responsiveness



Source: field data (2017)

By and large, the total service quality level of the responsiveness fails to meet the expectation of the customers of the company as well. As shown in Figure 4.4, as they were expecting a service quality level of 4.12 (50%), the company was delivering a service quality level of 3.29 (40%) which falls short of 0.8 (10%) on the expectation of the customers and represents an unsatisfactory level of service delivery for the dimension for the descriptive analysis.

4.2.4 Assurance Dimension

Assurance Dimension is the knowledge and courtesy of employees and their ability to inspire trust and confidence.

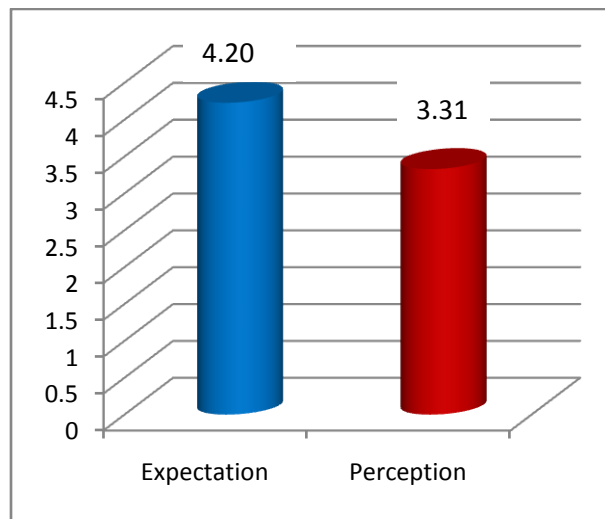
Table 4.6 Gap Score on Assurance

Details	Expectation Mean	Perception Mean	Gap
The behavior of employees should build confidence in you	4.05	3.19	-0.9
You should feel safe in your transactions	4.17	3.25	-0.9
Employees should consistently courteous with you	4.35	3.49	-0.9
Employees should have the knowledge to answer your questions.	4.24	3.33	-0.9
Average	4.20	3.31	-0.9

Source: field data (2017)

The descriptive statistics on the assurance shows that, the expectation of the customers was all recorded average above 4.0, while customer’s perception was all above 3.0. This shows there is no as much difference in expectation and perception. An item, the behavior of employees consistently courteous with you yielded the highest average score of 3.49 for the perception factor. Meaning employees of Lehulu Kifiya exhibit professionalism in their courteous with customers.

Figure 4.5 Analysis of service dimension gap for Assurance



Source: field data (2017)

On the gap analysis for satisfaction, respondents were expecting a service quality level of 4.20 (50%); they were of the opinion that, they were receiving a service quality of 3.31 (39%), a service quality gap of 0.9 (11%) lower than their expectation. This shows a general dissatisfaction on the assurance dimension.

4.2.5 Empathy Dimension

Empathy Dimension deals with the caring, individualized attention the firm provides to its customers.

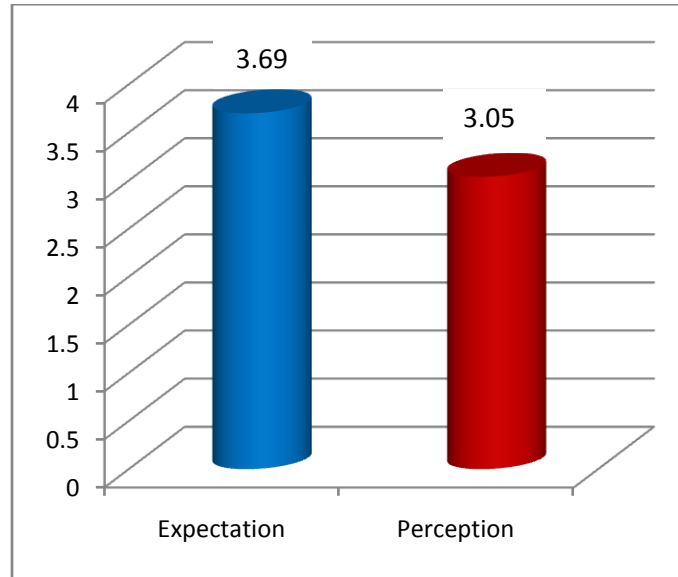
Table 4.7 Gap Score on Empathy

Details	Expectation Mean	Perception Mean	Gap
Unified billing system company should give you individual attention	3.72	2.89	-0.8
Unified billing system company should have operating hours convenient to all its customers	4.34	3.51	-0.8
Unified billing system company should have employees who give you personal attention	3.36	2.93	-0.4
Unified billing system company should have your best interests at heart	3.48	2.98	-0.5
The employees should understand your specific needs	3.57	2.93	-0.6
Average	3.69	3.01	-0.6

Source: field data (2017)

For empathy dimension, five items were used. The above table shows that, the expectation of the customers as well as perception was all recorded average above 3.0 except operating hours convince to all customers which is recorded 4.34. It also has the highest score 3.51 for the perception factor. Meaning operating hours convenient to its customers.

Figure 4.6 Analysis of service dimension gap for Empathy



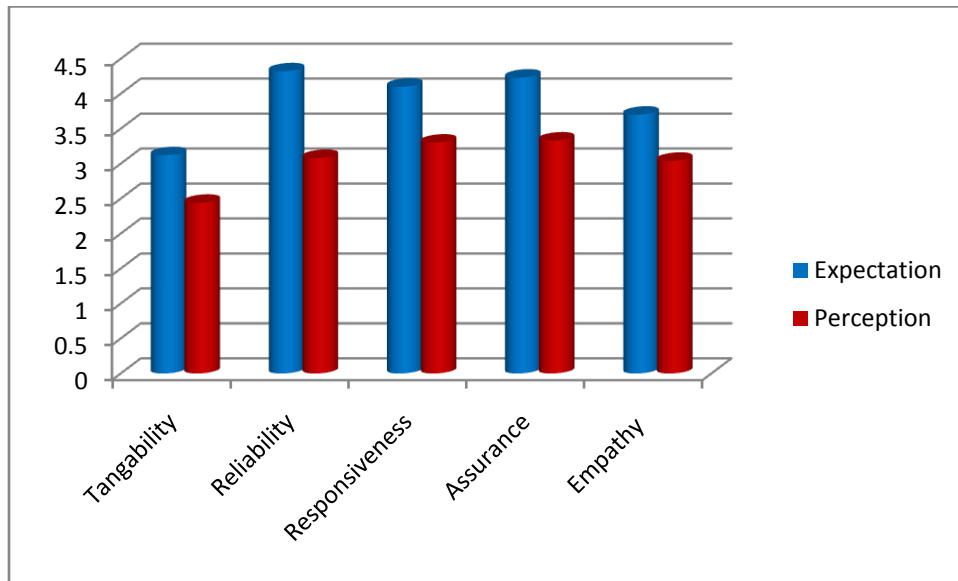
Source: field data (2017)

As indicate in Figure 4.6, as customers were expecting a service quality level of 3.7 (50%), they were rather giving a service quality level of 3.04 (41%), falling short of 0.6 (9%) of their expectations.

4.3 Comparison of Overall Service Delivery Gaps of Service Quality

To obtained two of the research question of the study, it was the need to find the service delivery gaps of the both the expectations and the perceptions of the respondents in Lehulu Kifiya in order to established the trend of the gap analysis for each of the service quality dimensions.

Figure 4.7 Comparison of General Expectations and Perception of Customers



Source: field data (2017)

The service delivery gaps for the perception and expectation of service delivery among the dimensions were somehow significant by the use of the pictorial representation but such significance can only be established with a statistical method. As shown in Figure 4.8, the gap for tangibility, reliability, responsiveness, assurance and empathy were insignificant since all dimensions were having a perception average value more than an average of 3.0. This performance of the service quality by the measuring of the perception indicates the seriousness of which the company attached to its service delivery to be able to compete keenly in the market for expansion of customer's satisfaction.

4.4 Expectation and perception Discussed

In comparison of the SERVQUAL dimensions, according to table 4.8; the highest expectation value were when you have a problem, unified billing system company should show a sincere interest in solving it (4.39) followed by employees should consistently courteous with you (4.35).

The gap score is measured by taking the difference between the perception and expectation score with a range of values from -5 to +5 and these gap scores measure service quality and hence customer satisfaction. The lower value of gap score showed that the service quality is approximately equal to the customer expectations. The largest gap score were Materials associated with the service (such as invoice, bills) are visually appealing which is -1.5. The gap score showed that the materials associated with the services are not visually appealing.

The gap score of -1.3 against when you have a problem, Lehulu Kifiya shows a sincere interest in solving it, Lehulu Kifiya insists on error free records showed that Lehulu Kifiya doesn't show sincere interest in solving in problems and doesn't insist on error free record.

The overall service quality is measured by calculating the average gap score of all SERVQUAL dimensions. The overall summary of all items in these dimensions are shown here.

Table 4.8 Summary of means of customer' expectations and gap scores

Dimensions	Items	Expectation Mean	Perception Mean	Gap
Tangibility	TA1	4.19	3.16	-1.0
	TA2	3.80	2.90	-0.9
	TA3	4.27	3.27	-1.0
	TA3	4.29	2.83	-1.5
Reliability	RL1	4.32	3.04	-1.3
	RL2	4.39	3.07	-1.3
	RL3	4.34	3.24	-1.1
	RL4	4.30	3.07	-1.2
	RL5	4.33	3.03	-1.3
Responsiveness	RN1	4.33	3.29	-1.0
	RN2	4.34	3.47	-0.9
	RN3	4.24	3.41	-0.8
	RN4	3.56	2.99	-0.6
Assurance	AS1	4.05	3.19	-0.9
	AS2	4.17	3.25	-0.9
	AS3	4.35	3.49	-0.9
	AS4	4.24	3.33	-0.9
Empathy	EM1	3.72	2.89	-0.8
	EM2	4.34	3.51	-0.8
	EM3	3.36	2.93	-0.4
	EM4	3.48	2.98	-0.5
	EM5	3.57	2.93	-0.6

Source: field data (2017)

4.5 Overall Customer Satisfaction

Table 4.8 presents the respondents' general feeling towards Lehulu Kifiya's services delivery which answers the research question of what are the levels of customer satisfaction. It can be observed from the data that customers' satisfaction level ranges from highly dissatisfied up to highly satisfied level.

Table 4.9: Overall Customer Satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	35	10.4	10.4	10.4
Dissatisfied	84	24.9	24.9	35.3
Neutral	71	21.1	21.1	56.4
Satisfied	125	37.1	37.1	93.5
Highly Satisfied	22	6.5	6.5	100.0
Total	337	100.0	100.0	

Source: field data (2017)

Out of the total respondents, 10.4% responded that they were highly dissatisfied, 24.9% of the respondents were also dissatisfied and the 21.1% of the respondents also indicated they were neutral. Only 6.5% of respondents explained that they were highly satisfied. Of all respondents, 37.1% showed that they were satisfied in Lehulu Kifiya's service delivery.

It is clearly observed that 56.4% of customers' satisfaction level was below satisfied level.. In general, the study indicates that majority of customers were not satisfied with the Lehulu Kifiya Service delivery performance.

4.6 Customer's Suggestions in Improving Service Delivery

With regards to improving the service delivery of Lehulu Kifiya service, customers suggested their idea as indicated in Table 4.10 below. Of 383 selected respondents only 153 customers give their suggestions in improving service delivery. And, 20% (30) of them said that Lehulu Kifiya service should be in modern way like mobile payment or using banks or online payment. HR should be increased specially at lunch time 11% (17). The third higher percent suggestion given was the bills should be visually clear 9% (14).

Table 4.10 Customers' Suggestions in Improving Service Delivery

No.	Suggestions	Number of Respondents	In percent
1	If possible to extend working hours until 9:00pm	3	2%
2	For Company if there is a way to know the exact amount to pay before preparing CPO	1	1%
3	Keep it up	6	4%
4	Branch should be expand	11	7%
5	HR should be increased specially at lunch time	17	11%
6	Complaints on payment should be treated in a good manner	2	1%
7	Full Employees are not on their desk	10	7%
8	Waiting lines should be like Banks	5	3%
9	Bills are not visually clear and should be in one page	14	9%
10	The equipments should be changed in a modern way	5	3%
11	Employees should have knowledge, computer skill and interest on their job and also they should be relied	9	6%
12	Pregnant and elders should be served first	3	2%
13	Service should be in modern way like mobile payment or using banks or online	30	20%
14	System problem should be solved	8	5%
15	Waiting Chairs, shelters should be available outside the room and waiting time should be decreased	9	6%
16	Bills are not ready monthly so customers are obliged to pay two months payment at once	4	3%
17	Customers transactions should be informed clearly	6	4%
18	Transactions are not centralized. If you go to other branch they are not able to tell updated information	3	2%
19	Employees don't give respect to customers	2	1%
20	Employees have potential so Lehulu should give attention to their employees so that the handle customers in a good way	1	1%
21	Employees are not responding when asking specially for elders. They even take money from each customer especially on changes. Lehulu should attention on this.	4	3%

Source: field data (2017)

4.7 Discussion of the Results

Considering customers' perception of service in Lehulu Kifiya which is more like the SERVPERF model which deals with consumers' perception of service quality in conformity with customers satisfaction (Cronin et al., 1992, p.64), it is realized that customers' expectations and their perceptions are more than their perceptions. Basing on the responsiveness dimensions, it is realized that customers are of the opinion that the quality satisfactory compared to the other dimensions with an average score of 3.31. The tangibility dimension is judged the least by customers with an average score of 3.04. This is however above the middle of the scale. Generally, all the dimensions have an average perception score of 3.16. According to the SERVPERF model (Cronin et al., 1992 p.64), it indicates that customers are satisfied with service quality in Lehulu Kifiya since the average score is above the average of the scale and since satisfaction in services is highly related to quality.

(Parasuraman et al., 1985) suggested that when perceived service quality is high, then it will lead to increase in customer satisfaction. He supports the fact that service quality leads to customer satisfaction and this is in line with (Saravana & Rao, 2007, p.436) and (Lee et al., 2000, p.226) acknowledge that customer satisfaction is based upon the level of service quality provided by the service provider. This is a good ground for asserting whether customers are satisfied with service quality in Lehulu Kifiya or not since the average perception score is above the average of the scale. A higher perception also indicates higher satisfaction as service quality and satisfaction are positively related (Fen & Lian, 2005, p.59-60). This means that dimensions with higher perception scores depict higher satisfaction on the part of customers and lower perception scores depict lower satisfaction. Implicitly, customers are barely satisfied since the average perception score is 3.16 which is 56% of the total score and indication that Lehulu Kifiya need to work hard to cover up the 44%. However, we are using the SERVPERF model for our study but rather the SERVQUAL model and so cannot say that customers are satisfied or not.

Parasuraman et al. (1985, 1988) introduced the gap score as a means to measure service quality and they identified quality as a determinant of service quality. They however restricted their inference of satisfaction from service quality to a gap score between perceptions and expectations. We have been able to measure the gap between perception and expectations of the sample. The expectations are higher than the perceptions. This makes us to have negative gaps

indicating that customers expect more than Lehulu Kifiya actually offer in terms of the quality of services. In its strict sense customers perceive service quality in Lehulu Kifiya to be poor since it is lower than expectations and hence they are not satisfied. This describes how consumers perceive service quality. As service quality is an antecedent of customer satisfaction, which has been proven by (Negi, 2009), it means that since consumers perceive service quality as low or poor, and therefore implies that consumers are not satisfied with services offered in Lehulu Kifiya. This customer satisfaction which comes as a result of the interaction between the consumer and service provider (Yi, 1990) and from our results, it shows that consumers are not satisfied meaning this could be because of poor interaction between the customer and service provider and also because the consumer is becoming more and more demanding and does not tolerate any shortfalls in the quality of services offered by Lehulu Kifiya (Douglas & Connor 2003, p.165-166). The service experience affects customer satisfaction according to Huddleston et al., (2008, p.65) and since customers are not satisfied with the services offered by Lehulu Kifiya, it means they did not have a good service experience.

In summary, from results obtained, it is seen that consumers perceive service quality as poor in all dimensions meaning their expectations fall short of their experience in Lehulu Kifiya. In this regard, consumers are not satisfied with any dimension of service quality. All the dimensions show a gap between expected service and perceived service and this therefore means that Lehulu Kifiya needs to make improvements in all dimensions in order to close gaps that could lead to increased customer satisfaction.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary of key findings of the study presented according to the objectives of the study. Conclusions are drawn from the findings and recommendations are given to help improve the quality of the services delivered by Lehulu Kifiya Mexico branch.

5.2 Summary of Key findings

5.2.1 Measure of Service Performance

Service performance is based on the services received or experienced by a customer, in this study, the study of perceptions service dimensions were used to measure the service quality delivery of Lehulu Kifiya, hence the performance of the company. Evidently, it was found that, all the service quality dimension factors used, had a mean score vary from one dimension to other dimension indicating the performance are not comparative to the scale of measurement.

Looking at the factors measuring tangibility, the highest mean score was 3.27 representing the factor “front desk employees are neat appearing” and the least mean score was 2.83 representing the factor “Materials associated with the service (such as invoice, bills) are visually appealing”.

The five factors used to measure reliability all gave average score more than 3.0. The item “Lehulu Kifiya performs the service right the first time” gave the highest average score of 3.24 while the least average score 3.03 was the item “Lehulu Kifiya insists on error free records”.

Looking at the factors measuring responsiveness, the highest mean score was 3.47 representing the factor “Employees give you prompt service” and the least mean score was 2.99 representing the factor “Employees are never too busy to respond to your request.”

Out of the four factors used to measure assurance, the factor “Employees in Lehulu Kifiya are consistently courteous with you” yielded the highest mean score of 3.49 while the least average score 3.19 was an item “The behavior of employees should build confidence in you”.

The five factors used to measure empathy gave average score of more than 3.0. Additionally, the highest average score of 3.51 was given by the factor “Lehulu Kifiya has operating hours convenient to all its customers” while the least average score 2.89 was given by an item “Lehulu Kifiya gives you individual attention.”

5.2.2 Level of SERVQUAL Dimensions mostly utilized by Lehulu Kifiya

Ranking of perceived service quality dimensions show the most utilized service quality dimension of the company, the factors of the dimensions were aggregated and the grand mean score computed. By comparing the responses of the customers to the service delivered, the grand average scores established that the most utilize dimension of Lehulu Kifiya is the assurance which had the highest mean score of 3.31 relative to the rest of the SERVQUAL dimensions. Tangibility which measures care of customers yielded the least average grand score. This means that the employees need to improve on customer relation.

5.2.3 Measure of Customer Expectations of UBS Services

The expectations of customers on factors measuring service tangibility yielded various average scores. Out of the items, customers are very much interested in the efficiency and effectiveness of Materials associated with the service (such as invoice, bills) should be visually appealing the highest average score 4.29. With regards to service reliability, the five items measured gave out high average scores. However, customers regard “when you have a problem, show a sincere interest in solving it” with highest mean score of 4.39.

The measure of customers’ expectation on service responsiveness yielded high average scores for each item. But the result established that customers expect Lehulu Kifiya to react on employees give prompt service with the highest score of 4.34.

With the service assurance, four items were measured. The highest average score (4.35) of the item expect that “employees should consistently courteous with customers”. Employees of Lehulu Kifiya should consistently courteous with its customers.

Customers' expectation on service empathy measures the relationship and interactions between the company and the customers. The results indicate that customers expect Lehulu Kifiya should have operating hours convenient to all its customers. This yielded the highest score of 4.34.

5.2.4 Descriptive Statistics on Expectation and Perception

Customer's expectation serves as a foundation for evaluating service quality because, quality is high when performance exceeds expectation and quality is low when performance does not meet their expectation (Asubonteng et al., (1996, p.64)

Descriptive statistics show that, the expectation of the customers exceeded the perception or performance of the services delivered by Lehulu Kifiya in terms of Tangibility, reliability, responsiveness, assurance and empathy.

5.3 Conclusion

The study assessed customer satisfaction at Lehulu Kifiya Mexico Branch. Generally, the responses to the gap between expectation and perception of Lehulu Kifiya service are relatively high. All items measuring the service quality dimensions gave average score under 4.0. The high average scores, the level of service performance varies from one dimension to the other. Among the dimensions, assurance ranked first as the highest performance of the Lehulu kifiya services. By this, Lehulu Kifiya employees have the knowledge and courtesy of employees and their ability to inspire trust and confidence.

Considering the items in aggregation, varied scores were achieved with all SERVQUAL dimensions. Tangibility and Reliability yielding the highest gap score. Customers expect the company to focus on tangible factors like appearance of physical facilities, equipment, appearance of personnel, and communication material and individualized attention the firm provides to its customers.

By comparing the average scores of the respondents regarding the performance and expectation of customers of the company services provided by Lehulu Kifiya, customer expectation responses yielded higher scores than the performance of the services provided by Lehulu Kifiya. The average scores of customers' expectations exceeded that of the perception of the SERVQUAL dimensions. It can be concluded from the analysis that customers are not satisfied with the services of Lehulu Kifiya. To ensure customer retention, Lehulu Kifiya needs to revise its quality strategy giving particular attention to the expectations of the customers, improve all the SERVQUAL dimensions to exceed what the customers expect. By this, there will be a guarantee to retain the customers.

5.4 Recommendation

Based on the analysis and the findings, the following are recommended to help improve service performance so that SERVQUAL dimensions measuring customer perception will exceed the expectations of the customers.

1. Regular Assessment of Service Delivery by Customers: By enquiring from prospective customers the level of satisfaction on the SERVQUAL dimensions of UBS services, Lehulu Kifiya Mexico branch will be informed about the area that require improvement to enhance service performance. It will also inform the UBS areas that have been given less attention, so that decision will be made to upgrade those areas.
2. Service Quality Dimension Improvement: It is recommended that since the service quality dimensions did not meet the customer's expectation; certain service quality dimensions needs a pragmatic effort in the to ensure its improvement. Service dimensions like tangibility reliability and empathy, a pragmatic effort is needed to ensure an improvement in these dimensions will help in the overall service quality and a better customer service delivery in Lehulu Kifiya Mexico branch.
3. Much attention be given to Tangibility and Reliability dimensions: The result of the findings established that Lehulu Kifiya has not been given much attention to Tangibility and Reliability. Lehulu Kifiya Mexico branch needs to revisit customer reliability; check on the ability to perform the promised service dependably and accurately. However, on the tangibility, the significance of the gap might be due to high expectation rankings of

customers, but management should keep an eye on the efficiency of the machines used such as the tracking of the intranet used for transactions, communication materials should be visually appealing.

4. Improve overall service delivery: A comparison between expectation and perception indicate a gap. Thus, customer expectations scores are higher than the scores of customer perceptions. Lehulu Kifiya Mexico branch is required by this revelation to consider repackaging and redesigning of its service operations to match up with customer expectation. This can be done by finding out from customers what they expect from Lehulu and provide accordingly. By this customers will be compelled by virtue of superior service.

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APPENDIX
QUESTIONNER

Dear Respondent,

This questionnaire is designed to gather data on Assessment of Customer Satisfaction of Lehulu Kifiya Mexico Branch. It will measure your feelings particularly about Lehulu Kifiya Mexico Branch. Please show the extent to which you believe the company has the feature described in the statement.

The questionnaire is in four parts, expectations, experience, Ranking and level of satisfaction.

This research is aimed to achieve Master of Business Administration therefore this questionnaire will not be used for other purpose.

I thank you for spending your valuable time in providing me pertinent information on the subject.

Demographic Questions

1. Sex Male Female
2. Age under 20 21 – 30 31 – 40 41 – 50 Above 50
3. Level of Education
 Reading & Writing Secondary School Certificate First Degree Master Degree
and above
4. Paying for Household Organization

This section deals with your opinion of Unified Billing System Company. Please visualize what the ideal analytical unit would look like, the excellent types of services that it would provide, and what you would consider to be an excellent level of customer service.

1 = Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5 = Strongly Agree

Statement	1	2	3	4	5
1. Unified Billing System should have modern looking equipment.					
2. Physical features should be visually appealing.					
3. Front desk employees should be neat appearing.					
4. Materials associated with the service (such as invoice, bills) should be visually appealing.					
5. When Unified billing system company promises to do something by a certain time, they should do so.					
6. When you have a problem, unified billing system company should show a sincere interest in solving it.					
7. Unified billing system company should perform the service right the first time.					
8. Unified billing system company should provide its service at the time it promises to do so.					
9. Unified billing system company should insist on error free records.					
10. Employees in unified billing system company should tell you exactly when the services will be performed.					
11. Employees in unified billing system company should give you prompt service.					
12. Employees in unified billing system company should always be willing to help you.					
13. Employees should never too busy to respond to your request.					
14. The behavior of employees should build confidence in you.					
15. You should feel safe in your transactions.					
16. Employees should consistently courteous with you.					
17. Employees should have the knowledge to answer your questions.					
18. Unified billing system company should give you individual attention.					
19. Unified billing system company should have operating hours convenient to all its customers.					
20. Unified billing system company should have employees who give you personal attention.					
21. Unified billing system company should have your best interests at heart.					
22. The employees should understand your specific needs.					

The following statements deal with the perceptions of service experienced in Lehulu Kifiya. Please, show the extent to which these statements reflect your perception of service in Lehulu Kifiya.

You should rank each statement as follows:

1 = Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5 = Strongly Agree

Statement	1	2	3	4	5
1. Lehulu Kifiya has modern looking equipment.					
2. Lehulu Kifiya physical features are visually appealing.					
3. Lehulu Kifiya front desk employees are neat appearing.					
4. Materials associated with the service (such as invoice, bills) are visually appealing.					
5. When Lehulu Kifiya promises to do something by a certain time, it does so.					
6. When you have a problem, Lehulu Kifiya shows a sincere interest in solving it.					
7. Lehulu Kifiya performs the service right the first time.					
8. Lehulu Kifiya provides its service at the time it promises to do so.					
9. Lehulu Kifiya insists on error free records.					
10. Employees in Lehulu Kifiya tell you exactly when the services will be performed.					
11. Employees in Lehulu Kifiya give you prompt service.					
12. Employees in Lehulu Kifiya are always willing to help you.					
13. Employees in Lehulu Kifiya are never too busy to respond to your request.					
14. The behavior of employees builds confidence in you.					
15. You feel safe in your transactions with Lehulu Kifiya.					
16. Employees in Lehulu Kifiya are consistently courteous with you.					
17. Employees in Lehulu Kifiya have the knowledge to answer your					

Statement	1	2	3	4	5
questions.					
18. Lehulu Kifiya gives you individual attention.					
19. Lehulu Kifiya has operating hours convenient to all its customers.					
20. Lehulu Kifiya has employees who give you personal attention.					
21. Lehulu Kifiya has your best interests at heart.					
22. The employees of Lehulu Kifiya understand your specific needs.					

Level of Customer Satisfaction: the following statement describes your feeling about Lehulu Kifiya. Please respond by choosing the number which best reflects your own perception.

1. My feeling about Lehulu Kifiya’s service delivery can be best described as

- 1. Highly dissatisfied
- 2. Dissatisfied
- 3. Neutral
- 4. Satisfied
- 5. Highly satisfied

2. If you have any other comment to improve the service quality of Lehulu Kifiya, please specify?

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Thank you all again!!!