St. Mary's University

School of Graduates Studies

FACTORS AFFECTING SERVICE QUALITY IN AN OCEAN FREIGHT TRANSPORTATION: THE CASE OF MAERSK LINE ETHIOPIA

By:

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DECLARATION

I, the undersigned, declare that this Thesis is my original work; prepared under the guidance of Mesfin Workineh (PhD). All the sources of materials used for this thesis have been dully acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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LIST OF ACRONYMS

ICS :- International Chamber of Shipping

IMO: - International Maritime Organization

ISO: International Organization for Standardization

MLL: - Maersk Line Limited

TEU: - Twenty-Foot Equivalent Unit

UNCTAD: - United Nations Conference on Trade and Development

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Abstract

The aim of this study is to empirically investigate factors affecting service quality in Maersk line Ethiopia in its ocean freight transportation service based on service quality dimensions. The study focus on identifying factors determining the company's service quality only from the customer perspective. Study has followed a deductive form of scientific research. In addition, this study has used both descriptive and explanatory research approach and mainly primary data used in the study. Moreover, this research has followed a causal and cross sectional research approach. The total sample size of the study was 201. A simple random sampling method was employed. On the other hand, questioner was a main instrument to collect the primary data. The study find out that the five dimensions of service dimensions (Tangibility, reliability, responsiveness, empathy and assurance) are significant. A result of all dimensions signifies that, customers of Maersk Line Ethiopia are somewhat in between dissatisfaction and satisfaction with the service. In addition, the findings showed that the dimension of Tangibles has a strong effect on customer satisfaction. Finally, the study recommended, treating customer with great respect and courtesy, training employees to better serve customers and go far beyond the expectation, in a way it meets the customer's need .It is also recommended that the company to strive for a better improvement of its physical facilities and equipment.

Keyword: Maersk Line Ethiopia, Customr satisfaction, SERVQUAL

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Consumer's needs defined as problems that customers intend to solve with the purchase of a good or service. It is a description by the consumer of the benefit to be fulfilled by the product or service (Gaskin, Griffin, Hauser, Katz, & Klein, 2014). In this case meeting customer needs is considered to be vital for the success of a company providing a product and service.

With the customer's wants and needs incorporated into the design and manufacture of the product or service, sales and profit goals are far would be met. Customer's satisfaction is a key to the organization, the need to understand the customer is highly important. Marketing research techniques was bought about just for that purpose. Smaller companies can be able to keep a close relationship with them but imply talking with them. While larger organizations have set up strategies in place in order to be able keep in close touch with their customers, be it through focus groups, or even third-party research studies. Whatever the strategy, the goal is to know the customers so that organization can better serve their customers and not lose focus of their needs and wants (Kehinde, 2016).

Nowadays the demands of consumers and or customers have been changed. In the past, they might have paid attention only to the price, that is, they were interested in buying affordable goods and service if the quality was acceptable and reasonable with the prices. However, today is the world of globalization which the demands of worldwide consumers have been changed into the similar trends (Phongsamran & Uttamang, 2016).

In this case customer satisfaction and service quality are very important concepts that companies must understand in order to remain competitive in business and hence grow. It is very important for companies to know how to measure these constructs from the consumers' perspective in order to better understand their needs and hence satisfy them. Service quality is considered very important because it leads to higher customer

satisfaction, profitability, reduced cost, customer loyalty and retention (Daniel & Berinyuy, 2010).

Service quality is determined by the customers and is ultimately measured in terms of customer satisfaction. The concept of service design focuses on understanding customer needs and how customers perceive the service via its service encounters when designing services. Service quality is in turn the customers' perception of how well the designed and provided service corresponds to their expectations at various points during the service process (Othelius & Wemmert, 2014).

Service quality has become a cornerstone in marketing strategy for companies. It is vital to organizations for their survival and growth since it could help them tackle these challenges they face in the competitive markets. This means that service-based companies are compelled to provide excellent services to their customers in order to have a sustainable competitive advantage. There is however, a need for these organizations to understand what service quality is in order to attain their objectives (Daniel & Berinyuy, 2010).

Service quality is a concept that has aroused considerable interest and debate in the marketing research literature because of the difficulties in both defining it and measuring it. Overall there is no consensus emerging on its definition. Despite attempt to define service quality due to various opinions on the concept makes it rather unclear and subjective. However, service quality can be described as a rationale of differences between expectation and competence along the important quality dimensions (Rajicic & Ciric, 2008; Loke, Taiwo, Salim, & Downe, 2011)

Dynamic business environments and increasing customer power have pushed firms toward a customer-focused strategy, especially using new technology to build relationships with the customer. As a result, excellent business processes and intangible assets such as brands, customer satisfaction, and powerful human resources might become the most essential sources of sustainable competitive advantages (Minh & Huu, 2016).

The issue of operating in a dynamic business environment and satisfying a continuously changing customer' need is often challenge service providing companies. This challenge is also observed in freight shipping service industry.

Freight transport is the physical process of transporting commodities and merchandise goods and cargo. Without shipping the import and export of goods on the scale necessary for the modern world would not be possible. Seaborne trade continues to expand, bringing benefits for consumers across the world through low and decreasing freight costs. A growing efficiency of shipping as a mode of transport and increased economic liberalisation, the prospects for the industry's further growth continue to be strong. There are around 50,000 merchant ships trading internationally, transporting every kind of cargo. The world fleet is registered in over 150 nations, and manned by over a million seafarers of virtually every nationality. The five main catagories of ships that are currently operating in the world merchant fleet are container ships, bulk carriers,specialist ships, ferries and cruise ships ans tankers (ICS, 2017).

The business of freight shipping has for a long time been regarded as a non-competitive industry in which a limited number of large actors have agreed on fixed prices and division of routes through conferences. However, structural changes in the liner shipping market have forced shipping companies to put more emphasis on efficient operation management (Othelius & Wemmert, 2014).

On the other hand due to a rapidly changing environment of the international economy, the shipping industry has been suffering from severe survival competition mainly emanating from service quality. The importance of service quality in the shipping service considerd to be a base for distinction for a given shipping carrier from other carriers (Kang & Kim, 2009).

Thus this study motivated to investigate factors that affecting service quality in sea freight transport by taking Maersk line Ethiopia as an example since the company is one a containoner shipping service in Ethiopia.

1.2 Background of the Company

Maersk is an integrated transport and logistics company with multiple brands and is a global leader in container shipping and ports. Including a stand-alone Energy division, the company employs roughly 88.000 employees across operations in 130 countries. Maersk Group was founded by Arnold Peter Moller in the year 1904, which is a Danish company with its headquarters located in Copenhagen, Denmark. Maersk Line is the pioneer company in the shipping industry. It is the world's largest container shipping company, known for reliable, flexible and eco-efficient services (Maersk Group, 2015).

Its head quarter is in Copenhagen Denmark. Maersk's size and diverse offering in both the shipping and energy industries make it an ideal partner to provide just that. The group Maersk might have roots in Northern Europe but also operate in we've been putting our heart and soul into Africa for more than a century. Maersk Container Industry has made a business of making world trade more efficient (Maersk Group, 2015).

Maersk Line is the world's largest container shipping company, known for reliable, flexible and eco-efficient services. The Maersk Liner business also includes Submarine, Seago Line, SeaLand and MCC. The company operates all over the world and has a fleet of 639 ships which sail every major trade lane on the globe (Maersk Group, 2017).

The **Maersk groups** have four major business .i.e. Maersk drilling, APM terminals, Maersk oil and Maersk Line. Maersk oil is an international oil and gas company with operated production of over 500,000 barrels of oil equivalent per day. The company production comes from Denmark, the UK, Qatar, Kazakhstan, the US Gulf of Mexico and Algeria. Exploration and development activities are on-going in Angola, Norway, Kenya, Ethiopia, Greenland, Brazil, Kurdistan region of Iraq and in the producing countries. It operates for more than 40 years in finding and developing oil and gas with our partners (Maersk oil, 2017).

Maersk Drilling supports global oil and gas production by providing high-efficiency drilling services to oil companies around the world. It began its operation on 21 June in 1972 when Mærsk Storm Drilling Company and Atlantic Pacific Marine Corporation were established with the purpose of purchasing two semi-subs and two barge rigs. It

provides its service with a nearly 4,000 workforce including. Currently Maersk drilling is a leader in the North Sea (Maersk oil, 2017).

APM Terminals is a leading global port and cargo inland services provider with a presence in 59 countries providing the world's most geographically balanced global terminal network with 76 operating port and terminal facilities. Five new port facilities under construction and an inland services network spanning 103 operations at 89 locations in 38 countries. It is based in Hague, Netherlands, the company works with shipping lines, importers/exporters, governments, business leaders and the entire global supply chain to provide solutions that help nations achieve their ambitions and businesses reach their performance goals (APM terminals, 2017).

Currently Mearsk provides ocean transportation in all parts of the world and serve its customers through 306 offices in 114 countries. Currently the company have 7,600 seafarers and 21,600 land-based employees and operate 639 container vessels with a capacity of 3.3 million TEU (Twenty-Foot Equivalent Unit). Its Corporate office is in Copenhagen, Denmark (Maersk Line, n.d.).

It provide its services through the Maersk Line, Safmarine, SeaLand (Intra-Americas), MCC Transport (Intra-Asia) and Seago Line (Intra-Europe) brands.Maersk Line is part of A.P. The company has more than 59,000 customers worldwide and cover ports in almost every country in the world. It shipped 13.2 million full containers shipped in 2016 (Ibid).

Moller – Maersk, an integrated transport and logistics company with multiple brands and a global leader in container shipping and ports. The company alsoenaged in areas of oil extraction and drillings. The Group is involved with production of oil and gas and other related activities including drilling, offshore, services, towage, and transportation of oil products (Maersk Group, 2015; Maersk Line, n.d.).

In Ethiopia the Mearsk line business in Ethiopia is handled by Freighters International (PABOMI) PLC. Ethiopia is landlocked and most cargo enters through the port of Djibouti, although Berbera is starting to be used as an alternative for bulk cargo (Maersk Line, n.d.).

Maersk Line was the first foreign shipping line represented in Ethiopia back in 1994. With its regional head office based in Addis Ababa, Maersk provides three weekly calls to Djibouti which connects to the copmany's global networks (Ibid).

The company provides containerized transportation services in Ethiopia. Via Djibouti, Maersk Line connects Ethiopian exporters to European, Asian and American markets. Maersk Ethiopia PLC was established in 2007 and Maersk Liner Business trades in Ethiopia through two brands: Maersk Line and Safmarine (Capital Ethiopia Newspaper, 2014).

1.3 Statement of the Problem

In the international trade merchandises are transported using various modes of transport. The means could be air, road, multi modal or sea transport. A sea transport service involves carriage of goods by the ship from the point of shipment to port of discharge.

Sea transportation is considered as one of the safest and popular means of transportation. According to ICS (2017), about 90% of world trade is carried by the international shipping industry. Without shipping, the import or export of goods would not be possible.

Shipping has always played a pivotal role in facilitating world trade with its ability to transport large volumes of cargoes at low costs. It connects major continents and links the manufacturers to their customers and suppliers (Thai et al, 2014).

In the face of an increasing volume of global merchandise trade, importance of ship freight transport is irreplaceable. A maritime transport is the backbone of globalization and lies at the heart of cross-border transport networks that support supply chains and enable international trade (UNCTAD, 2016).

Sea freight service provided by liners for container shipping to different countries is suitable for massive and heavy goods. This is despites it is more time consuming, goods can be shipped in a large amount of order and the cost is cheaper in sea fright than shipping by air (Phongsamran & Uttamang, 2016).

On the other hand, the competitiveness of the liner companies depends on their ability to provide the required transport service to their customers. The liner operators are devising new strategies to enable them to meet their customers' requirement in order to attract and retain cargo volume (Fanam et al, 2016).

Currently, a number of international Liners providing container services in Ethiopia. Among them Maersk Ethiopia Plc. which is under Meresk Line Limited or Maersk Group is one of the well-known companies operating in sea freight transport in Ethiopia.

Maersk Line agency business in Ethiopia is handled by Freighters International (PABOMI) PLC. Maersk Line was the first foreign shipping line represented in Ethiopia back in 1994 and with regional head office based in Addis Ababa. Currently it provides three weekly calls to Djibouti which connects to Maersk's global network. In general Maersk Line offers container carrier and related services including refrigerated container transport (Maersk Line, n.d.).

It is well known that containers shipping service providing companies are operating in a competitiveness business environment regarding an ability to provide the required transport service to their customers. They continually work to develop new strategies that enable them to meet their customers need.

Service quality is needed for creating customer satisfaction and service quality is connected to customer perceptions and customer expectations. It could be described as the result from customer comparisons between their expectations about the service they will use and their perceptions about the service company.

Business can only achieve success only by understanding and fulfilling the needs of customers. One of the determinants for of success in this case, for service providing companies is how the customers perceive service quality and this determine customer satisfaction. Many firms including shipping companies follow their customers' satisfaction through measuring their customers perception on level of service quality.

In the case of devising a new strategy to meet customer's requirement, identifying the key determinants affecting the service quality is vital for service providing companies particularly to those engaged in liner service.

Accordingly, the aim of this study is to empirically investigate factors affecting service quality in Maersk line Ethiopia in its ocean freight transportation service based on service quality dimensions.

1.4 Research questions

- How consumers perceive the service quality in ocean freight transportation service of Maersk line Ethiopia and
- How does quality affects the satisfaction of customers.

1.5 Objectives of the Study

The general objective of this study is to identifying factors that affect service quality provided in an ocean freight transportation focusing on Maersk line Ethiopia on service quality dimensions. In addition that the specific objective of the study are;

- Analyze consumers perception on service quality in ocean freight transportation Maersk line Ethiopia;
- Examine the level of customer satisfaction in the containers shipping service of Maersk line Ethiopia ;
- Provide viable recommendation on measures that can be taken to improve the service quality in ocean freight transport service at Maersk Line Ethiopia in general and other container shipping companies based the findings of the study.

1.6 Research Hypothesis

Based on the empirical and theoretical litrature review, the following hypothesis were developed.

H1: H_0=Tangability has significant effect positive impact on customer satisfaction.
H_1=Tangibility has no significant positive impact on customer satisfaction.

H2: H_0=Reliability has significant positive impact on customer satisfaction.

H_1=Reliability has nosignificant positive impact on customer satisfaction.

H3: H_0=Responsiveness has significant positive impact on customer satisfaction.

H_1=Responsiveness has no significant positive impact on customer satisfaction .

H4: H_0=Assurance has significant positive impact on customer satisfaction.

H_1=Assurance has no significant positive impact on customer satisfaction.

H5: H_0=Empathy has significant positive impact on customer satisfaction.

H_1=Empathy has no significant positive impact on customer satisfaction .

1.7 Significance of the Study

As indicated in the objectives of the study the aim of the study is to examin factors influencing quality service in containers shipping service provided by Maersk Line Ethiopia. The study expected to provide an additional insight to the existing knowledge on factors determining the service quality in container shipping companies.

In addition to this the finding of the study also expected to contribute or could be used as a source of information to those who are interested in conducting further studies on the area of factors influencing service quality in containers shipping service providing companies in particular or other service providing companies.

More importantly the finding to be obtained in the study will provide an input to Maersk Line Ethiopia and also to Maersk group to take further necessary measures to strengthen quality of its service provision. In addition it will also contribute for the company to identify key areas of service that needs improvement to deliver service quality and performance of the company.

1.8 Scope of the Study

This study focused on identifying the possible factors determining service quality in container shipping service by focusing on Maersk line Ethiopia.The sudy focuse on identifying factors detrmining the company’s service quality only from the customers perspective. In addition to this the study focused on those customers that have office in Addis Ababa.

On the other hand, the study tried to identify the service quality detrminants on Maersk line Ethiopia containor shipping in export trade. In addition to this, the study emperically examined factors detrmining the service quality based on a proposed service quality dimensions.

1.9 Limitation of the Study

The study face some limitation in obtaining the necessary and unbiased information especially from primary data obtained from distributed self-administered questionnaire. On the other hand, the study's dependency on limited sample size because of a possible financial and time constraint could be taken as addition limition.

However to deal with this problem, in addition to taking extra care in developing self-administered questionnaire, additional questionnaire were distributed in case of the presence of non-respondents.

1.10 Organization of the Research Report

The study contains five main parts. Background, statement, purpose, significance, scope and limitation of study were included the introduction part of the study. In addition the research question of the study also be presented in this section. In the next chapter a review of related literature was presented. The literature part includes conceptual framework, theoretical and empirical reviews.

In the third part of the study the methodological issues were presented. In this section source and type of data used, the method of data analysis is presented. Also in this section, the identified factors influencing the service quality were defined. Most importantly in this part of the study explanation of the model was made.

In the fourth part of the study the results and empirical findings of this study was presented. In this part of the report each of the research questions of this study was addressed. In addition discussions also be made on the finding of the results.

Finally summary, conclusion and recommendation of the study was presented.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Models for measures service quality.

In recent years, the service industry has become the dominant sector of the economy and relevant studies show that the service quality variable is an essential condition to the success and survival of the firms in today‘s competitive environment.

Service quality has been a frequently studied topic in the service marketing literature. Efforts to understand and identify service quality have been undertaken in the last three decades. In this case the SERVQUAL model was very important. The SERVQUAL model was made of ten dimensions of service quality when created; tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding the customer, and access. But later on these dimensions were reduced to five dimensions focusing on human aspects of service delivery .i.e. Tangibles, Reliability, Accurately, Responsiveness and Assurance (Daniel & Berinyuy, 2010; Kang & James, 2004).

The SERVQUAL model represents service quality as the discrepancy between a customer’s expectations of service offering and the customer’s perceptions of the service received. This makes it an attitude measure. What this model strives to measure exactly is the consumer perception of the service quality which depends on the size of the gap between expected service and perceived service which in turn, depends on the gaps under the control of the service provider such as delivery of service marketing. This measurement of service quality is based on both on how consumer evaluates the service delivery process and the outcome of the service, (Daniel & Berinyuy, 2010).

However despite its wide application in measuring service quality, SERVQUAL model was not free from critics. Some of the critics include the use of difference scores, dimensionality, applicability and the lack of validity of the model, especially with respect to the dependence or independence of the five main variables (Kang & James, 2004).

Another model for measuring service quality developed was SERVPERF model. This model is 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 (Daniel & Berinyuy, 2010).

The SERVPERF model conforms more closely on the implications of satisfaction and attitude literature. It revealed three main service quality dimensions such as Personal interaction quality, Physical service environment quality, and Outcome quality.

A scholar named Teas also developed an evaluated performance (EP) model in order to overcome some of the problems associated with the gap in conceptualization of service quality. This model measures the gap between perceived performance and the ideal amount of a feature not customers expectation. Later, due to questionable validity of the model because of conceptual and definitional problems, Tea revised expectation measures specified in the published service quality literature to ideal amounts of the service attributes (Daniel & Berinyuy, 2010).

2.1.2 SERVQUAL Model

SERVQUAL model was developed by Parasuraman, Zeithaml and Berry in 1985 to measure service quality measuring by comparing the expected quality with the perceived one. This model has been known as the GAP Model. The pioneers of the model have developed the made by analyzing five different types of gaps that may happen during service delivery: Gap 1 – the difference between customer expectations and the managerial perception of them; Gap 2 – the difference between customer's expectations as seen by the management and service quality standards; Gap 3 – the difference between quality standards and actual service delivery; Gap 4 – the difference between service delivery and external communications; and Gap 5 – the difference between the expected service and the experienced one, this last difference being the sum of all four previous gaps (Morar & Ioan Plăiaș, 2014). The model is designed to measure service quality by capturing respondents' expectations and perceptions along the five dimensions of service quality.

2.1.3 Service quality

Service marketing is a sub-discipline of the traditional domain of marketing. The discipline has its origin in the 1980s when the questions of how services were different from goods and whether the marketing and management of services should be classified as a separated discipline were frequently discussed topics. The Two important aspects within Service Marketing are service encounters and service quality (othelius & wemmert, 2014).

Service quality has been identified and documented as one of the key driving forces for organizational survival, sustainability and is crucial for the firm's accomplishment. It has been defined and conceptualized differently by different experts, researchers and practitioner. It is a result of the comparison that customers make between their expectations about a service and their perception of the ways the service has been performed. Service providers want to know what customers, both internal and external, care about. Service quality is a good guess. Price, and to a minor degree product quality, also count (Benjamin, 2012).

Service quality results from a comparison of what customers feel a service provider should offer (i.e. their expectations) with the provider's actual performance. It is a measure of how well the service level delivered matches customer expectations. Delivering quality service means conforming to customer expectations on a consistent basis. In addition delivering quality service is fundamental to corporate success since it is closely linked to obtaining profits (Chapman, n.d.).

In general service quality is considered be an important tool for a firm's struggle to differentiate itself from its competitors. The relevance of service quality to companies is emphasized here especially the fact that it offers a competitive advantage to companies that strive to improve it and hence bring customer satisfaction (Daniel & Berinyuy, 2010).

2.1.4 Dimensions of service quality

According to Ratanakomut & Kitcharoen (2013), SERVQUAL's five main dimensions of service quality are reliability, tangibility, responsiveness, empathy and assurance. The

SERVQUAL model is a common diagnostic tool used to measure customer service and perceived satisfaction.

Reliability is the service company ability to deliver promises on time. Meanwhile Responsiveness is the degree to which customers perceive service providers' readiness to assist them promptly. Assurance is the degree of courtesy of service providers' workers and their ability to communicate trust to customers. Empathy is the care and importance the service provider gives to an individual customer, and the degree to which specific customer needs and preferences can be understood and articulated. Lastly, Tangibility is the evidence of facilities, personnel, and communication materials used by the company while offering services to customers (Loke et al, 2011).

SERVQUAL is a concise multiple-item scale with good reliability and validity that retailers can use to better understand the service expectations and perceptions of consumers and, as a result, improve service. By his instigators, SERVQUAL has been designed as a generic measure that could be applicable across a broad spectrum of services. It provides a basic skeleton through its expectations/perceptions format encompassing statements for each of the service quality dimensions. However the various replications undertaken have highlighted a number of areas of both theoretical and psychometric concern and this criticism has focused on a number of aspects on SERVQUAL model (Kulašin & Fortuny-Santos, 2005).

2.1.5 Shipping transport and its contribution to merchandise trade and economy

In recent years both in developed and developing countries, the service sector becoming the dominant element an economy. A service sector accounted an increasing percentage of Gross domestic products of many countries especially developed countries. Among a number of services, a sea transport service is back bone of many a countries.

A sea transport activity comprises the actual shipping of the goods and interactions between the transport provider and the customer during this activity. Container liner shipping is the primary mode of transporting general cargo across continents. It plays an important role to facilitate global trade, production and distribution activities (Zhang & Lam, 2014).

Historically, the shipping industry has been characterized as a non-competitive industry was a limited number of large actors controlled the market. However, some important industrial and structural changes have radically changed the market conditions and the market structure for shipping companies (Othelius & Wemmert, 2014).

The development of containerization in the 1960s has been described as revolutionary for sea transportation. Introduced to the shipping business in the 1970s, the containerized shipping became the major driver for the development of the global trade as it essentially lowered the transportation costs. As a result, the liner shipping business experienced an extensive growth. Thus, shipping companies has become an important link in global supply chains (Othelius & Wemmert, 2014).

International container shipping industry experiences important innovation after the 1980s. This is caused by the progress of Asian shipping to stay abreast of the economic development and the authorization of the revised US Shipping Act in 1984 (Huang, 2016).

The shipping market has experienced a structural change in regard of how the industry coordinate, divide and price the shipping services. For a long time period, the shipping industry was dominated and controlled by large trading nations who made collaborative agreements regarding prices, division of routes and sharing of operational activities through conferences. These changes have turned the shipping industry into a significantly more competitive industry (Othelius & Wemmert, 2014).

The liner shipping industry is the portion of the maritime industry that includes all operations and related infrastructure involved in scheduled ocean-borne shipping. It consists of liner vessels and the people working on-board these vessels, ports, shipbuilding operations, long shore dock workers, shipbuilders, and all other on-shore support staff. Liner shippers transport most of the high unit-value consumer and intermediate goods, including ocean containerized cargo, vehicles, and other mobile machinery. The industry operates on all oceans and many of the navigable inland waterways world-wide, benefitting consumers and exporters globally (IHS Global, 2009).

Liner shipping carries the majority of the world's ocean-borne trade in value terms and facilitates a significant portion of the merchandise trade of the world. The industry has contributed to advances in the standard of living of most of the world's population in the last 35 years, as the gains from trade through advancing global commerce were enabled by the reliable, efficient and relatively low-cost transportation provided by the industry (IHS Global, 2009).

Liner shipping is the service of transporting goods by means of high-capacity, ocean-going ships that transit regular routes on fixed schedules. Liner vessels, primarily in the form of containerships and roll-on/roll-off ships, carry about 60 percent of the goods by value moved internationally by sea each year. Liner shipping is the most efficient mode of transportation of goods. In one year, a single large containership could carry over 200,000 container loads of cargo. While individual ships vary in size and carrying capacity, many container ships can transport up to 8,000 containers of finished goods and products on a single voyage (The Maritime Industry Knowledge Centre, 2017).

The industry is a crucial segment of the global economy and contributes significantly to world economic output. The liner industry has been essential to the facilitation and expansion of world trade, contributing to global economic growth and improvements in the standard of living in both developed and developing countries. The industry is the largest sector of the maritime industry when measuring the value of world trade transported, moving about 60% of global seaborne trade (IHS Global, 2009).

In general more than 90 per cent of global trade is carried by sea. Throughout the last century the shipping industry has seen a general trend of increases in total trade volume. Increasing industrialization and the liberalization of national economies have fuelled free trade and a growing demand for consumer products. The industry plays a very significant role in sustaining these economic activities. With the global competition in current global economics, the strategy to get competitive advantage in shipping industry turns to be an important issue (Huang et al, 2015; IMO, 2012).

Container shipping industry in particular faces serious challenge not only limits to fierce competition but also influenced by global economy and financial situation. Since

container/ liner shipping is a global industry, its activities are deeply affected by numerous factors such as freight rates, currency exchange rates, bunker prices and uncertainty of global supply chain (Huang, 2016). However most importantly ensuring service quality in their service delivery is very important for those companies engaged in container freight transport service.

2.2 Empirical literature

2.2.1 Studies on service quality on container shipping service providers:

Yuen & Thai (2015) conduct a study to identify the dimensions of service quality in liner shipping and examine their effects on customer satisfaction. The study used interview method to obtained the necessary data from six qualified industry practitioners. In addition an online survey of 183 liner shippers in Singapore as an indicators of service quality in liner shipping. Also the dimensions of service quality in liner shipping were identified and their effects on customer satisfaction were also examined.

The study find out that service quality n liner shipping can be represented by four key quality dimensions. In descending order of their impact on customer satisfaction, the study rank as reliability, speed, responsiveness and value. Service differentiation by time-related attributes as pert this study found out to be in greater customer satisfaction than practising cost leadership in liner shipping.

Huang et al, (2015) conduct a study to investigate service quality of Asian liner shipping industry by focusing on a group of anonymous leading liner shipping companies. Quality function deployment (QFD) method is implemented to conduct the assessment of the services and facilities for customer satisfaction. The stsudy focuse on a group of anonymous leading liner shipping companies.

One of the major finding of study indicates that customer of liner shipping service tends to purchase a complete transport service including other logistics services. The important technical measures are the implementation of ISO 9001 framework, cheaper service and exemption on terminal handling fee.

Suthum Phongsamran (2016) also conduct a study regarding factors that affect service quality of ocean freight transportation of Maersk Line (Thailand) Ltd. The study was conducted by gathering information from 100 customers through distributing questionnaire and information from other sources.In this study the in addition to identifying factors that affect service quality of ocean freight transportation, authors also tried to measure the level of customer's satisfaction to improve service quality of the company.

The study concluded that only factor of Reliability was found in most satisfaction level while Tangibility, Responsiveness, Empathy, and Assurance were in satisfaction level. On the other hand the study found out that different Sex, Age, Position, Routing, and Using Period have no effect on Customer's satisfaction. In addition Service Quality of Tangibility, Reliability, and Empathy are related with Customer's satisfaction at Static Significance Level of 0.05.

2.2.2 Studies on service quality in other service providers:

Previously a number of studies were conducted regarding the issues of service quality in various service providing compnies and sectors using SERVQUAL and other service quality measurement models. Thus this part of the study reviewed some of those studies.

Ratanakomut & Kitcharoen (2013) conduct a study regarding factors affecting service quality of passenger service department in airlines focusing on Air Asia, Thailand. In this post graduate study the authors invetigate whether and how factors affecting service quality of Passenger Service in the stated airlines. The study used focus group discussion and interview.

As per customer satisfaction Survey Summary, the authors found out that baggage waiting time, queue time at check-in counter, baggage condition, delay handling, hot seat priority were the top issues of service areas that are not meeting passengers' expectation that the airlines should look in to it for corrective actions and improvement. Mean while as per focus group discussion, they found out that all of the respondents have agreed that both personal and operational factors have a relationship with service quality. Some of the personal factors identfied in the study are personality, language competency,

attitude,health, income and benefits while some of the operational factors are workloads, working environment, equipment and machines, staff training, company policy, quality control.

Regarding manpower analysis and planning the study found out that passenger service department of the company has manpower issue since the workload and manpower is not balanced. The study concluded that some staff have personality and attitude issue which causes passenger unsatisfied and skill training and product training for Passenger Service Department is not adequate. The study further concluded that most of the staff has no idea about international quality control standard (ISO) due lack of proper training on the issue.

Francis & Balasubramanian (2010) in their part condut a study investigating factors affecting service quality among Indian Airline service providers. The aim of the study was to identify key factors contributing to service quality as perceived by the passengers. The study take a sample of 200 respondents were selected and a convenience sampling method was used. The data was obtained from questionnaire distributed questionaire.

In the study the authors found out that Price, Politeness of crew members, Consistency between communication and experience, Check in of luggage and convenience of flight-timings are the top five factors of service quality as perceived by the passengers. The study indicated that passenger perceives service quality as a combination of the three dimensions namely physical, interaction and corporate and all the three dimensions have to be given equal priority by the Indian Airline service providers.

Dr.R.Kavitha (2012) conduct a study on examining factors influencing service quality gap between expected service and perceived service focusing on Sri Gokulam Hospital in Tamilnadu province India. SERVQUAL model has been used to measure the service quality.The main aim of the study was to identify the factors based on the quality dimensions such as Tangibles, Reliability, Responsiveness, Assurance, and Empathy that influence the quality gap.

The author used questionnaire to measure the service quality gap by dimension wise. In this study based on convenience sampling method a samples of 100 patients are selected to measure the quality gap. The study found out regarding quality gap between the expected and perceived service, all the independent factors have no relation with respect to all the dimensions. The exception being age as an independent factor influences the quality gap in respect of the dimensions assurance and empathy and also all the dimensions combined together. In addition to this education and monthly income as another factor influence the quality gap in respect of reliability and empathy dimensions. On the other hand the quality gap is not influenced by any of the factors. In general the study concluded that the quality of service provided by the hospital is uniformly good irrespective of the individual patient's position / status.

2.3 Conceptual Framework

Service quality has been defined as "the outcome of an evaluation process where the consumer compares his expectations with the service he/she has received or the difference between expected service and perceived service. In this case issue of satifactions appears. Satisfaction can be defined as an evaluative, affective, or emotional response and is the post-purchase evaluation of products or services given the expectations before purchase (Pai & Chary, 2012).

Service quality is a focused evaluation that reflects the customer's perception of specific dimensions of service namely reliability, responsiveness, assurance, empathy, tangibles. Its perceptions stem from how well a provider performs vis-à-vis customers' expectations about how the provider should perform. Here it should be noted that quality is rated not only on the result of service but also on the whole process.

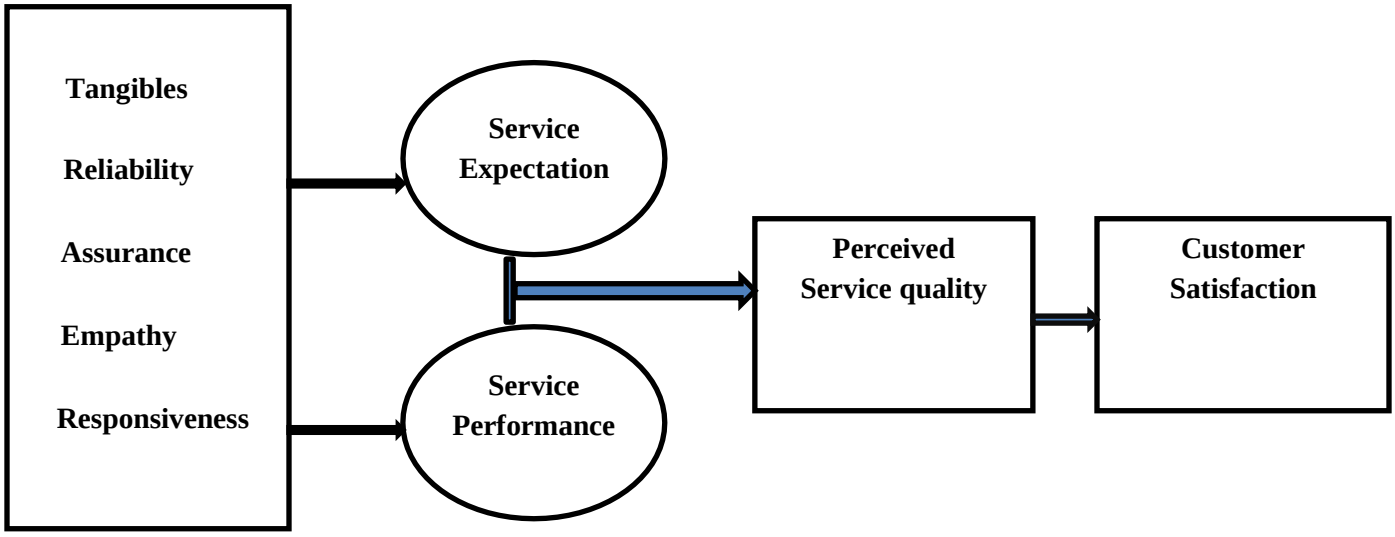
Since the quality of service relate to customer's expectations as well as their perception of the service, service quality is difficult to assess. Usually there are three levels of assessment of quality services i.e Good, Satifactory and Poor. In order to measure the dimensions of service quality from servvice delivery, a number of models were developed. Among them the SERVQUAL model is widely known. Thus SERVQUAL model was used in study to measure level and staus of service quality in sea freight

transport service by focusing on such service currently provided by Mearsk Line Ethiopia.

But before enagaging in the task of measure the service in this particular company, a conceptual framework the study first has to be designed. This is since conceptual framework maps out the actions required in the course of the study given the researchers's prior knowledge obtained from other researchers' point of view and his observations on the given subject of a research. In other words, the conceptual framework is the researcher's understanding of how a particular variables in a study connect with each other.

Bearing this in mind, the conceptual framework for the this study is given below. This conceptual framework is obtained from a study made by Ojo, Suleman, Mireku, & Mireku (2014).

Figure 1: Conceptual Framework



Source:- Daniel & Berinyuy (2010)

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents research approach, research method, research design, population and sampling, procedure of data collection and method of data analysis to be used by the study. In addition survey related reliability, validity and ethical considerations are presented.

3.1 Research Reasoning Approach

Bhattacherjee (2012) explains that theories and observations are the two pillars of science, and scientific research also operates at two levels: theoretical level and empirical level. The theoretical level is concerned with developing abstract concepts about a natural or social phenomenon and relationships between those concepts (i.e., build ―theories‖), while the empirical level is concerned with testing the theoretical concepts and relationships to see how well they match with our observations of reality, with the goal of ultimately building better theories.

On the other hand, according to Bhattacherjee (2012), the goal of deductive research is to test concepts and patterns known from theory using new empirical data. Hence deductive research is theory-testing research which is the objective of the research under consideration. The goal of theory-testing is not just to test a theory, but also to refine, improve, and possibly extend it.

3.2 Research Approach

The most important problem after defining the research problem was preparing the design of the research project, which is popularly known as the "research approach. A research approach helps to decide upon issues like what, where, how much, by what means, etc., with regard to an enquiry or a research study

.A research approach is the arrangement of conditions for collections and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research approach is the conceptual structures with in which

research is collected; it constitutes the blue print for the collection, measurement and analysis of data (Setltiz, 1962). Thus, research approach provides an outline of what the research is going to do in terms of farming the hypothesis its operational implications and the final data analysis.

According to Farhadi (2009) broadly classified the research approach as exploratory, descriptive, and explanatory. The author further defined exploratory research as a research approach which has a primary objective to insights into and understanding of the problem situation tackling the research and descriptive research as a type of a research approach that has a purpose to describe something. Moreover, if the research is concerned with learning of why (i.e. how one variable produces changes in another) the research is said to be explanatory. And hence to addresses the research questions, this study has used both descriptive and explanatory research approach. Moreover, this research has followed a causal and cross sectional research approach.

3.1 Data collection

When conducting a research, there are different ways to consider in approaching the research problem. According to Creswell (2009), there are three research designs which involve quantitative, qualitative and combination of the two. According to Cooper et.al (2003) as cited by Farha di (2009) quantitative research helps to determine the relationship between an independent variable and a dependent variable in a population. It also used to explain causal relationships to facilitate generalization and to predict the future whereas qualitative research methods provide a complete picture of the situation by increasing the understanding of social process and interrelations.

Based on the objectives of the study and the availability of relevant information, this study has used quantitative research design which helps to arrive at possible research final destination efficiently. The quantitative approach was applied to examine the relationship between the dependent variable (i.e. Service Quality) and the independent variables (i.e. Tangibilty, Reliability, Responsiveness, Empathy and Assurance).

3.2 Research Method

Interview, questionnaire and focus group discussions are the three known types of research methods. Focus groups are formally organized, structured groups of individuals brought together to discuss a topic or series of topics during a specific period of time (Marczyk, DeMatteo and Festinger(2005, pp.154). Questionnaire is a method of deciding how the sample is to be surveyed (e.g., by mail, by phone, in person) and developing the specific questions that will be used Marczyk, DeMatteo and Festinger(2005, pp.152). Interview is qualitative data required to understand in-depth motivations for people's behavior or feelings Adams (2007, pp.111). This study has used questionnaire to conduct information from respondents because it was helpful to collect large amount of information in short period of time with larger sample size. Second, it was also the easiest method to analyze scientifically than other forms of research methods. Finally, this method was a relatively cost effective and also can be carried out by the researcher or by any number of people with limited affect to its validity and reliability.

3.3 Population and Sampling

All the items under consideration in any field of inquiry constitute a population. According to Davis, population is defined as "the complete set of units of analysis that are under investigation, while element is the unit from which the necessary data is collected" (Davis 2000, p. 220).

3.3.1 Population

Population is defined as "the complete set of units of analysis that are under investigation, while element is the unit from which the necessary data is collected" (Davis 2000, pp. 220). As stated in the scope of the study, the research has tried to examine factors affecting service quality in Maersk Line. Therefore the target population of the research was all customers of Maersk Line.

3.3.2 Sample size and sampling procedure

As per the avalibale information obtained from the company, currently Mearsk line Ethiopia has 350 registred customers. Since the the target population is already known, the below presented formula was used. The study used simple random sampling method.

$$n = \frac{n_0.N}{n_0 + (N-1)}, \quad N=350$$

Where n_0 is given by $\frac{\mathbf{z^2\ p(1-p).}}{\mathbf{e^2}}$ Here $\mathbf{z}^{2=}$ 1.96, **p**=50% (0.5) and **e=95% (0.05).**

$n_{0=\ 1.96^{2.}} \frac{0.5(1-0.5)}{(0.05)^2} = 384.6$. Thus $n_{o\ =}$ **384.**

On the other hand since $n = \frac{n_0.N}{n_0 + (N-1)} = \frac{384.\ 350}{384 + (350-1)} = 183.$

Thus using the above mentioned formula the intial sample size for study found to be 183.

However, many researchers commonly add 10% to the sample size to compensate for persons that the researcher is unable to contact (Israel, 2013). Sampling error is inversely related to the size of the sample i.e., sampling error decreases as the sample size increases and vice-versa (Kothari, 2004, p.154). Taking all into consideration, the researcher distributed a total number of 201 questionnaires by adding 10% (on 183).

3.4 Data collection instruments

The researcher used primary data as a source of data. The means to collect the primary data was through self- administered questionnaire. The questionnaire has two parts. The first part is regarding the general informatio of respondents and the second part encompasses the items to measure the five dimensions of service quality which is based on works of Ratanakomut & Kitcharoen (2013). Apart from the first part, the rest was measured by using 5 point Likert scale ranging from "strongly agree" to "strongly disagree". A measure for tangibles has five items. It was adopted from the works of

Kannan(2010). The dimesion of reliability has als five items. The dimensions of responsiveness and empathy have three items and finally assurance dimension has four items. The items were adopted from the works of Kannan(2010). The model used in this research has also been empirically tested by other researcher.

3.5 Procedures for data collection

As the researcher believes that legally operating translation offices have the experience and proficiency in translation, the questionnaire was translated into the local language of Amharic by one of these offices. The Amharic version of the questionnaire was presented for those respondents who have a low command of the English language. After the translation was done, the researcher has modified the questionnaire when necessary.

At the time of approaching the voluntary respondents, they were asked with which version of the questionnaire they would be at ease to fill; the English or the Amharic version and then given accordingly. The respondents were customers of Maersk Line Ethiopia.

3.6 Reliability Test

Reliability is the degree to which the measure of a construct is consistent or dependable (Bhattacherjeend, 2012, p.57). The reliability test was executed by Cronbach's alpha coefficient and items which scored above the acceptable value were retained. Out of the 25 copies of questionnaires sent out 20 questionnaires were completed and returned. As per Tavakol & Dennick (2011) if a test has more than one concept or construct, it may not make sense to report alpha for the test as a whole as the larger number of questions will inevitable inflate the value of alpha. In principle therefore, alpha should be calculated for each of the concepts rather than for the entire test or scale.

According to Zikmund et al., (2010) scales with coefficient alpha between 0.6 and 0.7 indicate fair reliability, a Cronbach’s alpha score of .70 or higher are considered as adequate to determine reliability. An alpha coefficient of = 0.959 was obtained. Thus, the data generation was reliable and free of random errors.

Table 3.2 Reliability Analysis of the Variables

Measurement	Number of items	Cronbach's alpha
Tangibles	4	.887
Reliability	4	.813
Responsiveness	3	.857
Assurance	4	.825
Empathy	3	.808
Reliability of all items	18	.959

(Source: Researcher's survey, 2017)

3.7 Validity Analysis

Validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested, (Kothari, 2004). In other words, Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. In order to ensure the quality of the research design content and construct validity of the research was checked.

According to Kothari (2004) Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it. Based on this the content validity was verified by the professionals In addition, pilot survey was conducted to receive feedback on the questionnaire before using it for final survey

3.8 Method of Data Analysis

In different research design, data analysis methods should be related with the type of research method chosen for the study. As mentioned in the previous section, primary data

was collected in this study. To conduct the analysis exhaustively, the data was analyzed with the combination of both descriptive statistics like mean, frequency, standard deviation of the variables and inferential statics like correlation analysis to examine direction and significant of the correlation of the variables considered under this study and regression analysis to examine the relationship between the dependent variable.

Simple mean and tabulation was applied to get clear picture about the first part of the questionnaire about the respondents. Then, in order to get inference about the model and its applicability, inferential statics was used .By applying a bivariate correlation analysis, the researcher tried to see the influence of brand awareness, brand association, perceived quality, and finally brand loyalty on the overall brand equity. This was accomplished in order to pinpoint the causal relationship of the independent variables in relation to the dependent variable. In order to accomplish all the above requirements, the researcher has used software to analyze the data. As a result, SPSS version 20 was applied to analyze the collected mass of data.

3.9 Ethical Considerations

The researcher firmly believes that the collection of data from human subjects will raise important ethical considerations. These range from legitimacy to moral issues and usually involves trade-offs between competing pressures in a given situation. A researcher needs to be mindful of the damage that can occur to themselves, the academic community and to the respondents when undertaking research. In this study, the researcher has followed all the ethical procedures. The participants in the study were selected with full consent and informed to respond for questionnaires with confidence and understanding the purpose of the thesis; and the researcher has reassured that the collected information kept confidential

CHAPTER FOUR
ANALYSIS AND DISCUSSIONS

Introduction

In this chapter, the collected data are summarized and analyzed in order to realize the ultimate objective of the study. Accordingly, the demographic profiles of the respondents, the service quality of the company based on the measurements are discussed. At last, summary of the findings are presented.

4.1 Data cleaning and Editing

Out of 211 Questionnaires distributed to customers 190 questionnaires were returned and found to be valid which accounts 90.04 percent of the total. For technical questions a likert scale between 1 and 5 was applied and to check that there is no outliers a descriptive statistics which show the minimum and maximum is made and it is found that all answers were within the range of 1 and 5 the results are attached with Appendix2.

4.2 Test of normality of the Data

Normality was assumed due to the large sample size. The assumption of normality is important to select the data analysis method (Greene, et al.,1994). Thus testing whether the sample data differ significantly from normal is important in addition to sample adequacy.

The normality probability plots were plotted to assess normality and the values skewness and kurtosis should be zero in normal distribution: positive values of skewness indicate a pile-up score on the left of the distribution, whereas negative values indicate a pile-up on the right. The further the value is from zero, the more likely it is that the data are not normally distributed (Field, 2005).

A common rule of thumb test for normality is to run descriptive statistics to get skewness and kurtosis. For normal data the values of skewness and kurtosis should be between -2 and +2(Hair, et al., 1998).

Normality analysis for the six variables was conducted. As a result, all the 6 variavles in this study are within -2 and +2 range. This indicates that they are normally distributed.

Table 4.1. : Normality of distribution using Descriptive statistics

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Tangibles	190	-.801	.254	.227	.503
Reliability	190	-.265	.176	-.674	.351
Responsiveness	190	-.029	.176	.003	.351
Assurance	190	-.758	.176	-.958	.351
Empathy	190	-.875	.176	.438	.351
Customer satisfaction	190	-.896	.176	-.319	.351
Valid N (listwise)	190				

Source: Researcher's Survey, 2017

4.3 Descriptive Statistics

4.3.1 General profile of respondents

To find out general background of customers of Maersk Line, the respondents were asked their visiting frequency, export items, export destinations, and their experience with Maersk Line. The results obtained from the structured questionnaires are represented on the tables below.

Table 4.3: Frequency of visiting Maersk

	Frequency	Percent
WEEKLY	11	5.8
EEVERY OTHER WEEK	15	7.9
MONTHLY	39	20.5
OTHER	125	65.8
Total	190	100.0

Source: Researcher's Survey, 2017

As shown on the above table from 190 respondents majority of them visit Maersk Line ireegularily. (65%). Those who visit the company account for 20.5% of the total respondents. From this it can be said that customers visit Maersk whenever they are able to import or export based on their schedule.

Table 4.4 Export Item

		Frequency	Percent
	COFFEE	86	45.3
	PULSES	33	17.4
	FRUITS, VEGETABLES OR FLOWER	44	23.2
	OTHER	27	14.2
	Total	190	100.0

Source: Researcher's Survey, 2017

As depicted on the table 4.4 from 190 respondents 86(45.3%) are coffee exporters.17.4% of the respondents are engaged in the export of pulses. Fruits and vegetables account for 23.2%. from this one can say that majority customers of Maersk Line are coffee exporters.

Table 4.5. Export destination

		Frequency	Percent
Valid	AFRICA	18	9.5
	ASIA	27	14.2
	EUROPE	68	35.8
	AMERICA	46	24.2
	MIDLLE EAST	31	16.3
	Total	190	100.0

Source: Researcher's Survey, 2017

As can be seen from the table above Out of 190 respondents 35.8% of them export to Europe, 24.2% to America, 16.3% to the Middle East, 14.2% to Asia and the rest 9.5% to Africa. From this it can be summarized that Europe is the main export destination for Maersk Line customers.

Table 4.6 Experience with Maersk Line

		Frequency	Percent
Valid	LESS THAN 1YEAR	6	3.2
	BETWEEN 1 AND 5 YEARS	69	36.3
	MORE THAN FIVE YEARS	115	60.5
	Total	190	100.0

Source: Researcher's Survey, 2017

Based on Table 4.5. out of 190 respondents majority of them 115(60.5%) have been working with Maersk Line for more than five years. Those who have been working with the company between 1 and 5 years account for 36.3%. from this it can be said that the company's loyal customers are those that have been working with it for more than 5 years.

Table 4.7 Descriptive statistics for Tangibles

	Maersk Line has modern looking equipment	Maersk Line has visually attractive physical facilities	Employees of Maersk Line are well dressed and appear neat	Maersk Line has visually attractive materials e.g receipts	Maersk Line has a convenient waiting area for customers
Strongly Disagree	0(0%)	0(0%)	0(0%)	0(0%)	0(0%)
Disagree	6(3.2%)	5(2.6%)	0(0%)	0(0%)	7(3.7%)
Neutral	12(6.3%)	10(5.3%)	3(1.6%)	3(1.6%)	25(13.2%)
Agree	121(63.7%)	94(49.5%	86(45.3%)	73(38.4%)	95(50%)
Strongly Agree	51(26.8%)	81(42.6%)	101(53.2%)	114(60%)	63(33.2%)

Source: Researcher's Survey, 2017

As can be seen from the table above, for the first item of Tangibles dimension, majority of the respondents said that Maersk Line has modern looking equipment. For the second item of Tangibles dimension, 42.6% and 49.5% of the respondents strongly agree and agree that Maersk Line has visually attractive physical facilities. 5.3% of the respondents were neutral and the rest 2.6% of the respondents disagree with the statement.

With regards to the third item, those saying "strongly agree" and "agree" amount to 53.2% and 45.3% respectively. No respondent was found to strongly disagree or disagree with the statement. From this it can be said that the employees of Maersk Line dress professionally. When looking at the fourth item, 98.4% of the respondents (adding those who strongly agreed and agreed) claimed that Maersk Line uses visually attractive materials related to its service. E.g receipts. When we see the last item, 50% and 33.2% of the respondents agree and strongly agree that Maersk Line has a convenient waiting area. Out of the total respondents, 13.2% of them were neutral with the statement. From this it can be said that the company has a comfortable waiting area for its customers.

Table 4.8 Descriptive statistics for Reliability

	Employees of Maersk provide correct information & execute customers request accurately	Employees provide the needed information when requested	Employees show sincere interest in solving customer's problem	Maersk Line provides services atthe time it is promised	Employees keep customers informed about when the service will be provided
Strongly Disagree	1(0.5%)	25(13.2%)	26(13.7%)	23(12.1%)	2(1.1%)
Disagree	14(3.2%)	23(12.1%)	39(20.5%)	24(12.6%)	1(0.5%)
Neutral	44(23.2%)	18(9.5%)	45(23.7%)	8(4.2%)	59(31.1%)
Agree	102(53.7%)	48(25.3%)	59(31.1%)	66(34.7%)	80(42.1%)
Strongly Agree	29(15.3%)	76(40.0%)	21(11.1%)	69(36.3%)	48(25.3%)

Source: Researcher's Survey, 2017

According to the table above, the respondents who agree and strongly agree with the first item of reliability amount to 53.7% and 15.3% respectively. Those who are neutral make up 23.2%. the rest which are 3.2% and 0.5% represent those customers who disagree and strongly disagree with the statement respectively.

For the second item, those who agree and strongly agree with the statement sum up to 25.3% and 40.0% respectively. 9.5% of the respondents are neutral with the statement. Those who strongly disagree and disagree amount to 13.2% and 12.1% respectively.

In the case of the third item, 11.1% goes to those respondents who strongly agree and 31.1% to those who agree with the statement. Those who disagree and strongly disagree make up 20.5% and 13.7% respectively and those claiming neutral add up to 23.7%.

Considering the fourth item, 71% of the respondents (adding those who agree and strongly agree) said that Maersk Line provides service at the time it is promised. On the

other hand, 24.7% of the respondents feel that the service is not provided at the time it is promised. 4.2% of the respondents are neutral with the statement. For the last item, 25.3% are those who strongly agree, 42.1% who agree and 31.1% who are neutral.

Table 4.9 Descriptive statistics for Responsiveness

	Employees of Maersk give a prompt service	Employees are always willing to help customers	Maersk Line has a quick service delivery mechanism with no down time
Strongly Disagree	2(1.1%)	6(3.2%)	0(0%)
Disagree	1 (0.5%)	20(10.5%)	0(0%)
Neutral	59(31.1%)	75(39.5%)	0(0%)
Agree	80(42.1%)	67(35.3%)	101(53.2%)
Strongly Agree	48(25.3%)	22(11.6%)	89(46.8%)

Source: Researcher's Survey, 2017

As can be seen from the table above, majority of the respondents agree that employees of Maersk Line give a prompt service. 31.1% of the respondents are neutral with the statement. For the second question of the responsiveness dimension, 11.6% are those who strongly agree, 35.3% are those who agree, 39.5% are those who are neutral. Those who disagree with the statement amount to 10.5%.

When we see the last question of the responsiveness dimension, majority of the respondents agree that Maersk Line has a quick service delivery mechanism with no down time.

Table4.10 Descriptive statistics for Assurance

	Employees of Maersk are courteous with customers	I feelsafe when working with Maersk Line	The behavior of employees instills confidence in me	Employees have adequate knowledge to answer my questions
Strongly Disagree	18(9.5%)	13(6.8%)	44(23.2%)	45(23.7%)
Disagree	29(15.3%)	30(15.8%)	15(7.9%)	10(5.3%)
Neutral	8(4.2%)	12(6.3%)	22(11.6%)	10(5.3%)
Agree	87(45.8%)	65(34.2%)	70(36.8%)	82(43.2%)
Strongly Agree	48(25.3%)	70(36.8%)	39(20.5%)	43(22.6%)

Source: Researcher's survey, 2017

As per the table above, 25.3% of the respondents and 45.8% of the respondents strongly agree and agree with the statement "Employees of Maersk Line are courteous with customers". 24.8% of the respondents do not agree that employees are courteous with customers.

Considering the second item of Assurance dimension, those who feel safe when working with Maersk Line amount to 70 %(adding 36.8% and 34.2%). 6.3% of the respondents are neutral with the statement. Those who showed a strong disagreement and a disagreement amount to 6.8% and 15.8% of the total respondents.

More than 55% of the respondents have confidence on the service provided by Maersk Line. 11.6% of the respondents are neutral with the statement. Those who strongly disagree and agree amount to 7.9% and 23.2% respectively.

Considering the last question, more than 65% of the respondents believed that employees

have adequate knowledge to answer customer's questions. Those who strongly disagree add up to 23.7%.

Table 4.11 Descriptive statistics for Empathy

	Employees of Maersk understand my specific needs	Employees give individualized attention	Maersk Line has a convenient operating hours to all customers
Strongly Disagree	4(2.1%)	5(2.6%)	3(1.6%)
Disagree	13 (6.8%)	27(14.2%)	21(11.1%)
Neutral	45(23.7%)	49(25.8%)	6(3.2%)
Agree	72(37.9%)	68(35.8%)	91(47.9%)
Strongly Agree	56(29.5%)	41(21.6%)	69(36.3%)

Source: Researcher's survey, 2017

According to the table above, 29.5% of the respondents are those who strongly agree, 37.9% are who agree with the statement that employees understand the specific needs of customers. 23.7% of the respondents are neutral with the statement.

Considering the second item of Empathy dimension, more than 67% of the respondents claim that the employees of Maersk give them individualized attention. On the other hand, 16.8% of the respondents do not agree with the statement.

When we see the last item, majority of the respondents said that Maersk Line has convenient operating hours for its customers.

Table 4.12 Descriptive statistics for Customer Satisfaction

	Overall I am satisfied with the service of Maersk Line	I feel I do the right thing when I choose Maersk Line	The service provided by Maersk is beyond my expectation
Strongly Disagree	8(4.2%)	12(6.3%)	12(6.3%)
Disagree	20 (10.5%)	29(15.3%)	33(17.4%)
Neutral	27(14.2%)	14 (7.4%)	10(5.3%)
Agree	74(38.9%)	70(36.8%)	91(47.9%)
Strongly Agree	61(32.1%)	65(34.2%)	44(23.2%)

Source: Researcher's survey, 2017

As can be seen from the above table, more than 70% of the respondents mentioned that they are satisfied with the services of Maersk Line. Almost 15% of the respondents said that they are not satisfied with the service of Maersk Line.

For the second item, those who strongly agree and agree amount to 34.2% and 36.8% respectively. Those who showed a strong disagreement and a disagreement amount to 6.3% and 15.3%.

Considering the last question, majority of the respondents said that the service provided by Maersk Line is beyond their expectation.17.4% and 6.3% represent those respondents who said that the service provided by the company is not beyond their expectation. The rest 5.3% showed a neutral response.

4.4 Mean and Standard Deviation

In order to analyze the respondent's customer satisfaction, a total of 23 questions were grouped into five dimensions. These are Tangibles, Reliability, Responsiveness, Assurance and Empathy.

In order to compare the respondent's customer satisfaction, descriptive statistics of mean and standard deviation are used. The mean indicates to what extent the sample group averagely agrees or disagrees with different statements. The higher the mean, the more the respondents agree with the statement while the lower the mean the more the respondents disagree with the statement. In addition Standard Deviation shows the variability of an observed response. The results are discussed one by one below

4.4.1 Tangibility

Tangibility refers to the appearance of physical facilities, equipment, personnel and Communication materials. Accordingly the mean value of tangibility is

4.33 and as it can be seen from the Table4.8. Out of the 5 questions asked under tangibility dimension the highest mean score is obtained on the statement "Maersk Line has virtually attractive materials like receipts" and the lowest mean score is obtained on the statement "Maersk Line has a convenient waiting area for customers". This result indicates that generally the company has visually attractive materials related to its service.

Table 4.8. Descriptive Statistics of Tangibility

	N	Mean	Std. Deviation
Maersk Line has modern looking equipments	190	4.1421	.66334
Maersk Line has virtually attractive physical facilities	190	4.3211	.69547
Employees of Maersk Line are well dressed and appear neat	190	4.5158	.53181
Maersk Line has virtually attractive materials like receipts	190	4.5842	.52530
Maersk Line has a convenient waiting area for customers	190	4.1263	.77312
Tangibles	190	4.3379	.40959
Valid N (listwise)	190		

4.4.2 Reliability

Reliability is the ability to perform the promised service dependably, accurately and consistently. It is performing the service right the first time. It also means that the firm honors its promises. Reliability of service designates the service firms capability to supply the promised output at the stated level. Accordingly the mean value of reliability is 3.61. The highest mean score is obtained on questions no.5 thus respondents agree that employees provide correct information about the time the service will be provided. The lowest mean score is obtained on question no.3 which asks whether the employees show sincere interest to solve customer's problems.

Table 4.9. Descriptive statistics of Reliability

	N	Mean	Std. Deviation
Employees of Maersk Line provide correct information& execute customers request accurately	190	3.7579	.81929
The employees of Maersk Line provide the needed information when requested	190	3.6684	1.43669
Employees of Maersk Line show sincere interest in solving customer's problems	190	3.0526	1.22900
Maersk Line provides services at the time they promised to do so	190	3.7053	1.38681
Maersk Line employees keep customers informed about when the service will be provided	190	3.9000	.82005
Reliability	190	3.6168	.71812
Valid N (listwise)	190		

Source: Researcher's Survey, 2017

4.4.3 Responsiveness

Responsiveness refers to the prompt response to the service need of the customer and the readiness of employees to provide service. It is the speed and timeliness of service delivery. This includes the speed of overall services rendered and the ability of the service to respond promptly to customer service requests, with minimal waiting and queuing time. When the customer is kept waiting for no apparent reason creates unnecessary negative perceptions of quality. Conversely, the ability for the service firm to recover quickly when service fails and exhibit professionalism will also create very positive perceptions of quality. This dimension touched on subjects as information about the request by customers being authorized promptly, communication of new products to customers and handling of customer professionally.

As it can be noted from the table below the mean score of responsiveness is 3.92. The highest mean score is obtained on question number 3. With this majority of the customers agree that the company has a quick service delivery mechanism. On the other hand lowest values were scored on the second question which asks about the willingness of the staffs to help customers.

Table 4.10. Descriptive statistics of responsiveness dimension

	N	Mean	Std. Deviation
Employees of Maersk Line give a prompt service	190	3.9000	.82005
Employees of Maersk Line are always willing to help customers	190	3.4158	.93761
Maersk Line has a quick service delivery mechanism	190	4.4684	.50032
Responsiveness	190	3.9281	.59695
Valid N (listwise)	190		

Source: Researcher's Survey, 2017

4.4.4 Empathy

Empathy is providing caring and individualized attention to customers to make them feel they are receiving caring services and individualized attention. Service empathy characterizes both the service provider's willingness and capability to respond to individual customer desires. This means putting one's self in the shoes of the customer. The mean score of Empathy is 3.83 Majority of the respondents agree that Maersk Line has a convenient operating hours for its customers. The lowest mean score is obtained on the question which asks whether the employees .give an individualized attention for customers.

Table 4.11. Descriptive Statistics for Empathy

	N	Mean	Std. Deviation
Employees of Maersk Line understand my specific needs before I tell them	190	3.8579	.98980
Employees of Maersk Line give an individualized attention	190	3.5947	1.05859
Maersk Line has a convenient operating hours for its customers	190	4.0632	.99001
Empathy	190	3.8386	.89661
Valid N (listwise)	190		

Source: Researcher's Survey, 2017

4.4.5 Assurance

Assurance is the knowledge and courtesy of employees and their ability to convey trust and confidence so that the customer feels he or she is in courteous, able and competent hands. It relates to the capability of the service provider to deliver the output, specifically in terms of the knowledge, politeness and trustworthiness of the employees to the customer of the service firm. This dimension is about the behavior and ability of the employees to instill confidence, secure transactions, courtesy of the employees and the knowledge of the employees to answer questions from customers. Accordingly assurance has a mean score of 3.62.The variable which contributes the highest score is the question which asks about the feeling of safety with the service of Maersk Line and the lowest value was scored by the question which asks about the behavior of the service staffs

Table 4.12. Descriptive statistics of Assurance

	N	Mean	Std. Deviation
Employees in Maersk Line are courteous with customers	190	3.6211	1.27391
I feel safe when working with Maersk Line	190	3.7842	1.28102
The behavior of employees in Maersk Line instills confidence in me.	190	3.2368	1.46627
Staffs in this service firm are polite and courteous	190	3.3579	1.49011
The employees have adequate knowledge to answer my questions	190	3.5000	1.32363
Assurance	190	3.6211	
Valid N (listwise)	190		

Source: Researcher's Survey, 2017

Table 4.13. Descriptive Statistics for Service quality dimensions

	N	Mean	Std. Deviation
Tangibility	190	4.3379	.40959
Reliability	190	3.6168	.71812
Responsiveness	190	3.9281	.59695
Empathy	190	3.8386	.89661
Assurance	190	3.5000	1.32363
Valid N (listwise)	190	4.3379	

Source: Survey 2017

4.4.6 Customer Satisfaction

As explained in the literature review, customer satisfaction involves the fulfillment of customers' anticipation of the goods and services. Customers become satisfied if the performance of the good or service is equivalent to, or even surpasses, the original expectation.

The mean score for the customer satisfaction is 3.3092. from the three questions which contributed for the total mean value the highest score was found on the third question which asks whether the expectations are meet or not in the after sales service department and the lowest score was obtained on the question asked whether the customers fill they do the right thing while choosing the service firm.

Table 4.14. Overall Customer satisfaction level

	N	Mean
Overall I am satisfied with the service of Maersk Line	190	3.8421
I feel I do the right thing when I choose Maersk Line	190	3.7737
The service provided by Maersk is beyond my expectation	190	3.6421
Customer satisfaction	190	3.7526
Valid N (listwise)	190	

Source: Researcher's Survey, 2017

4.5 Inferential statistical analysis

4.5.1 Correlation Analysis

Table 4.15 correlation analysis between after sales service quality dimensions and customer satisfaction

Correlation

		Tangibles	Reliability	Responsiveness	empathy	Assurance	Customer Satisfaction
Tangibles	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	190					
Reliability	Pearson Correlation	.486**	1				
	Sig. (2-tailed)	.000					
	N	190	190				
Responsiveness	Pearson Correlation	.563**	.591**	1			
	Sig. (2-tailed)	.000	.000				
	N	190	190	190			
Empathy	Pearson Correlation	.408**	.555**	.374**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	190	190	190	190		
Assurance	Pearson Correlation	.578**	.735**	.694**	.564**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	190	190	190	190	190	
Customer satisfaction	Pearson Correlation Sig.	.647**	.740**	.696**	.582**	.947**	1
	(2-tailed)	.000	.000	.000	.000	.000	
	N	190	190	190	190	190	190

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

Source: Researcher's Survey (2017)

This study employs correlation analysis, which investigates the strength of the relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo and Festinger, 2005). General guidelines of correlations of .01 to .03 are considered small, correlations of 0.3 to 0.7 are considered moderate, correlations of 0.7 to 0.9 are

considered large and correlations of 0.9 to 1.00 are considered to be very large (Marczyk, Dematteo and Festinger, 2005). Depending on these assumptions, all basic constructs were included into the correlation analysis and a bivariate two tailed correlation analysis was done.

The coefficients show that the five factors measuring service quality were all positively related with the customer satisfaction within the range of 0.582 to 0.947, all were significant at $p<0.01$ level. Three independent variables Tangibles, Responsiveness and Empathy show a moderate level of positive relation (0.647, 0.696 and 0.582 respectively) while the other two independent variables Reliability and Assurance show a large level of positive relation with customer satisfaction (0.740and 0.947). Table4.14 also shows the correlation of the independent variables within themselves. It can be noted that all variables are positively correlated with each other where the strongest correlation goes to the one between Assurance and Reliability (0.735) followed by Assurance and responsiveness (0.635).

4.5.2 Regression Analysis

4.5.2.1 Diagnosis Test

Before running a regression analysis tests were conducted in order to ensure the appropriateness of the data for the assumptions of regression

1. Normality assumption

Normality of a data should be test before running the regression analysis because multiple regressions require that the independent variables in the analysis be normally distributed. According to Brooks (2008), as cited by Abate (2012) if the residuals are normally distributed, the histogram should be bell- shaped and thus this study implemented graphical methods to test the normality of data. From the Histogram figure it can be noted that 4.1 the distribution is normal curve, demonstrating that data witnesses to the normality assumption.

As the assumption holds as the histogram was a bell- shaped and the residuals were normally distributed around its mean of zero.

2. Linearity test

Linearity refers to the degree to which the change in the dependent variable is related to change in the independent variable. To determine whether the relationship between the dependent and independent variables the normal probability plots were used to test the normality assumption as shown by the Normal P P-Plot Figure 4.2 as you can see from the graph below.

As shown in the Figure below residuals were normally distributed around its mean of zero which indicates that the data were normally distributed and it was consistent with a normal distribution assumption. As the figures confirmed the normality assumption of the data, this implies that the inferences made about the population parameters from the sample statistics tend to be valid.

3. Multicollnearity Test Assumption

In regression, multicollinearity occurs when independent variables in the regression model are more highly correlated with each other than with the dependent variable When the independent variables the regression model is highly correlated with one another; they are basically measuring the same thing. In other words, when two variables are highly correlated, they both communicate essentially similar information. One way to assess multicollinearity is to examine correlations among the independent variables. If a correlation matrix demonstrates correlations of 0.90 or higher among the independent variables, they may be a problem with multicollinearity. Hair et al. (2006) argued that correlation coefficient below 0.90 may not cause serious multicollinearity problem, as cited by Muhammed (2012). Multicollinearity can also be detected using tolerance value and variance inflator factor (VIF) value.

Multicollinearity does not exist among all the independent variables provided that the tolerance value of all the independent variables was greater than 0.1 and the VIF values of all the independent variables are also less than 10. As you can see from Table 4.16 below all independent variables are greater than 0.1 tolerance and the VIF value of all the independent variables are also less than 10.

4. Homocedasticity

This assumption tells us that for each value of the predictors the variance of the error term should be constant. Said in another way, Homoscedasticity is an assumption in regression analysis that the residuals at each level of the predictor variables have similar variances. That is, at each point along any predictor variable, the spread of residuals should be fairly constant. For a basic analysis, we first plot *ZRESID (Y-axis) against *ZPRED (X-axis) on SPSS because this plot is useful to determine whether the assumptions of random errors and homoscedasticity have been met (Field, 2009).

The graph of *ZRESID and *ZPRED should look like a random array of dots evenly dispersed around zero. If there is any sort of curve in this graph, then, the chances are that the data have broken the assumption of linearity (Field, 2009). As can be seen in the scattered plot below, the residuals at each level of explanatory variables look like they are evenly dispersed around zero and that the graph is not something like cone shaped. Therefore, it is safe to say that this study has no homoscedasticity problem.

4.5.2.2 Analysis of Regression

In order to see the contribution of factors thpe customer at shape customer satisfaction in Maersk Line Ethiopia, a regression analysis was employed. Customer satisfaction was used as a dependent variable while the underlying dimensions were used as independent variables.

Table 4.17 Regression analysis of Customer Satisfaction

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant) Tangibles	-1.023	.308		-3.323	.001
Reliability	.376	.078	.133	4.847	.000
Responsiveness	.095	.053	.059	1.787	.004
Assurance	.048	.061	.025	.788	.031
Empathy	.687	.033	.786	20.730	.000
	.054	.035	.042	1.557	.021

a. Dependent Variable: customer satisfaction

b. Predictors(Constant), Tangibles, Reliability, Responsiveness, Assurance and Empathy

Similarly, the regression table shows the overall significance/acceptability of a model from a statistical perspective. As the significance level of F statistics shows a value of (.000), which is less than $p<0.05$. Thus, the model is significant which indicates that the variation explained by the model is not due to chance.

As stated earlier, this study aims to identify the most contributing independent variable in the prediction of the dependent variable. Thus, the strength of each predictor(independent variable) influencing the criterion(dependent variable) can be investigated via standardized Beta coefficient. The regression coefficient explains the average amount of change in the dependent variable that is cuased by a unit change in the independent variable. The larger the value of Beta coefficient an independent variable has, the more powerful it becomes in predicting the dependent variable. Assurance, Tangibles, Reliability, Empathy and Responsiveness were found to be a determinant of Customer satisfaction in Maersk Line Ethiopia.

As can be seen from the model summary in appendix 6 the adjusted R square statistic tells us the proportion of variance in the dependent variable that is accounted by the independent variables. In this case, the coefficient of determination adjusted R^2 was 0.914. This implies that about 91.4% of the dependent variable can be explained by the independent variables, leaving about 8.6% to be explained by other exogenous factors. Adjusted R2 values also indicate the overall effect size of all the independent variable on the dependent variable.

According to Table 4.17 the standardized coefficients for the five independent variables, Tangibles, Reliability, Responsiveness, Assurance and Empathy are 0.376, 0.095, 0.048, 0.687, 0.054 and their significance levels are .000, .004,.031, .000, and .021 respectively which are less than 0.05. This indicates a significant relationship between the independent variables and the dependent one. Since, coefficients of the predictor variables are statistically significant at less than five percent; alternative hypothesis related to all independent variables were accepted.

The coefficient table for service quality dimensions indicates the beta values of the independent variables. From this the regression equation is derived as:

Regression Equation

$Y = a + bX1 + bX2 + bX3 + bX4\ldots$

$CS = -1.023 + 0.376Tan + 0.095Rel + 0.048Res + 0.687Ass + 0.054Emp$

Where,

CS = Customer satisfaction Tan = Tangibility

Rel = Reliability

Res = Responsiveness Ass = Assurance

Emp = Empathy

The regression model from table4… above result shows that keeping other variables constant a 0.376 unit increase in Tangibles will bring a unit increase in customer satisfaction.

A 0.095 unit increase in Reliability will bring a unit increase in customer satisfaction. A 0.048 unit increase in Responsiveness will bring a unit increase in customer satisfaction. A 0.687 unit increase in Assurance will bring a unit change in customer satisfaction. A 0.054 unit change in Empathy will bring a unit change in customer satisfaction.

4.5.2.3 Hypothesis Testing

Table 4.22. Summary of the overall outcome of the regression analysis and hypotheses testing

Hypotheses	Result	Analysis Technique	Reason
H-1: H_0=Tangability has significant effect positive impact on customer satisfaction. H_1=Tangibility has no significant positive impact on customer satisfaction.	Ho: Accepted	Multiple Regression	β=0.376 P<0.05
H-2: H_0=Reliability has significant positive impact on customer satisfaction. H_1=Reliability has no significant positive impact on customer satisfaction.	Ho: Accepted	Multiple Regression	β=0.095, P<0.05
H-3 : H_0=Responsiveness has significant positive impact on customer satisfaction. H_1=Responsiveness has no significant positive impact on customer satisfaction .	Ho: Accepted	Multiple Regression	β=0.048, P<0.05
H-4: H_0=Assurance has significant positive impact on customer satisfaction. H_1=Assurance has no significant positive impact on customer satisfaction.	Ho: Accepted	Multiple Regression	β=0.687, P<0.05
H-5 : H_0=Empathy has significant positive impact on customer satisfaction. H_1=Empathy has no significant positive impact on customer satisfaction .	Ho: Accepted	Multiple Regression	β=0.054, P<0.05

Source: Researcher's survey, 2017

4.7.2.4 Discussion

As it can be seen on the table above all explanatory variables significantly and positively affect the dependent variable customer satisfaction at ($p<0.05$).This study is also consistent with the study made by Wu Shuqin. And Gang, L. (2012) they conducted an empirical study on the relationship between after sales service qualities in China Automobile sector and they found that fairness, empathy, reliability and convenience have significant positive impact on customer satisfaction.

As we can see from the Beta coefficients Empathy dimension is the dominant service quality dimension followed by reliability, tangibility and assurance respectively.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter winds up the study undertaken so far by giving insights about summary and conclusions and recommendations.

5.1 Summary and Conclusion

The primary objective of this study was to examine factors affecting customer satisfaction in Maersk Line Ethiopia. . To satisfy this interest a descriptive as well as inferential analysis were done and the summary of the findings and implications are presented below.

- As stated above, in order to asses customer satisfaction. The study considered five determinants of customer satisfaction namely: Tangibles, Reliability, Responsiveness, Assurance and Empathy. A sample size was selected using a random sampling technique. Based on the the theoretical framework, and objectives of the study, 23 items were provided in a 5 point Likert scale to the respondents. The gathered data were analyzed by a means of descriptive and inferential statistics using SPSS version 20 software.
- Descriptive results showed that out of the total participants of the study, 5.5% of them visit the company weekly, 7.9% on every other week, 20.5% monthly and majority of them (65.8%) out of the these times. Coffee dominates the export items by accounting 45.3% followed by fruits, vegetables and flowers that account for 23.2%. when we see the export destinations, Europe, America, Middle East, Asia and Africa are in their descending order. Lastly when looking at the experience with the company, majority of the customers(60.5) are not new customers that have more than five years of work experience with Maersk Line Ethipia.
- The highest mean is scored with Tangibles dimension 4.3379, followed by Responsiveness 3.9281, Empathy 3.8386, Reliability 3.6168 and Assurance 3.5000.
- Overall customer satisfaction is above satisfactory level that is 3.7526.
- As correlation results showed all the five dimensions of SERQUAL are positively correlated with customer satisfaction.

- Assurance is found to have the highest positive correlation with customer satisfaction (0.947) followed by reliability (0.740), responsiveness (0.696), tangibility (0.647) and that of Empathy is (0.582) besides the findings of the inter correlation results show that the highest correlation is between assurance and reliability (0.735) followed by assurance and responsiveness (0.694), and the lowest inter correlation is between empathy and responsiveness (0.374).
- The multiple regression analysis tells us that all the explanatory variables together correlate with the dependent variable customer satisfaction at R=91.4% and they explain 91.4% or (R square= 0.914 variation in the level of customer satisfaction.
- To test the hypotheses and also to identify the dominant service quality dimension the researcher has performed a multiple regression analysis and found that assurance is the most dominant dimension followed by tangibility, reliability, empathy and responsiveness. All dimensions of SERVQUAL have a significant and positive effect on customer satisfaction.
- Majority of the respondents were coffee exporters.
- As per the result for the five dimensions whose results were significant (Tangibility, reliability, responsive, empathy and assurance) a one unit change in each dimension individually will have 0.376, 0.095, 0.048, 0.054 and 0.687 unit change in the dependent variable.
- From the mean results of all dimensions (Responsiveness dimension 3.9281, Reliability 3.6168, Empathy 3.8386 Tangibility 4.3379 and Assurance 3.5000,) we can say that customers of Maersk Line Ethiopia are somewhat in between dissatisfaction and satisfaction with the service.
- At the beginning of the study it was hypothesized that the five determinants of customer satisfaction had a positive and significant impact on customer satisfaction in Maersk Line Ethiopia. After the analysis was done, the findings showed that the dimension of Tangibles has a strong effect on customer satisfaction. Even though the other variables did not strongly influence customer satisfaction, the hypotheses drawn were accepted because they had a significant and positive impact on customer satisfaction in Maersk Line Ethiopia.

5.2 Recommendations

This research has assessed the factors affecting customer satisfaction in Maersk Line Ethiopia. The results obtained confirm that all of the service performance dimensions (Tangibles, Empathy, Reliability, Responsiveness and assurance) have a positive and significant impact on customer satisfaction. Based on the findings and conclusions of the study the following recommendations are forwarded to the management of customer service department of Maersk Line Ethiopia.

- As per the findings of the study Assurance dimension was the dominant service performance dimension which highly affects customer satisfaction and also has the highest positive correlation with customer satisfaction however customers were found less satisfied on this dimension as it is clearly put on the mean values. One way of addressing this could be by treating customer with great respect and courtesy, training employees to better serve customers and go far beyond the expectation, in a way it meets the customer's need.

- Tangibles dimension is considered as one most important dimension next to assurance dimension. Even though the mean value of this dimension is not bad but to improve it to a better one Maersk Line should strive for a better improvement of its physical facilities and equipment.

As the service quality dimensions represent 91.4% of the variation in customer satisfaction is due to a change in the five dimensions of customer satisfaction. This implies that the company should give a prime attention to these dimensions to attract new customers and retain the old ones.

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Annex-1 : Questionar (English)

Survey on Service quality provided by Maersk Line Ethiopia in Addis Ababa

Dear Respondent

My name is Rahel Lemma. I am currently conducting a research as part of a partial fulfillment of the requirements for the degree of Master of Art in Marketing Management. The purpose of the research is to assess the service rendered by Maersk Line in Addis Ababa. All information obtained will be used for academic purpose only. Hence be assured that your responses will not be revealed to anyone. Please answer all the questions as they are vital for the success of this research.

For more information please contact me via 0911826426

Thank you in advance for your utmost cooperation.

Part I General information questions

Please insert a tick mark in the boxes you choose answer

1) How often do you visit Maersk Line?

Weekly ☐ every other week ☐ Monthly ☐ Other ☐

2) What do you export?

Coffee ☐ Pulses ☐ Alcoholic beverages ☐ other ☐

3) Which countries are your import and export destinations?

Africa ☐ Asia ☐ Europe ☐ America ☐ Middle East ☐ other ☐

4) How long have you been working with Maersk Line?

Less than 1year ☐ between 1 and 5 years ☐ More than 5 years ☐

Part II Service Quality dimensions

Please reply to the following statements by showing your level of agreement / disagreement on each by putting a "√" mark.

	Dimensions	Rating Scale				
		Strongly Disagree	**Disagree**	**Neither agree nor disagree**	**Agree**	**Strongly Agree**
I	**Tangibles Dimension**					
1	Maersk Line has modern looking equipment					
2	Maersk Line has visually attractive physical facilities					
3	Employees of Maersk Line are well dressed and appear neat.					
4	Maersk Line has visually attractive materials (e.g receipts) associated with its service					
5	Maersk Line has a convenient waiting area for customers					
II	**Reliability Dimension**					
1	Employees of Maersk Line provide correct information and execute customers request accurately					
2	The employees of Maersk Line provide the needed					

	information when requested					
3	Employees of the Maersk Line show sincere interest in solving customer's problem					
4	Maersk Line provides services at the time they promise to do so					
5	Maersk Line employees keep customers informed about when service will be performed					
III	**Responsiveness Dimension**					
1	Employees of Maersk Line give a prompt service					
2	Employees of Maersk Line are always willing to help customers					
3	Maersk Line has a quick service delivery mechanism with easy access and no down time					
IV	**Assurance Dimension**					
1	Employees in Maersk Line are courteous with customers					
2	I feel safe when working with Maersk Line					
3	The Behavior of employees in Maersk Line instills confidence in me					
4	The employees have adequate knowledge to answer					

	my questions.					
V	**Empathy Dimension**					
1	Employees of Maersk Line understand my specific needs before I tell them					
2	Employees give me an individualized attention					
3	Maersk Line has convenient operating hours to all customers					
VII	**Customer Satisfaction**					
1	Overall I am satisfied with the services of Maersk Line					
2	I feel do the right thing when I choose Maersk Line					
3	The service provided by Maersk Line is beyond my expectation					

Annex-2 : Questionar (Amharic)

በአዲስ አበባ በመርስክ ላይን ኢትዮጵያ በተሰጠ የአገልግሎት ጥራት ጥናት

የተከበሩ መልስ ሰጪ

ስሜ፣ ራሔል ለማ ይባላል። በዚህ ወቅት በማርኬቲንግ ማኔጅመንት የማስተርስ ዲግሪ መስፈርት ከፊል ማሟያ የሚሆን ጥናት እያከናወንኩ እገኛለሁ። የጥናቱ አላማ በአዲስ አበባ በመርስክ ላይ የተሰጠ አገልግሎት ለመዳሰስ ነው። የምናገኘው መረጃ በሙሉ ለአካዳሚክ አላማ ብቻ ጥቅም ይውላል።

በመሆኑም የእርስዎ ምላሽ ለማንኛውም ሰው እንደማይሰጥ እርግጠኛ ይሁኑ። እባክዎን ለዚሁ ጥናት ወሳኝ እንደመሆናቸው መጠን ጥያቄዎቹን በሙሉ ባለቡት ይመልሱ።

ለበለጠ መረጃ እባክዎን 0911 82 64 26 ከእኔ ጋር ይገናኙ።

ለላቀ ትብብርዎ በቅድሚያ አመሰግናለሁ።

ክፍል 1 ጠቅላላ የመረጃ ጥያቄ

እባክዎን በመረጡት መልስ ሳጥኑ ላይ የራይት ምልክት ያስገቡ

1. መርስክ ላይን ምን ያህል ጊዜ ይጉበኙታል

በየሳምንት ☐ በየሁለት ሳምንት☐ በየወሩ☐ ሌላ

2 ወደ ውጭ የምትልኩት ምንድነው

ቡና☐ ጥራጥሬ ☐የአልኮል መጠጥ☐ ሌላ

3 የሚልኩበት አና የሚያስመጡበት መድረሻ ሀገራት የትኞቹ ናቸው።

አፍሪካ ☐ ኤስያ☐ አውሮፓ ☐አሜሪካ ☐ መካከለኛ ምስራቅ ☐ ሌላ

4 ከመርስክ ላይን ምን ያህል ጊዜ እየሰሩ ቆይተዋል፡፡

ከአንድ አመት በታች ☐ በ1-5 አመት መካከል ☐ ከ5 አመት በላይ

ክፍል ሁለት የአገልግሎት ጥራት ገጽታ

እባክዎን በሚከተሉት እያንዳንዱ አረፍተ ነገር የመስማማት ወይም የአለመስማማት ደረጃዎን የቲክ

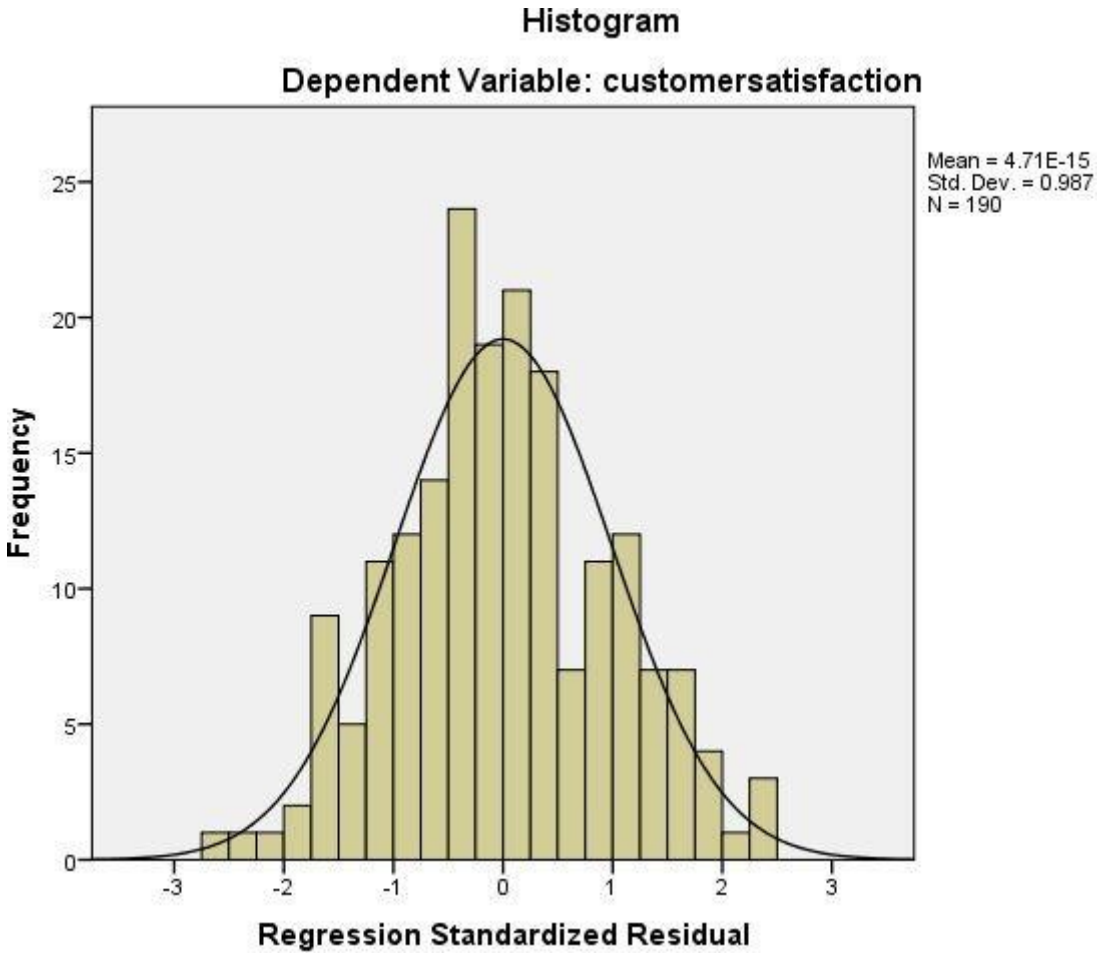
ምልክት በማስቀመጥ ምላሽ ይስጡ

ተቁ	ገጽታ	ደረጃ መስጫ				
		በጣም አልስማማም	አልስማማም	በሁለቱም አልስማማም	እስማማለሁ	በጣም እስማማለሁ
1	ተጨባጭ ገጽታውን					
2	መርስክ ላይን አይን የሚስቡ አካላዊ ፋሲሊቲ አለው					
3	የመርስክ ሰራተኞችንፀህ እና በአግባቡ የለበሱ ናቸው					
4	መርስክ ላይን ከአገልግሎቱ ተ›ማጅ የሆኑ አይንን የሚስቡ ማቴሪያሎች/ለምሳሌ ደረሰኝ፣ አሉት					
5	መርስክ ላይን ደንበኞች የሚጠቀሙበት ምቹ ቦታ አለው					
II	የገጽታው አስተማማኝነት					
1	የመርስክ ላይን ሰራተኞች ትክክለኛ መረጃ የሚሰጥ እና የደንበኞች ጥያቄን በትክክል ይፈጽማሉ					
2	የመርስክ ላይን ሰራተኞች ሲጠየቁ የተፈለገ መረጃ ይሰጣሉ፡፡					

3	የመርስክ ላይን ሰራተኞች የደንበኞችን ችግር በመፍታት ረገድ ቅን ፍላጐት ያሳያሉ፡፡					
4	መርስክ ላይን የህንኑ ለማድረግ ቃለ በገቡበት ጊዜ አገልግሎት ይሰጣሉ፡፡					
5	የመርስክ ላይን ሰራተኞች አገልግሎቱ የት እንደሚከናወን አስመለክቶ ደንበኞች መረጃ እንዲኖራቸው ያደርጋሉ፡፡					
III	የምላሽ ሰጪነት ገጽነት					
1	የመርስክ ላይን ሰራተኞች ተገቢ አገልግሎት ይሰጣሉ፡፡					
2	የመርስክ ላይን ሰራተኞች ደንበኞቹን ለመርዳት ዘወትር ፍላጐት አላቸው					
3	መርስክ ላይን ቀላል በሆነ ተደራሽነት የሚዘገይ ጊዜ ሳይኖር ፈጣን የአገልግሎት መስቻ ዘዴ አለው፡፡					
IV	የማረጋገጫ ገጽታ					
1	የመርስክ ላይን ሰራተኞች ከደንበኞች ጋር ተሳስበው ይሰራሉ፡፡					
2	ከመርስክ ላይን ስሰራ ደህንነት ይሰማኛል፡፡					
3	በመርስክ ላይን ያሉ ሰራተኞች ባህሪ ከምጠብቀው ባላይ ሆኖ አግኝቼዋለሁ፡፡					

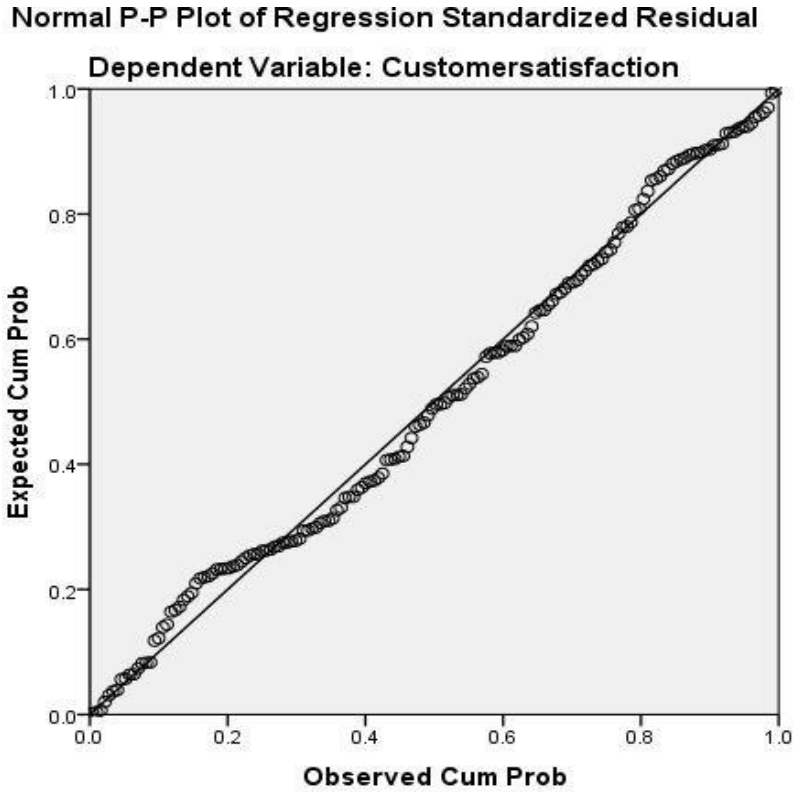
Annex-3 : Diagnostic tests

Annex- 3 Normality test



Source: Researcher's Survey, 2017

Annex- 4 Linearity test



Source: Researcher's Survey, 2017

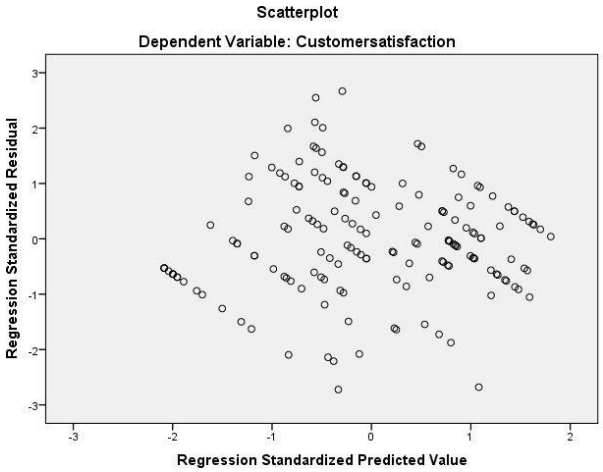
Annex 5 Multicollinearity analysis

Model		Collinearity Statistics	
		Tolerance	VIF
1	Tangibility	.211	4.738
	Assurance	.884	1.131
	Empathy	.196	5.107
	Reliability	.311	3.219
	Responsiveness	.109	9.214

a. Dependent Variable: Customer satisfaction

Source: Researcher's Survey, 2017

Annex 6 Homoscedacity



Source: Researcher's Survey, 2017