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ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

**THE INFLUENCE OF PERCEIVED PRICE FAIRNESS AND
SERVICE QUALITY ON CUSTOMER SATISFACTION:
THE CASE OF MARATHON MOTOR ENGINEERING PLC.**

**BY
TSILAT ALLEBEL**

**JUNE ,2020
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO THE ST. MARY'S UNIVERSITY,
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ADDIS ABABA, ETHIOPIA

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DEDICATION

I, the undersigned, declare that this thesis is my original work prepared under the guidance of Temesgen Belayneh (Ph.D.). All sources of materials used for this thesis have been duly 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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St. Mary's University, Addis Ababa June,2020

ENDORSEMENT

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

Advisor

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St. Mary's University, Addis Ababa June,2020

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ACRONYMS AND ABBREVIATIONS

CS -customer satisfaction,

PP-perceived price fairness,

TG-tangibility,

RL- reliability,

RP-responsiveness,

AS- assurance,

EM-empathy,

ϵ -error term,

β_0 -Constant Term,

MME-Marathon Motor Engineering.

SPSS - Statistical Package for the Social Sciences

ANOVA - Analysis of variance

NGO- Nongovernmental Organization

ABSTRACT

The main purpose of this study was to assess the influence of perceived price fairness and service quality on customer satisfaction: the case of marathon motor engineering plc. in Addis Ababa. The study considered perceived price fairness and five Service quality dimensions namely, Tangibility, Reliability, Responsiveness, Assurance, and Empathy, to measure the level of customer satisfaction. The study used primary and secondary data as its source. The research was quantitative by design and the researcher pursued Descriptive study. The researcher selected 342 respondents using non-probability (convenience) sampling technique. Statistical methods such as descriptive statistics, correlations and multiple regression were used to analyze the quantitative data gathered through questionnaire and the data was analyzed using IBM SPSS software. The correlation analysis result showed perceived price fairness and service quality dimension has a strong significant and positive relationship with customer satisfaction. The study also showed that on the overall the variations in the customer satisfaction from the highest to the lowest have been explained by perceived price fairness followed by tangibility, assurance, reliability empathy and responsiveness respectively. Based on study results the researcher concluded that majority of the customers are satisfied with the services of Marathon Motor Engineering PLC. It is also the recommendation of this research that Price fairness perception is crucial variable due to its direct relationship with the company's goals and its interaction with the brand preference of customers.

Key words: customer satisfaction, perceived price fairness, Tangibility, Reliability, Responsiveness, Assurance, and Empathy

CHAPTER ONE

INTRODUCTION

1.1 Background of The Study

One important factor that has been considered in many exchange relationships is price, which is the financial value that is given out in exchange for a product. According to Kotler and Armstrong (2010), price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service. However, Stanton et al (1994) defined price as the amount of money or goods needed to acquire some combination of other goods and its accompanying services. Anderson et al (1994) emphasized price as an important factor of consumer satisfaction, because whenever consumers evaluate the value of an acquired service, they usually think of the price. Usually the lower the perceived price the lower perceived sacrifice (Zeithaml,1988). Then, more satisfaction with the perceived price and overall transaction are created. On the other hand, it is also possible that consumers use the price as a clue. It implies that lower monetary price or perceived price does not guarantee higher satisfaction. Consumers usually judge price and service quality by the concept of " equity ", then generate their satisfaction or dissatisfaction level (Oliver,1997). Recently, marketing literature showed researchers' inclination towards price fairness in relation with customer satisfaction (Hermann et al., 2007; Kumar-Kinney et al., 2007; Martin-Consumer et al.,2007). Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable, or justifiable (Xia et al., 2004; Kukar-Kinney et al., 2007). Price fairness is a very important issue that leads toward satisfaction. Charging fair price helps to develop customer satisfaction and loyalty. In another study of Herrmann et al., (2007), it was concluded that customer satisfaction is directly influenced by price perceptions while indirectly through the perception of price fairness. The price fairness itself, the way it is fixed and offered have a great impact on satisfaction.

Service quality according to Wong and Perry is defined as the perception of the assessment of the results of the evaluation process in which consumers compare their expectations with the services, they perceive they will get. Service quality is considered as one of the main driving factors for customer satisfaction recognized as reality. Research has shown repeatedly that service quality

influences organizational outcome such as performance superiority, increasing sales and market share, improving customer relations, enhance corporate image and promote customer satisfaction. Service quality is one of the critical success factors that influence the competitiveness of an organization. An automotive industry can differentiate itself from competitors by providing high quality service. Consumers always associate prices with service quality.

Consumers satisfaction has been considered one of the most important constructs (Morgan et al., 1996; McQuay et al., 2000), and one of the main goals in marketing (Erevelles and Leavitt, 1992). Satisfaction plays a crucial role in marketing because it is a predictor of purchase behavior (repurchase, purchase intentions, brand choice and switching behavior) (Oliver, 1993; McQuitty et al., 2000).

When consumers are satisfied with the product/brand, they are more likely to recommend the product to others, are less likely to switch to other alternative brand, and are likely to repeat purchase (Bennett and Rundle-Thiele, 2004). Many related empirical studies (Szymanski and Henard, 2001; Johnson et al., 2001; Cronin et al., 2000; Blomer et al., 1999; Oliver, 1999; Bloemer and Ruyter, 1998; Zeithaml et al., 1996) reported that satisfied consumers demonstrate more loyal behavior.

An automobile (also motor car or simply car) is a wheeled passenger vehicle that carries its own motor. Most definitions of the term specify that automobiles are designed to run primarily on roads, to have seating for one to eight people, to typically have four wheels, and to be constructed principally for the transport of people rather than goods. Automakers, also known as car makers, automobile manufacturers, or the automobile industry are companies that design and manufacture automobiles. The first import of automobile in Ethiopian goes back to the reign of Emperor Menelik in 1908. The vehicle was brought from Britain and the foreigner is Mr. Bentley In 1904 E.c. Dagimaw menelik received a present from the king of Austria, which is operates with steam energy (Tenaw D. (1995).

Ethiopia imports all its automotive (vehicles and machines) needs. It doesn't manufacture automotive. Some companies only assemble and build bodies for buses and dry. Some of the automotive industry which assemble car are Nyala motors, Mesifin industrial engineering, Bshofitu automotive, Lifan Motors Ethiopia air force car assembling and Belayiabe motors (Sisay A 2007)

In February 21,2019 Marathon Motor Engineering, Plc (MME). Is a joint venture between Hyundai Motor Company and Haile Gebrselassie which is known for general importer of Hyundai vehicles in Ethiopia, Inaugurated its assembly plant in Addis Ababa Ethiopia and joined this group. The company was founded in 2009 with a vision of “ *Aiming to be the Best Customer Centric Automotive Retailer and Assembler Company*”. The vision is now realized by launching the first assembly plant in East Africa.

Therefore, this research aims to assess the impact of service quality, price fairness on customer satisfaction in the case of marathon motors engineering plc.

1.2 Statement of the problem

Recent research in marketing and psychology has shown that satisfaction is positively correlated with fairness perceptions (Bowman and Narayandas, 2001; Huffman and Cain, 2001; Kim and Mauborgne, 1996; Ordnezet al., 2000; Smith et al., 1999). Oliver and Swan (1989a, b) found that customers’ fairness perceptions depended on a supplier’s commitment and the quality of the goods and services relative to the price paid. Therefore, price perceptions influence consumers’ overall satisfaction judgments directly and indirectly through price fairness perceptions.

The demand for automobiles is mainly influenced and adversely or positively affected by Price and running costs, Economic development (GDP), Household income (purchasing power) Promotion and advertisement. The statistics indicated that in 2015, only 160, 000 vehicles were in use in Ethiopia to imply a car per 500 inhabitants making the country to have the lowest motorization rate globally. The commercial vehicles are estimated to be 60, 000 while 95, 000 were passenger vehicles. Reports from the ministry of transport in Ethiopia indicate that commercial vehicles are 16% while passenger vehicles take the lion’s share of 84%. It’s estimated that annually, 18000 vehicles are brought into Ethiopia’s market most of which are second-hand vehicles. Since there’s limited supply of vehicles and high import duties in Ethiopia, there’s a large market for second-hand vehicles in country which is estimated to be 85% of vehicles. Toyotas dominate the market as they occupy 90% of the second-hand vehicles sold in Ethiopia. It’s estimated that between 5000 and 7000-second hand Toyotas and 2000 new Toyotas are imported annually making Toyota in a position to control 65% of the total market. The car assemblers in Ethiopia are faced with many challenges since there’s depreciation in value of cars and finished

imports. They also face competition from used imports like Toyota. According to Melkamu Assefa, CEO and Managing Director of Marathon Motor Engineering Plc assembly plant will reduce the price of cars in Ethiopia. “There will be a 15 to 18 percent reduction in the selling price over imported cars, since people will be able to afford new cars there will be less accidents and it will also have a significant effect on the environment,” According to Marathon Motor Engineering, the company currently controls 30 to 35 percent of the market share in the country and once its assembled cars hit the market, it estimates controlling a 40 percent share.

Buying a new car is an important decision for most consumers. Consumers’ perceived risk and uncertainty are likely to be relatively high. Prior research suggests that, when faced with performance or quality uncertainty, consumers are more likely to use price as a cue in forming performance expectations (Urbany et al., 1997). In addition, relatively high product prices enhance the likelihood that perceived price fairness may be an important issue. As an important factor in the marketing mix, the role of product or service price in the formation of customer satisfaction has not been studied extensively in previous customer satisfaction research (Herrmann et al., 2007, p. 49). Therefore, this context provides us with an opportunity to examine the influence of price fairness perceptions on satisfaction judgments on customers of MME regarding 15-18% discounts the company is offering due to the assembly plant.

Second, Customers will always assess the services they experienced by comparing them with whatever they wish to receive. Service quality is the consumer’s judgment about an entity’s overall excellence or superiority (Parasuraman, Zeithaml, and Berry, 1986). It is a form of attitude, and results from a comparison of expectations to perceptions of performance received. an automobile purchase is a complex process, involving price negotiation, interaction with service people, selection of different option packages for the car, signing a purchase contract, as well as the car delivery process. The purchase process usually is made up of a sequence of clearly distinguishable individual episodes typically occurring in a similar order for most auto buyers. These different events provide an opportunity to separate service quality with different encounters within the entire purchase transaction procedure and determine the level of consumers’ satisfactions of MME customers in the process.

According to Kotler (2003), satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's/ service perceived performance in relation to his or her expectations.

In our country it is not common to see organizations that are committed in building satisfied customers due to several reasons; it may be because of lack of knowledge on the area, the organization may be dependent on traditional marketing system, lack of commitment, and many other reasons. Since competition in the automotive industry sector is increasing, organizations must work on satisfying customer get competitive advantage over the others. To develop satisfied customers' organizations, need to know what are the antecedents of customers satisfaction.

To the best of the researcher's knowledge there is no published research work on the impact perceived price fairness and service quality on customer satisfaction on the Ethiopian automotive industry. so this study took research gaps into consideration and attempted to fulfill them by analyzing of the impact price fairness and service quality dimensions (SERVQUAL) on the development of customer satisfaction in the case of MME.

1.3 Research Question

- 1) How does Perceived price fairness influence customer satisfaction of MME customers?
- 2) How does tangibles the dimension of service quality affects customer satisfaction of MME customers?
- 3) How does reliability the dimension of service quality affects customer satisfaction of MME customers?
- 4) How does responsiveness the dimension of service quality affects customer satisfaction of MME customers?
- 5) How does assurance the dimension of service quality affects customer satisfaction of MME customers?
- 6) How does empathy the dimension of service quality affects customer satisfaction of MME customers?

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of this study is to examine the effect of perceived price fairness, service quality on customer satisfaction in the case of marathon motor engineering plc.

1.4.2 Specific objective

- ❖ To identify how perceived price fairness influence customer satisfaction of MME customers?
- ❖ To assess how tangibles the dimension of service quality affects customer satisfaction of MME customers?
- ❖ To examine how reliability the dimension of service quality affects customer satisfaction of MME customers?
- ❖ To determine how responsiveness the dimension of service quality affects customer satisfaction of MME customers?
- ❖ To find out how assurance the dimension of service quality affects customer satisfaction of MME customers?
- ❖ To analyses how empathy the dimension of service quality affects customer satisfaction of MME customers?

1.5 Significance of the study

It is the fact that Ethiopian automotive business is growing tremendously from time to time, which contribute to the emergence of stiff competition in the industry. As the number of service provider in the industry increases, the more customer gets an alternative service and the more it is easy for them to switch from one service provider to another, which remain as a challenge for players in the industry. In this regard, this research paper will help the MME in identifying in which variables play significant role to develop satisfied customer, so that it is possible to remain in this competitive business environment.

This study contributes the knowledge on the effect of perceived price fairness and service quality on customer satisfaction on customer loyalty. The research has significant benefits primarily for marathon motor engineering plc it also gives some recommendations for automotive industries in the areas that need attention to make customers satisfied. Moreover, the result from this research

will assist the managers to better serve their customers and achieve the highest level of the customer's satisfaction. In addition to this the finding will give an insight for other academicians who are interested to further studies on this issue besides it will serves as a spring board for other researchers to investigate further in the industry.

1.6 Scope of the study

This study limits itself to the fairness of the price and service quality of marathon motor engineering plc in Addis Ababa of its four branches which are Urael show room, Lamberet show room, Megenagna service center, Saris show room and service center.

Thus, the study will have reasonable conclusion for customer feedback on perceived price fairness, service quality on customer satisfaction in marathon motor engineering. The study targets only the corporate client and potential customers of the company.

CHAPTER TWO: LITERATURE REVIEW

This chapter presents a review of the theoretical, empirical literature and conceptual framework covering the main variables of the study. This chapter presents the review of past literatures and studies in perceived price fairness and service quality incorporating customer satisfaction cascade. Findings of previous research on price fairness perceptions and service quality are reviewed to present the foundation upon which the current research expands.

2.1 Theoretical Literature Review

2.1.1 Definition of terms

Price: is what customer really pays in the exchanging process to get the benefit of the product or service (Lovelock and Wirtz, 2007).

Perceived price fairness: defined as consumers' assessments of whether a seller's price can be reasonably justified (Xia et al, 2004). Fairness has been defined as a judgment of whether an outcome and/or the process to reach an outcome is reasonable and acceptable (Bolton et al, and Albaetal, 2003).

Customer satisfaction: defined as the extent to which a product's perceived performance matches a buyer's expectations. (Kotler and Armstrong (2012))

Service quality: is the overall evaluation of customers to the superiority of the organization and services (Bitner, M. J., & Hubbert, A. R. (1994).

SERVQUAL: An instrument for measuring service quality in terms of the discrepancy between customers expectation regarding service offered and the perception of service received. Glimore, (2003)

Reliability – The ability to perform the promised service dependably and accurately. Mudie and Pirrie, (2006)

Responsiveness – The willingness to help customers and to provide prompt service. Mudie and Pirrie, (2006)

Assurance – The employees’ knowledge and courtesy, and the ability of the service to inspire trust and confidence. Mudie and Pirrie, (2006)

Empathy – the caring, individualized attention of the service provides to its customers.

Tangibles – The appearance of physical facilities, equipment, personnel, and communication materials. Mudie and Pirrie, (2006)

vehicle: is a thing used for transporting people or goods, especially on land, such as a car, lorry, or cart.

2.1.2 Price

According to Belch & Belch, (2005), price refers to the variable that the consumer must give up to purchase a product or service. It is the only one of the marketing mixes tools that a company uses to achieve its marketing objectives. Pricing decisions must be coordinated with product design, distribution, and promotion decisions to form a consistent and effective marketing program. Companies often position their products on price and then tailor other marketing mix decisions to the prices they want to charge. Price is a crucial product-positioning factor that defines the product’s market, competition, and design. According to Kotler & Armstrong, (2005) many firms support price-positioning strategies with a technique called target costing, which is a potent strategic tool. This strategy reverses the usual process of first designing a new product, determining its cost, and then setting the selling price. Customer considerations are forcing the companies to start with the ideal selling price based on what the customers are willing to pay for the said product, and then targets costs that will ensure that the price is met. Whether the price is raised or lowered, the action will affect buyers, competitors, distributors, suppliers and may also interest the government as well. A firm considering a price change should worry about the reactions of its competitors as well as those of its customers. Competitors are most likely to react especially when the number of the firms involved is small, and the product is uniform and the buyers are well informed. The reactions will vary based on the interpretation by the customer or the competitor on the reason for the price change, where some may see it as desire to enlarge the market share or while others may think that the company is doing poorly the price cut is meant to boost sales.

2.1.3 Price and Perception of Fair Pricing

The concept of a "fair price" has bedeviled marketers for centuries. In the Dark Ages, merchants were put to death for exceeding public norms regarding the "just price." Even in modern market economies, putative "price gougers" often face press criticism, regulatory hassles, and public boycotts (Nagle, Hogan, & Zale, 2011). The fact is that both the price offered and the rationale for offering a certain price may lead to perceptions of price unfairness. Perceptions of price unfairness may lead to negative consequences for the seller, including buyers leaving the exchange relationship, spreading negative information, or engaging in other behaviors that damage the seller (e.g. (Campbell, 1999)) (Xia, Kent, & Cox, 2004). Consequently, marketers should understand and attempt to manage perceptions of fairness. But what is fair? The concept of fairness appears to be totally unrelated to issues of supply and demand. Naturally assumptions about the seller's profitability influence perceived fairness, but not entirely (Nagle, Hogan, & Zale, 2011). The role of product or service price is important factor in the marketing mix in the formation of customer satisfaction. Voss et al. (1998) argue that satisfaction is a function of price, performance, and expectations with support for the expectations-satisfaction link being weak. They propose that, in contrast to performance, perceived price fairness might be the dominant determinant of satisfaction. Their empirical results suggest that when there was a perceived price performance inconsistency (i.e., an inequitable or unfair outcome), it had a stronger effect (negative) on satisfaction judgments. Price equity is closely related to satisfaction. Price fairness has been defined as a judgment of whether an outcome and/or the process to reach an outcome are reasonable, acceptable, or just, writes Bolton et al. (2003). The cognitive aspect of this definition indicates that price fairness judgments involve a comparison of a price or procedure with a pertinent standard, reference, or norm. According to Finkel (2001), the notions of unfairness are typically clearer, sharper, and more concrete than notions of fairness. People know what is unfair when they see or experience it, but it is difficult to articulate what is fair. In addition, all price evaluations, including fairness assessments, are comparative. There are seven theories that describe the fairness and dimensions of price fairness. These theories are Dual Entitlement Principle, Distributive Fairness, Procedural Fairness, Interactional Fairness, Equity Theory, Attribution Theory, and Prospect Theory (Sheikhzadeh, Atrianfar, Valiloo, & Fahimi, 2012). Recent research efforts have isolated several factors that influence consumers' price unfairness perceptions as well as potential consequences of these perceptions (Bolton et al., 2003; Campbell,

1999; Vaidya Nathan and Aggarwal, 2003; Xia et al., 2004). Previous research has distinguished distributive fairness and procedural fairness. The principle of distributive fairness, or fairness of outcomes, maintains that individuals judge the fairness of a relationship based upon the allocation of rewards resulting from their contributions to the relationship (Homans, 1961). Thus, unequal ratios of profits to investments between all parties involved in an exchange relationship create perceptions of unfairness. Procedural fairness concerns judgments whether processes are based on prevailing norms and behaviors (Thibaut and Walker, 1975). We propose that consumers' price fairness perceptions are influenced by both procedural and distributive considerations. For example, a dealer's price offer for an automobile may be accompanied with an explanation of the prices of various options and delivery charges, as well as required down payment and financing arrangements. In such situations, both the initial price of the car quoted by the sales person (i.e., price offer) and the terms associated with the price and how these terms are handled and explained to the consumer (i.e. price procedure) will influence consumers' fairness perceptions. Also, price offer fairness perceptions and price procedural fairness perceptions are positively correlated. The order of influence will be determined by the sequence in which consumers receive the price offer and the price procedural information (van den Bos et al., 1997). Both equity theory and the theory of distributive justice suggest that perceptions of fairness are induced when a person compares an outcome (input and output ratio) with a comparative other's outcome. Xia et al. (2004) argue that in the context of price fairness, the outcomes to be compared are based on the different prices. When the price being judged differs from the price in the reference transaction, the price difference may induce an unfairness perception. Such a price comparison is a necessary but not sufficient condition for price unfairness perceptions to occur. Price comparisons lead consumers to one of three types of judgments: equality, advantaged inequality, or disadvantaged inequality. A perception of price equality normally does not trigger a fairness perception, or if one is triggered, it may lead to perceived fairness. A perception of price inequality may lead to a judgment either that the price is less fair than the equal prices situation or that it is unfair. Price fairness judgment is subjective and usually is looked at from the buyer's perspective, Martins (1995) notes. Therefore, the judgment tends to be biased by the buyer's self-interest; that is, the buyer tries to maximize his or her own outcome (i.e., tries to pay a lower price) compared with that of the other party according to Oliver and Swan, (1989). The judgment and feelings associated with advantaged and disadvantaged price inequality are different. Consequently, perceived unfairness is less severe

when the inequality is to the buyer's advantage than when it is to the buyer's disadvantage. Indeed, Martins (1995) finds that the perceived fairness effect of a comparable other buyer paying less is stronger than when the comparable other pays more. An unfairness perception and potential negative emotions usually are directed toward the party that is perceived as having caused the "unfair" situation. For price unfairness, the target of the perception and the emotions is usually the seller. Thus, the actions those buyers take when they perceive that prices are unfair are usually directed toward the seller rather than toward a comparative other buyer or the product involved in the transaction, Xia (2004) notes. Various factors may influence unfairness price perceptions. According to Xia et al., (2004), there are three different factors that influences price fairness of consumers; transaction similarity and comparative other parties, the cost profit distribution, buyer seller relationship and trust. The factors vary in terms of relevancy and immediacy to a specific comparative transaction. Although both distributive justice and equity theory use buyer and seller input and output ratios as comparatives, consumers usually do not know either the seller's cost structure or other pertinent information to determine the seller's input accurately, notes Bolton et al. (2003). Thus, a price fairness judgment most likely is based on comparative transactions that involve different parties. perceived price discrepancies occur, the degree of similarity between the transactions is an important element of price fairness judgments. Moreover, a fairness judgment also depends on the comparative parties involved in the transaction.

Customer satisfaction, one of the central marketing objectives, is closely linked to customer loyalty, which is the likelihood of recommendation to others, cross-buying behavior; up-grading and lower price sensitivity (Anderson, Fornell, & Lehmann, 1994; Zeithaml, Berry, & Parasuraman, 1990). It therefore, contributes considerably to a company's growth and profitability. This has been shown in several empirical studies across various industries (Matzler, Würtele, & Renzl, 2006).

The central role of price as a purchasing determinant as well as in post-purchasing processes is well recognized. In a qualitative study focusing on switching behavior in services, Keaveney (1995) reports that more than half of customers switched because of poor price perception (compared to competitors). Varki and Colgate (2001) arrived at similar results in their study of the banking industry; particularly that price perception directly influences customer satisfaction, the likelihood of switching, and the likelihood of recommendation to others. Considering the central role of pricing in consumer behavior it is surprising that in customer satisfaction surveys little

attention is paid to various aspects of pricing (Herrmann, Wricke, & Huber, 2000). At best, price is regarded as one out of several attributes in questionnaires (Fornell, Johnson, Anderson, Cha, & Everitt Bryant, 1996; Sternquist, Byun, & Jin, 2004; Voss, Parasuraman, & Grewal, 1998)

2.1.4 Service Quality

Quality is the key word for the survival of organizations in the global economy. Organizations are undergoing a shift from a production-led philosophy to a customer- focused approach.

There are many researchers who have defined service quality in different ways. For instance, Bitner, Booms and Mohr (1994, p. 97) define service quality as ‘the consumer’s overall impression of the relative inferiority / superiority of the organization and its services’. While other researchers (e.g. Cronin and Taylor, 1992) view service quality as a form of attitude representing a long-run overall evaluation, Parasuraman, Zeithaml and Berry, (1985, p. 48) defined service quality as ‘a function of the differences between expectation and performance along the quality dimensions. This has appeared to be consistent with Roest and Pieters, (1997) definition that service quality is a relativistic and cognitive discrepancy between experience-based norms and performances concerning service benefits. Crosby, (1979) defined service quality as “Conformance to requirements”. This definition implies that organizations must establish requirements and specifications. Once these specifications are established, the quality goal of the various functions of an organization is to comply strictly with them.

According to Lewis and Booms (1983) service quality is a measure of how well a delivered service matches the customer expectation. This definition clearly shows that service quality is what customers assess through their expectations and perceptions of a service experience. Customers perceptions of service quality result from a comparison of their before-service expectations with their actual service experience. Juran, (1982) defined quality as “Fitness for use”.

Firms with high service quality pose a challenge to other firms given that service quality is considered an important tool for a firm’s struggle to differentiate itself from its competitors (Landari, 2009). According to Parasuraman et al. (1985) service quality is “the global evaluation or attitude of overall excellence of services”. Therefore, service quality is the difference between customers’ expectation and perceptions of services delivered by service firms. Nitecki et al. (2000) defined service quality in terms of “meeting or exceeding customers’ expectations” or as “the difference between customers’ perception and expectations of service”.

Service quality in the management and marketing literature is the extent to which customers' perceptions of service meet and/or exceed their expectations for example as defined by Zeithaml et al. (1990), cited in Bowen & David, 2005,) Thus service quality can intend to be the way in which customers are served in an organization which could be good or poor. Parasuraman defines service quality as “the differences between customer expectations and perceptions of service” (Parasuraman,1988). They argued that measuring service quality as the difference between perceived and expected service was a valid way and could make management to identify gaps to what they offer as services.

2.1.5 Service Quality Model

2.1.5.1 SERVQUAL Model

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

The SERVQUAL scale which is also known as the gap model by Parasuraman, et al. (1988) has been proven to be one of the best ways to measure the quality of services provided to customers. This service evaluation method has been proven consistent and reliable by some authors (Brown et al.,1993). They held that, when perceived or experienced service is less than the expected service; it implies less than satisfactory service quality; and when perceived service is more than expected service, the obvious inference is that service quality is more than satisfactory (Jain et al., 2004,). From the way this theory is presented, it seems the idea of SERVQUAL best fits the evaluation of service quality form the customer perspective. This is because when it is stated “perceived” and “expected” service, it is very clear that this goes to the person, who is going to or is consuming the service; who is the consumer/customer. The original study by Parasuraman et al., (1988) presented ten dimensions of service quality namely: Tangibles, reliability, Responsiveness, Competence, Courtesy, Credibility, Security, Access, Communication and Understanding the customer, in first SERVQUAL model that came had 22 pairs of Likert-type items, where one part measured perceived level of service provided by a particular organization and the other part measured expected level of service quality by respondent. After refinement, these ten dimensions above were later reduced to five dimensions as below:

Tangibility: physical facilities, equipment, appearance of personnel and communication materials.

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

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

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

Empathy: caring individualized attention the firm provides to its customers.

The aggregated sum of difference between perceptions and expectations from the five dimensions forms the global perceive quality construct. Laroche et al. (, 2004,) following this view, customers' expectations were met through the outcome dimension (reliability) and exceed it by means of the process dimension (tangibility, assurance, responsiveness, and empathy). To confirm the validity of SERVQUAL model in the evaluation of service quality, Zeithaml et al (2006), stated that "service quality is a focused evaluation that reflects the customer's perception of reliability, assurance, responsiveness, empathy, and tangibles" (Zeithaml et al., 2006,). They added that among these dimensions, "reliability" has been shown consistently to be the most important dimension in service quality (Zeithaml et al., 2006,). Rust et al. (1994) state that SERVQUAL is intended to describe the dimensions of quality common to all services and is therefore unlikely to encompass the special properties of any service.

2.1.5.2 Gap model

Parasuraman et al (1985) developed a service quality gap model, where he defined service quality as a function of the difference between the expectation and performance along quality dimensions. The various gap visualized in the model are:

Gap 1: Consumer expectation – Management perception gap: - The difference between customer's expectation and management perception of those expectations. I.e. not knowing what consumers expect. Donnelly et al., (1995) are of the view that the gap occurs because management did not undertake in-depth studies about customers' needs. Also, there are poor internal communication and insufficient management structures. This gap is referred to as the understanding or knowledge gap.

Gap 2: Management perception – Service quality specification gap: - The difference between management perception of consumers' expectations and service quality specifications i.e. the standard gap.

Gap 3: Service quality specifications – Service delivery gap: -

The difference between service quality specifications and service delivered i.e. the service performance gap. This means the failure to ensure that service performance conforms to specifications. Donnelly et al., (1995) contend that the failure emanates from absence of commitment and motivation, insufficient quality control systems and insufficient staff training. This gap is also known as the delivery gap.

Gap 4: Service Delivery – External communication Gap: -This gap is termed as the communication gap. It is the difference between the delivery of service and the external information (communication) regarding promises made to customers or implied. Examples of medium used for the external communication are media and customer contracts, Donnelly et al., (1995).

Gap 5: Expected Service – Perceived Service Gap: - The difference between consumer's expectation and perceived service. This gap depends on size and direction of the four gaps associated with the delivery of the service quality on the marketer's side.

2.1.6 Customer satisfaction

Customer satisfaction has been regarded as a fundamental determinant of long-term consumer behavior (Oliver R., 1980). Literature shows that there is no universally accepted method or measurement scale that exists for CS. The measurement of customer satisfaction is more exploratory in its development rather than being a precise, exact science (Gilbert & Veloutsou, 2006) In general, two approaches of customer satisfaction dominate its literature (Gilbert and Veloutsou, 2006). The first approach is the expectancy-disconfirmation approach (Parasuraman, Zeithaml, & Berry, 1988; Zeithaml, Berry, & Parasuraman, 1996). This approach is based on a

comparison of customer's expectations versus what the customer experiences. Expectations-disconfirmation approach appears most widely in definitions of product/service quality and consumer satisfaction. This usually means that product/service performance falls short of (or exceeds) what a consumer expects when making a purchase decision with negative (or positive) implications for the experience. The second approach is the performance-only approach. In this approach, service features are measured in relation to transaction-specific, and satisfaction is conceptualized as a onetime post purchase evaluation (Oliver R., 1997).

Various definitions and measures of customer satisfaction have been used in previous research (Szymanski and Henard,2001). One approach has been to distinguish between transaction-specific and overall satisfaction (Oliver, 1997). We distinguish satisfaction with the purchase process (e.g. product comparisons and interactions with the sales people) and satisfaction with the purchase outcome (i.e. the product purchased). Previous research has shown that these two components of satisfaction are correlated but conceptually distinct (Bitner and Hubbert, 1994; Shankar et al., 2003). For example, in the context of using online decision aids, Bechwati and Xia (2003) found that people's perceptions of how much "effort" the decision aids exert in providing the recommendations influenced their satisfaction regardless of what options were recommended. Similarly, Spreng et al. (1993) proposed that customers' satisfaction with the availability of product information when evaluating various product options has an important influence on overall satisfaction judgments. These influences may occur particularly for purchases that involve extensive information search and multiple interactions with the seller such as an automobile. The purchase of an automobile involves multiple stages including information search, comparison of alternatives, and interactions with the sales people or service provider. We propose that satisfaction with one stage of this purchase process will have a direct influence on the satisfaction with other stages, especially when different aspects of the purchase process occur sequentially. That is, people are more likely to perceive subsequent purchase stages consistent with their initial judgment and any positive or negative affect that occurs during one purchase stage likely will carry over to the next stage consumers' overall satisfaction judgments directly and indirectly through price fairness perceptions. In summary, there are various components of fairness perceptions and satisfaction judgments. The components of fairness perceptions are correlated with each other. And, the components of satisfaction are also correlated with each other. In any specific purchase process, the direction of influence between the components of price fairness depends on the order in which

the information about price and terms of the offer is received by the buyers. Similarly, the direction of influence between the components of satisfaction depends on the sequence of the purchase process. In addition, specific factors that influence these constructs such as price fairness perceptions likely vary depending on the specific purchase context.

2.2 Empirical Review

Ha and Jang (2009) conclude in their study that service failure occurs when customer perceptions do not meet customer expectations. The problem with service failure is that it may lead to a destroyed relationship between the customer and the organization. Thus, the importance of customer satisfaction in today's dynamic corporate environment is obvious as it greatly influences customer's repurchase intentions whereas dissatisfaction has been a primary reason for customer's intentions to switch. Satisfied customers are most likely to share their experiences with other five or six people around them.

Cronin et al., (2000) mentioned in their study that satisfied customer repeat his/her experience to buy the products and create new customers by communication of positive message about it to others. On the other hand, dissatisfied customer may switch to alternative products/services and communicate negative message to others.

Melaku, 2013) tried to test the relationship that exists between service quality dimensions and customer satisfaction. The mean score values for service quality dimensions (responsiveness, reliability, assurance, empathy, and tangibility) was between 2.89 and 3.55. The multiple regression results showed that all service quality dimensions have positive and significant effect on customer satisfaction. The R square value of 0.727, demonstrates that 72.7% of variation in customer satisfaction can be accounted by the service quality dimensions.

As for the key quality-related drivers of customer satisfaction, Oliver (1993) first suggests that service quality is the antecedent to customer satisfaction regardless of whether these constructs are measured for a given experience or over time. Up to now, other researchers have found empirical support for the point of view mentioned above (Anderson et al., 1994; Fornell et al., 1996; Spreng and Mackoy, 1996; Ying-Feng et al., 2009).

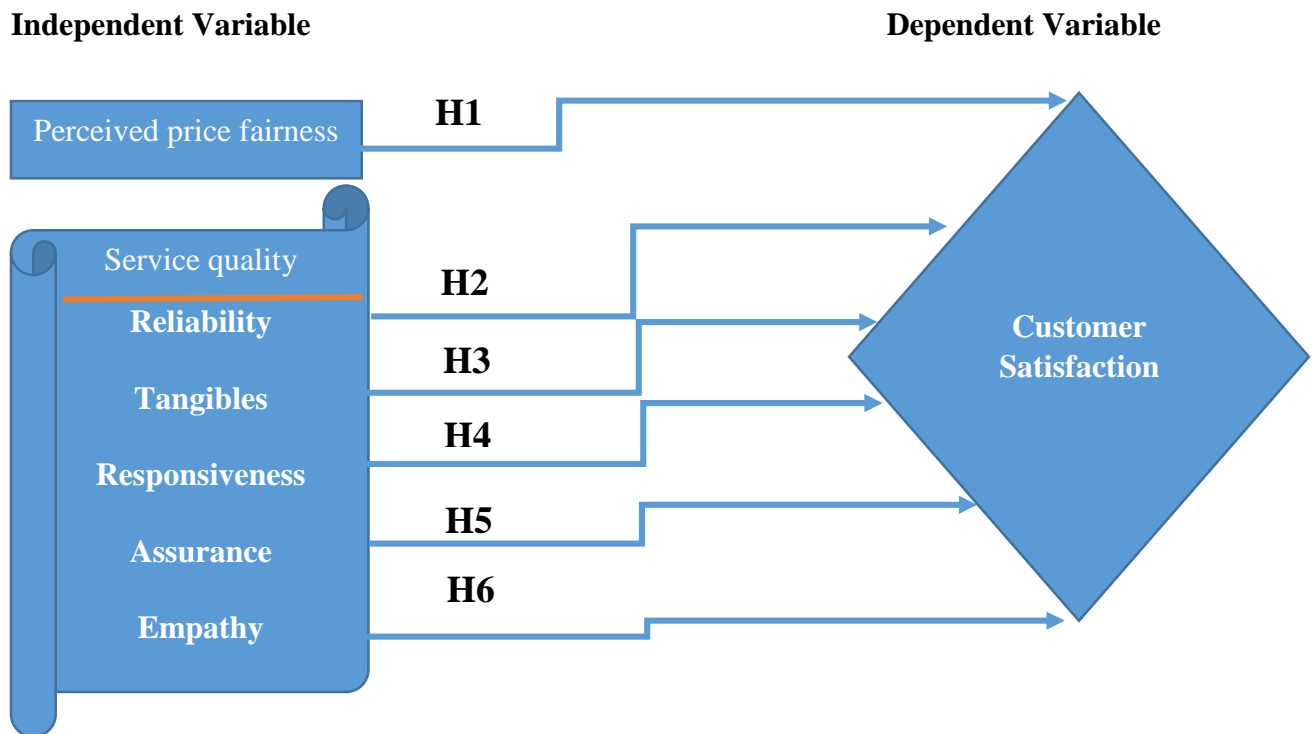
Price fairness perception positively relates to the satisfaction. Srikanjanarak Omar & Ramayah (2009), Consuegra & Esteban (2007)

According to zarour (2003), cited in Sulieman (2013), Study aimed at measuring the impact of the quality and price of services provided by banks to build brand image of the industrial sector in Jordan, the study found a relationship between industrial company’s brand equity, and of some dimensions of quality banking service and the prices of these services. The study recommended banking departments to improve the quality of services and prices.

2.3 Conceptual frame Work and hypothesis

According to the background and literature review, in this study, perceived price fairness, service quality for the direct effect of customer satisfaction; price fairness, service quality as independent variables, and customer satisfaction as the dependent variable. All the independent variables are proposed to have positive relationship with the dependent variable.

2.3.1 Conceptual frame work



Source: Researcher’s own conceptualization

Figure 1-conceptual frame work

2.3.2 Hypothesis

From the above research questions, the following hypothesis will be tested.

Hypothesis 1

Perceived price fairness has significant and positive relationship with customer satisfaction of MME.

Hypothesis 2

Tangibles the dimension of service quality has significant and positive relationship with customer satisfaction of MME customers?

Hypothesis 3

Reliability the dimension of service quality has significant and positive relationship with customer satisfaction of MME customers?

Hypothesis 4

Responsiveness the dimension of service quality has significant and positive relationship with customer satisfaction of MME customers?

Hypothesis 5

Assurance the dimension of service quality has significant and positive relationship with customer satisfaction of MME customers?

Hypothesis 6

Empathy the dimension of service quality has significant and positive relationship with customer satisfaction of MME customers?

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

This chapter deals with the research methodology that will be used in this study. It further describes and explains the procedures that will be used for the collection and analysis of data and composed of the following sections; Research Design, Population and Sampling Techniques, Instruments of Data Collection and Procedures of Data Collection and Methods of Data Analysis.

3.1 Research Design

A research design is a master plan that specifies the methods and procedures for collecting and analyzing the needed information. A research design provides a framework or plan of action for the research. (Zikmund, Babin, Carr and Griffin, BRM, Eight Edition PP-66)

Among the various types of research designs, the researcher used descriptive research design to describe the impact of perceived price fairness and service quality on customer satisfaction. with descriptive research design, the researcher has an opportunity to have a clear view of the problem from other related sources and narrows the research around these important items. There are two main categories of research methodologies, namely, qualitative, and quantitative. Quantitative research attempts to explain a phenomenon by collecting data that is quantifiable and analyzed by using mathematically based methods, statistics. (Aliaga and Gunderson, 2002). this study will use quantitative research method to analyze the collected data.

3.2 Population and Sampling Techniques

The population is the totality of entities in which the researcher is interested in, i.e. the collection of individuals, objects, or events about which the researcher wants to make inferences (Diamantopoulos, 2005). The population of the study was all the four branches of MME.

The study used census method since it includes all the branches of MME.

According to the information from marathon motor engineering plc, Urael show room has 351 registered customers, Lamberet show room has 553 registered customers, Megenagna service center has 655 registered customers, Saris show room and service center has 810 registered

customers so there are a total of 2371 registered customers in the four branches of MME as of April 2020 in Addis Ababa.

The following sample size determination formula by Taro Yemane (1967), was used to identify the sample size of customers respondents of the three branches. To get a representative sample size from the total population the study used calculation of sample size formula for a finite number of populations. A 95% confidence level was assumed for this formula to determine the sample size, at $e=0.05$.

. Where, n = number of sample size, N = Total number of study population

$$e = \text{Sampling Error} = 0.05 \quad n = \frac{N}{1 + N(e)^2}$$

$$n = 342.25 \approx 342$$

The researcher took 342 as a sample. The respondents from each branch are selected based on non-probability convenience sampling technique. Convenience sampling is technique in which a sample is drawn from that part of the population that is close to hand, readily available, or convenient (Anol 2012). And to determine the sample size of the selected branch the researcher used one of the non-probability sampling technique i.e. proportional sampling.

Table 1-The Proportional Distribution of Questionnaire

No	Branches of MME	Customers in each branch(Y)	Percentage proportion(P) P= Y/T*100%	No of questionnaire distributed for each Branches = P*n/100
1	Urael	351	14.803%	51
2	Lamberet	553	23.323%	80
3	Megenagna	655	27.625%	94
4	Saris	810	34.162%	117
		Total=T=2371	100%	342

3.3 Types of Data and Tools/Instruments of Data Collection

According to (Catherine, 2007), data may be collected as either primary or secondary. The study used both primary and secondary data. Primary data collected from the sampled customers by using questionnaire. Because questionnaire is easy to administer. A Structured questionnaire was used because it is easy for respondents to answer and it is simple for the researcher to compare and analyze different responses. Because each person (respondent) is asked to respond to the same set of questions, questionnaire provides an efficient way of collecting responses from a large sample prior to quantitative analysis (Saunders, Lewis, & Thornhill, 2009). The questionnaires are arranged in close ended questions and prepared by English and Amharic languages. A five point structured Likert scale questionnaire was adopted from different previous study which provided customers with a greatest range of option starting from strongly disagree to strongly agree and they were used as a primary data collection instrument in this study And secondary data is collected from written documents such as journals, books, articles, magazine and so on.

3.4 Procedures of Data Collection

Initial contact with respondents was through face-to-face interview to introduce the researcher and the nature and purpose of the study. During this interview, the respondents were asked whether they are voluntary to fill in the questionnaires or not then the researcher distributed the questionnaires to voluntary participants so that he would pick it after a few minutes. Each questionnaire was numbered. These numbers were used to represent the names of the respondents. This was particularly important to instill confidence in the respondents as their identity would remain undisclosed. In the context of research, ethics is defined as the appropriateness of the researcher's behavior in relation to the rights of the participants or subjects of the research work (Saunders, Lewis, & Thornhill, 2009). All information was treated with in a confidential manner without disclosure of the respondents' identities. Moreover, no information was modified or changed, hence the information was presented as collected and all the literatures used for the purpose of this study are acknowledged in the reference list. Furthermore, the researcher tried to avoid misleading or deceptive statements in the questionnaire.

3.5 Methods of Data Analysis

Before analyzing the collected and coded data, it was checked for any possible errors while entering or coding the data. This process is essential and will save a lot of headache later, according to pallant, (2005).

The screened data was then presented using frequency distribution tables to systematically arrange data values with a count of how many times each value occurred in dataset. Then, the Cronbach's alpha is used to test reliability of perceived price fairness and service quality dimensions. Then, the data was analyzed using descriptive statistics where summarizing of the data was done through measures of central tendencies (mean), measures of dispersion (standard deviation) and distribution. The results of this analysis were presented by tables.

After descriptive analysis, Pearson correlation analysis and regression analysis were used to test the relationship between the independent and dependent variable.

The study used multiple regression analysis models for testing the hypotheses drawn from the conceptual framework. The research adopted a model for testing the direct relationship between the independent variables and dependent variable, Multiple Regression analysis model of the study;

$$\mathbf{CS} = \beta_0 + \beta_1 \mathbf{PP} + \beta_2 \mathbf{TG} + \beta_3 \mathbf{RL} + \beta_4 \mathbf{RP} + \beta_5 \mathbf{AS} + \beta_6 \mathbf{EM} + \varepsilon \dots \mathbf{Model}$$

Where **CS**=customer satisfaction, **PP**= perceived price fairness, **TG**= tangibility, **RL**= reliability, **RP**=responsiveness, **AS**= assurance, **EM**= empathy, ε = error term, β_0 = Constant Term, $\beta_1, 2, 3, 4, 5, 6$ = coefficient terms of perceived price fairness, tangibility, reliability, responsiveness, assurance, and empathy respectively.

The statistical methods SPSS was used to analysis the data collected and to test the hypotheses put forward.

CHAPTER FOUR: RESULT AND DISCUSSION

This chapter describes the results of the study based on the information collected from 342 respondents using questionnaires. As can be seen most of the questions are 5 (five) level Likert scale questions meant to elicit the knowledge, Attitude and perception of respondents who are Customers of Marathon Motor Engineering PLC. Three hundred fourth two (342) questionnaires were collected and the findings were extracted using the methods described in the methodology section.

4.1 Response rate of respondents

According to Brians (2011) defines the response rate as the extent to which the final set of data includes all sample members and it is calculated as from the number of people with whom interviews are completed divided by the total number of people in the entire sample, including those who refused to participate and those who were unavailable. Based on sample size 342 questionnaires were distributed to the sample respondents and all were returned with a response rate of 100%.

Table 2-Response Rate of respondents

		Statistics					Your Time of contact with MME
		Gender	Age	Educational level	Occupation	Purpose of use	
N	Valid	342	342	342	342	342	342
	Missing	0	0	0	0	0	0

Source: research's survey data, 2020

4.2 Demographic Characteristics of Respondents

4.2.1 Gender of the Respondents

From the attendant (68.7%) were male and 6(31.3%) were females

Table 3- shows Gender of Respondents

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	235	68.7	68.7	68.7
	Female	107	31.3	31.3	100.0
	Total	342	100.0	100.0	

Source: research's survey data, 2020

4.2.2 Age of the Respondents

Table 4-shows Age of respondents

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid 40	18-25	47	13.7	13.7	13.7
	26-35	125	36.5	36.5	50.3
	36-45	117	34.2	34.2	84.5
	.>46	53	15.5	15.5	100.0
	Total	342	100.0	100.0	

Source: research's survey data, 2020

From the findings of the study, the majority 125(36.5%) of the respondents were aged between 26-35 years while 117 (34.2 %) of the respondents were between 36-45 years old. About 56 respondents (15.5%) were above 46 years. The rest 47 respondents (13.7%) of them were between 18-25 years.

4.2.3 Educational Level of the Respondents

Table 5-shows educational level respondents

		Educational level			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No formal education	9	2.6	2.6	2.6
	<secondary diploma	77	22.5	22.5	25.1
	Degree	182	53.2	53.2	78.4
	MA/MBA/MSC and above	74	21.6	21.6	100.0
	Total	342	100.0	100.0	

Source: research's survey data, 2020

Education is one of the most important characteristics that might affect the person's attitudes and the way of looking and understanding any particular social phenomena.

The frequency result from SPSS above shows that the Majority 182 (53.2%) of the respondents had Degree, the next largest group 77 (22.5%) were secondary diploma and below level while 74(21.6%) of the respondents are MA/MBA/MSC and above the remaining 9(2.6%) of the participants do not have any formal education.

4.2.4 Occupation of the Respondents

Table 6-Shows Occupation of respondents

		Occupation			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government employee	103	30.1	30.1	30.1
	Business owner	55	16.1	16.1	46.2
	NGO employee	53	15.5	15.5	61.7
	financial institution employee	77	22.5	22.5	84.2
	Private company employee	50	14.6	14.6	98.8
	Other	4	1.2	1.2	100.0
	Total	342	100.0	100.0	

Source: research's survey data, 2020

The table above depicts that, primarily 103(30.1%) of the respondents were civil Government employee, secondary 77 (22.5%) of the respondents were financial institution employees, thirdly 55 (16.1%) of the respondents were Business owners, fourth 53(15.5%) were NGO employees, fifth 50(14.6%) of the respondents occupation were private company employee and lastly 4(1.2%) of the respondents were specified as Other.

4.2.5 Respondents purpose usage of MME services

Table 7- shows Respondents purpose of usage

		Purpose of use			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government purpose	100	29.2	29.2	29.2
	Business purpose	42	12.3	12.3	41.5
	NGO purpose	49	14.3	14.3	55.8
	financial institution purpose	72	21.1	21.1	76.9

Private company purpose	46	13.5	13.5	90.4
personal purpose	26	7.6	7.6	98.0
Other purpose	7	2.0	2.0	100.0
Total	342	100.0	100.0	

Source: research's survey data, 2020

Purpose of usage of the services of MME will help the company to position its products and services in the market. From the above table it can be said that the majority of customers are government owned sectors using for governmental purposes with 100(29.2)% ,followed by financial institution 72(21.1%) for financial institutional usage, 49(14.3%) use services of MME for NGO purpose, Private company use holds 46(13.5%) while 26(7.6%) of the respondents use MME services for Personal purposes and the remaining 7(2%) use for Other purposes.

4.2.6 For how long have you or your Organization been a customer of MME?

Table 8-shows time of contact with MME.

		Your Time of contact with MME			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<1year	24	7.0	7.0	7.0
	1-3years	32	9.4	9.4	16.4
	3-5years	102	29.8	29.8	46.2
	5years and above	184	53.8	53.8	100.0
	Total	342	100.0	100.0	

Source: research's survey data, 2020

The above table shows how long the respondents or their organization were using MME's product and services. 184(53.8%) were in contact with the company for 5 years and above where as 102(29.8%) were using the company's services 3-5 years while 32(9.4%) were in contact with MME for 1-3 years the remaining 24(7%) used the company's service for less than a year.

4.2.7 Generalizing Demographics and other data's using cross tabulation in SPSS

Table 9-Gender vs occupation cross tabulation

Gender * Occupation Crosstabulation

		Occupation						
		Government employee	Business owner	NGO employee	financial institution employee	Private company employee	Other	Total
Gender	Male	69	40	36	54	35	1	235
	Female	34	15	17	23	15	3	107
Total		103	55	53	77	50	4	342

Source: research's survey data, 2020

Table 10-Table 10-Age vs Occupation cross tabulation

Age * Occupation Crosstabulation

		Occupation						
		Government employee	Business owner	NGO employee	financial institution employee	Private company employee	Other	Total
Age	18-25	14	14	7	6	5	1	47
	26-35	33	17	27	25	22	1	125
	36-45	44	16	11	31	14	1	117
	.>46	12	8	8	15	9	1	53
Total		103	55	53	77	50	4	342

Source: research's survey data, 2020

Table 11-Eduaction level vs occupation

Educational level * Occupation Crosstabulation

		Occupation						
		Government employee	Business owner	NGO employee	financial institution employee	Private company employee	Other	Total

Educational level	No formal education	0	5	0	0	0	4	9
	<secondary diploma	6	33	3	0	35	0	77
	degree	93	12	20	54	3	0	182
	MA/MB A/MSc and above	4	5	30	23	12	0	74
Total		103	55	53	77	50	4	342

Source: research's survey data, 2020

Table 12-Purpose of use vs occupation crosstabulation

Purpose of use * Occupation Crosstabulation

		Government employee	Business owner	NGO employee	financial institution employee	Private company employee	Other	Total
Purpose of use	Government purpose	100	0	0	0	0	0	100
	Business purpose	0	42	0	0	0	0	42
	NGO purpose	0	0	49	0	0	0	49
	financial institution purpose	0	0	0	72	0	0	72
	Private company purpose	0	0	0	0	46	0	46
	personal purpose	3	9	4	5	4	1	26
	Other purpose	0	4	0	0	0	3	7
Total		103	55	53	77	50	4	342

Source: research's survey data, 2020

Table 13=Purpose of use vs time of contact crosstabulation

Purpose of use * Your Time of contact with MME Crosstabulation

		Your Time of contact with MME				Total
		<1year	1-3years	3-5years	5years and above	
Purpose of use	Government purpose	0	0	45	55	100
	Business purpose	10	15	5	12	42
	NGO purpose	1	0	21	27	49
	financial institution purpose	1	3	14	54	72
	Private company purpose	7	14	6	19	46
	personal purpose	3	0	10	13	26
	Other purpose	2	0	1	4	7
Total		24	32	102	184	342

Source: research’s survey data, 2020

4.3 Reliability analysis

A reliability test was done using Cronbach’s Alpha. Cronbach’s alpha is the most common measure of internal consistency ("reliability"). According to George & Mallery (2003), reliability is the degree to which measurements are free from error and therefore yield consistent results. They also added, if the Cronbach’s alpha coefficient is greater than 0.9 it implies excellent, greater than 0.8 is Good, greater than 0.7 is acceptable, greater than 0.6 is questionable, greater than 0.5 is poor, and less than 0.5 is unacceptable.

Table 14-Reliability Statistics of price dimension

Cronbach's Alpha	N of Items
.960	7

Reliability analysis of price dimension overall reliability factor 0.960 which is greater than 0.9 shows which is excellent.

Table 15-Reliability Statistics Tangibility dimension

Cronbach's Alpha	N of Items
.940	4

Reliability analysis of Tangibility dimension of service quality overall reliability factor 0.940 which is greater than 0.9 shows which is excellent

Table 16-Reliability Statistics Reliability Dimension

Cronbach's Alpha	N of Items
.949	4

Reliability analysis of Reliability Dimension of Service Quality overall reliability factor 0.949 which is greater than 0.9 shows which is excellent

Table 17-Reliability Statistics Responsiveness Dimension

Cronbach's Alpha	N of Items
.952	3

Reliability analysis of Responsiveness Dimension of Service Quality overall reliability factor 0.952 which is greater than 0.9 shows which is excellent

Table 18-Reliability Statistics Assurance Dimension

Cronbach's Alpha	N of Items
.936	4

Reliability analysis of Assurance Dimension of Service Quality overall reliability factor 0.936 which is greater than 0.9 shows which is excellent

Table 19-Reliability Statistics Empathy Dimension

Cronbach's Alpha	N of Items
.930	3

Reliability analysis of Empathy Dimension of Service Quality overall reliability factor 0.930 which is greater than 0.9 shows which is excellent.

Table 20-Reliability Statistics Customer Satisfaction

Cronbach's Alpha	N of Items
.929	4

Reliability analysis of Customer Satisfaction overall reliability factor 0.929 which is greater than 0.9 shows which is excellent.

4.4 Descriptive analysis of responses from the survey

Descriptive statistics recommended for Likert scale items included the mean for central tendency and standard deviation for variability. Standard deviation is used just to know the actual data position as it measures the amount of variation or dispersion of a set of data values. A low standard deviation ($SD < 1$) indicates that the data points tend to be close to the mean, while a high standard deviation ($SD > 1$) specifies that the data points are spread out over a wider range of values. But, while making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear (Al-Sayaad, Rabea, & Samrah, 2006). As cited by (Bassam, 2013).

Table 21- mean result interpretation scale

No.	Mean range	Response option
1	1-1.80	Strongly disagree
2	1.8-2.6	Disagree
3	2.6-3.4	Neutral
4	3.4-4.20	Agree
5	4.20-5	Strongly Agree

Source: Al-Sayaad et al. (2006, as cited by Bassam, 2013)

Therefore, the impact of perceived price fairness and service quality on Satisfaction MME customers has been analyzed descriptively using Mean and Standard deviation (SD) as follows.

4.4.1 Descriptive Statistics for Perceived price Fairness

Table 22- shows Descriptive Statistics for Perceived price Fairness

Descriptive Statics			
	N	Mean	Std. Deviation
PP1: The price of the new car is appropriate relative to its performance	342	3.89	1.167
PP2: The price of the services MME offers meets my expectations	342	4.01	1.080
PP3: Prices reflect the quality of services provided MME.	342	3.78	1.227
PP4: The price of MME services is good value for money comparing to other Competitors.	342	3.69	1.262

PP5: Price information of MME is clear, complete, and understandable.	342	4.16	.903
PP6: All customers are treated equally by the MME's pricing.	342	3.64	1.266
PP7: The procedure of buying the car from MME is fair.	342	3.73	1.217
Valid N (listwise)	342	3.84	

Source: research's survey data, 2020

Perceived price Fairness refers to assessments of whether a seller's price can be reasonably justified. As the above table reveals, from pricing items respondents showed the strongest support to the statement 'Price information of MME is clear, complete and understandable.' (Mean= 4.16, SD=0.903). The result suggested that the price information of MME has a positive influence on the price perception of the customers and the results are closer to the mean.

The lowest agreement of the respondents goes to the item 'All customers are treated equally by the MME's pricing.' (Mean=3.64, SD=1.266.). The result suggested that there is moderate price discrimination regarding the customers of MME.

Obviously, from the result observed on the above table one can deduce that the mean values in respect to all pricing dimensions (4.16-3.64) showed an agreed result. Keeping other things being constant, the result indicated that perceived pricing fairness is useful factors in influencing the satisfaction level of MME customers.

4.4.2 Descriptive Statistics for Tangibility

Table 23- shows Descriptive Statistics for Tangibility

Descriptive Statistics

	N	Mean	Std. Deviation
TG1: MME has adequate support facilities. (Parking lot, toilet, gust chairs etc.).	342	4.07	.909
TG2: MME has up-to-date technology and equipment.	342	4.19	.897
TG3: MME has neat and disciplined employees.	342	3.99	1.082
TG4: physical facilities of MME is neat, clean, and nice.	342	4.14	.925
Valid N (listwise)	342	4.09	

Source: research's survey data, 2020

Tangibility refers to appearance of physical facilities, equipment, and appearance of personnel. The higher the mean score, the very high the agreement is, the result on the above table revealed that there was a strongest agreement by the respondents with the statements 'MME has up-to-date technology and equipment'. The statement gained the highest mean score of 4.19 and standard

deviation value of 0.897. The result suggested that MME customers agree with the company's technological competence which resulted in a positive influence satisfying the customers. The statement 'MME has neat and disciplined employees. (Mean=3.99, SD=1.082) had ranked the least mean score.

Generally, the results of the mean values showed that the respondents thinking on Tangibility dimension of service quality falls under the range of 4.19 to 3.99. Thus, the respondents agreed that Tangibility has splendid impact in positively influencing the satisfaction level of MME customers. The results from the standard deviations in the above table also indicated that the data points tend to be close to the mean responses to the statement except for the second statement. The researcher believes MME has great visually appealing appearance.

4.4.3 Descriptive Statistics for Reliability

Table 24-Descriptive Statistics for Reliability

Descriptive Statistics			
	N	Mean	Std. Deviation
RL1: Employees follow through rules and Regulations of the MME.	342	4.18	.886
RL2: Employees of MME are consistently polite.	342	3.95	1.146
RL3: The employees of MME handle customer complaints effectively	342	3.96	1.126
RL4: Employees of MME provided Services at the time they promised to do so	342	4.00	1.063
Valid N (listwise)	342	4.02	

Source: research's survey data, 2020

Reliability refers the ability to perform the promised service dependably and accurately.

As revealed in the above table, respondents were showed the strongest support to the statement 'Employees follow through rules and Regulations of the MME' (Mean=4.18, Standard Deviation=0.886). The result suggested that MME have serious stand on executing the rules and regulation of the company. The lowest mean score goes to statement two 'Employees of MME are consistently polite' (Mean=3.95, Standard Deviation= 1.146). Based on this finding's customers of MME agree on the reliability of MME in providing services to its customers. The results from the standard deviations in the above table also indicated that there was a broader range of responses to the statement except for the highest mean data.

4.4.4 Descriptive Statistics for Responsiveness

Table 25-Descriptive statistics for Responsiveness

Descriptive Statistics	N	Mean	Std. Deviation
RP1: Employees of MME are happy and willing to serve the Customer	342	4.07	.996
RP2: Employees of MME give quick response to customer requests	342	3.92	1.119
RP3: MME has adequate number of responsive employees during your contact (whether phone or physical visit) with it.	342	4.11	0.963
Valid N (listwise)	342	4.03	

Source: research's survey data, 2020

The responsiveness dimension involves willingness to help customers and provide prompt services. The respondents showed the strongest support to the statement 'Employees of MME are happy and willing to serve the Customer' (Mean=4.04, Standard Deviation= 0.976). The findings show that the employees of MME are glad to serve customers. The lowest mean for responsiveness dimension relays on the statement 'Employees of MME give quick response to customer requests' (Mean=3.92, Standard Deviation= 1.118). regarding these findings it can be said the customers of MME agree that the company is responsive to their requests.

4.4.5 Descriptive Statistics for Assurance

Descriptive Statistics	N	Mean	Std. Deviation
AS1: employee of MME has the required skill in providing Services.	342	4.06	.985
AS2: employees of MME are trustworthy.	342	4.12	.932
AS3: Employees of MME staff behavior instills confidence in me.	342	4.03	1.017
AS4: You feel safe and confident with the overall service of MME.	342	4.19	.902
: Valid N (listwise)	342	4.1	

Source: research's survey data, 2020

Assurance dimension refers to the knowledge and courtesy of employees and their ability to inspire trust and confidence including competence, credibility, security, and their ability to inspire trust and confidence, so this result show us about how MME customers are safe free and confident about the service they get from MME. The highest mean score given to the statement 'You feel safe and confident with the overall service of MME' (Mean=4.19, Standard Deviation= 0.902). From this we can understand that MME customers feel safe about the service they get. The lowest mean score goes to the statement' Employees of MME staff behavior instills confidence in me'

(Mean=4.03, Standard Deviation= 1.017). Generally, the mean falls in a range of (4.19-4.03) which indicate that respondents agree they are assured by the employees of MME.

4.4.6 Descriptive Statistics for Empathy

Descriptive Statistics	N	Mean	Std. Deviation
EM1: Employees of MME understand customers' specific needs.	342	3.86	1.189
EM2: Employees give individual attention to customers.	342	3.98	1.121
EM3: The working hours of MME are flexible and comfortable for you	342	4.11	.916
Valid N (listwise)	342	3.88	

Source: research's survey data, 2020

The empathy dimension represents the provision of caring and individualized attention to customers including access or approachability and ease of contact, effective communication, and understanding the customers. According to the empathy dimension the highest score goes to the statement 'The working hours of MME are flexible and comfortable for you' (Mean=4.11, Standard Deviation= 0.916). The finding showed the working hour of MME is convenient for its customers. Comparatively the lowest mean for empathy dimension relays on the statement 'Employees of MME understand customers' specific needs.' (Mean=3.86, Standard Deviation= 1.189). Obviously, from the result observed one can deduce that the mean values in respect to all empathy statements or items showed an agreed result.

4.4.7 Generalizing the result to service quality

The mean and standard deviation of the service quality dimensions was represented in the above tables, the highest mean score goes to Assurance 4.1, followed by Tangibility 4.09, Responsiveness 4.03, Reliability 4.02, and Empathy 3.88. with all this finding it can be said that customer of MME agree to all the service quality dimension specified in the specific objective section of chapter one and they are satisfied by the quality of service delivered by MME.

4.4.8 Descriptive Statistics for Customer Satisfaction

Descriptive Statistics	N	Mean	Std. Deviation
CS1: I am satisfied with the MME's complete range of Services	342	4.25	.800
CS2: I am satisfied with the performance of MME Employees.	342	4.00	1.060
CS3: I am satisfied of being a client of MME.	342	4.07	.977
CS4: I am giving a positive word of mouth witnesses to others about MME confidently.	342	4.04	1.020
Valid N (listwise)	342	4.09	

Source: research's survey data, 2020

According to Oliver, (1980) customer satisfaction is the internal feelings of every individual which may be satisfaction or dissatisfaction resulting from the assessment of services provided to an individual in context to customer’s anticipation by an organization. The higher the mean score, the very high the agreement is, the result on the above table revealed that there was a strongest agreement by the respondents with the statements ‘I am satisfied with the MME’s complete range of Services’ (Mean=4.25, Standard, Deviation= 0.8). This result showed the customers of MME are satisfied with the range of services it provides.

4.5 Correlation Analysis

A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 Field (2005). A correlation analysis with Pearson’s correlation coefficient (r) was conducted on all variables in this study to explore the relationships between variables. To interpret the strengths of relationships between variables, the guidelines suggested by Field (2005) were followed, mainly for their simplicity. His classification of the correlation coefficient (r) is as follows: 0.1 – 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong.

Table 26=Pearson Correlation

		Correlations						Customer Satisfaction
		Perceived price fairness	Tangibility	Reliability	Responsiveness	Assurance	Empathy	
Perceived price fairness	Pearson Correlation	1	.901**	.941**	.886**	.888**	.952**	.805**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	342	342	342	342	342	342	342
Tangibility	Pearson Correlation	.901**	1	.918**	.855**	.950**	.925**	.859**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	342	342	342	342	342	342	342
Reliability	Pearson Correlation	.941**	.918**	1	.934**	.920**	.940**	.804**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	342	342	342	342	342	342	342

Responsiveness	Pearson Correlation	.886**	.855**	.934**	1	.885**	.871**	.740**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	342	342	342	342	342	342	342
Assurance	Pearson Correlation	.888**	.950**	.920**	.885**	1	.914**	.843**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	342	342	342	342	342	342	342
Empathy	Pearson Correlation	.952**	.925**	.940**	.871**	.914**	1	.869**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	342	342	342	342	342	342	342
Customer Satisfaction	Pearson Correlation	.805**	.859**	.804**	.740**	.843**	.869**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	342	342	342	342	342	342	342

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

Source: research's survey data, 2020

The results in the above table indicate that, there is positive and strong relationship between perceived price fairness, service quality dimensions and customer satisfaction. listed as perceived price fairness and customer satisfaction ($r = 0.805$), tangible and customer satisfaction ($r = 0.895$), reliability and customer satisfaction ($r = 0.804$), responsiveness and customer satisfaction ($r = 0.740$), assurance and customer satisfaction ($r = 0.843$), Empathy and customer satisfaction ($r = 0.869$). In statistics, the correlation coefficient r measures the strength and direction of a linear relationship between two variables on a scatter plot. The value of r is always between $+1$ and -1 . When r is greater than or equal to 0.70 , there is strong uphill (positive) linear relationship. Generally, the correlation (r) of perceived price fairness, service quality dimensions and customer satisfaction ranges from the highest to the lowest ($0.869 - 0.740$) and the significant level is 0.01 . The p -value is 0.000 which is less than the significant level. As a result, null hypothesis is rejected and the conclusion would be that, there is very strong or strong positive significant relationship between perceived price fairness, service quality dimensions and customer satisfaction

4.6 Multiple Regression analysis

Multiple regression analysis was employed to examine the effect of perceived price fairness and service quality dimensions on customer satisfaction. This analysis is conducted to predict the percentage of dependent variable, where independent variables are entered simultaneously. The

overall variance (customer satisfaction) is explained by the independent variables, (perceived price fairness, Tangibility, Reliability, Responsiveness, Assurance, and Empathy,)

which were discussed on chapter two.

4.6.1 Assumption of Multiple Linear Regression

Testing assumption of multiple linear regression analysis models is very important before running regression analysis. Most statistical tests rely upon a certain assumption about the variables used in the analysis. When this assumption does not meet the result may not be trustworthy, resulting in a Type I or Type II error, or over or under estimation of significance or effect size. Some tests were conducted in order to ensure the appropriateness of data to assumptions of multiple regression analysis.

4.6.1.1 Assumption 1: Linearity Test

Linearity is used check whether all the estimates of regression including regression coefficients, standard errors and tests of statistical significance are biased or not (Keith, 2006). There is no linearity problem on the data for this study residual follow at straight line.

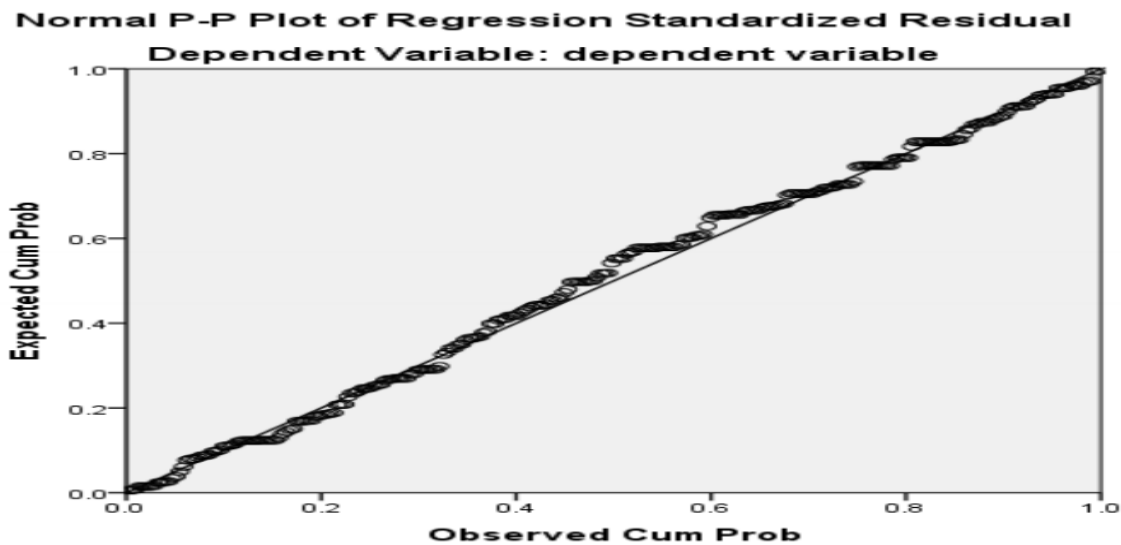


Figure 2-Linearity test P-P plot

Source: research's survey data, 2020

4.6.1.2 Assumption 2- Normality Test

Normality assumption is around the mean of the residuals is zero and used to determine whether a data set is well modeled by a normal distribution or not and to indicate an underlying random variable is to be normally distributed (Gujarati,2009). Normal distribution could be checked by graphical (Histogram or dot plot) method of tests or Skewness and Kurtosis. Researcher used Skewness and Kurtosis method to test normal distribution of the data.

Table 27- Skewness and kurtosis Normality test

	Descriptive Statistics for Skewness and Kurtosis				
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Perceived price fairness	342	-.653	.132	-.824	.263
Tangibility	342	-.422	.132	-1.092	.263
Reliability	342	-.556	.132	-.871	.263
Responsiveness	342	-.545	.132	-.887	.263
Assurance	342	-.439	.132	-1.054	.263
Empathy	342	-.565	.132	-.870	.263
Customer Satisfaction	342	-.519	.132	-.784	.263
Valid N (listwise)	342				

Source: research's survey data, 2020

These statistics are more precise than looking at a histogram of the distribution. The rule to remember is that if either of these values for skewness or kurtosis are less than ± 1.0 , then the skewness or kurtosis for the distribution is not outside the range of normality, so the distribution can be considered normal. If the values are greater than ± 1.0 , then the skewness or kurtosis for the distribution is outside the range of normality, so the distribution cannot be considered normal. Thus, the values for skewness or kurtosis are less than ± 1.0 in the above table it can be said the data is normally distributed and the assumption of normality holds.

4.6.1.3 Assumption 3- Independence of Residual(errors) or Test for non-Auto correlation

The value of Durbin-Watson statistic ranges is from 0 to 4. As a rule, the residuals are independent (not correlated) if the Durbin-Watson static is approximately 2, and an acceptable range is 1.5-2.5(Babatunde, O.S, Oguntunde P.E, Ogunmola, An O and Balogun O.S, (2014).

Table 28-Independence of Residual Durbin-Watson

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.892 ^a	.795	.791	.40191	1.556

a. Predictors: (Constant), Empathy, Responsiveness, Tangibility, Perceived price fairness, Assurance, Reliability

b. Dependent Variable: Customer Satisfaction.

Source: research's survey data, 2020

In this research from what has been derived from the SPSS result shown in the above table, the Durbin-Watson result (1.556) is in the acceptable range. Therefore, it meets the independence of residual assumption or the residuals are non-auto correlated.

4.6.1.4 Assumption 4: Multicollinearity Test

After the non-auto correlation of the data is tested the next step is to determine whether there is similarity between the independent variables in a mode, it is necessary to multicollinearity test. Similarities between the independent variables will result in a very strong correlation. If the VIF(Variance inflation Factor) is equal to 1, there is no multicollinearity among factors. If the VIF is greater than one, the predictors are moderately correlated. A VIF between 5 and 10 indicates high correlation that may be problematic, and if the VIF goes above 10 the regression coefficients are poorly estimated Eston Martz (2013).

Table 29-Multicolinarity VIF and Tolerance Tests results

Model	Coefficients^a	
	Tolerance	Collinearity Statistics VIF
Perceived price fairness	.918	1.090
Tangibility	.909	1.101
Reliability	.938	1.066
Responsiveness	.995	1.005

Assurance	.973	1.028
Empathy	.983	1.018

a. Dependent Variable: Customer Satisfaction

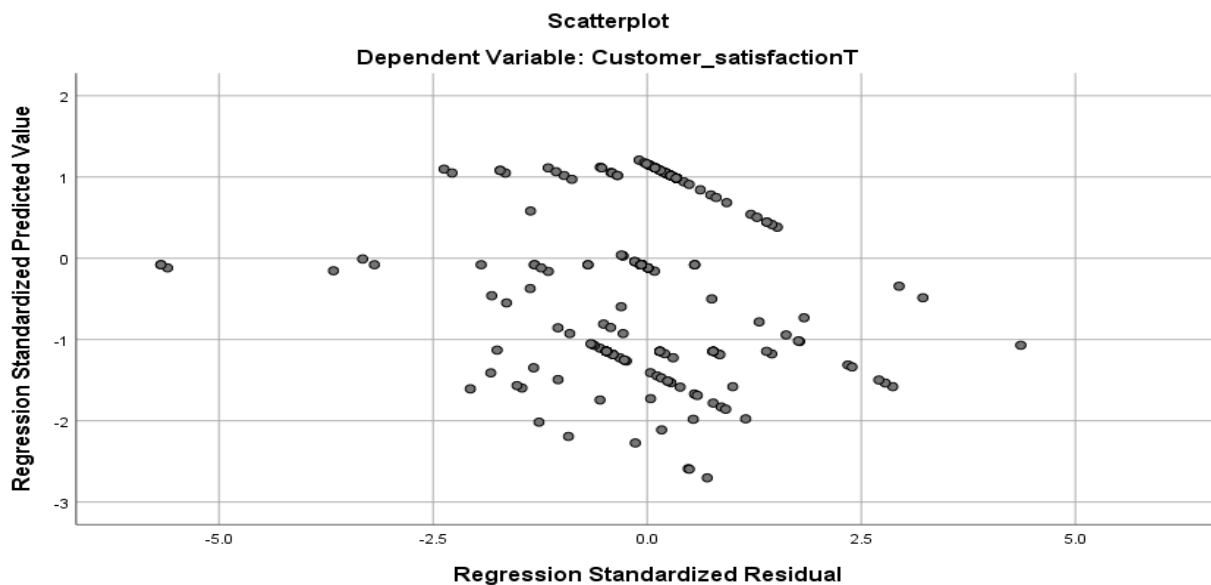
Source: research's survey data, 2020

As shown in the above table VIF result of the independent variable are 1.090,1.101,1.066,1.005,1.028 and 1.018.

This shows that the results are less than five so the variables are perfectly not correlated.

4.6.1.5 Assumption 5: Homoscedasticity Test

The model errors are generally assumed to have an unknown but finite variance that is constant across all levels of the predictor variables. This assumption is also known as the homogeneity of variance assumption.(Weisberg,2005) as cited by Matt N, Carlos A and Deson (2013). It means that, the variance of Y from each value of X is constant in the population. According to the scatter graph the range of variance for dependent variable was uniform for all values of the independent variables. inspection of the plots shows good variability in the plots and the analysis of homoscedasticity is not a major problem.



Source: research's survey data, 2020

Figure 3-Homoscedasticity test Scatterplot result

4.6.1 The effect of independent variable on customer satisfaction (Regression Analysis)

Through a correlation analysis it is identified that there is a significant relationship between (perceived price fairness, Tangibility, Reliability, Responsiveness, Assurance, and Empathy) and the customer satisfaction. To what extent the variance in the dependent variables will be explained by the independent variable is discussed here.

4.6.2 Regression Model summary

Table 30-Multiple linear regression test result Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.892 ^a	.796	.792	.40115

a. Predictors: (Constant), Empathy, Responsiveness, Tangibility, Perceived price fairness, Assurance, Reliability

Source: research's survey data, 2020

Based on the above table the R value obtained for the regression was .892. The value of R square .796 and the value of adjusted R square is .792 indicates that 79.2% of the variations in the customer satisfaction have been explained by the perceived price fairness , Tangibility, Reliability, Responsiveness, Assurance, and Empathy .To assess the statistical significance of this result or relationship i.e. the 79.2 percent variance in the customer satisfaction as a result of perceived price fairness , Tangibility, Reliability, Responsiveness, Assurance, and Empathy. The variation associated with the independent variables; therefore, there might be other variables which bring about 19.8% in the dependent variable.

4.6.3 ANOVA

Table 31-Multiple linear regression test result Regression Anova

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	210.138	6	35.023	217.636	.000 ^b
	Residual	53.910	335	.161		
	Total	264.048	341			

a. Dependent Variable: Customer satisfaction

c. Predictors: (Constant), Empathy, Responsiveness, Tangibility, Perceived price fairness, Assurance, Reliability

Source: research’s survey data, 2020

The above table is the ANOVA table which indicates that the regression model predicts the dependent variable significantly well. overall significance/acceptability of the model from a statistical perspective can be determined. As the significance value of F statistics shows a value (.000), which is less than $p < 0.05$, the model is significant and it indicates significantly predicts customer satisfaction.

4.6.4 Regression Coefficient table

Table 32-Multiple linear regression test result Regression Beta coefficient

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
	B	Std. Error			
(Constant)	.680	.111		6.121	.000
Perceived price fairness	.711	.086	.819	8.301	.000
Tangibility	.344	.091	.344	3.798	.000
Reliability	.179	.096	.201	1.860	.004
Responsiveness	.093	.065	.103	1.425	.035
Assurance	.227	.090	.227	2.526	.012
Empathy	.173	.077	.206	2.245	.025

a. Dependent Variable: Customer satisfaction

Source: research’s survey data, 2020

The above table presents the results of regression analysis indicating the effects of independent variable to customer satisfaction. The larger the B it is, the higher the effect the independent variable have to customer satisfaction. (Nunnaly, 1978). The results in Coefficient table Show that the largest influence on customer satisfaction is the Perceived price fairness at beta value .711 significant at (.000). This implies that a 1% increase in perceived price fairness unit will cause a 71.1 % increase in customer satisfaction

Effect of service quality dimension on customer satisfaction is specified as follows: Tangibility with beta value 0.344 significant at (.000), Reliability with beta value 0.179, significant at (0.004), Responsiveness value 0.093 significant at (.035), Assurance with beta value 0.227 significant at (.012), and Empathy value 0.077 significant at (.025), on customer satisfaction.

The results indicates that perceived price fairness and the dimension of service quality (Tangibility, Reliability, Responsiveness, Assurance, and Empathy.) proved to have significant effect on

customer satisfaction, and also it indicates these variables are good predictors of customer satisfaction of MME service.

Therefore, the regression analysis shows that if no initiatives are taken to improve the level of independent variable, the level of customer satisfaction will decrease. In addition, MME must put more effort to improve the most significant factors influencing customer satisfaction.

Generally based on the above coefficient table the predicted equation for the dependent variable customer satisfaction model formula:

$$CS = \beta_0 + \beta_1 PP + \beta_2 TG + \beta_3 RL + \beta_4 RP + \beta_5 AS + \beta_6 EM + \varepsilon \dots \text{Model}$$

$$CS = 0.680 + 0.711PP + 0.344TG + 0.179RL + 0.093RP + 0.227AS + 0.173EM$$

4.7 Hypotheses Testing

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

Hypothesis 1: Perceived price fairness has significant and positive relationship with customer satisfaction of MME.

The results of multiple regressions, as presented in the coefficient table revealed that Perceived price fairness has a positive and a significant effect on customers' satisfaction with a standardized coefficient beta value (0.819), at 95% confidence level. Therefore, this hypothesis is strongly supported by the research.

Hypothesis 2: Tangibles the dimension of service quality has significant and positive relationship with customer satisfaction of MME customers.

The results of multiple regressions, as presented in the coefficient table revealed that tangibility has a positive and a significant effect on customers' satisfaction with a standardized coefficient beta value (0.344), at 95% confidence level. Therefore, this hypothesis is strongly supported by the research.

Hypothesis 3: Reliability the dimension of service quality has significant and positive relationship with customer satisfaction of MME customers.

The results of multiple regressions, as presented in the coefficient table revealed that reliability has a positive and a significant effect on customers' satisfaction with a standardized coefficient

beta value (0.201), at 95% confidence level. Therefore, this hypothesis is strongly supported by the research.

Hypothesis 4: Responsiveness the dimension of service quality has significant and positive relationship with customer satisfaction of MME customers.

The results of multiple regressions, as presented in the coefficient table revealed that responsiveness has a positive and a significant effect on customers' satisfaction with a standardized coefficient beta value (0.103), at 95% confidence level. Therefore, this hypothesis is accepted by the research.

Hypothesis 5: Assurance the dimension of service quality has significant and positive relationship with customer satisfaction of MME customers.

The results of multiple regressions, as presented in the coefficient table revealed that assurance has a positive and a significant effect on customers' satisfaction with a standardized coefficient beta value (0.227), at 95% confidence level. Therefore, this hypothesis is accepted by the research.

Hypothesis 6: Empathy the dimension of service quality has significant and positive relationship with customer satisfaction of MME customers.

The results of multiple regressions, as presented in the coefficient table revealed that empathy has a positive and a significant effect on customers' satisfaction with a standardized coefficient beta value (0.206), at 95% confidence level. Therefore, this hypothesis is strongly supported by the research.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of major findings

The primary objective of this research was to assess the effect of perceived price fairness and service quality on customer's satisfaction in Marathon Motor Engineering. Both primary and secondary data were used as source of information and the data are collected through questionnaires. The structured questionnaires were coded, entered, and analyzed using the SPSS version 26. The data collected from the questionnaires were analyzed and interpreted by using frequency, percentage, cryobench alpha, Pearson's correlation and multiple linear regression. The assumption of multiple linear regression was conducted such as; Normality test, Multicollinearity test, Homoscedasticity test, Auto correlation test, Linearity test. Hence, based on the review of literature and analysis of the data, the study came up with the following findings:

- ❖ A total of 342 questionnaires were distributed and all returned with 100% response rate. Among the total population 68. % of the respondents are male and 31.3 % of the respondents were female. Most of the customers 29.1% were age 26-35 years Based on education level most of the customers 53.2% were degree holders. Regarding occupation the majority 30.1% government and 22.5% of the respondents were financial institution employees. The purpose of usage of MME's products and services for governmental purpose were 29.2% and 21.1% for financial institution purpose. 53.8% of customers have been using MME's services above 5years.
- ❖ From data analysis the Cronbach's Alpha for this study is 0.978 which shows that there is Very good internal consistency among the variables.
- ❖ The findings of descriptive statistical analysis indicated that the computed mean scores of perceived price fairness and service quality dimension helps to measure the price perception and service quality of the company. The computed means for perceived price fairness were 3.84 indicates there is good price perception in the minds of MME customers. The mean score for service quality dimensions tangibility with mean score of 4.09, reliability 4.02, responsiveness 4.03, assurance 4.10 and empathy 3.98 shows the selected customers are satisfied with the service quality of the company.

- ❖ The correlation analysis result is used to understand the degree of relationship between the perceived price fairness and service quality dimension on customer satisfaction, has a significant and positive relationship with customer satisfaction. The correlation coefficient for the variables in this study ranges from the highest 0.869 for Empathy to the lowest 0.74 for responsiveness falls within the range of strong relationship. The direction of their relationship is positive sign that dictates a positive change in perceived price fairness and service quality dimension can result in a positive change in the customer satisfaction. From this analysis a strong correlation is observed among each other.
- ❖ The ANOVA table which indicates that the regression model predicts the dependent variable significantly well. As the significance value of F statistics shows a value (.000), which is less than $p < 0.05$, the model is significant and it indicates significantly predicts customer satisfaction.
- ❖ The result of regression analysis showed the value of adjusted R square is .792 indicates that 79.2% of the variations in the customer satisfaction have been explained by the perceived price fairness and service quality dimension. perceived price fairness has the highest impact with beta value of 0.711 on the overall selected customer satisfaction followed by tangibility, assurance, reliability empathy and responsiveness and influences customer satisfaction with a beta value of 0.344, 0.227, 0.179, 0.173 and 0.093 respectively.

5.2 Conclusion

The general objective of this study is to examine the effect of perceived price fairness, service quality on customer satisfaction in the case of Marathon Motor Engineering PLC. This study has noted and emphasized that, customer satisfaction is critical for organizations in order to achieve their goals. The findings show that customers are actually satisfied with services of MME. But it doesn't mean that the company shouldn't strive further rather extend and widen the opportunity so as to satisfy the customers' needs and wants. So that, delivering quality service and creating perceived fair price perception in the minds of the customers is not an optional for the automotive industry rather it is a mandatory to be competitive and satisfy customers. Even though the company has been doing better in the automotive industry yet there are some areas where customers showed comparatively high level of dissatisfaction that have been identified in the frequency table for all variables involved that need to be improved in making sure that the company position in the market

sustain longer. There is little dissatisfaction regarding MME price compared to competitors' offerings. Comparatively gap has been seen regarding neatness, skill and discipline of employees, this area needs urgent action towards improvement.

Generally based on major findings, the following conclusions were made:

- ✓ The respondents Agree the mean value of perceived price fairness and overall service quality dimension on customer satisfaction is above average, it is concluded that over all service quality and perceived price fairness perception of MME is good and customers are satisfied with the services of MME.
- ✓ Based on Pearson correlation result the researcher concludes, there is strong positive and significant relationship between perceived price fairness, service quality dimensions and customer satisfaction, the positive relationship showed that an increase in perceived price fairness and service quality dimensions can lead in an increase in customer satisfaction level of MME customers.
- ✓ Multiple regressions result reveals that that perceived price fairness and the dimension of service quality (Tangibility, Reliability, Responsiveness, Assurance, and Empathy are significant predictors of customer satisfaction. This finding is consistent to prior studies.
- ✓ Among the predictors of customer satisfaction perceived price fairness has the highest effect followed by service quality dimensions' (tangibility, assurance, reliability empathy and responsiveness) respectively.

5.3 Recommendation

Based on the findings of the study and the conclusion made, the following possible recommendations are drawn:

- Regarding perceived price fairness, it has the least mean score compared to other variables, 17.5% of the customer consider the price of maintenance services unfair compared to other competitors, in addition the 25% life time discount for maintenance service to customers who bought new car from MME only, crated price discrimination perception in the eyes of those who bought Hyundai vehicles from other dealers but using the maintenance service center of the company. The company should carefully consider price discrimination perception of those customers and have to come up with new offer in order to sustain

satisfaction level of this discriminated customers. The procedure of buying car from the company is fair but it is wise to have agents who facilitate the process of acquiring plates from the transport offices as of other competitors to elevate the level of customer satisfaction.

- Regarding Assurance and Tangibility, the company should have to give trainings to its employees in the maintenance service sector in order to fill the skill gaps visible. The researcher also recommend that it will be appreciated by customers if MME employees dress well and neat to attract their customers.
- Price fairness perception is crucial variable due to its direct relationship with the company's goals and its interaction with the brand preference of customers. Furthermore, it enables companies to segment markets, define products, create incentives for consumers and even send signals to competitors. Hence, MME should review the pricing strategies of the company periodically and continuously with the competitors market price to improve its consumer price perception towards the company's product and service offering.
- Company manager should give greater care to service quality dimensions and closely follow-up their feedback on the service delivery/quality, and make immediate corrections before they make a potentially destructive feedback. The management can also make more assessment and attempt to enhance more better price perception by giving more attention to their customers and put appropriate strategies in place to influence customers satisfaction. In addition, it should take necessary steps to enhance service quality by providing and establishing flawless operational process with qualified and motivated employees.

5.4 Limitation of the study and Suggestion for further research

Customer satisfaction is very important for the survival of financial institution in today's stiff competitive environment. Now a day's customers are becoming an inevitable factor in companies' management with the power to change short-term and long-term policies and strategies. Therefore, enough knowledge of environment, perception of customers and their desire are very important to find the best solution for facing up-expected behavior in such a way that to change the mind of customers in the direction of companies' profit. The study revealed customer satisfaction of MME

customers improves through perceived price fairness and service quality dimensions. The study was limited to the four branches of MME in Addis Ababa. It relied on data collected from those four branches so that further research could incorporate additional data from regions of the country their studies and this would enhance the validity of the research findings. And since the data collection instrument is structured self-administrated questionnaire, there may be very few response biases. The findings of this study cannot be generalized to the automotive industry in Ethiopia. It is limited because the study is conducted as a case study of one specific automotive dealer in the country.

While developing and completing this study, the researcher has looked to certain topics emanating from this study which have not yet been studied. A few suggestions for future research are indicated below;

- ✚ In this study perceived price fairness was treated as a single variable due to resource constraints so that future researcher should include its dimension in their studies to get more cleared and specific findings.
- ✚ It is recommendable for future research to develop further the core concepts of service quality dimensions such as assurance, responsiveness, empathy, tangibility and reliability in context of customer satisfaction.
- ✚ The study further recommends that another study needs to be done with an aim of investigating the effect of perceived price fairness, service quality, customer satisfaction on loyalty of automotive industries in Ethiopia.

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Appendix A: Research Questionnaire

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATES STUDIES

Department of Marketing Management Post Graduate Program

Questionnaire for customers of Marathon Motor Engineering (MME)

Dear respondents;

I am Tsilat Allebel and I am a postgraduate student at Saint Mary's university school of graduate studies department of Marketing Management. Currently, I am conducting research that shall be submitted in partial fulfillment of the requirements for a Master's Degree in Marketing Management. The purpose of this study is to assess **“The influence of Perceived price fairness, Service quality on Customer satisfaction: The case of Marathon Motor Engineering plc.”** Therefore, this is to kindly request you to take some of your precious time to fill this questionnaire. Your honest and accurate response will make this study more valuable. Your responses are only meant for academic purposes and will be kept confidential. So, please read it carefully and give your response.

N.B: Writing your name is not necessary. If you have any question, please contact me and I am available as per your convenience

tsegayetsilatbale@gmail.com

(Mobile: 0934134164)

Part I: - Demographic and other information

Please respond to each item by putting a tick mark (✓) on the choices in the blank box, which best reflects your perception.

1. Gender: - Male Female

2. Age: - 18-25 Years 26-35 Years 36-45 Years 46 Years and above

3. Educational Background: - no formal education Secondary Diploma Degree

MA/MBA/MSC and above

4. Occupation: Government employee Business owner NGO employee

financial institution employee Private Company Employee Other

5. You Use MME services for Personal use NGO Government

financial institution Private Company Other

6. For how long have you or your Organization been a customer of MME?

< 1 year [1-3) years [3-5) years 5 years and above

Part II: Survey of Customer Relationship marketing practice

Please show to what extent you agree on the statements given below use mark (√).

Note that: 1=SDA (strongly disagree) 2=DA (disagree) 3=N (neutral) 4=A (agree) 5= SA (strongly agree)

Code	Dimension	Scale of Measurement				
		(1)	(2)	(3)	(4)	(5)
PP	Perceived price fairness related Questions					
PP1	The price of the new car is appropriate relative to its performance					
PP2	The price of the services MME offers meets my expectations					
PP3	Prices reflect the quality of services provided by MME.					
PP4	The price of MME services is good value for money comparing to other Competitors.					
PP5	Price information of MME is clear, complete, and understandable.					
PP6	All customers are treated equally by the MME's pricing.					
PP7	The procedure of buying the car from MME is fair.					
TG	Tangibility related Questions					
TG1	MME has adequate support facilities. (Parking lot, toilet, gust chairs etc.).					

TG2	MME has up-to-date technology and equipment.					
TG3	MME has neat and disciplined employees.					
TG4	physical facilities of MME is neat, clean, and nice.					
RL	Reliability -related Question					
RL1	Employees follow through rules and Regulations of the MME.					
RL2	Employees of MME are consistently polite.					
RL3	The employees of MME handle customer complaints effectively					
RL4	Employees of MME provided Services at the time they promised to do so					
RP	Responsiveness related questions					
RP1	Employees of MME are happy and willing to serve the Customer					
RP2	Employees of MME give quick response to customer requests					
RP3	MME has adequate number of responsive employees during your contact (whether phone or physical visit) with it.					
AS	Assurance related questions					
AS1	employee of MME has the required skill in providing Services.					
AS2	employees of MME are trustworthy.					
AS3	Employees of MME staff behavior instills confidence in me.					
AS4	You feel safe and confident with the overall service of MME.					
EM	Empathy related questions					
EM1	Employees of MME understand customers' specific needs.					
EM2	Employees give individual attention to customers.					
EM3	The working hours of MME are flexible and comfortable for you					

CS	Customer Satisfaction related questions					
CS1	I am satisfied with the MME's complete range of Services					
CS2	I am satisfied with the performance of MME Employees.					
CS3	I am satisfied of being a client of MME.					
CS4	I am giving a positive word of mouth witnesses to others about MME confidently.					

THANK YOU SO MUCH!!

ቅድስት ማርያም ዩኒቨርሲቲ

ድህረ- ምረቃት ትምህርት ቤት

የገበያ አስተዳደር ትምህርት ክፍል

ለ ማራቶን ሞተርስ ኢንጂነሪንግ ደንበኞች የተዘጋጀ መጠይቅ

ውድ ምሊሽ ሰጪ

እኔ ፅላት አለበል የተባልኩ ቅሲስት ማርያም ዩኒቨርሲቲ ድህረ- ምረቃት ትምህርት ቤት የገበያ አስተዳደር ትምህርት ክፍል ተመራቂ ተማሪ ስሆን በገበያ አስተዳደር የሁለተኛ ዲግሪ መመረቂያ ጽሁፍ በመስራት ላይ እገኛለሁ። ይህ የምርምር ጥናት በገበያ አስተዳደር የሁለተኛ ዲግሪ እንዳገኝ የሚረዳኝን የማሟያ ጽሁፍ ለማዘጋጀት ይዉላል። የምርምር ጥናቴ አላማም **በማራቶን ሞተርስ ኢንጂነሪንግ ስላለው የአገልግሎት ጥራት እና የዋጋ ፍትዋዊነት እሳቤ የደንበኞች እርካታ ላይ የሚኖረውን ተጽኖ ለመዳሰስ ነው።** ከውድ ግዜዎ ላይ ቀን ሰው ይህንን መጠይቅ እንዲሞሉልኝ ስል በትህትና እጠይቃለሁ። የእርስዎ ትክክለኛ ምላሽ ይህንን ጥናት ፍሬአማ እና ተቀባይነት ያለው ያደርጉታል። ምላሽዎም ለትምህርት ጉዳይ ብቻ እንደሚውል እና ምላሹም በሚስጥር እንደሚጠበቅ ላሳውቅዎት እወዳለሁ ። እባክዎን ጥያቄዎቼን በሚገባ አንብበው መልስዎን ያስፍሩ ስለትብብርዎ በቅድሚያ አመሠግናለሁ።

ማስታወሻ፤ በዚህ መጠይቅ ላይ ስምዎን መጻፍ አይጠበቅብዎትም፤ በተጨማሪም ምንም ዓይነት አስተያየት ቢኖርዎ በኢሜል አድራሻዬ tsegayetsilatbale@gmail.com ወይም በስልክ ቁጥር +251926309767 ሊገልፁልኝ ይችላሉ።

ክፍል አንድ: - ህዝብ ነክ ና ሌሎች መረጃዎች

ለእያንዳንዱ ጥያቄ በተሰጠው ባዶ ሳጥን ውስጥ ተስማሚ ምላሹን ይሆን ምልክት በማድረግ (✓) ግለጽ።

1. ጾታ: ወንድ ሴት

2. እድሜ: 18-25 አመት 26-35 አመት 36-45 አመት 46 አመት ና ከዛ በላይ

3. የትምህርት ደረጃ: ያልተማረ ዲፕሎማ ዲግሪ ማስተርስ ዶክትሬት ና ከዛ በላይ

4. የስራ ሁኔታ፤ የመንግስት ስራተኛ NGO ስራተኛ ነጋዴ የገንዘብ ነክ ተቋማት ስራተኛ የግል ድርጅት ስራተኛ ሌላ

5. የማራቶን ሞተርስ ኢንጂነሪንግ ምርትና አገልግሎቶች የሚጠቀሙት?

ለግሌ ለNGO መስሪያ ቤቱ ለንግዴ ለመንግስት መስሪያ ቤቱ ለግል ድርጅት መስሪያ ቤቱ የገንዘብ ነክ ተቋማት መስሪያ ቤቱ ሌላ

6. እርስዎ ወይም ድርጅቶ የማራቶን ሞተርስ ኢንጂነሪንግ(MME) ደንበኛ ከሆኑ ምን ያህል ጊዜ ሆኖት?

< 1 አመት [1-3] አመት [3-5] አመት 5 አመት ና ከዛ በላይ

ክፍልሁለት:- የተገልጋይ ና የአገልግሎት ሰጪ ትስስር ጋር የተያያዙ ጥያቄዎች

ከታች በተቀመጡት መጠይቆች ላይ 1 - 5 በተጠቀሱ መለኪያዎችን በመምረጥ ያሉትን ስምምነት (v) ምልክት በማድረግ ይግለጹ። 1 = በጣም አልስማማም 2 = አልስማማም 3 = ገለልተኛ 4 = እስማማለሁ 5 = በጣም እስማማለሁ

ከድ	ልኬት	(1)	(2)	(3)	(4)	(5)
PP	ሚዛናዊ የሆነ የዋጋ ግንዛቤን የተመለከቱ ጥያቄዎች					
PP1	ከሚሰጠው አገልግሎት አንጻር የአዲስ መኪና ዋጋ ፍትሃዊ ነው ብዬ አስባለሁ።					
PP2	MME በሚሰጣችዉ ምርትና አገልግሎቶች ዋጋ እኔ እንደጠበኩት ነዉ					
PP3	የ MME የምርትና አገልግሎቶች ዋጋ የጥራት ደረጃዉን ይገልጻል።					
PP4	የ MME የምርትና አገልግሎቶች ዋጋ ከሌሎች ተፎካካሪዎች አንጻር ምርጥ ነዉ።					
PP5	የ MME የዋጋ መረጃ ግልጽ፣ሙሉ እና መረዳት የሚቻል ነዉ።					

PP6	ለሁሉም የMME ድንበኞች ዋጋ የሚተመነው በእኩል አይን ነው።					
PP7	ከMME መኪና የሚገዛበት አካሄድ(ቅድም ተከተል) ፍትሃዊ ነው።					
TG	ውጫዊ እይታን የተመለከቱ ጥያቄዎች					
TG1	MME የመኪና ማቆሚያ፣ሽንት ቤት፣የእንግዳ መቀመጫ ወዘተ በበቂ ሁኔታ አደራጁቷል(አሟልቷል)።					
TG2	MME አገልግሎት ሲሰጥ ዘመናዊ መሳሪያና ቴክኖሎጂ ይጠቀማል።					
TG3	MME ጽድት ያሉና ግብረገብ ያላቸው ሠራተኞች አሉት ።					
TG4	MME የውጫዊ ገፅታ በጣም ጥሩ ፣ ንጹህ ፣ዓይን የሚስቡ ና የሚያረኩ ናቸው።					
RL	ተአማኒነትን የተመለከቱ ጥያቄዎች					
RL1	የ MME ሰራተኞች የድርጅቱን ህግ እና ደንቦችን አክባሪ ናቸው።					
RL2	የ MME ሰራተኞች ሲበዛ ትሁት ናቸው።					
RL3	የ MME ሰራተኞች በተገልጋዮች የሚነሱ ቅሬታዎችን በሚገባ ያስተናግዳሉ።					
RL4	የMME ሰራተኞች ምርትና አገልግሎት በተመለከተ ቃል የገቡትን በጊዜው ይፈጽማሉ።					
RP	ምላሽ ሰጪነትን የተመለከቱ ጥያቄዎች					
RP1	የMME ሰራተኞች እርሶን ለማስተናገድ ደስተኛ ና ፈቃደኛ ናቸው።					
RP2	የMME ሰራተኞች ቀልጣፊ የሆነ አገልግሎት ይሰጣሉ።					
RP3	የMME ሰራተኞች ደንበኞችን ለሚያጋጥማቸው ችግሮች ምላሽ ለመስጠት ይተጋሉ።					
RP4	በአካልም ይሁን በስልክ MME በቂ ምላሽ ሰጪ ሰራተኞች አሉት።					
AS	አስተማማኝነትን የተመለከቱ ጥያቄዎች					
AS1	የMME ሰራተኞች አስፈላጊው ሙያዊ ክህሎት አላቸው።					
AS2	የMME ሰራተኞች እምነት የሚጣልባቸው ናቸው።					
AS3	የMME ሰራተኞች ባህሪ በእኔ ውስጥ እምነት እንዲያድር አድጓል ።					
AS4	በአጠቃላይ MME በሚሰጣቸው ምርት ና አገልግሎቶች ደህንነትቱ የተጠበቀ ና አስተማማኝ እንደሆነ ይስማዎታል።					

EM	ችግር ተካፋይነት የተመለከቱ ጥያቄዎች					
EM1	የMME ሰራተኞች የደንበኞችን ልዩ ፍላጎት ይረዳሉ።					
EM2	የMME ሰራተኞች ለእያንዳንዱ ተገለጋይ ትኩረት ይሰጣል።					
EM3	MME የስራ ሰዓት ለርሶ ምቹ ነው።					
CS	ደንበኛውን እርካታ የተመለከቱ ጥያቄዎች					
CS1	MME በሚሰጣቸው ዘርፈ ብዙ ምርትና አገልግሎቶች ረክቻለሁ።					
CS2	በMME ሰራተኞች አፈጻጸም ረክቻለሁ።					
CS3	የMME ደንበኛ በመሆኔ እርካታ ይሰጣኛል።					
CS4	ስለ MME ምርጫዎች በመተማመን አፊን ሞልቼ ለሌሎች እናገራሉ።					

በጣም አመስግናለሁ!!