



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

**ASSESSMENT OF THE RELATIONSHIP BETWEEN SERVICE
QUALITY AND CUSTOMER SATISFACTION:
THE CASE OF ADDIS ABABA CITY ADMINISTRATION DRIVER AND
VEHICLE LICENCING AND CONTROL AUTHORITY, AKAKI KALITY
BRANCH OFFICE**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF A MASTERS DEGREE IN
MARKETING MANAGEMENT.**

Approval

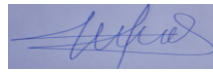
The undersigned certify that they have read and here by recommend to the St. Mary's University to accept the Thesis submitted by Amha Desta, and entitled the assessment of the relation between service quality and customer satisfaction: the case of Addis Ababa City Administration Driver and vehicle Licensing and Control Authority, Akaki Kality branch office, in partial fulfillment of the requirements for the award of a Masters Degree in Marketing Management.

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Declaration

I Amha Desta, the undersigned, declare that this thesis is my original work, prepared under the guidance of Mohammed Mohammednur (As. Prof.). All sources of materials used for the 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.

Name of the Participant: Amha Desta:

Signature.....

Date.....

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Acronyms and Abbreviations

AACADVLCA: Addis Ababa City Administration Driver and Vehicle Licensing and Control Authority

CRM: Customer Relationship Management

SERVPERF: Service Performance Scale/model

SERVQUAL: Service Quality Scale/Model

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ABSTRACT

The main objective of this study was to assess the relation between service quality and customer satisfaction in AACADVLCA, Akaki Kality branch office. A conceptual model of service quality dimensions was developed and hypothesized. The major tools used for data collection is, questionnaires for AACADVLCA Akaki Kality branch office. 300 respondents were taken as a sample from 1500 customers. The hypotheses were tested with the data collected through structured questionnaires from AACADVLCA, Akaki Kality branch office. The collected data was analyzed using both descriptive and inferential statistical analyses techniques. The findings of the study show that service quality of Akaki Kality branch office is below average and customers are not satisfied with the service. Based on the finding service quality has significant impact on customer satisfaction. The study provides the empirical application so that this study contributes Akaki Kality branch office to improve its service quality which leads to customer satisfaction. The study concluded that overall service quality of Akaki Kality branch office is not good and customers are not satisfied with the services of Akaki Kality branch office. The researcher recommended that Akaki Kality branch office should work hard on all these service quality dimensions to improve its customer satisfaction.

Key words: *service quality, customer satisfaction, service*

CHAPTER ONE:

INTRODUCTION

1.1. Background of the study

Customer satisfaction is a function of service performance relative to the customer expectation. If that is the case, it is essential to recognize how customer expectations are created so that to identify the factors of service affecting customer's satisfaction (Liu, 2000). Reisig & Chandek (2001) indicate that different customers have different expectations, based on their knowledge of a product or service. This implies that a customer may estimate what the service performance will be or may think what the performance ought to be and if service performance meets or exceeds customers' expectation, the customers will be satisfied. On the other hand, customers are more likely to be dissatisfied if the service performance is less than what they have expected.

Businesses' ability to understand the needs and expectations of not only their current customers but also their potential customers and to act in accordance with this is of utmost importance for the realization of high levels of customer satisfaction. Therefore, acting with a customer-focused approach presents itself as a must-have requirement for improving the satisfaction of customers. Being able to act with a customer-focused approach is closely related to the customers' expectations and preferences as well as the level of quality of the services provided by the business to its customers (Kocbek, 2005).

In particular, for the businesses to be able to win customers with potential to add value to them at a higher level in an increasingly growing competitive market structure they need to provide products and services that can satisfy the needs of the customers; this is of vital importance in sustaining their presence in the market. The underlying cause of this can be related to the high level of expectations of customers at all times and under all circumstances concerning the products and services that they have been offered. If the perception of the level of quality of products and services offered to the customer is lower than expected, it can bring about dissatisfaction that is proportionate to the difference between expectation and perception.

In another aspect, if the customers' perceived service quality is high, then it can lead to high levels of satisfaction. Therefore, while businesses engage in certain measurements to determine the satisfaction levels of their customers, they should also determine the differences between customers' expectations and their perceptions about the realized results at the same time. In this way, it would be possible to determine which service quality elements lead to satisfaction or dissatisfaction and guide the customer relations policies accordingly (Ozturk & Seyhan, 2005).

Bezawit Hagos in Addis Ababa 2015 concluded that, consistent with early conceptualizations of the “service concept” as a bundle of goods and services, overall satisfaction has been shown to be well explained by satisfaction with constituent service components (Athanasopoulos & Iliakopoulos 2003; Kumar & Tsiros 1999; Ross & Baldasare 1998).

Bitadel Beressa, 2015, found that, the quality of service offered by Ethio Telecom is poor due to a bigger proportion of small and medium enterprise customers. Above half of the respondents were dissatisfied with the services of Ethio Telecom.

Edilawit Zewge, 2016, Addis Ababa, found that only Empathy has a positive and significant effect on over all service quality, but collectively all variables have a positive and significant effect on over all service quality on the context of Lifan motors.

Yeshitla Tefera, 2018, Addis Ababa concludes that, all service quality dimensions have positive and significant relation with the level of customer satisfaction. The strongest relationship is observed on empathy and reliability.

As the above mentioned researches this study is tried to reveal the relationship between Service quality and customer satisfaction in AACADVCLA using the service quality variables.

1.2 Back ground of the company

Driver and Vehicle licensing are one of the key priority sectors for the city of Addis Ababa which have significant impact on the economic growth and development of the city. Vehicle

licensing should be delivered to the population without problems. The sector will contribute to the city development.

It was since 2008 E.C (2016 G.C) that Driver and Vehicle licensing and control Authority was started in Addis Ababa. In the beginning the provision of licensing was delegated by Ministry of Transport; and following the reform in 2008 E.C., this responsibility is transferred to the newly established Driver and Vehicle licensing and control Authority (DVLCA).

In order to cater for the increasingly growing demand for vehicle licensing services there did raise the need for the establishment of an autonomous body that would primarily focus on the provision of the services. Accordingly, Addis Ababa City Administration was set up additional specific Authority to handle the increasing demands from the potential service demands.

Addis Ababa City Administration DVLCA has ten branches (Arada, Kirkos, Lideta, Kolfe keranio, Addis Ketema, Gulele, Yeka, Bole, Nifas Silk, and, Akaki Kality). Every branch office gives numerous services to the service demanders. The vehicle licensing sector gives; new vehicle licensing, plate changing service, form changing service, file transfer service, yearly vehicle licensing renewal service, ownership transfer service.

Customer service is not well exercised in Addis Ababa City Administration Driver and Vehicle Licensing and Control Authority (AACADVLCA) as the organization is formed few years ago. This research's focus is on one of the branch offices of the above mentioned organization, namely, Akaki Kality branch office.

1.3 Statement of the problem

As vehicle licensing demand is increasing rapidly and competition is high, improving service quality to upgrade customer's satisfaction has no option. Service providing centers are used to provide various services which include; new vehicle licensing, plate changes service, form changing service, file transfer service, yearly vehicle license renewal service, and ownership transfer service. Since the formation of the Addis Ababa City Administration Driver and Vehicle

Licensing and Control Authority (AACADVLCA) in 2016, the organization has taken many measures to improve its service quality and customer's satisfaction.

There are standardized set of service quality monitoring parameters and procedures to provide uniform services at every service request. These service quality monitoring parameters and procedures are used to measure the quality of services provided by service center branch offices and level of customers' satisfaction.

But it is difficult for a service providing centers to make a balance between quality and efficiency while trying to achieve company's objectives. Customer's satisfaction is not fulfilled only by technical (physical performance of the offer). According to Shemwell et al., (1998) in today's world of intense competition, the key to sustainable competitive advantage lies in delivering high quality service that will in turn result in satisfied customers. The customer's overall satisfaction with the services of the organization is a function of all the encounters/experiences of the customers with that organization.

Similar to service quality, customer satisfaction can occur at multiple levels in an organization for example, satisfaction with the contact person, satisfaction with the core service and satisfaction with the organization as a whole. Majority of the services could be handled by service providers in where supportive systems and human elements are working together. Downing (2011) noted that the knowledge, skills and abilities of salespeople have been largely studied by scholars but much more in face-to-face situations than in mediated environments like service providers.

Customer service is one of the most important weapons to build good customer relationship management and customer retention (Bennington et al., 2000). But there is no enough study related to service quality and customer satisfaction on licensing service encounter. In addition to this customers are less satisfied with information center service compared with office based in person service.

The concept of customer service is new in AACADVLCA and as specified in back ground of the organization, Akaki Kality Branch Office is the first one which is handling averagely more than

350 customers per day who are requesting different services. Moreover the SERVQUAL model is mostly applied for face to face service encounter than for phone encounter like requesting information through a phone call. These are the main problematized statements of this study which is conducted to assess the relation of service quality and customer satisfaction of Akaki Kality branch office of AACADVLCA from which the office could take corrective actions based on the findings.

1.4 Basic Research Questions

Based on the identified research problems, this study tried to answer the following questions.

- What is the relationship between service quality and customer satisfaction in AACADVLCA Akaki Kality Branch Office?
- Which service quality dimensions have greater relation with customer satisfaction in AACADVLCA Akaki Kality branch office?
- How is customer perception of service quality and customer satisfaction assessed in AACADVLCA Akaki Kality Branch Office?

1.5 Objectives of the study

1.5.1 General Objective of the study

The main objective of this study was to assess the perception of service quality and customer satisfaction with AACADVLCA Akaki Kality Branch Office?

1.5.2 Specific objectives of the study

The specific objectives of the study were:

- To analyze the magnitude of the relationship between service quality dimensions and customer satisfaction in AACADVLCA Akaki Kality Branch Office.
- To assess the relation between service quality and customers satisfaction in the selected organization
- To discover which service quality dimensions have greater relation with customer satisfaction in AACADVLCA Akaki Kality Branch Office.

1. 6 Significance of the study

This study contributes the knowledge on service quality and customer satisfaction level, the relationship between service quality dimensions and customer satisfaction in service providing industry.

The study finding also is relevant input to the management of AACADVLCA and other companies which have customer service centers in identifying the existing strength and weaknesses of service quality delivery and level of customer satisfaction experienced by customers during their visit to the company's customer service centers. In addition, this study will help the company to focus on highly influential service dimensions of service quality and customer satisfaction for customer service center, which is Akaki Kality Branch Office.

At last, the concept of modern call customer service is new particularly to AACADVLCA and it is essential for researchers who want to undertake further studies related to service providing centers.

1.7. Delimitation /scope of the study

This study is conducted to evaluate the quality of services provided and the level of customer satisfaction. AACADVLCA is providing different services and has many branches, among those services and branches the scope is limited to Akaki Kality Branch Office because this branch office has many customers than the other branches as per AACADVCLA head office data. The finding of the study cannot be generalized to other branch offices.

To make the study meaningful the important information is gathered as a form of questionnaires from selected customers through probabilistic stratified random sampling technique.

1.8. Definition of Terms

1.8.1. Conceptual definition

- **Service quality** - is the global evaluation or attitude of overall excellence of service. Therefore service quality is the difference between customers' expectation and perception of service delivered by service firms. (Parasuraman et al, 1988, p.5).
- **Customer satisfaction**- the consumer's response to the evaluation of the perceived discrepancy between prior expectation and the actual performance of the product or service as perceived after its consumption. (Tse & Wilton, 1988, p.204).
- **Service encounter**-an instance of interaction between a server who is officially posted in some service area, that interacting being oriented to the satisfaction of the customer's presumed desire for some service and the server's obligations to provide that service. (Shostack, G.Lynn, 1985, p.243).
- **SERVQUAL** –is a service quality gap model which measures service quality by using the expectation and perception of customers. (Parasuraman et al., 1985, p.41-50).

1.9. Organization of the paper

This study is organized under five chapters. The first chapter is the introduction part of the study which contains; background of the study, background of the organization, problem statement,

research questions, hypothesis of the study, objective of the study, significance and scope of the study.

The next chapter, chapter two is mainly focus on existing literatures which covers conceptual and theoretical framework related to the study, finally to develop conceptual frame work from the theories and empirical studies. The third chapter discussed the methodology of the study. It includes research design, research methods, as well as data collection instruments and data analysis techniques. The content of chapter four is analysis of the study and its interpretations.

The last chapter, chapter five includes conclusion, recommendations and; limitations and directions for further study.

CHAPTER TWO:

LITRATURE REVIEW

Introduction

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

2.1. Theoretical Review

Service quality has been given increased attention in recent years, due to its specific contribution to business competitiveness. Because of the difficulties in defining and measuring service quality, it is a concept that has aroused considerable interest and debate in the research literature (Wisniewski, 2001).

According to M. Rahaman, Abdullah and A. Rahman (2011) service quality is an approach to manage business processes in order to ensure full satisfaction of the customers which will help to increase competitiveness and effectiveness of the service industry. Definition of service quality revolves around the idea that it is the result of comparison that customers make between their expectations about a service and their perception of the way the service has been performed. Service quality can thus be defined as the difference between customer expectations of service and perceived service performance.

2.1.1. Customer Expectation VS Perception of Service

Customer expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged. Customer expectation is what the customer expects according to available resources and is influenced by cultural background, family lifestyle, personality, demographics, advertising, experience with similar products and information available. Because customers compare their perceptions of performance with these reference points when evaluating service quality, thorough knowledge about customer expectations is

critical to service marketers. Knowing what the customer expects is the first and possibly most critical step in delivering quality service. Being wrong about what customers want can mean losing a customer's business when another company hits the target exactly. Being wrong can also mean expending money, time and other resources on things that do not count to the customer and even mean not surviving in a fiercely competitive market.

Customer perception is totally subjective and is based on the customer's interaction with the product or service. Perception is derived from the customer's satisfaction of the specific product or service and the quality of service delivery.

Perceptions are always considered in relation to expectations (Zeithaml, Bitner and Gremler 2009). Perceptions are formed through customers' assessment of the quality of service provided by a company and whether they are satisfied with the overall service (Zeithaml and Bitner, 2003). Zeithaml and Bitner (2003) argue that because perceptions may shift over time and therefore it is necessary for companies to continually assess customer perceptions (Zeithaml and Bitner, 2003).

There are three alternative types of service encounters.

Remote Encounters: This interaction between customers and employees (organization) occurs without any direct contact. Even though there is not any human contact where the transaction is mediated by technology; firms could strengthen customers' perception of service quality by managing the tangibles and technical aspect of the service.

Phone Encounters: This is the most frequent type of encounter between customers and employees in many organizations (utility firms and service organizations like telecommunication services). Customers' judgment of service quality depends on tone of voice, employees' knowledge, politeness and their effectiveness /efficiency in handling customer issues.

Face- To- Face Encounters: It occurs between customers and employees in direct contact. Both verbal and nonverbal behaviors are important determinants of service quality perception and other tangible cues should be managed.

2.1.2. 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. 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, 2008). According to Lewis and Booms (1983) service quality is a measure of how well a delivered service matches the customer expectation.

Parasuraman et al. (1985) defined service quality as “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.

Service Quality Model

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 definitely 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 have to wait for assistance, answers to questions or attention to problems. To truly distinguish themselves on responsiveness,

companies need well-staffed customer service department as well as responsive frontline people in all contact positions.

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

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

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,).

2. Functional and Technical Dimension Model

Other researchers saw the need of additional components of service expectations that is functional and technical dimensions. (Grönroos 1983) The idea was that, consumers make service evaluations based on the technical dimension that is what is delivered and on the functional dimension that is how, why, who, and when it is delivered. (Laroche et al., 2004 and Grönroos, 1983).

3. SERVPERF Scale

Although the elements listed in SERVQUAL model have been proven to be the main method for evaluating service quality from the consumer's perspective (Brown et al., 1993), drawbacks in

using SERVQUAL in measuring service quality has been the reason that the SERVPERF scale was proposed by Cronin & Taylor (1992, cited in Jain et al. (2004,)) after they called into question the conceptual basis of the SERVQUAL, having found it, led to confusion with service satisfaction (Jain et al., 2004,). These researchers discarded the 'E' for 'expectation' claiming instead that 'P' for 'performance' alone should be used. They meant that higher perceived performance entails higher quality service. Unfortunately, during this past century, customers have changed their behaviors in ways that do not suit organizational Behavior. Till date, it is unclear as to which of SERVQUAL and SERVPERF is superior in measuring service quality (Jain et al., 2004,). Laroche et al., (2004) made an assessment of the dimensionality of should and will service expectations. They used a survey measuring customers' post encounter expectations and vis- à-vis a well-known airline with a sample of 363 and examined the existence of hypothesized functional and technical dimensions of should and will expectations and determined the casual relationships between two types of expectations and hypothesized dimensions.

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

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

Service Quality Dimensions

In parasuraman et al. (1985, 1918) service quality gap model five dimensions and 22 service attributes are identified these dimensions are:

- **Reliability** –Ability to deliver the promised service.
- **Responsiveness** –willingness to provide prompt service.
- **Assurance** – Ability to inspire trust and confidence
- **Empathy** - Individualized attention to customers, caring about the customers.

- **Tangibles** – Appearance of physical facilities, personnel and materials.

However, Rust et al, (1994) state that “SERVQUAL is intended to describe the dimension of quality common to all service and is therefore unlikely to encompass the special properties of any particular service.

2.1.3. Customer Satisfaction

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

Giese and Cote, (2000,) clearly state that there is no generic definition of customer satisfaction and after carrying a study on various definitions on satisfaction they came up with the following definition, “customer satisfaction is identified by a response (cognitive or affective) that pertains to a particular focus (i.e. a purchase experience and/or the associated product) and occurs at a certain time (i.e. post purchase, post consumption)” p. 1 From this definition, it is clear that the consumer’s/customer satisfaction is determined by his/her contact experience with the service provider and this is supported by Cicerone et al., (2009,) and Sureshchander et al., (2002), who believe customers’ level of satisfaction is determined by their cumulative experiences at all of their points of contact with a supplier organization.

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

It is important to note that customer loyalty is affected by customer satisfaction (Heskett, 1997). A loyal customer will retain to use the service or sustain to repurchase and with least change to search for substitution. There is empirical support for positive association between customer satisfaction and intention to spread word of mouth (Dabholkar and Thorpe, 1994; Richins, 1983). According to Anton (1997), perception of service quality (performance) can be classified into three zones. Rejection, acceptance and preference by the customer Satisfaction index (CSI). According to him, the score above 85 is under preference zone, the score between 50-84 is under tolerance zone and the score below 50 is under rejection zone.

2.2. Empirical Review

2.2.1. Relationship between Service quality and customer satisfaction

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

Regarding the relationship between customer satisfaction and service quality, Oliver (1993) first suggested that service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative or transaction-specific. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service.

Although it is stated that other factors such as price and product quality can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml et al. 2006,)

According to Sureshchandar et al., (2002), customer satisfaction should be seen as a multi-dimensional construct just as service quality meaning it can occur at multi levels in an organization and that it should be operationalized along the same factors on which service quality is operationalized.

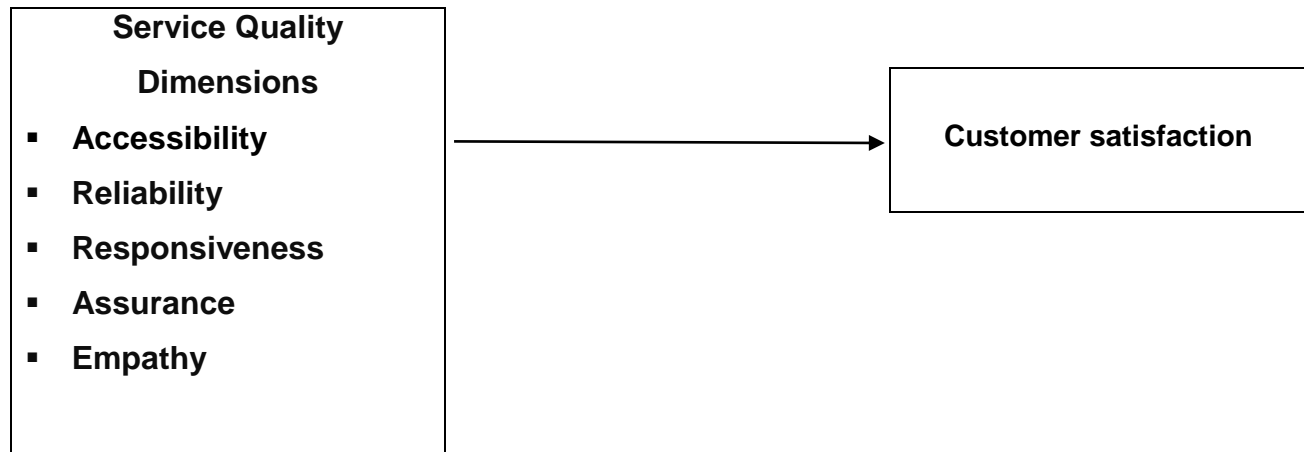
In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service.

Parasuraman et al., (1985) suggested that when perceived service quality is high, then it will lead to increase in customer satisfaction. He supports that fact that service quality leads to customer satisfaction and this is in line with Saravanan and Rao, (2007,) and Lee et al., (2000), who acknowledge that customer satisfaction is based upon the level of service quality provided by the service provider.

Fen & Lian, (2005,) found that both service quality and customer satisfaction have a positive effect on customer's re-patronage intentions showing that both service quality and customer satisfaction have a crucial role to play in the success and survival of any business in the competitive market. This study proved a close link between service quality and customer satisfaction.

Su et al., (2002,) carried a study to find out the link between service quality and customer satisfaction, from their study, they came up with the conclusion that, there exist a great dependency between both constructs and that an increase in one is likely to lead to an increase in another. Also, they pointed out that service quality is more abstract than customer satisfaction because, customer satisfaction reflects the customer's feelings about many encounters and experiences with service firm while service quality may be affected by perceptions of value (benefit relative to cost) or by the experiences.

2.3. Conceptual framework model



Source: adopted from Cronin, J.J and Taylor, S.A 1992

2.5. Hypothesis

Based on the above conceptual framework the following research hypotheses are formulated to be tested.

- H01: Service Quality Dimensions (**Tangibles, reliability, responsiveness, Assurance & empathy**) will not have a positive & significant effect on customer satisfaction. (Correlation)
- H02: Service Quality Dimensions (**Tangibles, reliability, responsiveness, Assurance & empathy**) will not have a positive relationship among themselves.(correlation)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

A research design provides a framework for the collection and analysis of data. A combination of descriptive and causal research designs is used in this study. The study was a descriptive in that it seeks to describe the level of customer satisfaction and service quality in AACADVLCA Akaki Kality Branch Office, thus, giving an in-depth understanding of the reality of customer satisfaction with service quality in AACADVLCA Akaki Kality Branch Office. It aims to understand the relationship between service quality dimensions and customer satisfaction.

3.2 Research approach

The research approach is deductive because it is not developing theories rather theory testing. The study is conducted as a quantitative research; a research that focuses primarily on the construction of the qualitative data. Also mixed approach is used in this study because the data collected is qualitative data from AACADVCLA Akaki Kality branch office.

3.3. Sampling design and procedure

3.3.1. Target Population

The researcher used the target respondents, which are AACADVLCA Akaki Kality Branch Office customers. Only selected 300 respondents are used to collect the required data to conduct this study.

3.3.2. Sample size

In principle, accurate information about given population could be obtained only from census study. However, due to time and cost constraint, in many cases, a complete coverage of

population is not possible; thus sampling is one of the methods, which allow the researcher to study relatively small number of units representing the whole population (Sartnakos, 1998). Out of 1500 active customers of Akaki Kality branch office 300 of them will be selected. In determining the sample the researcher used the well known Taro Yamane's sample size determination formula as shows below.

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{1200}{1 + 1200(0.05)^2} = 300$$

Where

n= sample size

N= population size

e= margin of error (0.05%) or maximum tolerable error

3.3.3. Sampling technique

Probabilistic sampling technique with stratified random sampling methods is employed to get respond from respondents. Because it ensures each subgroup within the population receives proper representation within the sample the researcher grouped the customer in to three parts based on the level of revenue generate to the company, that is very critical, medium, and less critical customers.

3.4. Sources of Data and Methods of Collection

3.4.1 Sources of Data

For the sake of achieving the purpose of this study the relevant data is collected or obtained from primary and secondary source of data.

I. Primary source

In this study primary data is obtained through the administering of questionnaires. And the questionnaires were filled by the customers of AACADVLCA Akaki Kality branch office who got services provided by the office indifferent times.

II. Secondary source

It is suggested that most business research should be started by using secondary source of data because it provide good background information about the issues that related business activities. But for more reliability of secondary data must be combined with primary data. Secondary data was Bullets, brochers and company data base were gathered from the company. As well as the data will be gathered from articles to review related theories and empirical findings in order to have better understanding of customer satisfaction, service quality and SERVQUAL model.

3.4.2. Methods of Data Collection

The major tools used for data collection is questionnaires for AACADVLCA sampled customers questionnaire is easy to administered. The questionnaires are designed from the servqual dimensions that include likert scale questions arranged from 1 Strongly Disagree (SD) to 5 strongly Agree (SA). Secondary data is collected from written documents such as journals, books, and magazine and so on.

3.5 Data analysis methods

After the relevant data is collected, it analyzed using statistical package for social sciences (SPSS). Each research questions is answered accordingly and output of the analysis is presented in tables and finally their implications are explained. Descriptive statistics like frequency,

percentage were applied to analyze background information of respondents and while inferential like correlation analysis was used to analyze respondents' perception on service quality and satisfaction as well as relationship between service quality dimensions and customer satisfaction.

3.6 Validity

The validity is assured by evaluating its construct validity. Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure (Sounders et. al, 2003). To assure the validity of the dimensions whether they can measure the predefined dependent variables or not different theories and empirical studies are assessed to assure its validity. The researcher had some discussions with advisor to validate the data collection instrument to which servqual has will have a well known and designed questionnaire.

3.7 Research Ethics

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

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

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

4.1. Response rate

This study is intended to know the effects of service quality dimensions on customer satisfaction of AACADVLCA Akaki Kality branch office customers. The first estimated amount of respondents was 300 but only 74% of respondents (222) filled the questionnaire. So this number is used in the analysis part.

4.2. General Information about Respondents

The general information include: types of AACADVLCA Akaki Kality branch office's services that the customers are currently using, their experience of AACADVLCA Akaki Kality branch office service center usage, their service center contact frequency. The next table (table 4.1) summarizes all general information of the respondents.

Table 4.1. Frequency (General information about the respondents)

| Background | | Frequency | Percent |
|-------------------|--|-----------|---------|
| Types of services | New vehicle licensing | 36 | 16.2 |
| | Yearly vehicle license renewal service | 32 | 14.4 |
| | Plate changing service | 128 | 57.7 |
| | Ownership transfer service | 26 | 11.7 |
| | Total | 222 | 100 |
| | Less than one year | 17 | 7.7 |
| | One up to three years | 59 | 26.6 |

| | | | |
|---|------------------------|-----|------|
| Experience of the branch office | Three up to five years | 108 | 48.6 |
| | Above five years | 38 | 17.1 |
| | Total | 222 | 100 |
| Frequency of contacting the branch office | Three times | 73 | 32.9 |
| | four times | 77 | 34.7 |
| | More than four times | 72 | 32.4 |
| | Total | 222 | 100 |

Source: Survey result (2020)

As table 4.1 shows, from the types of services AACADVLCA Akaki Kality branch office is providing, more than 88.3% respondents have been using Plate changing service, new vehicle licensing and Yearly vehicle license renewal service. This shows that the coverage of the services is good except ownership transfer service which is the least.

Concerning the experiences of respondents to Akaki Kality branch office, majority of the respondents have three up to five years experience which counts 48.6% and only 7.7% of the respondents have less than one year experience. Moreover, around 34.7% of respondents were contacted to Akaki Kality branch office for four times and 32.4% of respondents are called to the service center for four and more than four times. This shows that the frequency of contact to Akaki Kality branch office service center is high.

4.3. Descriptive Analysis

Respondent's perception towards Akaki kality branch office service quality is measured through five service quality dimensions. Respondents' perception towards over all service quality and their satisfaction level also measured using their mean score. Table 4.2 shows respondent's perception towards service quality dimensions, over all service quality and customer satisfaction.

Table 4.2 Descriptive statistics (Perception of SQ dimensions, over all service quality and customer satisfaction)

| Variables | N | Minimum | Maximum | Mean | Std. deviation |
|-----------------------|----------|----------------|----------------|-------------|-----------------------|
| Accessibility | 222 | 1 | 5 | 3.33 | 1.0486 |
| Reliability | 222 | 1 | 5 | 2.89 | 1.0087 |
| Responsiveness | 222 | 2 | 5 | 3.29 | 0.8137 |
| Assurance | 222 | 1 | 5 | 3.32 | 0.7883 |
| Empathy | 222 | 1 | 5 | 3.50 | 0.7601 |
| Customer satisfaction | 222 | 1 | 4 | 2.75 | 0.946 |

Source: Survey result (2020)

As table 4.2 shows perception of respondents on accessibility and Assurance is good compared to other service quality dimensions which have mean score of 3.33 and 3.32 respectively. Responsiveness has moderate perception with mean score of 3.29 as well as Empathy and reliability have least perception with mean value of 2.96 and 2.89 respectively.

Table 4.3 Accessibility items

| | N | Min. | Max. | Mean |
|-----------------|----------|-------------|-------------|-------------|
| Accessibility 1 | 222 | 1 | 5 | 2.51 |
| Accessibility 2 | 222 | 1 | 5 | 4.11 |
| Accessibility 3 | 222 | 1 | 5 | 2.94 |
| Accessibility 4 | 222 | 1 | 5 | 3.76 |

Source: Survey result (2020)

As table 4.3 shows respondents of the questionnaire show a positive insight on accessibility 2 which is the length of time they spent on queue to have a waiting service number is short. Accessibility 4 has a moderate mean value of 3.76 while accessibility 1 & 3 has relatively low mean score of 2.51 and 2.94. Generally accessibility has a mean score of 3.33.

Table 4.4 Reliability items

| | N | Min. | Max. | Mean |
|---------------|----------|-------------|-------------|-------------|
| Reliability 1 | 222 | 1 | 4 | 2.43 |
| Reliability 2 | 222 | 1 | 5 | 2.59 |
| Reliability 3 | 222 | 1 | 4 | 2.54 |
| Reliability 4 | 222 | 1 | 5 | 4.03 |

Source: Survey result (2020)

As per the above reliability table, the fourth item has a greater mean value of the other items with 4.03. This means the respondents agree on the company's being promise keeper by assuring the company provides services by the time it promises to do so. The other three items of reliability have lower mean value related to the fourth one with values of 2.43, 2.59, and 2.54. 2.89 is the total mean value of reliability.

Table 4.5 Responsiveness items

| | N | Min. | Max. | Mean |
|------------------|----------|-------------|-------------|-------------|
| Responsiveness 1 | 222 | 1 | 5 | 3.09 |
| Responsiveness 2 | 222 | 2 | 5 | 3.49 |
| Responsiveness 3 | 222 | 2 | 5 | 2.86 |
| Responsiveness 4 | 222 | 2 | 5 | 3.77 |

Source: Survey result (2020)

Respondents of Akaki Kaliti branch office customers have positive attitude towards responsiveness's second and fourth items as table 4.5 displays. Their values are 3.49 and 3.77 respectively. Item 1 and 3 have comparatively low mean value of 3.09 and 2.86. This means, employees of the company has limitations on willingness to help customers and gap on informing the exact time of the delivery of the service. Responsiveness in general has the mean value of 3.29.

Table 4.6 Assurance items

| | N | Min. | Max. | Mean |
|-------------|----------|-------------|-------------|-------------|
| Assurance 1 | 222 | 1 | 4 | 2.84 |
| Assurance 2 | 222 | 1 | 5 | 3.21 |
| Assurance 3 | 222 | 2 | 4 | 2.83 |
| Assurance 4 | 222 | 3 | 5 | 4.43 |

Source: Survey result (2020)

Table 4.6 show that, the fourth item of assurance has higher mean value than the others with 4.43 which tells the employees in the company has knowledge about the service. But the respondents have relatively negative perception on item 1 and 3. These items have mean value of 2.84 and 2.83 respectively. Totally Assurance has a mean value of 3.32.

Table 4.7 Empathy items

| | N | Min. | Max. | Mean |
|-----------|----------|-------------|-------------|-------------|
| Empathy 1 | 222 | 2 | 5 | 3.79 |
| Empathy 2 | 222 | 2 | 4 | 2.76 |
| Empathy 3 | 222 | 2 | 5 | 3.91 |
| Empathy 4 | 222 | 2 | 5 | 3.55 |

Source: Survey result (2020)

Empathy is the fifth variable of service quality. And customers of Akaki Kaliti branch office gave their opinions on empathy items through the questionnaire distributed. Its' total mean value came out to be 3.5. The second item of empathy has the lowest mean value with 2.76. This implies that the branch office's operating hours are not more of compatible with the customer's desire of being served time.

From this finding, Akaki kaliti branch office service is good in accessibility and assurance that means giving agile service delivery, instilling confidence in customers and being courteous with customers are good compared to other dimensions.

Respondents' perception towards quality of responsiveness items like delivering prompt service and willingness of helping customers is good. However service quality of reliability items like providing service at schedule time, performing service right the first time and service quality of accessibility like number of trials attempted before entering the office, length of time spent on queue and probability of being transferred to other service window is not good.

From table 4.2 above the mean of perception of respondents with customer satisfaction is low with value of 2.75. In general this table shows over all service quality and customer satisfaction is low.

According to Anton (1997) there are three zones of perception of service performance which are preference zone, acceptance zone and rejection zone, by customer satisfaction index (CSI). According to him CSI with > 85 is considered to be in preference zone, CSI in between 50-84 is considered as acceptance zone and CSI with < 50 is in rejection zone which is below average.

4.4. Correlation Analysis

Correlation analysis is used to assess the relationship among service quality dimensions, over all service quality and customer satisfaction. Correlation analysis deal with relationships among variable and helps to gain insight in to the direction and significance of relation between the variables. Correlation coefficient take values between -1 and 1 ranging from being negatively correlated (-1) to uncorrelated (0) to positively correlated (1).

According to Dancey and Reidy(2004), a correlation result which is 0 indicates zero correlation , a result between 0.1 to 0.3 indicates weak correlation, a result which is between 0.4 to 0.6 indicates moderate correlation and a correlation coefficient between 0.7 to 0.9 indicates a strong correlation and a result which is equal to 1 indicates perfect correlation.

Table 4.8: Correlation (Relationship among Service quality dimensions and customer satisfaction)

| Correlations | Access ibility | Reliabi lity | Respon siveness | Assur ance | Empat hy | Customer satisfactio n |
|-----------------------|---------------------------|-------------------------|----------------------------|-----------------------|---------------------|---------------------------------------|
| Accessibility | 1 | | | | | |
| Reliability | .769** | 1 | | | | |
| Responsiveness | .688** | .753** | 1 | | | |
| Assurance | .830** | .901** | .820** | 1 | | |
| Empathy | .785** | .871** | .771** | .809** | 1 | |
| Customer satisfaction | .252** | .315** | .334** | .330** | .291** | 1 |

Source: Survey result (2020)

Correlation analysis was undertaken to discuss the relationship between service quality dimensions and customer satisfaction. According to table 4.3 all service quality dimensions and customer satisfactions have positive and significant relationship. The strength of correlation is different between service quality dimensions and customer satisfaction. Responsiveness, reliability and assurance have better correlation with correlation coefficient value of .334, .330 and .315 respectively. Empathy and accessibility have the lowest correlation coefficient value of .291 and .252 respectively. This implies that the better the quality of service with service quality dimensions items of Responsiveness, reliability and empathy items the higher the level of customer satisfaction.

The relationship between service quality and customer satisfaction is also discussed using correlation analysis. As the table shows service quality and customer satisfaction has positive and significant relationship with correlation coefficient value of .995. Parasuraman, Zeithmal and Berry (1985, 1988) point out that service quality and customer satisfaction is closely related. The existence of this relationship between service quality and customer satisfaction is more explained by Cronin and Taylor (1992), service quality is an antecedent of satisfaction.

4.5. Summary of Hypotheses Testing

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

Table 4.9 Summary of hypothesis testing

| Hypothesis | Test | Result |
|---|-------------|---------------|
| H1 Service Quality Dimensions (Tangibles, reliability, responsiveness, Assurance & empathy) will not have a positive & significant effect on customer satisfaction. | Correlation | Not Supported |
| H2 Service Quality Dimensions (Tangibles, reliability, responsiveness, Assurance & empathy) will not have a positive relationship among themselves. | Correlation | Not Supported |

Source: Survey result (2020)

CHAPTER FIVE:

SUMMARY, CONCLUSION AND RECOMMENDATIONS

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

5.1. Summary of Findings

Major Findings

- The finding also indicated that there is significant relationship among independent variables (service quality dimensions). Relatively stronger correlation is scored between assurance and reliability.
- From the five dimensions of service quality Responsiveness have the greatest relation with customer satisfaction with the value of .334 in Akaki Kality branch office of AACADVLCA.

Other findings

- The main objective of the study was to assess service quality and customer satisfaction with AACADVLCA Akaki Kality branch office service center. In this study hypothesis were also developed to investigate how service quality dimensions can affect customer satisfaction.
- To meet this objective quantitative research strategy was adopted and probabilistic sampling technique with stratified random sampling methods was used to collect quantitative data from Akaki Kality branch office customers.

- Descriptive statistics like frequency mean and correlation analysis techniques were applied to analyze background information of respondents, to analyze respondents' perception on service quality and satisfaction as well as relationship between service quality dimensions, and customer satisfaction.
- The study revealed different findings. From the background information of the respondents more than 88.3% of the respondents are using Plate changing service, new vehicle licensing and Yearly vehicle license renewal service of Akaki Kality branch office.
- Mean score comparison was also conducted to evaluate customers perception on service quality dimensions and customer satisfaction.
- Correlation coefficient statistics shows that Responsiveness and assurance service quality dimensions have significant relationships were also detected between service quality and customer satisfaction.
- Finally, the hypotheses developed in this study were tested and the result shows that all service quality dimensions have significant relation with customer satisfaction.

5.2. Conclusion

The main aim of the study was to assess service quality and customer satisfaction in AACADVLCA Akaki Kality branch office service center and to find out important dimensions of services having greater influence on customer satisfaction. Accordingly, five service quality dimensions (accessibility, reliability, responsiveness, assurance and empathy) were hypothesized to assess relation to customer satisfaction.

Since the mean value of customer satisfaction is low (below average), it is concluded that service quality of service center is not good and customers are not satisfied with the services of Akaki Kality branch office service center.

Akaki Kality branch office can improve its service by focusing on all service quality dimensions and at the same time it can increase customer satisfaction by focusing on service quality and important dimensions.

Akaki Kality branch office can improve its service quality and customer satisfaction by improving service quality and by giving special attention to some dimensions like empathy and accessibility.

5.3. Limitations and Direction for Future Research

5.3.1. Limitation of the study

There are some limitations associated with this study that need to be explained. Firstly, the results obtained from this study cannot be generalized to a wide range of residential customers as the perceived satisfaction level might be different based on the regional transport office they are using. Second it is geographically limited to Akaki Kality branch office customers in Addis Ababa.

Carrying out this study on customers with different level was another limitation. And this is because; customers' expectation could be different based on their mindset. Moreover, there were no adequate prior studies in Ethiopia related to transport office service. However, the above limitations are less significant compared to the importance of carrying out this type of study.

5.3.2. Direction for Future Research

The purpose of this study was to find how customers of Akaki Kality branch office service center perceive service quality and to measure their satisfaction. Knowing how customers perceive

service quality and being able to measure service quality can benefit management of Akaki Kality branch office by providing reliable data that can be used to monitor and maintain improved service quality.

Findings also show that customers' perceived service quality and satisfaction is low and this therefore means Akaki Kality branch office should work hard on all dimensions of service quality in order to bring higher perceived service quality and customer satisfaction.

5.4. Recommendations

- As presented in the findings of the study all five dimensions of service quality have positive impact on customer satisfaction except accessibility. So working to improve these service quality dimensions will contribute to customer satisfaction. Based on the survey results, the following recommendations are given.
- The company needs to assess its service center man power versus daily incoming service requests and should take corrective action to improve its accessibility.
- The company should implement different kinds of motivational schemes to service center personnel which will encourage employees to provide appropriate service to customers which could increase customer satisfaction.
- The company should Implement standardized work process and procedures related to service center is important as it helps to minimize the variation between personnel in handling customers.
- Akaki Kality branch office should provide continuous on job and off job training to service center personnel specifically on communication skill, complaint as well as customer handling skills which will improve the service interaction between the company and customers at service center level. Moreover, this will help to provide quick response

to customers instead of escalating each and every complaint to other body of the branch office.

- In general, all Service quality dimensions listed in the model of the study have impact on customer satisfaction of Akaki Kality branch office service center. Based on these dimensions, customer satisfaction is low. So that Akaki Kality branch office should work hard on all these service quality dimensions to improve its customer satisfaction of service center.

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Appendix

Appendix 1: Questionnaire: Service quality survey

MARKETING MANAGEMENT POST GRADUATE PROGRAM

Questionnaire

Dear respondent, I am a post graduate student at St. Mary's university. The purpose of this study is to measure service quality and the level of customer satisfaction in AACADVLCA Akaki Kality Branch Office. Your kind cooperation will help in getting reliable data and I want to assure that it will be used only for this study. Please try to answer all stated questions.

If you have any questions, please contact me through my:-

Email: amhadesta.gta@gmail.com

Phone number: +251912925299

Thank you very much for your cooperation!

Amha Desta

Part one: General information about the respondents

Direction: Please circle your response

From services provided by AACADVLCA Akaki Kality Branch Office, which services do you currently using? (Please tick on as many services as applicable

- | | |
|---|-------------------------------|
| 1. New vehicle licensing | 3. Plate changing service |
| 2. Yearly vehicle license renewal service | 4. Ownership transfer service |

How long you have been using AACADVLCA Akaki Kality Branch Office service?

- | | |
|--------------------------|---------------------------|
| 1. Less than one year | 3. Three up to five years |
| 2. One up to three years | 4. Above five years |

How many times you have been called to AACADVLCA Akaki Kality Branch Office since last three months?

- | | |
|----------------|-------------------------|
| 1. Three times | 3. More than four times |
| 2. four times | |

PART TWO: SERVICE QUALITY DIMENSIONS

The statements deal with the perceptions of service experienced in AACADVLCA Akaki Kality Branch Office. Please show the extent to which these statements reflect your perception of service in AACADVLCA Akaki Kality Branch Office. Please circle a number that shows your level of agreement with the following statements where (1 strongly disagree, 2-Disagree, 3-Neutral, 4-Agree, 5- Strongly agree)

| s/ n | Service quality dimensions | Strongly Disagree | Disagree | Neutral | Agree | Strongly agree |
|---------|---|-------------------|----------|---------|-------|----------------|
| I | Accessibility | | | | | |
| 1 | The number of trials you attempted before you entered the office due to some reasons is few | 1 | 2 | 3 | 4 | 5 |
| 2 | The length of time you spent on queue to have a waiting service number is short | 1 | 2 | 3 | 4 | 5 |
| 3 | The length of time placed by the office to have a specified service is short | 1 | 2 | 3 | 4 | 5 |
| 4 | The probability of transferring your service to another service window is low | 1 | 2 | 3 | 4 | 5 |
| II | Reliability | | | | | |
| 5 | Akaki Kality branch office provides services at scheduled times as promised | 1 | 2 | 3 | 4 | 5 |
| 6 | When you have problem the branch office shows a Sincere Interest in solving it | 1 | 2 | 3 | 4 | 5 |
| 7 | The branch office performs the service right the first time | 1 | 2 | 3 | 4 | 5 |
| 8 | The branch office provides its service at the time it promises to do so | 1 | 2 | 3 | 4 | 5 |
| III | Responsiveness | | | | | |

| | | | | | | |
|----|--|---|---|---|---|---|
| 9 | Employees in the branch office inform customers exactly when service will be performed | 1 | 2 | 3 | 4 | 5 |
| 10 | Employees in the branch office gives you prompt service | 1 | 2 | 3 | 4 | 5 |
| 11 | Employees in the branch office are always willing to help you | 1 | 2 | 3 | 4 | 5 |
| 12 | Employees in the branch office are never too busy to respond to your request | 1 | 2 | 3 | 4 | 5 |
| IV | Assurance | | | | | |
| 13 | The behavior of employees in the branch office instills confidence in you | 1 | 2 | 3 | 4 | 5 |
| 14 | You feel safe in your transactions with the branch office | 1 | 2 | 3 | 4 | 5 |
| 15 | Employees in the branch office are Consistently courteous with you | 1 | 2 | 3 | 4 | 5 |
| 16 | Employees in the branch office have the knowledge to answer your questions | 1 | 2 | 3 | 4 | 5 |
| V | Empathy | | | | | |
| 17 | The branch office gives you individual attention | 1 | 2 | 3 | 4 | 5 |
| 18 | The branch office has operating hours Convenient to you | 1 | 2 | 3 | 4 | 5 |
| 19 | The branch office has employees who deal with you in a caring fashion | 1 | 2 | 3 | 4 | 5 |
| 20 | Employees in the branch office understand your specific needs | 1 | 2 | 3 | 4 | 5 |

PART THREE: LEVEL OF SERVICE QUALITY AND CUSTOMER SATISFACTION

This part indicates overall level of service quality and your overall level of satisfaction on AACADVLCA Akaki Kality branch office. Please circle a number that shows over all service quality perception and your level of satisfaction with the following statements.

(1- Strongly Dissatisfied, 2-Dissatisfied, 3-Neutral, 4-Satisfied, 5- Strongly satisfied)

| VI | Overall level service quality and satisfaction | Strongly Dissatisfied | Dissatisfied | Neutral | Satisfied | Strongly satisfied |
|-----------|--|------------------------------|---------------------|----------------|------------------|---------------------------|
| 1 | Over all, the service quality Akaki Kality Branch Office service is good | 1 | 2 | 3 | 4 | 5 |
| 2 | In general, I am satisfied with the services of Akaki Kality Branch Office | 1 | 2 | 3 | 4 | 5 |

Appendix 2: Statistical Output

Descriptive statistics

Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| AccM | 222 | 1.25 | 4.75 | 3.3311 | 1.04868 |
| RelM | 222 | 1.25 | 4.50 | 2.8964 | 1.00871 |
| ResM | 222 | 2.25 | 4.75 | 3.2995 | .81371 |
| AssuM | 222 | 1.75 | 4.50 | 3.3277 | .78834 |
| EmpM | 222 | 2.25 | 4.75 | 3.5034 | .76011 |
| Serq | 222 | 1.00 | 4.00 | 2.7568 | .95336 |
| Csat | 222 | 1.00 | 4.00 | 2.7477 | .94623 |
| Valid N (listwise) | 222 | | | | |

Descriptive Statistics

| | N | Minimum | Maximum | Mean |
|--------------------|-----|---------|---------|------|
| Accessibility1 | 222 | 1 | 5 | 2.51 |
| Accessibility2 | 222 | 1 | 5 | 4.11 |
| Accessibility3 | 222 | 1 | 5 | 2.94 |
| Accessibility4 | 222 | 1 | 5 | 3.76 |
| Valid N (listwise) | 222 | | | |

Descriptive Statistics

| | N | Minimum | Maximum | Mean |
|--------------------|-----|---------|---------|------|
| Reliability1 | 222 | 1 | 4 | 2.43 |
| Reliability2 | 222 | 1 | 5 | 2.59 |
| Reliability3 | 222 | 1 | 4 | 2.54 |
| Reliability4 | 222 | 1 | 5 | 4.03 |
| Valid N (listwise) | 222 | | | |

Descriptive Statistics

| | N | Minimum | Maximum | Mean |
|--------------------|-----|---------|---------|------|
| Responsiveness1 | 222 | 1 | 5 | 3.09 |
| Responsiveness2 | 222 | 2 | 5 | 3.49 |
| Responsiveness3 | 222 | 2 | 5 | 2.86 |
| Responsiveness4 | 222 | 2 | 5 | 3.77 |
| Valid N (listwise) | 222 | | | |

Descriptive Statistics

| | N | Minimum | Maximum | Mean |
|--------------------|-----|---------|---------|------|
| Assurane1 | 222 | 1 | 4 | 2.84 |
| Assurane2 | 222 | 1 | 5 | 3.21 |
| Assurane3 | 222 | 2 | 4 | 2.83 |
| Assurane4 | 222 | 3 | 5 | 4.43 |
| Valid N (listwise) | 222 | | | |

Descriptive Statistics

| | N | Minimum | Maximum | Mean |
|--------------------|-----|---------|---------|------|
| Empathy1 | 222 | 2 | 5 | 3.79 |
| Empathy2 | 222 | 2 | 4 | 2.76 |
| Empathy3 | 222 | 2 | 5 | 3.91 |
| Empathy4 | 222 | 2 | 5 | 3.55 |
| Valid N (listwise) | 222 | | | |

Correlations

Correlations

| | | AccM | ReIM | ResM | AssuM | EmpM | Serq | Csat |
|------|---------------------|------|--------|--------|--------|--------|--------|--------|
| AccM | Pearson Correlation | 1 | .769** | .688** | .830** | .785** | .253** | .252** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .283 | .000 | .000 |

| | | | | | | | | |
|-------|---------------------|--------|--------|--------|--------|--------|--------|--------|
| | N | 222 | 222 | 222 | 222 | 222 | 222 | 222 |
| RelM | Pearson Correlation | .769** | 1 | .753** | .901** | .871** | .315** | .315** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .504 | .000 | .000 |
| | N | 222 | 222 | 222 | 222 | 222 | 222 | 222 |
| ResM | Pearson Correlation | .688** | .753** | 1 | .820** | .771** | .339** | .334** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .826 | .000 | .000 |
| | N | 222 | 222 | 222 | 222 | 222 | 222 | 222 |
| AssuM | Pearson Correlation | .830** | .901** | .820** | 1 | .809** | .329** | .330** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .938 | .000 | .000 |
| | N | 222 | 222 | 222 | 222 | 222 | 222 | 222 |
| EmpM | Pearson Correlation | .785** | .871** | .771** | .809** | 1 | .303** | .291** |
| | Sig. (2-tailed) | .283 | .504 | .826 | .938 | | .632 | .006 |
| | N | 222 | 222 | 222 | 222 | 222 | 222 | 222 |
| Serq | Pearson Correlation | .253** | .315** | .339** | .329** | .303** | 1 | .995** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .632 | | .000 |
| | N | 222 | 222 | 222 | 222 | 222 | 222 | 222 |
| Csat | Pearson Correlation | .252** | .315** | .334** | .330** | .291** | .995** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .006 | .000 | |
| | N | 222 | 222 | 222 | 222 | 222 | 222 | 222 |

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