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Factors Affecting Customer Satisfaction of Application Based Taxi Service: The Case of RIDE Transport, Addis Ababa

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RESEARCH TITLE (FACTORS AFFECTING CUSTOMER SATISFACTION OF APPLICATION BASED TAXI SERVICE: THE CASE OF RIDE TRANSPORT, ADDIS ABABA)

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Yedilfire Moges

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Abstract

This study is conducted to investigate Factors Affecting Customer Satisfaction on Application Based Taxi Service: The Case of RIDE Transport, Addis Ababa. The study limited in terms of geographical, conceptual, methodological, and time scope. Conceptually, the study aimed to examining the customer satisfaction and its association with six service factors: reliability, transactional efficiency, performance, and ease of use, website design, and service security in the case of RIDE Transport service. Geographically, it focused on Addis Ababa town. Methodologically, this study conducted mainly based of data gathered through questionnaire and analyzed using descriptive and inferential statistics. Furthermore, the study conducted in the academic year of 2016/2023-2024. Both descriptive and explanatory research design used to conduct the study.This study used both primary and secondary sources of data. The primary sources consisted of customers of RIDE, while the secondary sources included library books, journals, guidelines, business newspapers, and business magazines. Overall, when all dimensions of service quality are considered as predictors of customer satisfaction, website design, transactional efficiency, ease of use, and reliability have a strong positive and significant impact on customer satisfaction.

Keywords:*customer satisfaction, reliability, service security, transactional efficiency, eases of use, website design*

CHAPTER ONE

1. INTRODUCTION

1.1 BACKGROUND OF THE STUDY

In today's business world, competition has made it difficult for organizations to survive and every day new products (services and goods) are coming to the market. In order to survive and earn high profit and avoiding customer dissatisfaction, companies need to work hard on their customer service. Customer satisfaction, a business term, is a measure of how products supplied by a company meet or surpass customer expectation. Thus, customers' satisfaction is a key factor within business for its success.

In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and service to service (Kanojia, et al, 2012). Therefore, customer satisfaction has become a very important concept in recent years. The importance of customer satisfaction cannot be ignored in both products and services. Quality of services has the power to create customer satisfaction. Retaining the profitable customers has become increasingly difficult in a competitive environment where other financial institutions specialize in offering quality services and prices to this rewarding segment. This will essentially help banks to cover the growing costs, and also survive and prosper in the increasingly competitive market. The pressing need of developing service organizations and upgrading their services necessitates the measuring of service quality. Quality is such an important issue that it is considered a really significant concept in our real life.

Customer satisfaction is a function of expectations and service quality performance. It occupies a strategic position for the well-being of a company and then existence, because a lot of benefits to be gained. First, many researchers agree that a satisfied customer tends to be loyal. Second, according to Anderson, Formelo & Lehmann (1994), satisfaction is a factor that would encourage positive word of mouth communication. Third, the effect of customer satisfaction lets one to

consider buying/using other offerings of the firm if it is able to meet or exceed the customer's first impression of expectation.

The business depends upon client services and the satisfaction of the customer and this is compelling them to improve customer services and build up relationship with customers. Thus, banks everywhere is giving, more or less, the same kind of services or products. For instance, there is usually only negligible variation in interest rates and bank prices are fixed and driven by the market. Hence, managements tend to make their banks different from others by offering better service. Quality service, therefore, becomes a competitive advantage for banks not only to attract potential customers, but also to retain them by offering better services. Service quality is an imperative element impacting customer satisfaction level in the banking industry (Ahmossawi, 2001).

Anderson et al. (1994) found a significant relationship between customer satisfaction and return on assets. High quality service leads to high levels of customer retention, increase loyalty, and positive word of mouth, which in turn are strongly related to profitability (Reichheld and Sasser, 1990).

A taxi service carries out an important task on offering personalized service in the urban transportation system. The inequality between the taxi supply and passenger demand is one of the challenges of running an effective taxi service these days (Shen, Qiu, Li & Feng, 2015). This makes it difficult for travelers to be picked up on time, and available taxis waste lots of time to get customers, which worsens the existing traffic congestion and the air pollution problem. Mobile taxi booking (MTB) Apps (applications) have been developed in cities as a bridge to connect passengers and taxis (Shen et al. 2015) and this is to deal with the above problem. With MTB App, passengers can search for available taxis around them and make an order. They fix their locations by GPS or typing the target location, by which drivers can easily reach them (Rayle et al,2016). This study is therefore, conducted to investigate factors affecting customer satisfaction in the case of application based taxi service providers in Addis Ababa.

1.2 STATEMENT OF THE PROBLEM

In the transporting industry, offering quality services is very significant to create closer attachment with the entire customers. The issue of quality service is becoming a global concern that demands continuous improvement to fit the unbalanced environment and changing customer needs. Quality of services has the power to create customer satisfaction and making them loyal. On the other hand poor quality of services results in customer dissatisfaction and customer defection by going to other competitors. In reality, one satisfied customer tells only to one person but a dissatisfied customer tells nine other people about the problem. Creating customers satisfaction includes prompt and effective response and solutions to their needs and desires as well as building and maintaining good relationships. A business can achieve success only by understanding and fulfilling the needs of customer. Hence, customer satisfaction plays an important role for the success and continuous existence of the company.

There is a great deal of research work has being found recently concerning customer satisfaction and concepts and theories are discussed on this topic too. Advocates of customer satisfaction mainly emphasize on the importance of giving service according to specifications, and handling customer complaints in a good way to achieve their organizational goals. According to Shifera (2011), in the banking industry, offering quality services is very important to create closer relationship with the entire customers. Quality of services has the power to create customer satisfaction. On the other hand poor quality of services results in customer dissatisfaction and customer defection by going to other competitors. According to Collart (2000), one of the determinants of success of a firm is how the customers perceive the resulting service quality, as this is the key driver of perceived quality. It is the perceived value which determines customer satisfaction.

One of the main problems that can be mentioned & observed in the city of Addis Ababa is the shortage of transportation. This problem is growing worse day by day as the supply could no longer cope with the demand as due to the continuous increase of population in the city (3.8% yearly, according to world populationreview.com/cities). This has definitely caused many to spend more time unnecessarily on the roads, directly making them unable to accomplish tasks & certainly brought inconveniences and dissatisfactions upon travelers. Though the city officials took varied

actions, not so much change has been observed. (Meron, 2011) on her report mentioned, “the streets of Addis Ababa witness a unique sort of battle every morning and late afternoon as the citizens of the city fight for transport”.

Following the rise of the population and poor public transportation system, there is a tremendous increase in the usage of taxi services in Addis Ababa. For instance, the recently appearing application based taxi services to the city are providing a convenient and better option that has certainly became an alternative to those who can afford such services. Currently there are about five companies participating in the mobile application (app) taxi service sector to fulfil the needs of transportation of commuters. In a competitive business environment, it is necessary that the service quality should be matched with the perception and expectation of customers to satisfy their needs & cope up with rivals in the marketplace. Therefore, it is important for companies to understand their customer’s perception regarding the quality of the service they are providing. Ling & Wang (2006) explains, “Customer satisfaction could be considered a comparative behavior between inputs beforehand and post obtainments”. This implies customer satisfaction measures how well an organization’s product or service meets or exceeds customer expectations. These expectations often reflect many aspects of the firm’s activities, such as its products or services, physical environment, facilities, staff behaviors/ performance etc. (Hussain, Al Nasser & Hussain, 2015).

This research will be conducted to investigate the satisfaction level of customers in app based taxi service with reference to RIDE Company, by identifying factors that contribute towards customer’s satisfaction.

The most widely used model to measure perceived service quality was developed by Parasurmanet al (1985, 1988) known as SERVQUAL. According to this model, five dimensions of service quality are Tangibles, Reliability, Responsiveness, Assurance and Empathy. However, for the purpose of this study the researcher will see one additional dimension called security. With the development of information technology, customers increasingly expect higher services in this information age. At the same time, most of them are becoming more and more time saved and wanting more convenience (Kolter and Keller, 2006).

1.3 BASIC RESEARCH QUESTIONS

In general, this study aimed to provide answers for the following questions:

1) What is the level of customer satisfaction with the services of application based taxi service providers in Addis Ababa?
2) To What extent service reliability affect customer satisfaction in the case of RIDE Transport?
3) How does transactional effectiveness influence customer satisfaction in the case of RIDE Transport?
4) Does Service Security affect customer satisfaction in the case of RIDE Transport?
5) What is the effect of service performance on customer satisfaction in the case of RIDE Transport?
6) How does ease of use affect customer satisfaction in the case of RIDE Transport?
7) To what extent website Design influence customer satisfaction in the case of RIDE Transport?

1.4 OBJECTIVE OF THE STUDY

1.4.1 GENERAL OBJECTIVE

The general objective of the study is to examine factors affecting customer satisfaction of application based taxi service in case of Ride Transport.

1.4.2 SPECIFIC OBJECTIVES OF THE STUDY

The specific objectives of the study comprised;

1) To assess the level of customer satisfaction with the application based taxi service in case of Ride Transport

2) To examine the effect of service reliability of application based taxi service on customer satisfaction
3) To investigate the relationships between applications based taxi service effectiveness and customer satisfaction.
4) To examine the relationships between application based taxi service safety dimensions and customer satisfaction;
5) To estimate the effect of application based taxi service performance on customer satisfaction;
6) To examine the effect of ease of use of application based taxi service on customer satisfaction.

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1.6 SIGNIFICANCE OF THE STUDY

The findings of this research will indicate the major factors that affect the satisfaction of customers in the application based taxi transport sector and suggest further improvements. This helps RIDE to acquire good knowledge about the perceptions of its customers, evaluate current performance and develop a strategy effectively. Besides enhancing the knowledge of the researcher, the study will lay a ground for future researchers to build on it for further studies on similar topics. Furthermore, the results of the study will provide valuable information for policy makers in setting policies.

1.7 SCOPE OF THE STUDY

The study limited in terms of geographical, conceptual, methodological, and time scope. Conceptually, the study aimed to assess factors affecting customer satisfaction of application based taxi service in case of Ride based on six service quality dimensions: reliability, transactional efficiency, performance, and ease of use, website design, and service security. Geographically, it focused on Addis Ababa town. Methodologically, this study conducted mainly based of data gathered through questionnaire and analyzed using descriptive and inferential statistics. Furthermore, the study conducted in the academic year of 2016/2023-2024.

1.8 DEFINATION OF TERMS

Customer satisfaction can be defined as when the customer's expectation of the service provided matches his perception of the actual service received (Parasuraman et al.1985).

Service quality (SERVQUAL) can be defined as the difference between customer expectations of service and perceived service performance (Parasuraman et al.1985).

Expectations are reference points against which service delivery is compared only at beginning. Perceptions are consumer judgment about the actual service performance by a company (Gronroos ,1990).

Service reliability is a method for measuring the probability that a system, product, or service will maintain performance standards for a specific period of time (Zeithaml, 1987).

1.9 ORGANIZATION OF THE THESIS

The paper comprised five chapters: Chapter One contain the introduction part dealing with background, research problems, research questions, objectives, the research significance and scope. The second chapter discusses the review of related literatures. Chapters three focused on the methodologies of the study including: the population, the sampling process and the sampling size. Chapter four presents and analyzes the data, as well as the interpretation part. Finally, chapter five deals with the summary, conclusions of the findings and forwards recommendations.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1 SERVICE

2.1.1 SERVICES DEFINED

Philip Kotler and Bloom (1984) defined service as "any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product." The focus was given to the absence of ownership as a special feature of services, which has significant business implications.

According to Gronroos (1990) " a service is an activity or series of activities of more or less intangible nature that normally, not necessarily take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems". This is the definition in which an attempt was made to include all important issues relating to service management.

Zeithmal and Bitner (2004) said that "Services are deeds, processes and performances." Service is represented to the client through problem analysis activities, meetings with the client, follow-up calls, and reporting a series of deeds, processes, and performances. Although it seems that the definition is more precise, it provides marketing orientation to the services concept. This definition gives an understanding that the consumer is interested in deeds, processes and performances in perceiving the value of the service.

Services may be defined as intangible activities performed by persons or machines or both for purpose of creating value perceptions among consumers. Since, services are intangible activity or benefit produced by the service provider, in association with the

consumer, its quality results in perception and value assessment by the consumer (Zeithmal and Bitner ,2004).

2.1.2 Basic Characteristics of Services

Four service characteristics are differentiated in service marketing, namely: intangibility, inseparability, perishability and heterogeneity (Lamb et al., 2004). These service characteristics will be discussed below.

A) Intangibility

Services cannot be seen, touched, tasted or felt in the same manner in which physical goods can be sensed. Moreover, services cannot be stored and are difficult to duplicate (Kotler, 2000). They are described as experiences or processes. The lack of easy reference points can make it difficult for customers to distinguish among competing suppliers. This scenario creates a problem to the suppliers in communicating to the buyer exactly what is on offer. A customer cannot really evaluate a service until it has been consumed. Intangibility of services is the prime source of performance ambiguity.

Intangibility is also known to pose problems for the supplier. The absence of physical characteristics makes it difficult to display and differentiate the service offered (Doyle and Stern, 2006). To counter these problems, the authors suggest that the company should stimulate personal influence sources such as word of mouth recommendations and to provide incentives for opinion leaders to try the service.

The company can also develop tangible cues that suggest high-quality service, such as knowledgeable staff, modern equipment, advertising in the reverent magazines and trade shows.

B) Inseparability

Services are sold and produced at the same time and at the same place. Consumption and production are two inseparable activities of a service and the customer has to be present during the production of the services (Lamb et al., 2004). In telecom industry, the staff generally will personify the business to the client. A customer, who likes or admires the employee, is likely to be pleased with the service. In the role of services, employees are central for creating successful

exchanges, but the role the customers play in the interaction cannot be overlooked. Customers play decisive roles in creating service outcomes; they enhance or diminish their own satisfaction and value received. The expectations and attitudes that customers bring to a service encounter can positively or negatively affect the service's delivery.

C) Heterogeneity

Heterogeneity, as a characteristic, is most applicable to a company with a large staff complement and it suggests that services tend to be less standardized and uniform than physical goods (Lamb et al., 2004). This situation arises because services involve people at the production and. consumption ends. The quality of the service is dependent upon the individual employee in charge of it, the individual customer receiving the service and the time the service is performed.

D) Perish ability

Unlike physical goods or products, a service cannot be stored or inventoried, and, as a result, it is impossible to regain once the opportunity is lost (Lambin, 2000). Employees can have a considerable impact on customers' perceptions of and satisfaction with a service (Sierra and Mcquitty, 2005). Masmanidis, Vassiliadis and Mylonakis (2006) explain that services differ from products due to the nature of the service, i.e. they are intangible, inseparable, perishable and variable. Customer expectations reflect the desired level of service, the level at which customers are willing to accept and believe that they will eventually receive. Lovelock and Wirtz (2007) state that companies, which practice best service, have made enormous progress in reducing variability by adopting standard operating procedures, implementing rigorous management of service quality, training staff carefully and automating tasks previously performed by people.

2.2 Definition of Service Quality

Service quality is "the delivery of excellent or superior service relative to customer expectations" (Zeithaml and Bitner, 1996, p.117) and occurs for most services during the interaction between a customer and a service provider (Zeithamal et al., 1988) Veltschy et.al, (2004) define service quality as the consumer's judgment about overall excellence or superiority of the service. Perceived quality can be defined as the consumer's judgment about an entity's overall excellence or superiority (Zeithaml, 1987), or as the result of comparing a customer's expectations prior to receiving the service quality the customer's experiences with the service (Lilander and Strandvi.k, 1993).

2.3 Service Quality Gaps

The 'GAP' model of service quality which was developed by Parasuraman, Zeithamal and Berry serves to the purpose, if executed properly.

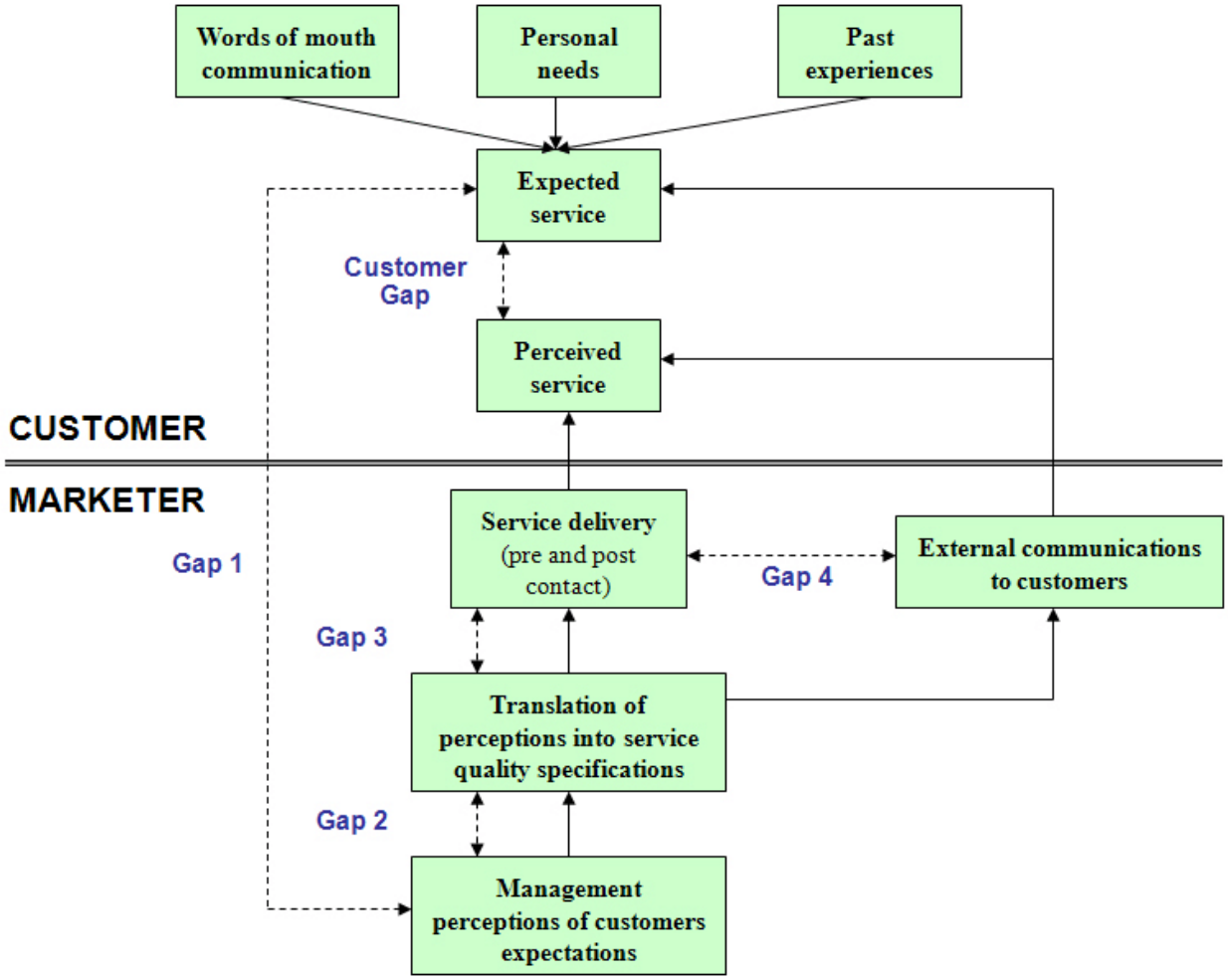

Fig 1. Conceptual model of service quality-the GAP analysis model Source: Zeithaml, V.A., Berry, L.L. and Parasuraman, A. (1988).

2.4 Customer satisfaction

Customer satisfaction is a well-known established concept in several sciences. Assuming that the customer is capable of evaluating the service performance, the result is compared to expectations prior to purchase or consumption (Oliver, 1980).

Any discrepancy leads to disconfirmation, i.e., positive disconfirmation increases or maintains satisfaction and negative disconfirmation creates dissatisfaction. Having roots in social psychology, Weaver and Brinckman, (1974) and organizational behavior Ilgen, (1971) expectancy disconfirmation is actually two processes consisting of the formation of expectations and the disconfirmation of those expectations perceived performance is influenced by the consumers' perception of quality, marketing mix, brand name and company image. Decision research suggests that positive and negative disconfirmations should weigh very differently on satisfaction. Losses are perceptually greater than gains of equal amount (KahnernanandTversky, 1979). In line with kahneman and Tversky's prospect theory, Anderson and Sullivan (1991) suggest that negative disconfirmation has more impact on satisfaction than positive disconfirmation at the micro-level. In this article we treat customer satisfaction as the accumulated experience of a customer's purchase and consumption experiences.

2.5 Service quality and Satisfaction

After initial controversy, it is now believed that satisfaction and service quality are distinct constructs (Spreng and Mackoy, 1996) and, further, that service quality is an antecedent of the broader concept of customer satisfaction (Buttle, 1.996; Taylor et al., 1993; Zeithaml and Bitner, 1996). In some cases customers will use all of the dimensions to determine service quality perceptions, and at other times not consequently, not all dimensions will contribute to customer satisfaction. Depending on the service, some quality dimensions are more or less important to overall customer satisfaction and some dimensions might not be important at all.

In the banking industry the satisfaction evaluation dimension could easily be assumed to be of a technical nature. Bank customers, however, perceive difficulties when they evaluate the different kinks of technical solutions included in the product (Srinivasan, 1987). Therefore, the longer customers use a service, the more monetary value is likely to ensue from perception communicated by the provider (East et al, 1995). In short for a specific service only those quality dimensions that significantly affect satisfaction need the provider's attention and therefore, any study assessing service quality needs to include or allow for assessing the importance of each dimension to overall satisfaction.

2.6 Factors affecting customer satisfaction

A customer satisfaction is an ambiguous and abstract concept. Actual manifestation of the state of satisfaction was varying from person to person, product to product and service to service. The state of satisfaction depends on a number of factors which consolidate as psychological, economic and physical factors.

1. **Ease of use:**

Application said to be user friendly if it is not complicated, simple & easy to use with intuitive design. If a customer knows the exact time to get picked up ahead of time, how much he/she has to pay, the type of vehicle & its plate number and driver‟s information just by touching a button, then it can be concluded that the application is convenient & easy as it provides most of the required information at once. Also, the app will be favorable if it works with a minimum or slow internet connection. In addition, availability of call centers will be a backup & serve as an option for those who are less aware of how the app is working (Kaura, et al., 2012).

2. **Reliability**

The process in which service provider remains faithful in rendering services to its customers can be considered as the reliability dimension of service quality (Khan & Fasih, 2014, after, Blery, et al., 2009). Reliability assures the customer of a service provider's ability to consistently provide a perceived quality of service. Reliability has an impact on trust and the overall impression left in the mind of a customer after service consumption (Abd-El-Salam, et al., 2013). The reliability dimension of service quality is vital and perceived through the people aspect of service quality (Kaura, et al., 2012).

3. **Service Effectiveness**

The process in which service providers react quickly to resolve customer problem positively within a given time is called responsiveness (Blery, et. al., 2009). This dimension of service quality is perceived through the people aspect of service quality. However, information technology advancement like emails, webpage and customer service interface improves the responsiveness of service delivery firm (Kaura, et al., 2012).

The service delivery process also plays a key role in customer satisfaction. When the process of service delivery is too long, it lengthens customer waiting time.

According to (Sasraku, 2007), the *physical evidence* also plays a role in customer satisfaction. The physical evidence includes the edifice or buildings and its decorations, an imposing banking hall with comfortable seats, places of conveniences, etc. The office or building and its external and internal decorations can satisfy a customer. The customer can pride him or herself as customer of that bank.

Another service element that causes customer satisfaction or dissatisfaction is the *people or the employees* delivering the product or service (Covey, 2004). The employees occupy the first point of contact with the customer. Employee behaviors are therefore important to customers. If the employee is cold or rude the customer takes it as a measure of the state of the company. Unhappy employees will have difficulty in keeping customers happy (Dei-Tumi,2005).

Also, *easy access to the bank premise* would make a customer feel happy in transacting business with a bank, for example, if the bank premise is located on a high street. However, the nice edifice of a banking hall will not be noticeable if customer service is poor and there are unnecessary delays and lack of personal support from staff (Sasraku, 2007).

The *technology being used by the* in service delivery of transport could be a source of satisfaction to customers. When electronic devices like computers are used, they tend to speed up the processing time of transactions. System and processes solely do no create satisfaction.

Service system quality, behavioral service quality, service transaction accuracy and machine service quality are necessary to make the technology in use worthwhile (Aldlaigan&Buttle, 2002). Furthermore, the security of customers and their deposits is an area of concern to customers. When customers are assured of protection from external threats they feel secured and happy.

For example, if a bank is situated at a place noted for criminal activities, customers are scared and dissatisfied (Sasraku, 2007). Of course the internal security is equally important to customer who was want to deal with personnel with integrity and good moral values especially, the financial institutions (Lovelock &Wirtzn.d2007).

4. **Safety dimensions of service quality**

This dimension that have been done away with like communication, credibility, security, competence, courtesy, understanding/knowing customers and access. This is because these variables did not remain distinct after the two stages of scale purification, (Parasuraman et al., 1988, p.23). These original five dimensions are subject to 22 statements derived from Parasuraman et al (1985, p.41-50).

5. **Service security**

Service security means protecting the service itself from attack, abuse, and misuse. It is essential to protect the network from unauthorized use of premium services. For example, unauthorized use has the potential of defeating the provisioning efforts that are necessary for ensuring premium services.

Security as a service (SECaaS) is an outsourced service wherein an outside company handles and manages your security. At its most basic, the simplest example of security as a service is using an anti-virus software over the Internet.

With security as a service, security solutions are no longer delivered locally, where your IT department installs virus protection software, spam filtering software, and other security tools on each machine or on the network or server in your workplace, keeping the software up-to-date or telling them to use it. The old way of doing things is also expensive; you have upfront costs for hardware as well as continuing costs for licenses to allow you to use the software. Instead, security as a service allows you to use the same tools using only a web browser, making it direct and affordable.

6. **Service performance**

The job related activities expected of a worker and how well those activities are executed in accordance with the required standard in the achievement of organizational goals. Many stakeholders assess the orgnizational performance of every staff on an annual or quarterly basis in order to support them to recognize suggested areas for development, Kelly (2013). According to Pattanayak (2005), the performance of an employee is his/her resultant behaviours on a task which can be observed and evaluated.

Lewis (1955) developed performance measurement to General Electric (GE) corporate for five decentralizes business divisions. According to the recommendations, business unit performance

measured in seven nonfinancial and one financial metric. Accordingly the eight metrics of Lewis includes; Profitability (measured by residual income), Market share, Productivity, Product leadership, Public responsibility, Personnel development, Employee attitudes and Balance between short-range and long-range objectives.

Kaplan and Norton (1992) developed the Balanced Scorecard which links performance measures. This models measure performance from four perspectives, which are customer perspective, internal perspective, learning and development perspective and financial perspective. The internal measures for the balanced scorecard includes all factors that can affect cycle time, quality, employee skills, and productivity are some of them. To succeed plan on cycle time, quality, productivity, and cost, leaders have to develop measures that are affected by employees' activity. Because of almost all action takes place at the divisional and team or group levels, leaders need to divide overall cycle time, product and quality measures to lower levels of division. Measures connecting leader's decision about key internal processes and competencies to the actions taken by individuals that affect overall organization objectives. This connection leads to the conclusions of employees at lower levels in the company have clear plans for actions, decisions, and developing activities that will contribute to the organization's overall mission. Organization's ability to innovate, improve, develop and learn connected directly to the organization's value.

7. Transactional efficiency

Transaction efficiency is a crucial aspect of optimizing cash flow. It refers to the speed, accuracy, and cost-effectiveness of the processes involved in conducting business transactions. enhancing transaction efficiency can help businesses reduce costs, save time, and improve customer satisfaction (Parasuraman et al (1985, p.41-50).

1. Reduce manual processes

Manual processes can be time-consuming and prone to errors. They can also be expensive, especially if they require a lot of labor. Automated processes can help reduce manual errors and streamline workflows. For instance, businesses can use software to automate tasks such as invoicing, payment processing, and record-keeping. This can save time and reduce the risk of errors, leading to increased efficiency (Parasuraman et al (1985, p.41-50).

2. Embrace digital payments

Digital payments are becoming increasingly popular due to their speed, convenience, and security. They can help businesses reduce costs associated with traditional payment methods, such as checks and cash. Digital payments can also help improve cash flow by reducing the time it takes to process payments. For example, businesses can use online payment platforms to receive payments instantly, without having to wait for checks to clear. This can help businesses manage their cash flow more effectively.

3. Implement mobile solutions

Mobile solutions can help businesses improve transaction efficiency by enabling employees to conduct business on the go. For instance, sales representatives can use mobile devices to process orders and payments while in the field. This can help reduce the time it takes to process transactions and improve customer satisfaction. Mobile solutions can also help businesses track inventory, manage schedules, and communicate with customers.

4. Integrate systems

Integrating systems can help businesses streamline workflows and reduce manual errors. For example, businesses can integrate their accounting software with their inventory management system to automatically update inventory levels when sales are made. This can help reduce the risk of stockouts and improve customer satisfaction. Integration can also help businesses automate tasks such as invoicing and payment processing, leading to increased efficiency.

5. Outsource non-core functions

Outsourcing non-core functions can help businesses focus on their core competencies and improve transaction efficiency. For example, businesses can outsource tasks such as accounting, payroll, and customer service to third-party providers. This can help reduce costs and improve service quality, as third-party providers have specialized expertise and resources. Outsourcing can also help businesses free up resources to focus on core functions such as product development and marketing (Parasuraman et al (1985, p.41-50).

8. **Website design**

Web designing is the process of planning, conceptualizing, and implementing the plan for designing a website in a way that is functional and offers a good user experience. User experience is central to the web designing process. Websites have an array of elements presented in ways that make them easy to navigate.

A web designer works on a **website's appearance, layout, and,** in some cases, **content**.

- **Appearance** relates to the colors, typography, and images used.
- **Layout** refers to how information is structured and categorized. A good web design is easy to use, aesthetically pleasing, and suits the user group and brand of the website.
- A well-designed website is simple and **communicates clearly** to avoid confusing users. It wins and fosters the target audience's trust, removing as many potential points of user frustration as possible (Lovelock &Wirtzn.d2007).

2.7. Empirical Review

Based on a survey held by Rayle et al. (2014) 78 out of 313 respondents expressed that Uber service is more convenient, comfortable and gave them a better experience. Li, Hong, and Zhang (2016) mentioned that Uber promoted trip "bundling" and greater use of alternative transportation that can perfectly be a solution to traffic congestion in urban areas. In addition, its lower price, convenience, short waiting time, efficiency & availability derived customer‟s intention to use Uber. Ngo (2015) mentioned safety inspection is the most important factor that can attract customers to choose Uber service which is directly related to driver‟s professionalism. Rules and regulation are all set in order to ensure the safety of Uber‟s customers. Drivers must pass examination before they get the license. The driver must not have a criminal record & must have a certificate for liability insurance. In addition, several conditions must be fulfilled before the car is registered for Uber, which include the vehicle type & model. The model of the car should not exceed a life of 5 years as well as the requirements for monitoring and evaluation.

Brazil and Kirk (2016) mentioned that Uber benefited commuters in so many aspects. The option to pay by cash or by bank card, extra charges are avoided due fare transparency and reduction of drunk driving accidents are to mention some. For more safety, Uber‟s app connects the driver and passengers via smartphone so that passengers can know and evaluate their driver before agreeing

to use the service. An Ipsos Public Affairs in Toronto (2015) study found customers to be very satisfied by Uber. That was due to service cost was low and the mobile apps were of high quality. However, there was no adequate insurance which exposed the weakest part of Uber services. On the other hand, the presence of Uber raised a great concern over the increase in traffic congestion. Yet, Li, Hong, and Zhang (2016) executed an experiment and found that the entry of Uber in urban areas actually leads to a substantial reduction in carbon dioxide releases and traffic jam. Even though several studies have deeply investigated the issue, yet the discoveries are still uncertain & controversial.

2.7. Theoretical foundation of the study

Hussain et al. (2015) concluded that the service quality may assume various aspects such as physical quality, interactive quality and corporate image quality. When it comes to this study i.e. mobile app-based taxi services, the physical quality relates to the tangible aspects of service e.g. car condition. The Interactive quality, to the level of two-way flow that occurs between service provider and customer. Corporate quality is connected to the image or perception of service Provider Company. Rabiul, Mohammed, Chowdhury, Mohammad and Salauddin (2014) concluded that reliability of services as well as waiting time seems to be the most important cause of taxi passengers satisfaction.

According to Disney (1998) friendliness behavior of the driver can satisfy customers by developing better communication and knowledge of its customer's needs. On the other hand, service frequency, reliability, convenience and responsiveness are taxi service quality variables that are considered as important in customer satisfaction (Cavana and Corbett, 2007; Taylor et al, 2008).

Horsu & Yeboah (2015) suggested that high quality service can increase customer satisfaction. Quality factors in taxi service such as comfort, reliability, safety, price affordability and driver's attitude, nonstop service influence the taxi passenger satisfaction. Ross (2015) suggested on his study conducted in Washington that service quality includes vehicle condition, driver attitude, and wait time for taxi arrival. He added, Customer's satisfaction is also influenced by convenience of accessibility, ease of online taxi booking, convenience of drop off place to destination and adequate travel time for a journey.

Zhi-gang & Xiao-dong (2011) inferred that there is a relation between service quality and satisfaction in taxi industry. The results of their study showed that improved service quality can increase satisfaction of taxi passengers.

Khupse (2017) conducted a survey on 150 app based taxi users with a help of structured questionnaire targeting only those respondents who have used app based taxi services at least 3 times using the application from their phone. He found that reasons such as timely and quick availability of cabs, safety, fare cheaper than traditional model of taxies, cab- pooling, attractive cash back, coupons and discounts are the most common and significant reasons for using app based taxi services.

Watchareebhorn (2016) showed on her study, main factors influencing consumer brand choice of mobile applications taxi in Bangkok includes Process, security, convenience, reasonable price, cash payment, credit payment, availability in business area, availability in residential area, car condition, cleanliness, online booking, driver's friendliness and politeness, driver's knowledge and skill, driver's trust and credibility and lifestyle are the main components that drive users to fulfill their needs before choosing the service.

2.8 Conceptual framework

The conceptual framework of the study shows that how the service quality dimensions: reliability, efficiency, service security, ease of use, and service performance variables of the study have effect on the customer satisfaction. The independent variables are the above listed service quality dimensions whereas customer satisfaction is the dependent variable.

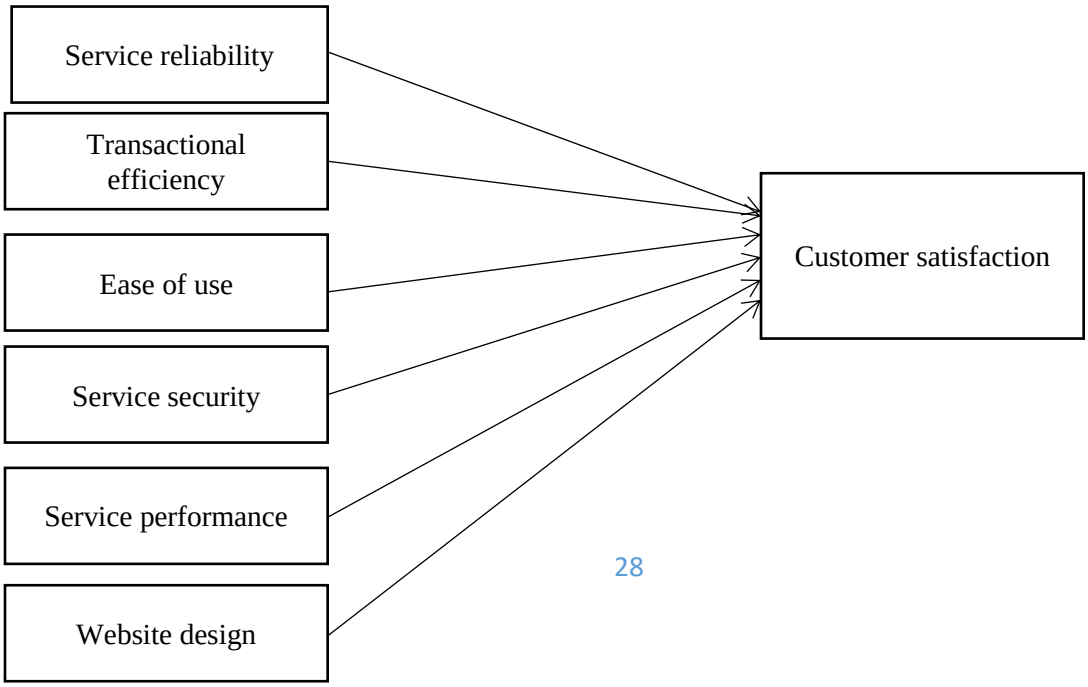

Fig. 2: Conceptual framework of the study (Adopted from Simon, 2016)

2.9 RESEARCH HYPOTHESIS

Based on the objectives of the study the following hypotheses will be formulated and tested its significance;

1.9.1. The effect of reliability on customer satisfaction

Reliability is an important factor which persuades the customer's decision for buying products and services. Also, it is one of the main reasons people choose one service provider over the other. Reliability in taxi service can mean the lesser amount of money one has to pay compared to competitors or an optimal charge that will be asked for the service provided instead. Reliability attribute may include discounts given, day & night time charges per km & waiting charges. Imran, Safwan, Rehman, Afzal, Ali and Ali (2010) found that price reasonability and consumer satisfaction are significantly associated with each other. Based on this the following hypothesis was proposed

H1: The reliability of the service has a significant and positive effect on customer satisfaction.

1.9.2. The effect of transaction efficiency on customer satisfaction

Many studies proved that the waiting time customers spend to get the service highly affects their satisfaction level in almost all branches of service rendering institutions. That is, the longer the waiting time it takes to get the service, the lower the customers‟ satisfaction level would be.

H2: The efficiency of transactions has a significant and positive effect on customer satisfaction.

1.9.3. The effect of service performance on customer satisfaction

The behavioursal aspect refers to what people do while at work, the action itself. The outcome aspect in turn refers to the result of the individual's behaviours. The word performance we used to pass on the individual aptitude to be inspired, stirring, pioneering and to determinant to achieving the goals on an organization, Walumbwa & Hartnell, (2011).

H3: Service performance has a significant positive effect on customer satisfaction.

1.9.4. The effect of ease of use on customer satisfaction

Application said to be user friendly if it is not complicated, simple & easy to use with intuitive design. If a customer knows the exact time to get picked up ahead of time, how much he/she has to pay, the type of vehicle & its plate number and driver's information just by touching a button, then it can be concluded that the application is convenient & easy as it provides most of the required information at once. Also, the app will be favorable if it works with a minimum or slow internet connection. In addition, availability of call centers will be a backup & serve as an option for those who are less aware of how the app is working.

H4: Ease of use causes a significant and positive effect on customer satisfaction.

1.9.5. The effect of service security on customer satisfaction

It attributes of a driver comprises, safe driving skill that includes respecting traffic regulations, knowledge of the routes, soft skills such as good communication skill, being polite & respectful. Disney, (1998) explained, friendliness behavior of the driver can satisfy customers by developing better communication with commuters and understanding their needs. Drivers grooming and neatness may also be related to the factors that could create a decent impression on customers. Thus the following third hypothesis is proposed.

H5: Ride security has a positive and significant effect on customer satisfaction.

1.9.6. The effect of website design on customer satisfaction

Watchareebhorn (2016) showed on her study, main factors influencing consumer brand choice of mobile applications taxi in Bangkok includes Process, security, convenience, reasonable price, cash payment, credit payment, availability in business area, availability in residential area, car condition, cleanliness, online booking, driver's friendliness and politeness, driver's knowledge and skill, driver's trust and credibility and lifestyle are the main components that drive users to fulfill their needs before choosing the service.

H6: Website causes positive and significant effect on customer satisfaction.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Research Design

Both descriptive and explanatory research design used to conduct the study. Descriptive study is helpful when a researcher wants to look into a phenomenon or a process in its natural contexts in order to get its overall picture instead of taking one or some of its aspects and manipulating it in a simulated or an artificial setting. This method also used for the reason that it describes the existing facts and practice of different organizations, as well as, it is economically efficient (Abiy, etal: 2009). Similarly, explanatory research design used to identify the relationship between independent and dependent variables (customer satisfaction). Moreover, in order to achieve the intended objective, both quantitative and qualitative approach was also chosen.

3.2. Research Approach

The researcher used quantitative research approach. The quantitative research approach relies on statistics and numerical data, often presented in figures. Quantitative research involves large samples and structured questionnaires that are then analyzed using statistical methods (Areeba et al., 2016). The quantitative data enables the researcher to analyze objectively through descriptive and inferential statistics.

3.3. Source, Type and Methods of Data collection

Sources of Data

This study used both primary and secondary sources of data. The primary sources consisted of customers of RIDE, while the secondary sources included library books, journals, guidelines, business newspapers, and business magazines.

Data Collection Tools

The data primarily collected through a survey questionnaire, which allowed the researcher to obtain authentic information. A self-administered questionnaire method employed in this research

to save time, reduce costs, and overcome location constraints for both the data collector and respondents.

3.4. Sampling Technique, Target Population, and Sampling Size

3.4.1. Target Population

The target population of this study constituted customers of RIDE Transport company. Since the exact number of consumers could not be determined, the study assumed the population to be unlimited.

3.4.2. Sample Size Determination

To draw a proportional size that constitutes a sample of the study, the researcher used stratified sampling techniques which provides equal chance of being considered to each stratum and then items were selected from each stratum to constitute a sample. To this effect, the study used sample size determination formula given by Kothari (2004) to determine sample size for infinite population as follows:

Where n = size of sample

z = as per the table of area under normal curve for the given confidence level

p = sample proportion, q = 1 – p;

e= acceptable error (the precision)

In case of unknown p, Kothari suggests to take it as 0.5 so that the sample size will be the maximum and the sample yield at least the desired precision at 95% confidence level and 5% of acceptable margin of error used. Therefore; the sample size for the study determine as follows:

Therefore; the sample size for the study was determined as follows:

Where: n = required sample size

Z = Degree of confidence (i.e. 1.96)

P = Probability of positive response (0.5)

Q = Probability of negative response (0.5)

E = Tolerable error (0.05)

n = (1.96)2 0.5 0.5(0.05)2= 385

3.4.3. Sampling Technique

To select participants for the study, convenience sampling technique utilized since it was not feasible to obtain a list of RIDE customers for conducting a probability sampling procedure. As part of the process, each respondent will be asked whether they were customers and RIDE users of the selected branch prior to distributing the questionnaire.

Convenience sampling is a non-probability sampling technique where subjects chosen based on their convenient accessibility and proximity to the researcher (Black et al, cited in Fikerselassie, 2017). Saunders et al. (2009) described convenience sampling as involving the haphazard selection of cases that are easiest to obtain for the sample, continuing the selection process until the desired sample size is achieved. It is a sampling technique where samples are obtained from convenient elements. This refers to the occurrence of the element in the right place at the right time, that is, where and when the information for the study is being collected.

3.5. Reliability and validity of data collection instruments

Table 3.1: Reliability of data collection instruments

Variables	No of items or statements	Reliability coefficient Cronbach alpha	Source
▪ Reliability	4	.795	Imran, Safwan, Rehman, Afzal, Ali and Ali (2010)
▪ Transactional Efficiency	2	.791	(Adopted from Simon, 2016)
▪ Service Security	4	.793	Walumbwa & Hartnell, (2011).
▪ Ease of Use	5	.799	Disney, (1998)
▪ Service performance	3	.793	(Adopted from Simon, 2016)
▪ Website design	3	.795	Watchareebhorn (2016)

▪ Customer satisfaction	6	.798	Zhi-gang & Xiao-dong (2011)

3.6. Methods of Data Analysis

The collected data coded and entered into Statistical Package for Social Science (SPSS) software version 26. Both descriptive and inferential statistical analyses used. Descriptive statistics used to analyze the data collected from the questionnaires, presenting the results through frequency distribution, percentages, mean, and standard deviation. Additionally, correlation and multiple regression analyses conducted to explore the relationship and impact of the independent variables (reliability, transactional efficiency, service performance, ease of use, service security, and website design) on dependent variable (customer satisfaction).

3.7. Ethical Considerations

Accomplishment of any study counts up on unconditional and wholehearted cooperation from the participants. Adhering to ethical standards, beyond protecting participants' right and well-being, it assures respondents' truthfulness and avoidance of error. Thus, for the purpose of the present study, detailed information provided to all participants concerning the objectives of the study, the procedures to be employed and the significance of the findings. Then, the response kept securely. No names mentioned and each participant's data coded. Moreover, all information kept and presented in a confidential way.

CHAPTER FOUR

4. DATA ANALYSIS, INTERPRETATION AND PRESENTATION

INTRODUCTION

This chapter deals with the presentation and analysis of data collected from questionnaires administered to get bank customers opinion on RIDE service quality. A total of 345 questions were distributed to respondents, among the distributed questionnaires 300 or almost 94% were filled and responded.

4.1 Respondents' Background

The questionnaire include a segment of customer’s profile such as an assortment of demographicsand other factors that likely to influence the degree of customer satisfaction with respect to the application base taxi service of RIDE. In studies like this it is important to analyze the background information of the respondents. This is because people’s social background influencestheir thinking pattern and to larger extent what they do. The background information comprised ofage, gender, educational level, and occupation.

Table 1 Gender Distribution of Service Users

Gender distribution

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		7	2.3	2.3	2.3
	Male	183	59.6	59.6	61.9
	Female	117	38.1	38.1	100.0
	Total	307	100.0	100.0	

Source Own Survey (2024)

Among the total of 300 respondents, 183 (59.6%) were males and the rest 117 (38.1%) were females.This implies that the major participants and users of application based taxi service are males.

Table 2 Age Distribution of Respondents

age of respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24	139	45.3	46.3	46.3
	25-33	86	28.0	28.7	75.0
	34-42	30	9.8	10.0	85.0
	>50	45	14.7	15.0	100.0
	Total	300	97.7	100.0	
Missing	System	7	2.3		
Total		307	100.0		

Source: Own Survey (2024)

In case of age distribution, majority respondents belongs to on the age group of 18-24 years which accounts 45.3%(139) of the total sample undertaken and followed by 25-33 years 28.0% (86), above 50 years 14.7% (45) and 34-42 years 9.8%(30) of shares respectively from the total sample. This implies that the majority of application based taxi service customers are between the age of 18 and 24,which means that the service users are dominated by youth age groups and this finding suggests that most of the customers were found in the working age bracket as they might be much involve in transaction daily business.

Table 3 Level of Education of Respondent

level of Education of respondent					
Level of Education		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	primary school	20	6.5	6.7	6.7
	high school	20	6.5	6.7	13.3
	diploma level	132	43.0	44.0	57.3
	first degree	107	34.9	35.7	93.0
	MSC/MA	20	6.5	6.7	99.7
	Total	300	100.0	100.0	100.0

Source: Own Survey (2024)

Regarding the educational level, 43.0% of the respondents were diploma holders, 34.9% were first degree holders, 6.5% were master's degree and above holders, 6.5% were primary or elementary school and 6.5% of the total respondents were at high school educational levels. This implies that the reason for large numbers of respondents were diploma holders, first degree holders and master's degree and above level of education.

Table 4 Occupation of Respondents

Occupation		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	30	9.8	9.8	12.1
	employee both at private and government organization	167	54.4	54.4	66.4
	self-employment	45	14.7	14.7	81.1
	Others	58	18.9	18.9	100.0
	Total	300	100.0	100.0	

Source: Own Survey (2024)

In case of occupation, 9.8 % of the total respondents were the students(primary or high school, college or university), 54.4% were employees at private or government organizations and the rest 18.9% and 14.7% of the total respondents were included on others and self-employee section of occupation. This implies that most of application based taxi service customers are employees of government or private organizations and others.

Table 5 Marital Status of Respondents

marital status		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	100	32.6	32.6	34.9
	married	116	37.8	37.8	72.6
	divorced	34	11.1	11.1	83.7
	widowed	50	16.3	16.3	100.0
	Total	300	100.0	100.0	

Sources: Own Survey (2024)

Regarding to marital status, 32.6% (100) of respondents were single, 37.8% (116) were married, 16.3% (50) were widowed and the rest 11.1% (34) were divorced. This result shows that the most of respondents of application based taxi service users were married and followed by single.

4.2 Descriptive Statistics of application based taxi service Quality Dimension

Descriptive statistical analysis provided the mean and standard deviation for each variable in order to depict the level of agreement on application based taxi service and customers satisfaction dimensions. The mean and standard deviation were calculated for the interval scale of independent variables (Reliability, Transactional Efficiency, Service Security, Ease of Use, website design and Performance) and dependent variable (Customer Satisfaction). The mean indicates to what extent the sample group averagely agrees or does not agree with the different statements whereas standard deviationshows the variability of an observed response from a single sample.

The following tables present the mean scores and standard deviation of individual characteristics of service quality dimension namely: Reliability, Transactional Efficiency, Service Security, Ease of Use , Performance and website design

Table 6 Respondents Response on Reliability Dimension

Descriptive Statistics				
Reliability		N	Mean	Std. Deviation
1	RIDE completes the task accurately	300	4.20	.833
2	RIDE delivers the service exactly as promised	300	2.81	1.219
3	RIDE performance the service right at the first Time	300	3.19	.929
4	I prefer using RIDE instead of visiting other transport systems	300	2.53	1.172
Valid N (list wise)		300	3.18	1.038

Source: Own Survey (2024)

Table 4.7 above results shows the level of agreements of the respondents towards RIDE service on reliability dimension. The dimension's result was ranged from the lowest mean 2.53 (I prefer using RIDE instead of others for making my transaction.) to the highest mean 4.20 (RIDE completes the task accurately.). Thus, the average level of agreements of the respondents on reliability dimension scored 3.18 mean with 1.00 of standard deviation. This implies that most of the respondents agreed on the reliability of RIDE service.

Table 6 Respondent Response 0n Transactional Efficiency

Transactional efficiency		N	Mean	Std. Deviation
1	RIDE provides complete help function	300	1.31	.606
2	transaction process is fast	300	1.47	.760
	Valid N (list wise	300	1.39	0.683

Source: Own Survey (2024)

Table 4.8 above results shows the level of agreements of the respondents towards RIDE service on transactional efficiency dimension. The dimension's result was ranged from the lowest mean 1.31 (RIDE service provides complete help function) to the highest mean 1.47 (transaction process is fast). Thus, the average level of agreements of the respondents on transactional efficiency dimension scored 1.39 mean with 0.683of standard deviation. This implies that most of the respondents do not agree on the transactional efficiency of RIDE service.

Table 7 Respondents Response on service Security

		N	Mean	Std. Deviation
1	RIDE service keeps accurate records of transaction	300	3.15	1.088
2	RIDE service provides security for transaction data and privacy	300	2.58	1.258
3	I feel safe when using RIDE	300	4.03	.837
4	can check validity and detail of past transaction every time	300	4.42	1.033
	Valid N (list wise	300	3.55	1.054

Source: Own Survey (2024)

Table 4.9 above results shows the level of agreements of the respondents towards RIDE service on service security dimension. The dimension's result was ranged from the lowest mean 2.58 (RIDE provides security for transaction data and privacy.) to the highest mean 4.42 (Can check validity and detail of past transaction every time.). Thus, the average level of agreements of the respondents on service security dimension scored 3.55 mean with 1.054 of standard deviation. This implies that most of the respondents agreed on the service security of RIDE service.

Table 8 Respondents Response on Ease of Use

Ease of use		N	Mean	Std. Deviation
1	easy to find information in the RIDE service	300	2.54	1.177
2	RIDE service is easy to use	300	2.52	1.233
3	the language in RIDE service displays is easy to understand	300	2.30	1.217
4	information and text are clear and easy to understand	300	3.18	1.152
5	RIDE service system provides clear instruction	300	3.57	.762
	Valid N (list wise)	300	2.82	1.108

Source: Own Survey (2024)

Table 4.10 above results shows the level of agreements of the respondents towards RIDE service on service security dimension. The dimension's result was ranged from the lowest mean 2.30 (the language in RIDE service displays is easy to understand) to the highest mean 3.57 (RIDE service provides clear instruction.). Thus, the average level of agreements of the respondents on ease of use dimension scored 2.82 mean with 1.108 of standard deviation. This implies that most of the respondents agreed on the ease of use of RIDE service.

Table 9 Respondents Response on Performance

	Performance	N	Mean	Std. Deviation
1	RIDE service is provide multi language	300	1.47	.720
2	RIDE service provides 24 hours 7 day service	300	3.30	.909
3	RIDE service allows transferring between different banks	300	3.64	.592
	Valid N (list wise)	300	2.80	0.740

Source: Own Survey, 2024

Table 4.11 above results shows the level of agreements of the respondents towards RIDE service on service security dimension. The dimension's result was ranged from the lowest mean 1.47 (RIDE service is provided in multi-languages) to the highest mean 3.64. Thus, the average level of agreements of the respondents on performance dimension scored 2.80 mean with 0.740 of standard deviation. This implies that most of the respondents agreed on the performance of RIDE service.

Table 10 Respondents of Response on Website Design

	Website design	N	Mean	Std. Deviation
1	are you happy to easily get the information you are looking for	300	1.53	.671
2	does the information answer your needs and wants	300	1.77	.976
3	do you find it easy to navigate in RIDE service	300	1.47	.719
	Valid N (list wise)	300	1.59	0.887

Source: Own Survey, 2024

Table 4.12 above results shows the level of agreements of the respondents towards RIDE service on Website design dimension. The dimension's result was ranged from the lowest mean 1.47 to the highest mean 1.77 (does the information answer your needs and wants). Thus, the average level of agreements of the respondents on performance dimension scored 1.59 mean with 0.887of standard deviation. This implies that most of the respondents do not agree on the performance of RIDE service.

4.3 Reliability

Refers to the consistency of a measure of a concept.

Dimensions	No of Items	Cronbach's alpha	Remark
Reliability	4	.795	Reliable
Transactional Efficiency	2	.791	Reliable
Service Security	4	.793	Reliable
Ease of Use	5	.799	Reliable
Performance	3	.793	Reliable
Website design	3	.795	Reliable

Source: Own Survey and SPSS Output, 2024

4.4 Pearson Correlation Analysis

In this section the correlation between customer satisfaction in RIDE service and explanatory variables; reliability, transaction efficiency, service security, ease of use, website design and performance has beenpresented and analyzed. A correlation matrix is used to ensure the correlation between explanatory variables.

Table 11 Correlations

Control Variables		Reliability	Transactional efficiency	Service security	ease of use	Performance	Website design	Customer satisfaction
Reliability	Correlation	1.000	-.287**	.656**	.678**	.243**	-.178**	.046
transactional efficiency	Correlation	-.287**	1.000	-.403**	-.199**	-.330**	.285**	-.051
service security	Correlation	.656**	-.403**	1.000	.715**	.325**	-.060	.110*
ease of use	Correlation	.678**	-.199**	.715**	1.000	.230**	-.169**	.068
performance	Correlation	.243**	-.330**	.325**	.230**	1.000	.480**	.086
website design	Correlation	-.178**	.285**	-.060	-.169**	.480**	1.000	.027
customer satisfaction	Correlation	.046	-.051	.110*	.068	.086	.027	1.000

Source: Own Survey and SPSS Output, 2024

The association between the dependent and independent variables, as well as the cause-and-effect relationship, was analyzed using Statistical Package for Social Science (SPSS) software version 26. The above correlation matrix presents the correlation between variables using the Pearson correlation coefficient, which indicates the strength of the relationship between the independent and dependent variables. Pearson correlation analysis was utilized to establish convergent validity, and the Pearson correlation coefficients reveal the magnitude and direction of the relationships, whether positive or negative, as well as the intensity of the relationship.

Correlation is the most fundamental and valuable measure of association between two or more variables. A rule of thumb is used to determine the relationship between the dependent and independent variables: a correlation of < 0.20 is considered very weak, > 0.20 and ≤ 0.4 is considered weak, > 0.40 and ≤ 0.60 is considered moderate, >0.60 and ≤0.80 is considered strong, and greater than 0.80 is considered very strong (Kothari, 2004).

Correlation between Dependent and Independent Variable Table 4.13 above displays the correlation coefficients between the dependent variable (customer satisfaction) and the independent variables (reliability, transaction efficiency, service security, ease of use, website design, and performance).

As observed from the table above, the correlation between customer satisfaction and reliability yielded a positive coefficient of 0.046. This result indicates a significant relationship between service reliability and customer satisfaction. The correlation coefficient between customer satisfaction and transaction efficiency is negative, with a value of -0.051. This suggests a negative correlation between customer satisfaction and transaction efficiency. As the customer experiences more efficient transaction services, their satisfaction level decreases. The correlation coefficient between customer satisfaction and service security is positive, with a value of 0.110, indicating a small degree of correlation between the two variables. Based on the correlation results, ease of use, website design, and performance have a positive and very weak relationship with customer satisfaction, with coefficients of 0.068, 0.027, and 0.086, respectively.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

INTRODUCTION

This chapter is the final section which presents a summary of the findings, conclusion, and recommendation of the study. The chapter reported a summary of the main findings of the study as presented in the result and discussion section. Then, conclusions and recommendations were made based on the findings. As a result of the limitations of the study, the researcher provided suggestions for future study.

5.1 SUMMARY OF MAJORFINDINGS

The primary objectives of the study were to examine factors affecting customer satisfaction of application based taxi service in case of Ride Transport. In order to do this, six determinants of service quality variables were used. These are reliability, transaction efficiency, and service security, ease of use, performance, and website design. Hence, this study has attempted to identify which determinant has the highest influence on the customer satisfaction of Ride Transport.

The study adopted an explanatory research design with qualitative research approaches. The structured questionnaires were distributed to 345 RIDE service customers and 300 were responded and collected questionnaires. Then, analysis was made based on descriptive statistics, Pearson correlation, and multiple regression analysis methods.

The major finding of the study was summarized as follows:

- The majority of users of RIDE transport services are males,
- Most respondents are in the youth age group,
- A large number of respondents were diploma holders,
- Most RIDE transport customers are employees of government or private organizations,
- The majority of respondents RIDE transport service users were married,

- The average level of agreement of the respondents on the reliability dimension scored a mean of 3.18 with a standard deviation of 1.038,

- The average level of agreement of the respondents on the transactional efficiency dimension scored a mean of 1.39 with a standard deviation of 0.68,
- The average level of agreement of the respondents on the service security dimension scored a mean of 3.55 with a standard deviation of 1.054,
- The average level of consensus of the participants on the user-friendliness dimension scored a mean of 2.82 with a standard deviation of 1.108.
- The average level of consensus of the participants on the performance dimension scored a mean of 2.80 with a standard deviation of 0.740.
- The average level of consensus of the participants on the website design dimension scored a mean of 1.59 with a standard deviation of 0.887.

5.2. CONCLUSION

The study has investigated to examine factors affecting customer satisfaction of application based taxi service in case of Ride Transport. Based on statistical analysis, it has been observed that customers are reasonably content with RIDE transport services that have been provided by these branches.

- The reliability of RIDE transport service has a beneficial and significant impact on customer satisfaction.
- The efficiency of transactions in RIDE transport service has a beneficial and significant impact on customer satisfaction.
- Service security has a slightly positive and significant effect on customer satisfaction.
- The ease of use of RIDE service has a positive impact on customer satisfaction.
- The performance of RIDE transport service has a slightly positive and significant impact on customer satisfaction.
- The website design of RIDE transport service has a positive and significant impact on customer satisfaction.

5.3 RECOMMENDETION

Based on the study results the following suggestions are forwarded for the concerned bodies.

- RIDE has to keep the current waiting time even lower to build its brand known for being prompt & should maximize its accessibility on those areas where commuters are waiting for longer time.

- It is everybody's desire to receive quality service for affordable price. RIDE must work on ways to lower fare charges by thinking of options such as utilizing medium to bigger sized vehicles that could solve for those of who troubled to find suitable transportation service during rush hours & the current RIDE fare is a bit higher for them. This will bring a mutual benefit for both RIDE & commuters.

- Adequate advertisement must be executed to encourage application usage that help implement loyalty programs and attract commuters with coupons & discounts, hence increase customer base.

- The researcher believes the taxi driver being professional has an influence in improving satisfaction of customers by demonstrating good manner, communication skills and showing empathy to customers. Proper trainings should be given to drivers regarding how to provide good customer service to successfully address both the customer's needs and the company interests

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Appendices

Appendix 1: Survey

St. Mary's University

School of Graduate Studies

Department of Marketing Management

Dear respondents,

This study entitled "Factors affecting customer satisfaction of application based taxi service in case of Ride Transport" is conducted in partial fulfillment for the requirements of MA Degree in Marketing Management at St. Mary's University. This questionnaire is prepared to gather pertinent data for the study purpose. Please be informed that the information you are going to provide will only be used for the study purpose, and will be kept confidential. Moreover, your participation in the study is fully on a voluntary basis. Therefore, you are kindly requested to provide your responses to different questions below. Thank you in advance for your willingness to spare some 15 minutes to participate in this study.

General Instruction: - Circle your response or indicate "√" in the box beneath for closed-ended questions among the provided alternatives. You don't need to write your name.

Section I: Demographic profile of respondents

Instruction: Circle your response against any response that applies to you.

1. Sex a) Male b) Female
2. Age: a) 18- 25 years b) 26-40 years c) 41-55 years d) Over 55 years
3. Level of education a) Grade 8 and below b) Secondary school c) Diploma d) First Degree e) Master's degree & above

4. Monthly income in birr: a) Less than 5,000 birr b) 5000-9999 birr c)10,000-14,999 birr d)15,000-19,999 birr e) 20,000 birr and above
5. How often do you use RIDE Transport service per week?
   a) Once in a week b)Twice in a week c) Three times in a week d) Four times in a week e) Five times and more in a week

Part II: Main survey questions

The general objective of the study is to examine factors affecting customer satisfaction of application based taxi service in case of Ride Transport. Listed below are a series of statements that represent factors affecting customer satisfaction of application based taxi service with respect to your own feeling, please indicate the degree of your agreement or disagreement with each statement by putting a tick mark (√) on one of the five alternatives. Responses are measured on 5-point scales with the following verbal anchors: Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4) and Strongly Agree (5).

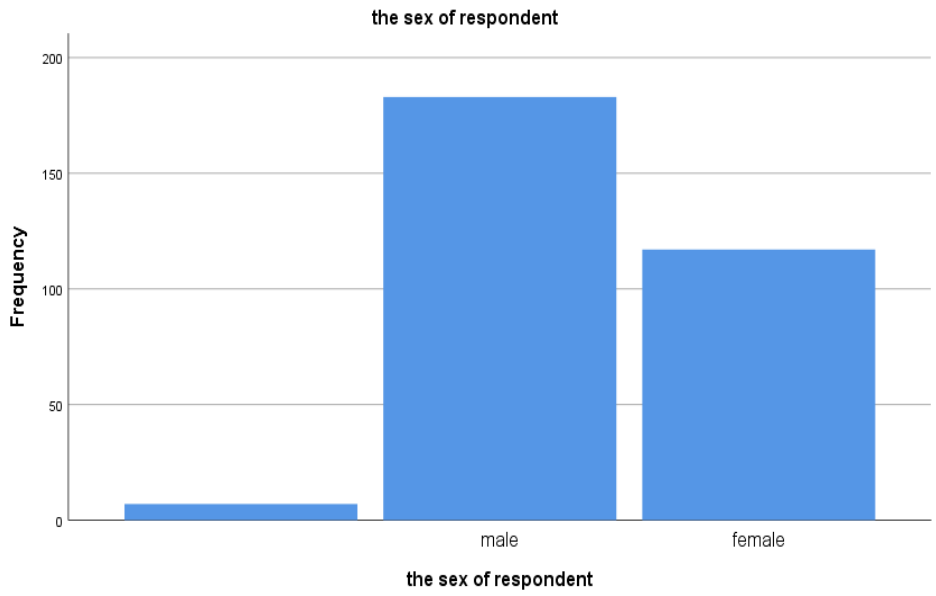
S/N	Dimensions	SD	D	NU	AG	SA
A.	**Reliability**	1	2	3	4	5
1	RIDE completes a task accurately.					
2	RIDE delivers the service exactly as promised.					
3	RIDE performs the service right at the first time.					
4	I prefer using RIDE instead of visiting other transport systems					
B.	**Transactional Efficiency**					
1	RIDE provides complete help function.					

2	The system process is fast.					
C. Service Security						
1	RIDE keeps accurate record.					
2	RIDE provides security and privacy.					
3	I feel safe when using RIDE.					
4	Can check validity and detail of the system.					
D. Ease of Use						
1	It is easy to find information in the RIDE system.					
2	RIDE is easy to use.					
3	The language in RIDE displays is easy to understand.					
4	Information and text by RIDE Transport are clear and easy to understand.					
5	RIDE system provides clear instruction.					
E. Service Performance						
1	RIDE is provided in Multilanguage.					
2	RIDE provides 24 hours -7 days service.					
3	RIDE allows to manipulate the system easily.					

F. Website design						
1	Can easily get the information I are looking for from the RIDE website					
2	Does The information from the RIDE Transport website answers my needs and wants					
3	I can easily navigate the RIDE system					
G. Customer Satisfaction						
1	I am satisfied with the reliability of the RIDE services.					
2	I am satisfied with the transaction efficiency of the RIDE services.					
3	I am satisfied with the security of the RIDE services.					
4	I am satisfied with the ease of use of the RIDE services.					
5	I am satisfied with the overall performance of the RIDE services.					

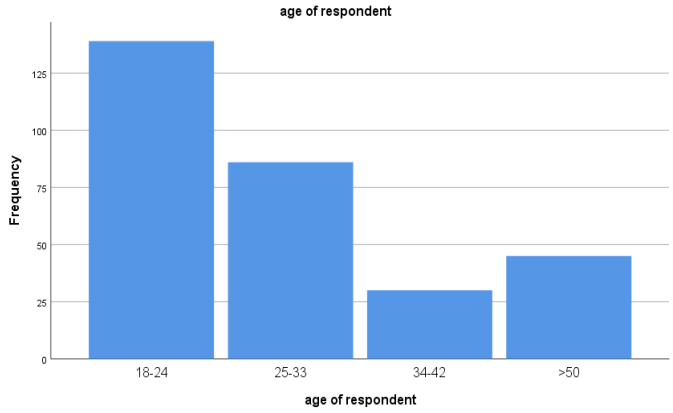
Appendix 2: Figure

Figure 1 Gender Distribution



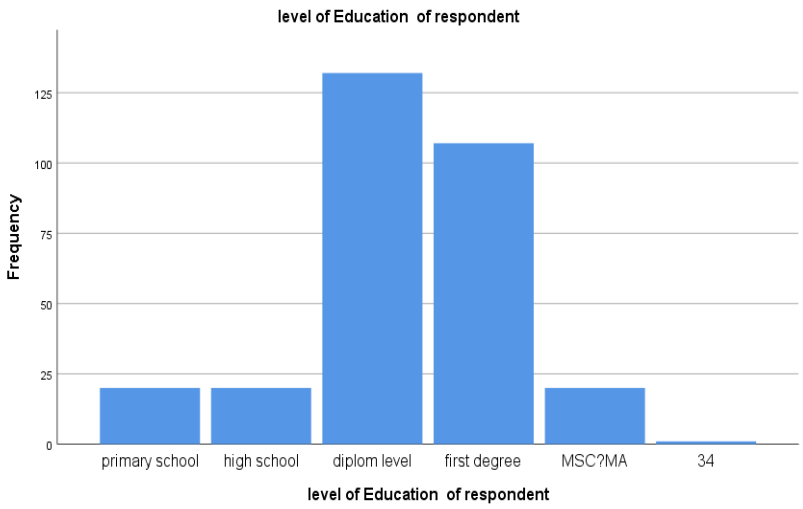
Source: Own Survey and SPSS Output, 2024

Figure 2 Age Distribution



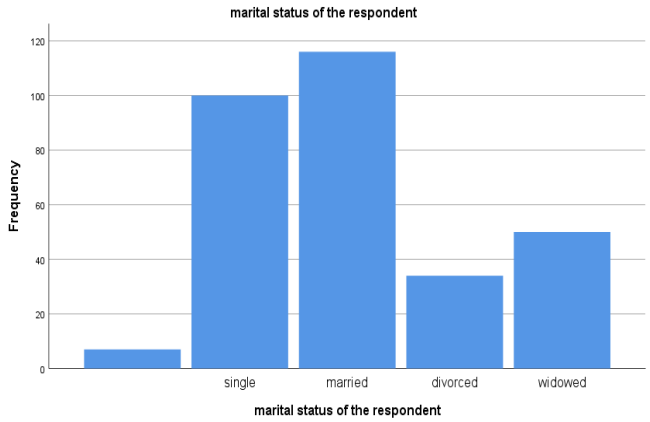
Source: Own Survey and SPSS Output, 2024

Figure 3 Level of Education



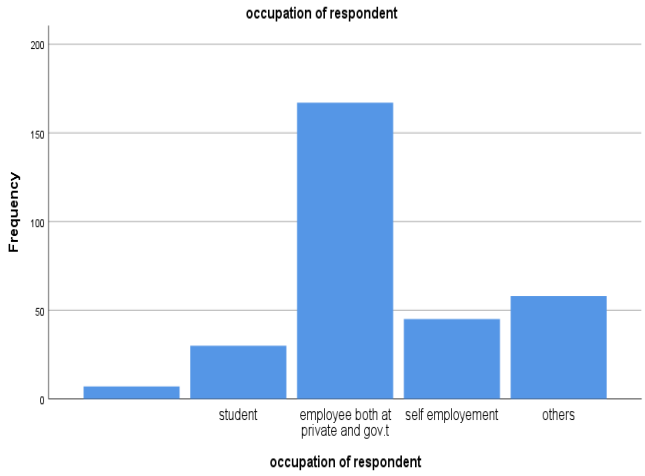
Source: Own Survey and SPSS Output, 2024

Figure 4 Marital Status



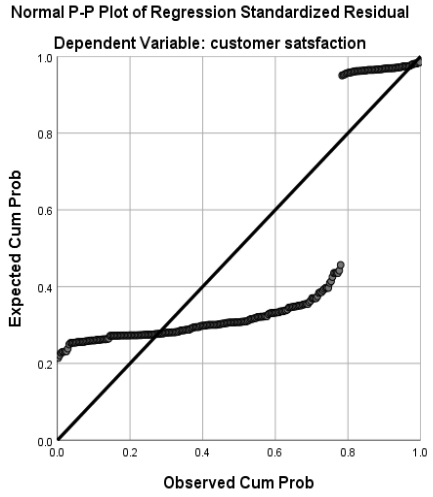
Source: Own Survey and SPSS Output, 2024

Figure 5 Occupation of Respondent



Source: Own Survey and SPSS Output, 2024

Figure 6 The Scatter of Residual



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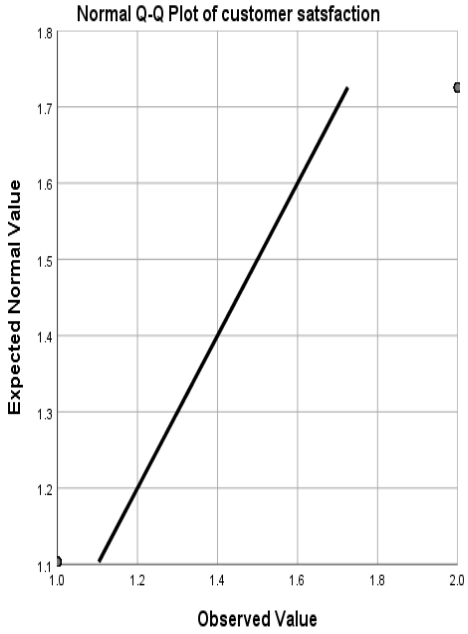

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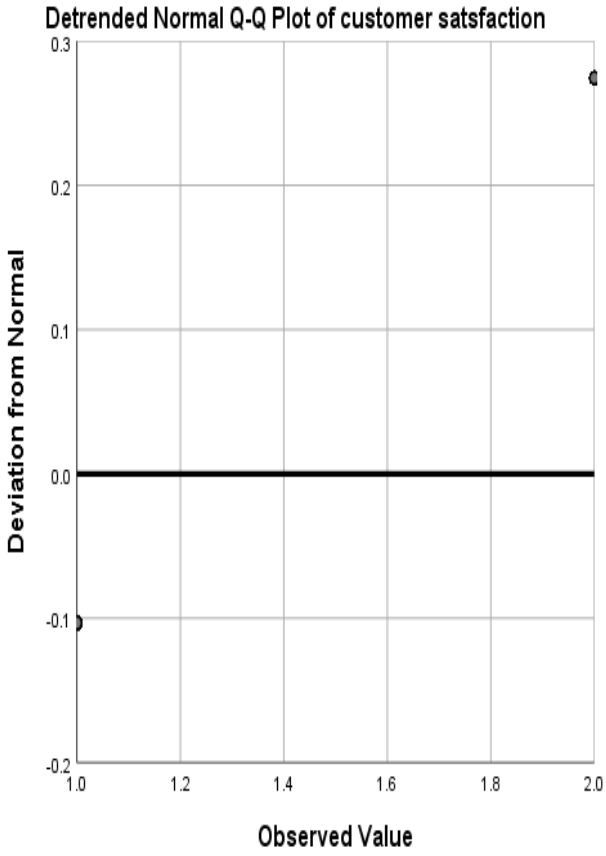
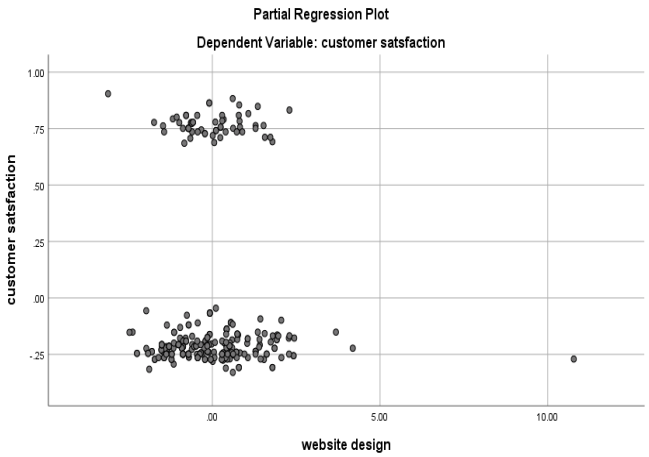


Source: Own Survey and SPSS Output, 2024

Figure 7 Homo Scedasticity Test Result



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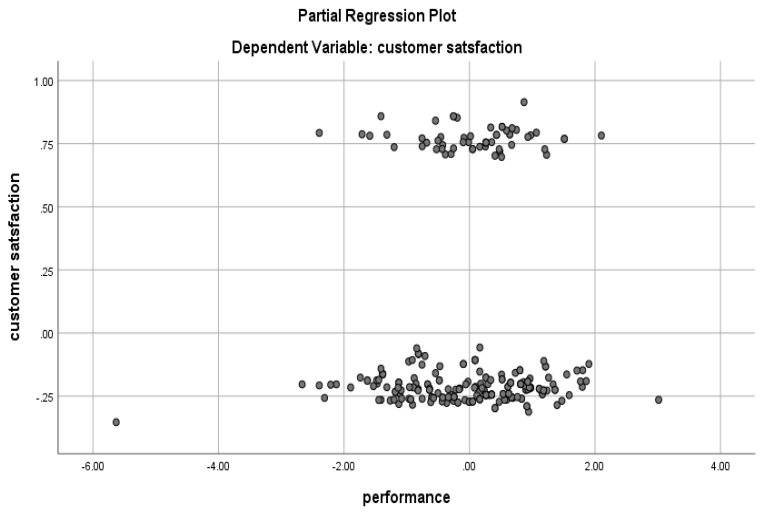

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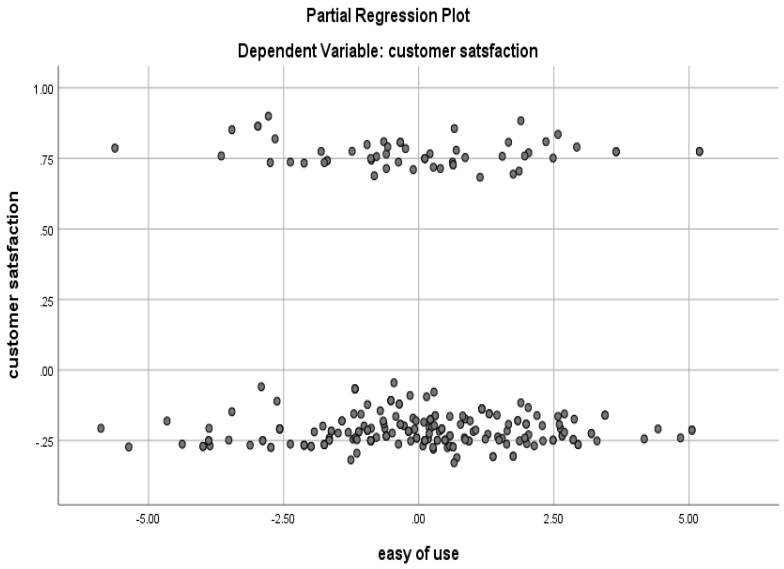

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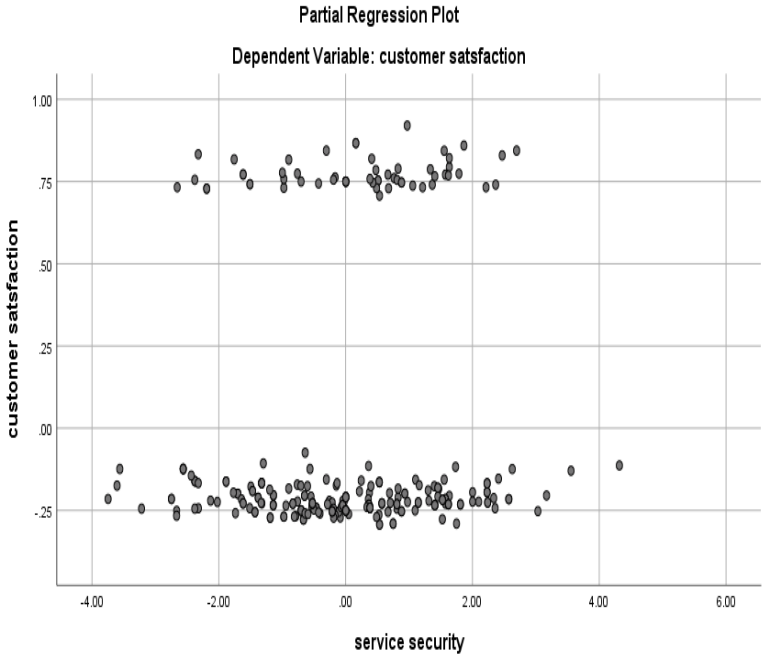

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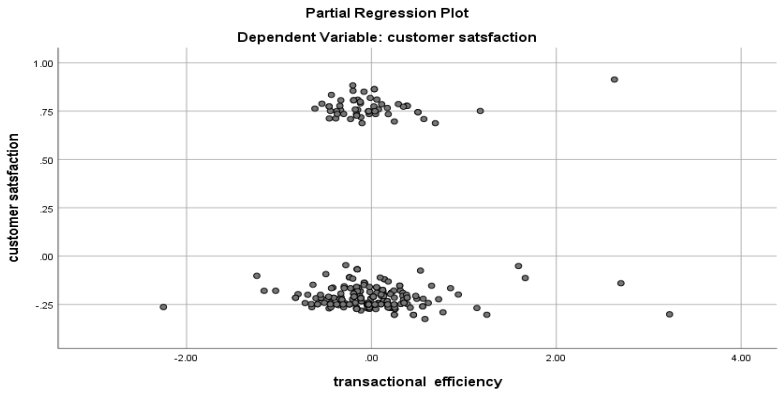

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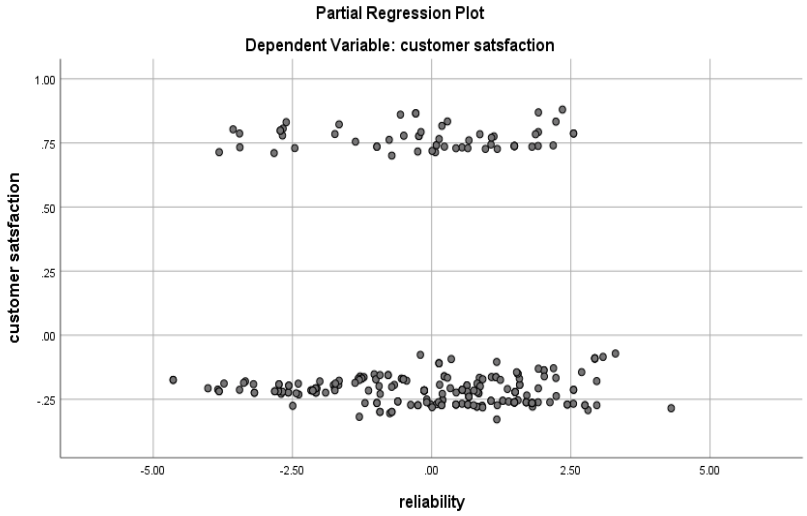

Source: Own Survey and SPSS Output, 2024

Table 12 Cronbach Alpha

Reliability Statistics	
Cronbach's Alpha	N of Items
.796	21

Source: Own Survey and SPSS Output, 2024

Table 13 One- Sample Test

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
reliability	74.842	299	.000	12.73000	12.3953	13.0647
transactional efficiency	42.298	299	.000	2.78000	2.6507	2.9093
service security	93.016	298	.000	14.21070	13.9100	14.5114
ease of use	70.862	299	.000	14.11333	13.7214	14.5053
performance	89.648	298	.000	8.41137	8.2267	8.5960
website design	40.920	299	.000	4.77333	4.5438	5.0029

Source: Own Survey and SPSS Output, 2024

Table 14 One- sample Statistics

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Reliability	300	12.7300	2.94608	.17009
transactional efficiency	300	2.7800	1.13838	.06572
service security	300	14.2107	2.64177	.15278
ease of use	300	14.1133	3.44966	.19917
Performance	300	8.4114	1.62241	.09383
website design	300	4.7733	2.02045	.11665

Source: Own Survey and SPSS Output, 2024

Table 15 Case Processing Summaries

	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
customer satisfaction * reliability	268	87.3%	39	12.7%	307	100.0%
customer satisfaction * transactional efficiency	268	87.3%	39	12.7%	307	100.0%
customer satisfaction * service security	267	87.0%	40	13.0%	307	100.0%
customer satisfaction * ease of use	268	87.3%	39	12.7%	307	100.0%
customer satisfaction * performance	267	87.0%	40	13.0%	307	100.0%
customer satisfaction * website design	268	87.3%	39	12.7%	307	100.0%

Source: Own Survey and SPSS Output, 2024