

**SERVICE QUALITY AND CUSTOMER SATISFACTION IN
TRANSPORT SERVICE INDUSTRY IN TANZANIA
A CASE OF DAR EXPRESS BUS COMPANY**

By

Onael Walter Mushi

A Dissertation Submitted in Partial Fulfillment of the Requirements for Award of the
Degree of Master of Business Administration (MBA) of Mzumbe University.

2013

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **Service Quality and Customer Satisfaction in Transport Service Industry in Tanzania: The case of Dar Express Bus Company**, in partial fulfillment of the requirements for award of the degree of Master of Business Administration of Mzumbe University.

Major Supervisor

Internal Examiner

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DEDICATION

This work is dedicated to my mother Elinaike Walter Mushi, my daughter Charity and to my lovely wife Upendo for their endless prayers towards my success.

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The completion of this thesis is the result of contribution obtained from some of individuals and Institutions in moral and material form. My first and sincere gratitude should go to my supervisor Dr Hawa Tundui for her tireless efforts and constructive guidance towards the success of this work.

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No one mentioned above is accountable or responsible for any errors in this research for which I hold for myself responsible.

ACRONYMS

ANOVA	Analysis of Variance
ATM	Automatic Teller Machine
ERP	Economic Reform Program
IRP	Integrated Roads Program
MBA-CM	Master of Business Administration – Corporate Management
QSL	Quality-Satisfaction-Loyalty
SERVQUAL	Service Quality
SUMATRA	Surface and Marine Transport Authority
VIF	Variance Inflation Factor

ABSTRACT

Road passenger transport is now recognized as one of the most important means of facilitating movement of people and parcels in the country. Moreover, people are now depending much on road transport due to the poor condition of other inland transport systems notably railways. The important role played by this mode of transport is due to its flexibility, accessibility and affordability to most of the Tanzanian citizens. Under the ERP and IRP reforms, there has been a dominant role played by the private sector in providing passenger road transport services in the country. This was a major shift from past practices whereby government parastatals provided these services.

Improvements in road infrastructure, deregulation of tariffs, removal of restrictions in the importation of motor vehicles and the elimination of entry barriers have provided an incentive for private sector involvement in the transport market. However, this has increased the level of competition to transport operators and hence reduced earnings. But on the other side of the coin, there arise a challenge among them to seek and improve other dimensions pertaining quality of the transport service they are providing in order to win the customers.

The general objective of the study was to assess the influence of service quality on customer satisfaction in transport service industry in Tanzania focusing on passengers' transport, taking the Dar Express Bus Service as a case study and methods used in collecting required information for the study were questionnaires, interview and observation. The data were analyzed using descriptive, correlation and regression analyses

The findings indicates that passengers are satisfied with the transport services provided with Dar Express Bus Company Limited; Responsiveness, assurance and tangibles dimensions proved to have significant effect on passenger satisfaction. In other words these three dimensions were found to be good predictors of customer satisfaction.

The way company handling passengers' problems including how they give personal attention to them, Visual appealing facilities and willingness to help passengers are the areas that need to be improved. Moreover, the user – friendly printed materials such as timetables, posters and brochures, electronic media such as company website and email should be established.

TABLE OF CONTENTS

CERTIFICATION	i
DECLARATION AND COPYRIGHT.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT	iv
ACRONYMS.....	v
ABSTRACT.....	vi
TABLE OF CONTENTS.....	viii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background to the Study.....	1
1.2 Statement of the Problem.	3
1.3 Objectives of the Study	4
1.4 Research Questions	4
1.5 Scope and Delimitation of the Study.....	5
1.7 Significance of the study	5
Chapter summary	5
CHAPTER TWO	6
LITERATURE REVIEW	6
2.1 Theoretical Literature Review.....	6
2.1.1 Service	6
2.1.2 The Basic Characteristics of Services	6
2.1.3 Service Quality	8
2.1.4 Customer Satisfaction.....	14
2.1.5 Relationship between Service Quality and Customer Satisfaction	15
2.1.6 Association between Satisfaction Levels and a Firm’s Financial and Market Performance.....	16
2.1.7 Relationships among Perceived Service Quality, Corporate Image, Overall Satisfaction, and Loyalty	16
2.2 Empirical Literature Review	16

Chapter summary	19
CHAPTER THREE	20
RESEARCH METHODOLOGY	20
3.0. Introduction.....	20
3.1 Research Design	20
3.2 Area of the Study.....	20
3.3 Sample and Sampling Procedures	21
3.3.1 Population and Sample	21
3.3.2 Sampling Procedures	21
3.4 Types of Data and Data Collection Techniques.....	22
3.4.1 Questionnaire.....	22
3.4.2 Interview	22
3.4.3 Observation.....	22
3.5 Variables and its measurement.....	23
3.6 Data Analysis Method.....	25
Chapter summary	25
CHAPTER FOUR	26
RESEARCH ANALYSIS AND FINDINGS	26
4.0 Introduction	26
4.1 Profile of the Respondents	26
4.2 Descriptive Statistics	27
4.2.1 How Customers Evaluate the Services provided by Dar Express Bus Service	27
4.2.2 Customer Satisfaction.....	29
4.3 Validity and Reliability of the scale	30
4.4 Relationship between Customer Satisfaction and other Variables.....	31
4.5 Regression Analysis	32
4.5.1 Checking for Multi-collinearity.....	32
4.5.2 R-square and ANOVA Assessment.....	33
4.5.3 Normality Assessment.....	33

4.5.4 The Effect of Service Quality Dimensions to Customer Satisfaction	33
4.5.5 Regression Results.....	34
4.6 Discussion of Findings	35
4.6.1 Reliability.	35
4.6.2 The Empathy.....	37
4.6.3 Responsiveness	38
4.6.4 Assurance.....	39
4.6.5 Tangibles	42
4.7 Summary of Findings and Implication of the Results.....	44
CHAPTER FIVE	45
SUMMARY, CONCLUSION AND RECOMMENDATIONS	45
5.1 Summary	45
5.2 Conclusion.....	46
5.3 Recommendations	46
5.4 Areas for Further Research	47
BIBLIOGRAPHY	48
APPENDICES	51
APPENDIX I: RESEARCH QUESTIONNAIRE FOR PASSENGERS.....	51
APPENDIX II: INTERVIEW GUIDE FOR MANAGEMENT AND EMPLOYEES	57
APPENDIX III: RESEARCH BUDGET	60
APPENDIX IV: TIMEFRAME AND WORK PLAN.....	61
APPENDIX V: MODEL SUMMARY, ANOVA ANALYSIS, COEFFICIENTS AND COLLINEARITY STATISTICS.....	62
APPENDIX VI: HISTOGRAM.....	63
APPENDIX VII: NORMAL PLOT	64

LIST OF TABLES

Table 3.1: Population and Sample.....	21
Table 3.2: Measurement of Variables.....	23
Table 4.1: Gender, Nationality and Occupation of the Respondent.....	26
Table 4.2: Customer evaluation on the Service provided by Dar Express Company.....	27
Table 4.3: Customer Satisfaction – Descriptive Statistics.....	28
Table 4.4: Cronbach’s alpha of Service Dimensions.....	29
Table 4.5: Correlation among Variables.....	31
Table 4.6: The effect of service quality dimensions to customer satisfaction.....	33

LIST OF FIGURES

Figure 1: Service Gap Analysis.....	13
Figure 2: Conceptual Framework.....	19

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Transport service industry comprises of several modes which range from air, water, railways, pipelines and road transports. Pipelines are used to transport items which are liquids and gaseous in nature while air, water and roads are used to transport goods and passengers. The study is therefore focused only on intercity road passengers' services in Tanzania.

An intercity bus carries passengers in significant distances between different cities, towns, or other populated areas. Unlike a municipal bus, which has frequent stops throughout a city or town, an intercity bus generally has a single stop at a centralized location within the city, and travels long distances without stopping at all. Intercity buses exist all over the world that are operated by government or private industry (Young, 2004).

While also serving heavily populated urban areas, intercity bus services are of prime importance in lightly populated rural areas that often have little or no public transportation. These buses are one of four common transport methods between cities, not all of which are available in all places. The others are airplane, train, and private automobile.

Bus operation in the country (Tanzania) is controlled by Surface and Maritime Transport Regulatory Authority (SUMATRA) which issues carrier licenses for passenger transport operations, specifying the routes and timetables given by operators on the long distance intercity routes (SUMATRA, 2011).

Like freight transport, single bus owner operators dominate passenger transport industry in Tanzania.

There is a tendency for operators to move in and out of business due to stiff competition in the market, and there is a freedom of entry and exit. The bus frequency levels per route are high, reflecting a competitive market that exists for most routes with the exception of cross-border operations (Mporogomi 2001). Moreover, passenger fares for long distance travel are set by SUMATRA, though most of the times are not adhered to by the bus operators.

The very nature of transport makes the transport industry an ideal target for government and inter-governmental regulation. As a result, the transport industry is amongst the most highly regulated industries in the world (Fimbo, 2008).

To maintain competitive advantage, developing effective operating and marketing strategies is very important for these bus carriers to sustain in the intercity transport market. Improving the service quality is generally viewed by the bus carriers as an important strategy to level up passengers' satisfaction and to retain the ridership. However, service quality is rarely used in previous transport choice modeling due to the difficulty of proper measurement (Weinstein, 2000).

Dar Express is an intercity bus transport Service Company. It is among the companies that are doing well in the passenger transport industry in Tanzania. The company formed in 1978 as goods transportation firm having only one vehicle (Bedford lorry) operating between Dar es Salaam and Morogoro. In 1979 the company transformed into passenger transport service provider having only one bus (Fiat), operating in the same route which was by then Dar es Salaam – Morogoro route (Dar Express, 2012).

The company continues to grow and currently, the company has 28 buses operating daily in the following routes;

- (i) Dar es Salaam – Moshi – Arusha – Nairobi (Kenya)
- (ii) Dar es Salaam – Moshi – Arusha – Karatu
- (iii) Dar es Salaam – Moshi – Arusha
- (iv) Dar es Salaam – Rombo

1.2 Statement of the Problem.

Improvements in road infrastructure, deregulation of tariffs, removal of restrictions in the importation of motor vehicles and the elimination of entry barriers have provided an incentive for private sector involvement in the transport market. However, this has increased the level of competition to transport operators and hence reduced earnings (Mporogomi, 2001). But on the other side of the coin, there is a challenge among transport operators to seek and improve other dimensions pertaining quality of the transport service they provide in order to win the customers.

There are number of new companies that are formed and enter into this industry but surprisingly most of them failed to sustain in business. Buffalo Bus Service, Sadique Line and currently Scandinavia Express (The Citizen, July 2012) to mention the few passenger transport companies that have collapsed. From a researcher point of view, there others that still exist but they are facing a stiff competition in business. So, there is a need to find out what should be done in order to do better and remain in business. It is now a time to make a thorough research on how the service quality influence the customer satisfaction in connection with the strategies to retain customers.

Traditionally, under the competitive market environment the rival companies in an industry, transport in particular focus on adjusting the price, i.e. bus fares to lower rate (especially those enjoying cost leadership advantage) to win more market shares, increase sales and hence more profit gain.

To a large extent, the bottom line indicator of performance of freight and passenger road transport is the operating cost per tonne or tonne-km (or per passenger or passenger-km). Level of service aspects such as travel time, reliability, safety, comfort and security are also important, as well as environmental impact.

Currently, most of the transport service providers shift into improving the service quality of their product (service) rather than relying on bus fare adjustment to improve the business performance despite the fact that the production costs will probably increase as they improve service quality. Moreover, by improving the service quality,

the transport firm acquires sustainable competitive advantage over its rivals (Fimbo, 2008).

The concept of quality, efficiency, productivity, growth and survival pose a great challenge for the survival and growth of all corporate bodies. These growth and survival demands are further deepened by the need to attract and retain customers, as customers are the main focus of any successful business. Business success depends on a firm's understanding and meeting customers' needs and demands (Agyapong, 2010).

The researcher sees the need to assess the influence of service quality on customer satisfaction in passenger transport service industry aiming to highlight the extent at which the bus transport operators are aware of the requirement of service quality improvement in its entire dimensions as well as their impact in the customer satisfaction and the prosperity of their transport business especially in the competitive environment. That, there is a gap between what actually passenger needs/expect as far as transport service is concerned and bus operators' perception of passenger/consumer expect. Also, there is a gap between service quality specifications and the service quality delivered by bus operators.

1.3 Objectives of the Study

The general objective of the study was to assess the influence of service quality on customer satisfaction in passenger transport industry in Tanzania.

The study covers also the following specific objectives

- a. Assessing the degree of the customers' satisfaction from the provided services.
- b. To determine the service attributes that must be improved in the future.
- c. To assess Service quality dimensions in bus transport service that influence customer satisfaction.

1.4 Research Questions

- a. What is the degree of customers' satisfaction from the provided services?
- b. What are services attributes that need to be improved in the future?

- c. What are the service quality dimensions in bus transport service that influence customer satisfaction?

1.5 Scope and Delimitation of the Study

The research covered only one organization i.e. Dar Express Bus Service Company, in bus transport service industry. The researcher chose this company because it is a large one, having much experience in this business due to a good number of years in operation since it was established. The study was conducted in Dar es Salaam, Ubungo Bus Terminal and within buses during the journey. The Ubungo was chosen among the other upcountry terminals purposively given the limitation in time and finance. This area contains a population that eventually became a researcher's sources of data, collecting them from company's staff and from the customers i.e. passengers.

1.7 Significance of the study

The study intended to reveal the influence of service quality on customer satisfaction in passenger transport service providers. The researcher believes that the study will be of much value in helping the management and decision makers of the organization/company to know the implications of identified influence on their strategic improvement of the firm. Also it will help researchers to identify viable areas for further research, to be used as an additional reference to researchers on quality service improvement and more specifically the study will enable the researcher to fulfill the requirement for the Master Degree of Business Administration.

Chapter summary

The chapter presents background of topic of study, statement of the problem and objective of the study. Also the research question, limitations and justification of the research was presented in this chapter. The research seeks to address the impact of service quality in provision of transport service that will lead to customer satisfaction and therefore retain them and entertain new ones. Like other products, there are different types or kinds of services and its quality measurement. The following chapter gives us knowledge or theories pertaining service and service quality in broad.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Literature Review

2.1.1 Service

Gronroos (2000) states that services are a series of processes that leads to an outcome, which will solve customer problems, during partly simultaneous production and consumption processes. Moreover, the customer often actively participates in the production process. Also Kotler (2000) defines service as any act or performance that one 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.

2.1.2 The Basic Characteristics of Services

In order to define services clearly, many early investigations focus on finding the differences between services and consumer goods. These differences refer to the “characteristics of services”. These characteristics of service also make service different from goods as described below (Woo and Ennew, 2005).

2.1.2.1 Intangibility

Customers can get permanent ownership of physical and tangible objects (Lovelock and Wright, 2002). Services are an activity, an experience and not a thing. Services cannot be seen, felt, tasted, or touched as tangible goods, which can be readily displayed and easily transferred to customers (Zeithaml *et al.*, 2006). Organizations always try to make their intangible offer as tangible as possible, while many manufactures try to create an image for their products instead of focusing on the tangible aspects of their products in advertising (Fitzsimmons and Fitzsimmons, 2006). Services are not a particular kind of product.

2.1.2.2 Inseparability

According to Perez et al (2007), the service is produced and consumed at the same time in most of the service industries. This kind of personal contact is referred to as “interactive consumption” and “interactive process” in the definition of services. It includes physical environment (e.g. ATM), behaviour of personnel, and the customer’s mood and needs. Inseparability of the service itself from the service provider highlights the role of people in the service transaction, and their influence on quality levels. Therefore, it is difficult for the service providers to hide mistakes or quality shortfalls of the service.

2.1.2.3 Perishability

Unlike manufactured goods, services cannot be saved, stored, resold, or returned. The degree of Perishability in the quality of service is affected by the degree of intangibility (Bruhn and George, 2006). This characteristic means that the service providers have only one way that they should provide the right service the first time, every time, and the full use of service capacity. Also this provision makes it impossible to have a quality check before the service was send to the customers. Pricing and promotion are two of the marketing tools commonly adapted to tackle this characteristic.

2.1.2.4 Heterogeneity

The productivity and quality of the produced goods can be controlled under fixed conditions (Lovelock and Wright, 2002). However, the customer, as an essential part of this whole service process, actively participates in the process of producing the service. The customer uses objective and subjective criteria to evaluate service quality. The moods and needs of the customer may lead to their different performance in similar situations. This tendency means that standardizing services is quite difficult on many occasions. The chance of heterogeneity in the final output of service delivery processes will still be large. Automation can contribute to reduce the impact of people and environment on service quality (Fitzsimmons and Fitzsimmons, 2006).

2.1.3 Service Quality

Quality is the extent to which the service, the service process and the service organization can satisfy the expectations of the user. All service organizations recognize the importance of service quality because it affects customer loyalty and satisfaction. Service quality also has been suggested as a means of developing a competitive advantage (Landrum et al 2007). Lovelock and Wright (2002) define 'quality as the degree to which a service satisfies customers by meeting their needs, wants and expectations'. This definition means that if a firm does not improve quality service to its customers, it will be able to switch its customers to another supplier who can satisfy them and its competitors will take over the market.

Definitions of quality have included: a) satisfying or delighting the customer or exceeding expectations; b) product of service features that satisfy stated or implied needs; c) conformance to clearly specified requirements; and d) fitness for use, whereby the product meets the customers' needs and is free of deficiencies (Chelladurai & Chang, 2000).

Service quality forms an integral part of service marketing. Service quality is about performing the service dependably and accurately. When a company performs a service carelessly, when it makes preventable errors, when it fails to deliver on alluring promises made to attract customers, it unsettles customers' assurance and weakens its opportunity of earning a reputation for service excellence. From the customer's perspective, the proof of a service is its flawless performance (Berry and Parasuraman, 1991).

2.1.3.1 Measures of the Service Quality

Service quality is more difficult to measure than the quality of goods. The service quality perception depends on Intangible differences between products and intangible expectations customer have on those products (Tripathi, 2011).

To define service quality, the traditional approach pays more attention on service quality perception which is a comparison of consumer expectations with actual performance (DeMoranville and Bienstock, 2003). Today, researchers on service

quality widely accept and apply two service theories among the various service quality opinions. One is the Gronroos' Technical and Functional Quality framework. The other is the SERVQUAL model by Parasuraman, Zeithaml and Berry in the 1990s (Woo and Ennew 2005). In the 1990s, Gronroos used a two-dimension model of service quality (technical quality and functional quality) to describe and measure the service quality (Perez *et al.*, 2007). In this model, technical quality focuses on the outcome of what is the service provided and functional quality takes into account how it is delivered. Subsequently, Gronroos (2001) indicated seven specific dimensions on which service quality customers' perceptions could be measured (professionalism and skills, reliability and trustworthiness, attitudes and behaviour, accessibility and flexibility, service recovery, servscape, and reputation and credibility). Parasuraman, Zeithaml and Berry proposed a conceptual framework of service quality based on the interpretation of qualitative data from extensive explanatory research performed in four service businesses (Akbaba, 2006). Landrum *et al.* (2007) simplify the definition of service quality as a comparison between consumers' expectations and their perceptions of the service they actually receive. Woo and Ennew (2005), furthermore, indicate that both of the two approaches to conceptualizing the dimensions of service quality clearly overlap.

2.1.3.2 Customer Perceptions of Service Quality

The customers' perceptions of service quality have attracted quite extensive attention from researchers and practitioners. Zeithaml and Bitner (2000) describe customer perceptions as: "the subjective assessments of actual service experiences. This refers to how customers perceive services; how they assess the quality of received service; whether they are satisfied; and whether they have received good value. Therefore, customer perceptions of service are also defined as customer perceptions of quality, satisfaction and value". In short, the customers' perceptions are the way that people see something based on their experience. Everyone's perception of a situation will be at least slightly different.

2.1.3.3 Dimensions of Service Quality

Silvestro (2005) states that, “the only criteria that count in evaluating service quality are those defined by the customer” According to Nowacki (2005), Parasuraman, Zeithaml and Berry established 10 service quality dimensions that customers use to judge the quality of the service offered in 1984. The ten dimensions are not necessarily independent of each other. There could be some overlap between the categories. As a result of a further study, Parasuraman *et al* (2000) combined the ten original determinants into five dimensions of quality: tangibles, reliability, responsiveness, assurance (including competence, courtesy, credibility, security) and empathy (including access, communication and understanding).

These five dimensions are found relevant for various business services. Customers will use all or some of the dimensions to determine service quality perceptions. Research suggests that cultural differences will also affect the relative importance placed on the five dimensions. Tangible features, such as the personnel’s or exhibition’s appearance, are relatively easy to assess. However, intangible features such as safety and understanding clients’ needs, may be very difficult for the professional and the client to evaluate (Zeithaml et al., 2006).

➤ **Reliability**

Bebko (2000) defines reliability as “the ability to perform the promised service dependably and accurately”. Reliability is a key dimension that customers can evaluate the quality between they received and the provider promised during the delivery process (e.g. service provision, problem resolution, and pricing). All firms need to be aware of customer expectations of reliability.

➤ **Responsiveness**

Zeithaml *et al.* (2006) suggest that service providers should be active and voluntary to help their customers and to provide prompt service. This dimension demands that the service provider should be more flexible in solving their customers’ problems and

requests. Firms even should have a capacity to customize services for dealing with their customers' special needs.

➤ **Assurance**

Robledo (2001) identifies assurance as “employees’ knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence”. This dimension consists of four original determinants: competence, courtesy, credibility and security.

➤ **Empathy**

The basic target of the dimension is to afford more facilities for the current or potential customers and enhance the services capacity, through personalized or customized service. Curry and Sinclair (2002) describe empathy as the caring, individualized attention that the firm provides its customers.

➤ **Tangibles**

Tangibles are related to ‘the appearance of physical facilities, equipment, personnel, and communication materials’ (Robledo, 2001). Since the tangible and visual elements of the site will be critical to efficiency as well as to overall perceptions of the firm and the brand, service companies are likely to use tangibles to enhance their image and convey quality service to customers. Most companies also combine tangibles with another dimension to create a service quality strategy for the firm (Zeithaml *et al.*, 2006).

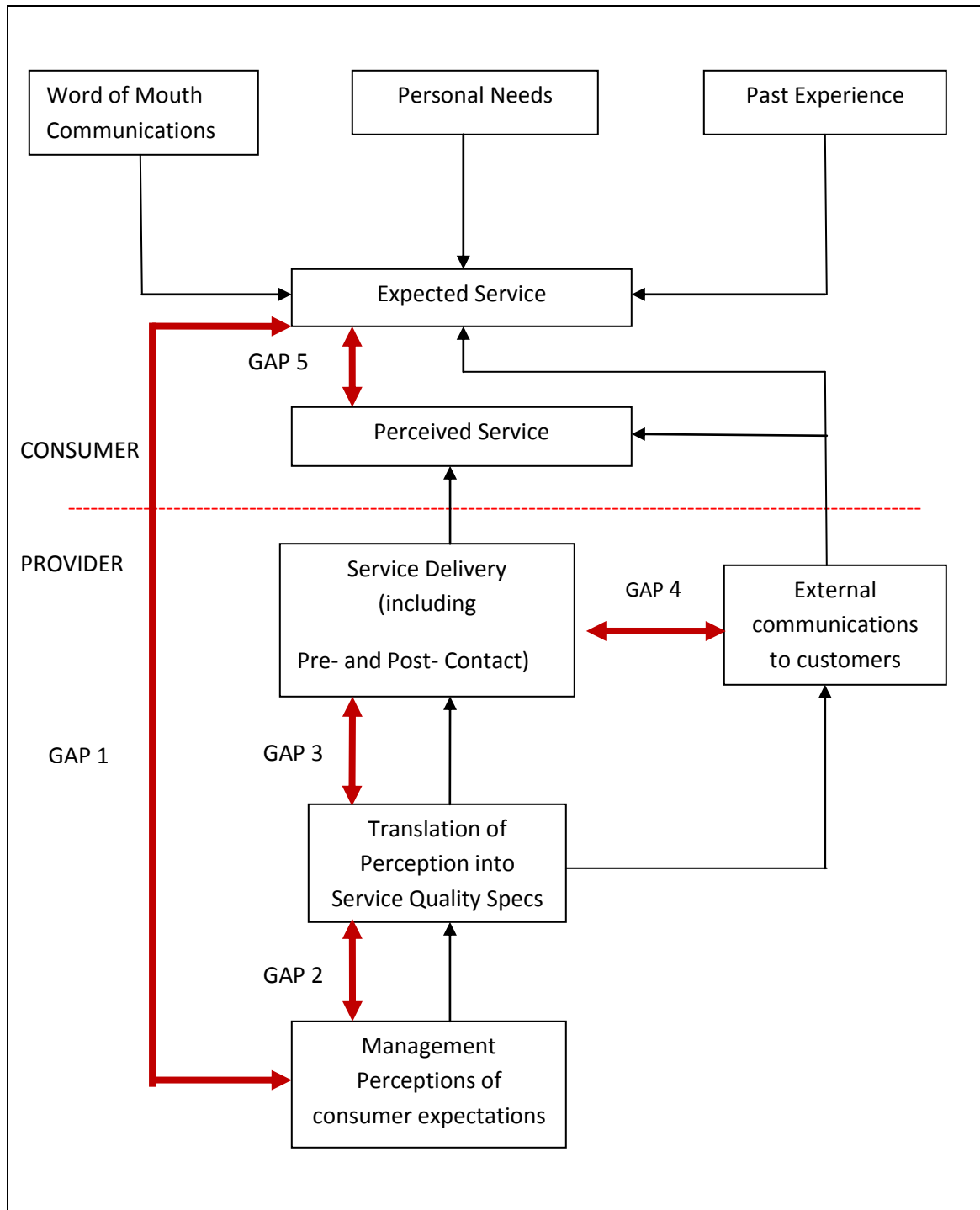
2.1.3.4 SERVQUAL Measurement Theory

Over the past two decades, numerous researchers attempt to create models in measuring service quality for survival and success of service companies. One of the most influential models is the SERVQUAL (SERVices QUALity) measure, which originally developed in 1985 by Parasuraman *et al.* and refined in 1988, 1991 and 1994 (DeMoranville and Bienstock, 2003). SERVQUAL is based on the “GAP model” of service quality (Landrum *et al.*, 2007), which facilitates quantification of the gap between customers’ expectations of a service and their perceptions of the actual service delivered.

Every gap in SERVQUAL has a unique role as follows:

- Gap 1: Difference between consumer expectations and management perceptions of consumer expectations.
- Gap 2: Difference between management perceptions of consumer expectations and service quality specifications.
- Gap 3: Difference between service quality specifications and the service actually delivered.
- Gap 4: Difference between service delivery and what is communicated about the service to the consumer.
- Gap 5: Difference between consumer expectations and perceptions.

Figure 1: SERVQUAL Gap Analysis



Source: Parasuraman et al, 1985.

2.1.4 Customer Satisfaction

Customer satisfaction measures how well a company's products or services meet or exceed customer expectations. These expectations often reflect many aspects of the company's business activities including the actual product, service, company, and how the company operates in the global environment. Customer satisfaction measures are an overall psychological evaluation that is based on the customer's lifetime of product and service experience (Smith, 2007).

According to Oliver (1997, 2010), customer satisfaction is defined as a judgment that a product or service provided a pleasurable level of consumption-related fulfillment. Also there are two levels of individual consumers' satisfaction: transaction-specific satisfaction and cumulative satisfaction. Transaction-specific satisfaction or encounter satisfaction is identified as a fulfillment response to a single transaction or encounter, whereas cumulative satisfaction is a judgment based on many occurrences of the same experience and not just one-time experience. For both cases i.e. encounter satisfaction and cumulative satisfaction, satisfaction is either defined as an overall judgment of satisfaction or decomposed into satisfaction with performance or quality attributes (Cronin and Taylor 1992).

2.1.4.1 Importance of Customer Satisfaction

Satisfying customers is one of the main objectives of every business. Businesses recognize that keeping current customers is more profitable than having to win new ones to replace those lost. Management and marketing theorists underscore the importance of customer satisfaction for a business's success (McColl-Kennedy & Schneider, 2000).

Smith, (2007) came with his explanation that, effective marketing focuses on two activities i.e. to retain existing customers and adding new customers. Customer satisfaction measures are critical to any product or service company because customer satisfaction is a strong predictor of customer retention, customer loyalty and product repurchase.

2.1.4.2 Measuring Customer Satisfaction

Measuring customer satisfaction is beyond the constitution happy customers. Measuring customer satisfaction is about profit and competitive advantage. To achieve long term success in the market, firm should monitor the customer satisfaction signals regarding product, service and relationship. Measuring customer satisfactions provide a comprehensive insight to the customer pre and post purchase behavior. Without this approach understanding, improving and developing better customer services could not be possible.

Thus, business consultants, corporations and others have worked to identify the characteristics of organizations that consistently please their customers, to develop tools for monitoring customer satisfaction, and to build continuous, quality improvement systems that respond to consumer feedback (Nicholas, 2007).

2.1.5 Relationship between Service Quality and Customer Satisfaction

Lovelock and Wright (2002) define customer satisfaction as a sort of emotional reaction that arose from an actual experience. Metters *et al.* (2006) also indicate that satisfaction is the consumer's fulfillment response. Satisfaction is the customer's evaluation of a product or service in terms of whether that product or service has met the customer's needs and expectations (Bruhn and George, 2006). According to Truong and Foster (2006), customer satisfaction takes place in two situations. One is the result of a product or actual service meets the customer's expectations. The other is the result exceeds the expectations. Dissatisfaction will occur when the actual service is below the expected level. So, satisfaction and dissatisfaction are the outcome of a subjective evaluation process. The relationship between service quality and customer satisfaction is still a mystery, whether customer satisfaction is an antecedent of service quality or vice versa. Several researchers suggest that customer satisfaction leads to service quality (Lee, and Yoo, 2000). However, an approach most frequently applied in the commercial sector suggests that customer satisfaction with a service is related to the perceived discrepancy between actual and ideal levels of service delivery. If experience of the service greatly exceeds the expectations that clients had of the service, then

satisfaction will be high and vice versa (Mori, 2002). This should not, of course, be taken by service providers as license to drive down expectations to achieve surprise and concomitant customer satisfaction with moderate service quality: service quality is seen as an antecedent of customer satisfaction (Brady et al, 2002).

2.1.6 Association between Satisfaction Levels and a Firm's Financial and Market Performance

It was found that there are significant and moderate-to-strong associations between satisfaction levels and a firm's financial and market performance. More specifically, there are strong links between customer satisfaction, and retention, revenue, earnings per share and stock price (Williams & Neumann, 2011).

2.1.7 Relationships among Perceived Service Quality, Corporate Image, Overall Satisfaction, and Loyalty

There is much previous research exploring the quality-satisfaction-loyalty (QSL) relationship. It is generally believed in marketing and service industries that (1) good service quality results in customer satisfaction, (2) good service quality attracts customers and hence leads to customer loyalty and (3) high satisfaction level is likely to create customer loyalty. However, it has also been reported that satisfaction may not be adequate enough to lead to loyalty, though loyal customers are almost typically satisfied (Cronin and Taylor 1992; Cronin et al 2000).

Furthermore, corporate image is also found to affect customer satisfaction and loyalty. Customers who develop a positive image towards a company will tend to have high customer satisfaction through a halo effect. Hart and Rosenberger (2004) reported that image has a “marginally significant” direct effect on customer loyalty, but a substantial effect mediated by customer satisfaction. Therefore, image can affect loyalty directly and indirectly.

2.2 Empirical Literature Review

Govender and Qi Pan, (2011) in their paper narrate that, the intercity bus system appears to provide safe, comfortable and cost-effective transportation compared to some of the alternative means. However, there is potential to better serve the needs of

its consumers. To this end, paying attention to service quality could prove useful in making this mode of travel the preferred choice to local as well as international travelers.

“The priority of quality transportation is on an effective system rather than insisting on a particular mode of transport. Convenience, travel time, flexibility and cost are the key features of a user-oriented transportation system. Land use controls and the transportation system will complement each other and promote easy interchange of people between their different activities. And of course, a sustainable transportation system has been considered as a partnership between the government, the private sector and the citizens” Mrs. Asteria Mlambo, Head of Transport Unit, Dar es Salaam City Council (2011).

According to Litman (2011) our most valuable possession is not material wealth, it is our time – how we spend the limited hours of our lives. Much of our time is committed: during a typical day people spend about 8 hours sleeping, 8 hours working and 2-4 hours engaged in household activities such as cooking, cleaning and eating. Of the remaining 4-6 hours, about a quarter is usually spent traveling, representing a major portion of “free” time. The perceived comfort and convenience of travel conditions has significant direct and indirect impacts. It affects our health, wealth and happiness.

Countries of the developing world are characterized by rapid urbanization, high growth rates in traffic and congestion and decreasing regulation of public transport. Because the majority of the developing world's inhabitants are dependent on public transport services for their mobility needs, the need for safe, effective and efficient public transport is essential to ensure adequate and affordable accessibility and the continuing sustainable development of livelihoods in the rural and urban sectors (Rwebangira et al (1999).

Although bus passenger services have significantly improved in the last few years and the demand for intercity bus operation increased by five percent a year (mainly due to urban population growth and tourism activities), the intercity services still need a lot of

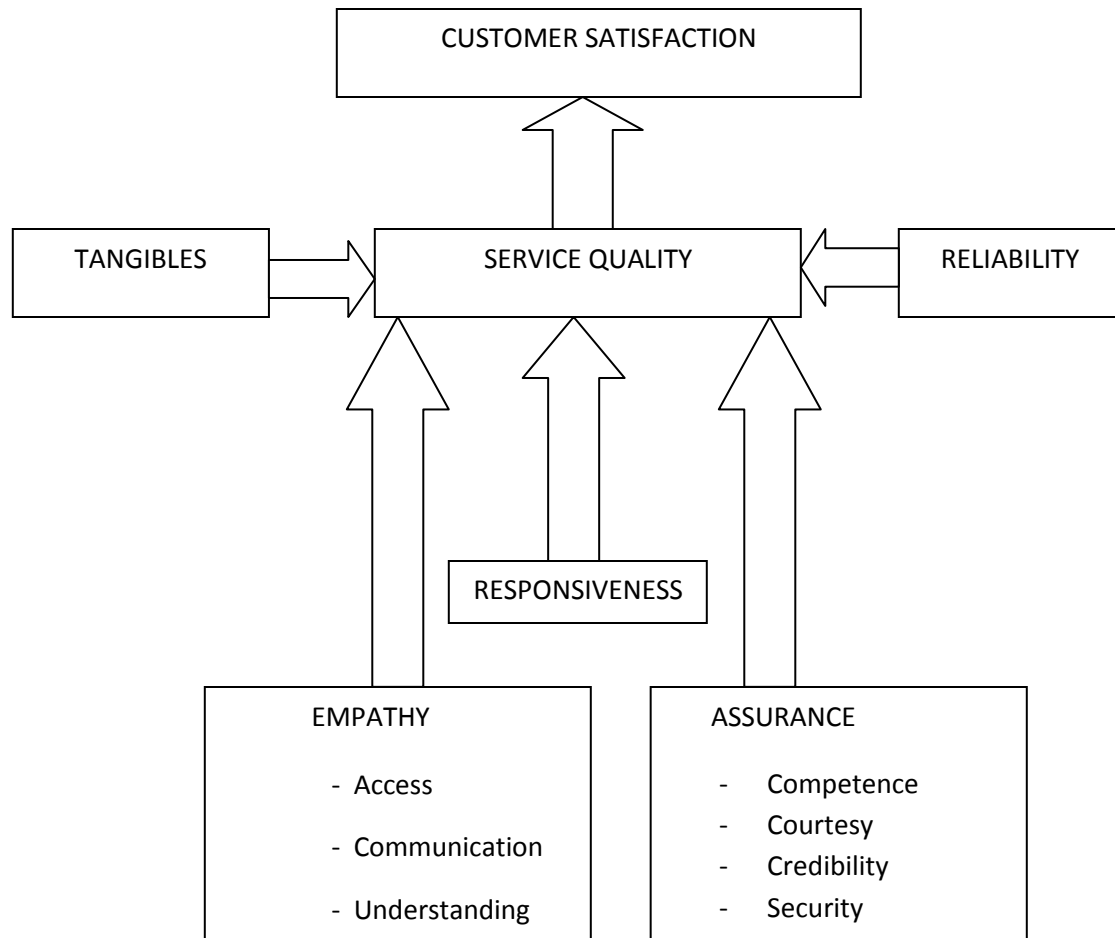
improvement on a countrywide basis. Reliable service is only available where the infrastructure is good, such as the routes between Dar es Salaam and Moshi/Arusha/Nairobi while other towns still face serious transport problems especially during the rain seasons. Buses are also given specific departure time schedules that they often fail to meet due to lack of passengers (Mporogomi, 2001).

The value people place on travel time varies depending on the type of trip, people's preferences, and travel conditions. People are often willing to pay extra in money or time for more convenience or comfort. For example, people sometimes pay extra for higher class service, choose slower modes such as walking and cycling because they enjoy the experience, or choose a longer transit route to avoid transfers (Todd L, 2011).

In their research, Laura Eboli and Gabriella Mazzulla of University of Calabria, narrates that over the last few years, companies have gradually focused on service quality and customer satisfaction. This strategy is very profitable for both companies and customers, particularly for transit agencies and passengers. An improvement of the supplied service quality can attract further users. For this reason, the development of techniques for customer satisfaction analysis is necessary. These techniques allow the critical aspects of the supplied services to be identified and customer satisfaction to be increased (Cuomo, 2000).

Measuring the reliability of transit service is important because both the transit customer and the transit provider value reliable service. In addition, an accurate picture of service performance can give customers valuable information to help them become active participants in the transit policy- and decision making process and give agencies information to identify and investigate service problems (Nakanishi, 1997).

Figure 2: Conceptual Framework



Source: Author, 2013

Chapter summary

The above chapter presents theoretical issues concerning service quality and customer satisfaction. It discusses different definition of service, service quality and its measurements, characteristics and dimensions of service quality and the experience from different service industries. Also literature concludes that services may differ but there are some common aspects that remain the same.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0. Introduction

This chapter discusses the methods used in collecting the required information for the study. The chapter is organized in six sections that are research design, Area of study, Population and sample, Types of data and data collection techniques. In addition section five and six is data analysis methods and variable and its measurement respectively.

3.1 Research Design

The research adopted case study design that aimed at assessing the influence of service quality on customer satisfaction in passenger transport service industry in Tanzania, Dar Express Bus Company as a case. The motive for adopting a case study was due to the fact that it is a fairly exhaustive method that would enable the researcher to study deeply and thoroughly different aspects of phenomenon, it is flexible in respect to data collection method and it saves both time and cost.

The researcher chose the Dar Express Bus Service company as his case study because it is an experienced transport company in the industry, believing that it would support an argument for typicality. The research was an explanatory research studying the causal of one variable over the other and it was also in both qualitative and quantitative in nature.

3.2 Area of the Study

The study carried at Ubungo Bus Terminal, company's main office and yard located at Nyerere Road, other terminals and within the buses during the journey along Dar es Salaam Arusha route. Ubungo terminal was selected to be the main study area based on the facts that it is the main terminal where Dar Express Buses begin and end their journeys. Also, the researcher collected data from passengers on board through

questionnaires which distributed to the passengers during the journey and collected after being given enough time to fill them.

3.3 Sample and Sampling Procedures

3.3.1 Population and Sample

The researcher chose an organization/company which is Dar Express Bus Services for the purpose of generating the required information. The population was made up of transport manager/inspectors, booking officers/ ticket sellers, Drivers, conductors and the customers, that is, passengers.

Table 3.1: Population and Sample Size

	POPULATION	SAMPLE SIZE
Transport Managers/inspectors	4	2
Booking Officers (Dar office)	3	2
Drivers / Conductors	24	6
Passengers (Buses leaving Ubungo Terminal per day)	720	224(>30%)
Total	751	234

Source: Author, 2013

3.3.2 Sampling Procedures

For studying a social problem, it is difficult to study the whole universe under investigation. It is both costly, time consuming and complex as well as financially not viable (Kothari, 2004). It is therefore convenient to pick up a sample out of the universe to be covered by the study.

The purposive or judgmental sampling technique was used to select representatives from company staff. Stratified sampling where respondents were grouped into their departments for example, drivers used to increase the level of representativeness. The convenience or accidental sampling technique was used to select buses and passengers in board.

3.4 Types of Data and Data Collection Techniques

The researcher collected and worked on primary data using three instruments of data collection that are questionnaires, interviews and observation.

3.4.1 Questionnaire

A structured questionnaire was applied with 21 close ended questions and one (1) an open- ended question to collect data. Languages used were English and Kiswahili. This tool was preferred to collect data from passengers due the nature of the study and to simplify in getting information required from such number of people within a short time. The questionnaire has three parts;

- (1) Part one was designed to get the information regarding the respondents that includes gender, Nationality and their occupation.
- (2) Part two was designed to examine the quality service perception through five dimensions (tangibles, reliability, responsiveness, assurance and empathy). A five point Likert scale was used to measure the proposed items ranging from 1 (strongly disagree to 5 (strongly agree).
- (3) Customer Satisfaction; also used a five point Likert scale. Three measurement items were proposed and 5 – point scale was used ranging from 1 (Highly dissatisfied to 5 (Highly satisfied).

3.4.2 Interview

This instrument was used to collect data from those small groups of respondents such as drivers, booking officers/ bus ticket seller and Management. The main reason for using interview to the above mentioned groups was because of their importance in the company, that they have unique experience to provide for the study. In addition to that the interview allows for exploration of more information through probing questions that would be asked depending on the response of the participants.

3.4.3 Observation

The instrument involved listening, watching and recording the activities, behavior, expression and interaction between service providers and customers and also among

themselves. The areas mainly observed were, within the buses, booking offices, at the company restaurant and at the company main yard/workshop. This was done to allow the research to obtain information supplement to those collected through questionnaire and interview.

3.5 Variables and its measurement

The table below describes the independent variables and its measurement;

Table 3.2: Summary Table of Measurement of independent Variable

Variable	Concept	Dimensions	Indicators	Scale
Service Quality	Conceptualized as Dimensions of service quality that lead to customer Satisfaction.	Reliability	1. Providing services as promised. 2. Dependability in handling customers' service problems. 3. Performing services right the first time. 4. Providing services at the promised time. 5. Maintaining error-free records.	Ordinal
		Responsiveness	1. Keeping customers informed about when services will be performed. 2. Prompt service to customers. 3. Willingness to help customers. 4. Readiness to respond to customers' requests.	
		Assurance	1. Employees who instill confidence in customers. 2. Making customers feel safe in their transactions. 3. Employees who are consistently courteous. 4. Employees who have the knowledge to answer customer questions.	
		Empathy	1. Giving customers individual attention. 2. Employees who deal with customers in a caring fashion. 3. Having the customers' best interests at heart. 4. Employees who understand the needs of their customers. 5. Convenient business hours.	
		Tangibles	1. Modern equipments/vehicles 2. Visually appealing facilities. 3. Employees who have a neat, professional appearance. 4. Visually appealing materials associated with the service.	
Customer Satisfaction	Conformance between the expectations of customers with perceived performance		• Reluctant to switch to another service provider. • Fewer complaints • First choice	Ordinal

Source: Adopted from Krishna et al, 2010.

3.6 Data Analysis Method

After data collection process, the data collected were edited manually; inspected and coded for analysis processes. The analysis combined both quantitative and qualitative data analysis methods since the data collected were in the form of numbers and words.

For quantitative data, Descriptive, Correlation and Regression analyses were used to analyze the data. In addition, content analysis was used to analyze qualitative data collected through interview. The content analysis method is systematically used to describe and explain the form or content of written and spoken material. Therefore, the interview data were transcribed and analyzed according to its content.

Chapter summary

The above chapter presents the important methodologies that were used by the researcher during data collection and analysis. The study adopt case study embedded which include collecting data from passengers and company's staff. It used primary data collection methods such as interview, questionnaires and observation. The study employed both quantitative and qualitative analysis methods to analyze the data collected. The chapter also presents the important information for the study such as the area of the study, population of the study, reliability and validity and variables and indicators. After problem identification in chapter one, theoretical study of service quality and customer satisfaction and identification methods to collect and analyze data in chapter three, the researcher collected data from the area specified. The analysis and findings of the study are the premise of the following chapter.

CHAPTER FOUR

RESEARCH ANALYSIS AND FINDINGS

4.0 Introduction

This chapter presents analysis and findings obtained from the research study. To answer the research questions the findings were categorized into seven parts. These are; Profile of the Respondents, descriptive statistics, validity and reliability of the scale, correlation of variables, regression analysis, regression results and finally discussion of the findings.

4.1 Profile of the Respondents

The results in Table 4.1 show that almost 62.1% of the respondents were males against 37.9% for females. Moreover, the percentage of Tanzanian respondents was 86.6%. With regard to their occupation, it has been found that 22.3% passengers were students, private business people 21%, employees of the company 14%, Government employees 12%. House wives who participated in the study were 11.6%, managers were 6.3% while other respondents whose occupation did not mentioned in the specified category were 12.1%. The sample size was 224 respondents (through questionnaires)

The researcher used the interview technique to obtain the required information from the company's staff and he was able to interview the Company director, Vehicle inspector, booking officers, drivers and bus hostesses/conductors. Among the interviewee, seven (7) were men and three (3) were women which made a total 10 Tanzanians respondents. Therefore the total sample size was 234 respondents.

Table 4.1: Gender, Nationality and Occupation of the Respondents (Passengers)

		Frequency	Percent
Gender	Men	139	62.1
	Women	85	37.9
Nationality	Tanzanian	194	86.6
	Other country	30	13.4
Occupation	Student	50	22.3
	Manager	14	6.3
	Housewife	26	11.6
	Employee of company	32	14.3
	Government employee	28	12.5
	Private Business	47	21.0
	Other	27	12.1

Source: Author, 2013

4.2 Descriptive Statistics

4.2.1 How Customers Evaluate the Services provided by Dar Express Bus Service

The results in Table 4.2 show the customers' perceptions regarding the statements relating to all service quality dimensions. The mean score for all dimensions range from 3.40 to 3.89 (68.1% to 77.9%). The statement regarding the way the company/staff handling passengers' problems, Visual appealing facilities, how the company/staff gives personal attention to their customers, and willingness to help customers were given the low mean scores (3.40, 3.41, 3.42 and 3.44 respectively) which is almost the average score; While neat and professional appearance of the company's staff and the service being provided in convenient business hours were rated highest (mean score 3.89 and 3.85 respectively).

Table 4.2: Customers evaluation on the service provided by Dar Express Bus Service

Statement	Minimum	Maximum	Mean	Std. Deviation	Percent
Provide service as required	1.00	5.00	3.4509	.69418	69.0
Handling of problems	1.00	5.00	3.4063	.83648	68.1
Service at the required time	1.00	5.00	3.6116	.85024	72.2
Service at the Promised time	1.00	5.00	3.6071	.89700	72.1
Error - free records	1.00	5.00	3.6339	.83097	72.7
Keeping passengers informed	1.00	5.00	3.6384	.95107	72.8
Prompt service to customer	1.00	5.00	3.6295	.87886	72.6
Willingness to help customers	1.00	5.00	3.4420	.90153	68.8
Readiness to respond request	1.00	5.00	3.7232	.81146	74.5
Instills confidence in customers	1.00	5.00	3.6652	.85728	73.3
Making customer feel safe	1.00	5.00	3.7991	.91318	76.0
Consistently courteous employees	1.00	5.00	3.7589	.84964	75.2
Knowledge to answer questions	1.00	5.00	3.7277	.78777	74.6
Neat and professional appearance	1.00	5.00	3.8929	.86649	77.9
Give personal attention	1.00	5.00	3.4241	.90020	68.5
Convenient business hours	1.00	5.00	3.8571	.71320	77.1
How modern the vehicle are	1.00	5.00	3.6786	.77765	73.6
Visual appealing facilities	1.00	5.00	3.4107	.81525	68.2

Note: The mean is derived from the scale of 1=strongly disagree to 5=strongly agree

Four items were used to measure reliability and the rates of the respondents on this dimension ranged from mean score 3.45 to 3.86 which is equivalent to 72.6%. Responsiveness was measured by using five items and respondents' rates ranged from mean score 3.44 to 3.72 which is equivalent to 72.3%. The Assurance dimension was measured by three items and it was rated from mean score 3.66 to 3.76 which is equivalent to 74.4%, Empathy rated from mean score 3.40 to 3.42 equivalents to 68.3% measured by two items and Tangible dimension respondents rates ranged from mean score 3.41 to 3.89 which is equivalent to 73.2% (Table 4.2).

It should also be noted that, statements regarding the way the company handling passenger problems and how the company give personal attention to its customers are the items under Empathy which is one of the service quality dimensions (Table 4.4). This result confirmed exactly the customers' perception towards this dimension, that they are somewhat satisfied on this dimension while on other dimensions seemed to be satisfied.

4.2.2 Customer Satisfaction

Assessing the degree of the customers' satisfaction from the provided services is one of the objectives of the study. The table below shows how passengers rate statements/items regarding customer satisfaction.

Table 4.3: Customer Satisfaction - Descriptive Statistics

Statement	Minimum	Maximum	Mean	Std. Deviation	Percent
How satisfied are you with Dar express	1.00	5.00	3.8259	.76413	76.5
Travel with Dar Express in future?	1.00	5.00	4.0223	.81711	80.4
Recommend to other people	1.00	5.00	3.9911	.81461	79.8

Satisfaction was measured on a 5-point Likert scale in three different statements/items which were included in the questionnaire. These statements are; How satisfied the respondent is with Dar Express Company services (1=very dissatisfied, 2 = dissatisfied, 3 = somewhat satisfied, 4 = Satisfied and 5 = very satisfied). If he/she is willing to travel with Dar Express Company in future (1 = definitely I will not, 2 = I will not, 3 = average, 4 = I will and 5 = definitely I will) and if he/she will recommend to other people (1 = definitely I will not, 2 = I will not, 3 = Average, 4 = I will and 5 = definitely I will).

The results in Table 4.3 show that the customers' perceptions regarding these statements in relation to customer satisfaction on average were 3.82, 4.02 and 3.99 respectively.

Therefore, the average mean score is 3.95 (79%) which according to the scale defined above indicate that customers are satisfied with the transport services provided by Dar Express Bus Company.

4.3 Validity and Reliability of the scale

The study used Cronbach's alpha, a method of measuring internal consistency, to evaluate whether the scale was reliable. When Cronbach's alpha is higher, it means the internal consistency of items from the scale is higher (Nunnally, 1978). The reliability of the identified constructs is shown in Table 4.4

Table 4.4: Cronbach's alpha

Items merged	No. of Items	Variable	Cronbach's alpha
• Provide service as required • Performing service at the required time • Provide service at the promised time • Convenient business hours	4	Reliability	0.748
• Maintains error – free records • Keeping passenger informed about when service will be performed. • Prompt service to customer • Willingness to help passengers • Readiness to respond to customers' request.	5	Responsiveness	0.812
• Employees instills confidence in customers • Employees who make customer feel safe in their transactions • Employees who are consistently courteous • Employees who have the knowledge to answer passengers' questions	4	Assurance	0.807
• Give passengers personal attention • Handling of passengers' problem	2	Empathy	0.742
• Employees who have neat and professional appearance • How modern the vehicles/buses are? • Visual appealing facilities	3	Tangibles	0.711
• How satisfied are you with Dar Express Bus services? • Would you consider travelling with Dar Express again in the future? • Would you recommend this bus transport company to other people?	3	Satisfaction	0.904

Source: Author, 2013

4.4 Relationship between Customer Satisfaction and other Variables

Table 4.5 presents a correlation matrix for all variables in this study. The findings reveal that Customer satisfaction is significantly related to all service quality dimensions. Regarding the relationship between customer satisfaction and reliability, the results indicate that there is a positive significant relationship between the two variables ($r=0.605$, $p<0.01$). This means that as you provide reliable services, the more satisfied customers will be with services; regarding the relationship between customer satisfaction and responsiveness results indicate that there is a positive significant relationship between them ($r=0.673$, $p<0.01$). This means that as the company improves its awareness, willingness to help and prompt service to passengers, the more satisfied they will be with services.

There is a high positive significant relationship between customer satisfaction and assurance ($r=0.715$, $p<0.01$) which implies that customer assurance has a great impact (positively) to the customer satisfaction; regarding the relationship between empathy and customer satisfaction results indicate that there is a positive significant relationship between the two variables (0.631 , $p<0.01$). This means that the more compassion you will be to customers the more satisfied customers will be with the service; and regarding the relationship between tangibles and customer satisfaction results indicates also a significant positive relationship between them ($r=0.688$, $p<0.01$). This means that the more the transport provider improves and maintains tangible things to be in good condition and attractive, the more satisfied customers will be with service.

Table 4.5: Pearson Correlation between Dependent Variable and Independent Variables (N=224)

	1	2	3	4	5	6
1. Combined Variables for Satisfaction	1					
2. Combined Variables for Reliability	.605*	1				
3. Combined Variables for Responsiveness	.673*	.713*	1			
4. Combined Variables for Assurance	.716*	.629*	.715*	1		
5. Combined Variables for Empathy	.631*	.633*	.730*	.706*	1	
6. Combined Variables for Tangibles	.688*	.526*	.568*	.649*	.585*	1

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

4.5 Regression Analysis

In this study, we have used regression analysis to test whether customer satisfaction is explained by five service quality dimensions (reliability, responsiveness, assurance, empathy and Tangibles).

Before discussing the effect of individual predictors, we present information about model fit and its adequacy.

4.5.1 Checking for Multi-collinearity

Multi-collinearity was checked and results indicate that there is no problem with collinearity in the data. We have used Tolerance and Variance Inflation factor (VIF) values to check for multi-collinearity. The closer to zero the tolerance value is for a variable, the stronger the relationship between this and other predictor variables. That is, the tolerance value must be smaller than 0.20 to indicate a problem of multi-collinearity. A large VIF value indicates a strong relationship between predictor variables. A maximum acceptable VIF value would be 5.0; anything higher would indicate a problem with multi-collinearity (Weisberg, 1985). For the case of our model, the results indicate that the tolerance values range from 0.327 to 0.536; and values for

VIF range from 1.866 to 3.056 (see table 3 in appendix V). This suggests that multicollinearity is not a significant problem to the data.

4.5.2 R-square and ANOVA Assessment

The results show that the value of adjusted R-square of the model is 0.627 which implies that, the model accounts for 62.7% of variance in the satisfaction of the customer, which is good. Also, ANOVA was used to assess the overall significance of this model at $p < 0.05$; and the results indicate the model to be significant ($F_{(5, 218)} = 76.124$, $p < 0.01$). Therefore these results suggest the model is accepted and it reflects the reality in the population (See table 1 & 2 in appendix V).

4.5.3 Normality Assessment

One of the key assumptions for Regression analysis is that variables must be normally distributed. In our data, normality was assessed to determine whether or not the distribution of values for a variable complies with the definition of normal curve. It was tested with histogram and normality plot and found to be a normal distribution (See appendix VI and VII).

4.5.4 The Effect of Service Quality Dimensions to Customer Satisfaction

Table 4.6 presents the results of Regression analysis indicating the effects of independent variable to customer satisfaction. By checking the standardized regression coefficient β , it provides information of the size of the effect at the significance level $p < 0.05$. The larger the β it is, the higher the effect the independent variable have to customer satisfaction (Nunnally, 1978).

The results show that the standardized regression coefficient (β) regarding the statements relating to the reliability dimension was 0.097 at $p = 0.112$; regarding the responsiveness dimension, β was 0.187 at $p = 0.010$; regarding the assurance dimension, β was 0.279 at $p = 0.000$; regarding the empathy dimension, was β 0.049 at $p = 0.463$; regarding the statement relating to the tangible dimension, β was 0.32 and significant level of 0.000 respectively. (See also table 3 in appendix V)

Table 4.6: The effect of service quality dimensions to customer satisfaction

	β –value (Standardized)	t-value
Constant		0.871
Reliability	0.097	1.594
Responsiveness	0.187	2.611**
Assurance	0.279	4.094*
Empathy	0.046	0.736
Tangibles	0.321	5.748*
R – square	0.636	
Adjusted R-square	0.627	
N	224	

*and **represent significance levels of 0.01 and 0.05 respectively

4.5.5 Regression Results

The results indicate that the Reliability and Empathy as the dimensions of service quality in this research were found to have no significant effect on Customer Satisfaction. The remaining three dimensions (Responsiveness, Assurance and Tangibles) proved to have significant effect on Customer Satisfaction. In other words, since the observed significance level is less than 0.05, it indicates that the mentioned service quality dimensions are good predictors of customer satisfaction of intercity bus transport service.

Therefore, the regression analysis shows that if no initiatives are taken to improve the level of the identified variables (i.e. Responsiveness, Assurance and Tangibles), the level of customer satisfaction will decrease. In addition, Dar Express Bus Company must put more effort into improving the Assurance and Tangibles dimensions since the two are the most significant factors influencing customer satisfaction.



Passengers boarding the bus at Dar Express' Terminal – Moshi (Photo by Researcher)

4.6 Discussion of Findings

The findings from the data obtained from the questionnaires were supplemented by those obtained through interview and observation. Some of the results obtained through interview and observation confirmed exactly what actually obtained from the questionnaires. The researcher tried to link the findings between these techniques used and found that, there is a relationship between provision of service quality and customer satisfaction.

4.6.1 Reliability.

This dimension were found to have insignificant effect to the customer satisfaction at the provided level ($p < 0.05$), but the bus fare was an area under this dimension of which the passengers showed a great concerned and might have contributed though not significantly enough to the customer satisfaction.

The bus fare setting was one of the areas that revealed some important information. It was found that, bus fares for Dar Express buses are 28,000/=, 30,000/= and 31,000/= for those traveling from Dar es Salaam to Arusha, Rombo, and Karatu respectively.

Those from Dar es Salaam to Nairobi bus fare is 65,000/=. These rates seem to be higher compared to other companies such as Meridian (30,000/= to Rombo) and Saibaba Express (25,000/= to Arusha) and their fares do changes depending on the season (peak or low season). But in fact, taking from the Director of the company through interview, he confirmed to the researcher that, this is one of their strategies in the business. They decided to choose high class customers as their segment to serve in the market. In other words they did market segmentation by setting high bus fares. See the quote below;

“Unajua mimi nimeweka nauli kubwa kwa sababu kuna watu ambao nimewalenga na sio watu wa nauli ndogo ambao wengi wao wana usumbufu sana na kadhia nyingi kwenye mabasi” (Director, Dar Express Bus Service).

English translation

“You know, I have set a high bus fare because my target is to serve a high class customers and not a lower class customers whom happen to bring disturbances inboard”

Moreover, according to the observation made by the researcher, the company succeeded to win targeted customers. There were few complaints concerning bus fare charged. Majority of passengers did not take into account the bus fare charged as a problem, meaning that the rates were affordable to them. However, these complaints came from a small number of passengers; the reason for those complaints could be the price/fare was not set or meant for them. See the quote below;

“Mabasi ya kampuni hii yanatoza nauli kubwa na hawashushi hata kwa nyakati zile ambazo abiria ni wachache. Wapo tayari kusafirisha abiria wachache kwenye basi kuliko kushusha nauli yao” (Passenger)

English translation

“Buses from this company used to charge fare which is very high and they don’t lower it even during the period of few passengers. They are ready to transport few passengers rather than to lower their prices”

However, all passengers declared that Dar Express bus fares do not change with season, i.e. whether it is peak season or low season (peak; season with many passengers in a year and low season; season with few passengers), confirming that bus fares of this company are always reliable.

Moreover, during the journey, the researcher observed that Dar Express Buses do provide soft drinks such as soda and drinking water, biscuits, sweets and chewing gums with no extra charges from passengers. These services seemed to be enjoyed by the customers, urging the company to improve and maintain them. This happens to be another means of retaining customers, making them so reluctant to switch to another service provider.

4.6.2 The Empathy.

This is another dimension that was also found to have insignificant effect to customer satisfaction. The customers' perceptions regarding the statements relating to the empathy dimension appear to be rated very low compared to other dimensions (through questionnaires). Company staffs (within the buses) are not paying much personal attention to their passengers and they are not much satisfied the way their problems are handled by company staffs. Interestingly, this result also has been confirmed during the interview with the drivers declaring that some of their conductors do not know how to serve their customers properly and that they need to be trained on customer service know how. See the quote below;

“Ni kweli baadhi ya hawa hostesses hawajui namna ya kumhudumia mteja ipasavyo. Nafikiri wanahitaji kupatiwa elimu ya customer service. Kwa kufanya hivyo ingepunguza malalamiko ya baadhi ya abiria wetu kutohudumiwa ipasavyo” (Bus driver

English Translation;

“It is true that some the hostesses don’t know how to care passengers the way it is intended. I think they need to be trained on how to care their passengers properly. By doing so it will minimize complaints coming from some of our passengers”

4.6.3 Responsiveness

Willingness to help customers is one of the statements regarding the responsiveness dimension which happen to be among the most significant factors influencing customer satisfaction. This statement was rated very low in the questionnaires results. The interview revealed that workers are not motivated enough, complaining about low wages, job insecurity as well as insufficient allowances. Under this situation it is obvious that their willingness to help customers will be affected. See the quote;

“Hebu fikiria unatoa basi toka Dar hadi Arusha, dereva unapewa posho Tshs. 20,000/- na hostess anapewa Tshs 10,000/- ikiwa ni ya kula na kulala, mshahara wenyewe kidogo! Kazi unaweza kufukuzwa wakati wowote na mwajiri. Kwa kifupi unafanya kazi bila kujua kesho itakuwaje” (Bus driver)

English translation;

“Just imagine, you are driving a bus from Dar es Salaam to Arusha with an allowance of 20,000/- and for hostess 10,000/-, food and accommodation included, low salary and you can be suspended from the job any time as the company owner wishes. We don’t know what will happen tomorrow if you will be on job or not!”

Furthermore, passengers pointed out how difficult it is for them to obtain the reliable information regarding the transport service provided by Dar Express prior to travel due to the fact that, company does not use user-friendly printed material such area based timetables, posters and brochures. The researcher also discovered through interview that, company does not have the website and even the email address to be used by both (Customers and Service provider) to communicate easily and more rapidly. The absence of these electronic means of communication causes many of the passengers to

get wrong information from fake agents known as ‘wapiga debe in Kiswahili’ who misled them to other companies.

4.6.4 Assurance

The results show that assurance has a significant effect on customer satisfaction. Passengers confirmed some of the areas under this dimension that were much concerned to be improved or be maintained for better.

Safe driving is an area under this dimension that customers/passengers gave credit to this company. They keep on urging the company to maintain its good record of having less accidents. Safe driving has made the passengers used to travel with Dar Express company feel secured from accident that might be caused by drivers’ negligence. There are some factors that leads to such success. One of them is by having/employing qualified and experience drivers. This was confirmed in the interview (with drivers and vehicle inspector) that most of drivers employed by the company have experience of 10 years and above in driving. Moreover, it was revealed that during the recruitment of new drivers, the director who is also the owner of the company involved himself during the road test of drivers, making sure that he observes them when driving. See the quote below;

“ Mkurugenzi yuko makini sana wakati wa kuajiri madereva kwani huwa anashiriki hata wakati wanajaribiwa barabarani tofauti na anapokuwa akiajiri hawa ‘bus hostess’ kwani anaishia kuajiri ndugu bila kujali anajua au amesomea huduma kwa wateja ama la” (Bus Inspector)

English Translation;

“The director is very careful during recruitment of new drivers of the company. During the road test of applicants he used to be there, something which is different when employing bus hostesses. He end up employing his relatives as bus hostesses without strong assurance of their knowledge on customer care”

Handling of passenger luggages and parcels happened to be another criterial that might also contributed much in making passengers be reluctant to switch to other service providers. They feel secured themselves and their luggages/parcels as well. One of the female passengers explained how she forgot her important parcel in the bus, but it was kept safe by and handled back to her safely after some months! This incident impressed her very much and she vowed to make Dar Express Bus Company her first choice always. Her opinion was to request the company to put more efforts to maintain such good habit. See the quote below;

“ It happened one day I forgot my important parcel in one of these buses travelling from Dar es salaam to Nairobi. It was kept safe and handled back to me after some months! Infact I was very impressed. I think this good habit should be mantained”
(Passenger)



Conductor of Dar Express Bus Company helping his passenger to put her luggage in the boot at Highway Restaurant – Korogwe (Photo by Researcher)

Furthermore, Dar Express Bus Company owned a certain ‘on transit restaurant’ known as Highway Restaurant which is located at Korogwe, about 200m nearby Segera – Mombo Road. This restaurant provides various kind of meals and drinks to those passengers travelling with company buses. All buses of the company must make use of it while on transit and it is highly prohibited to the drivers to take passengers boarding these buses to another hotel or Restaurant.

” Apart from being another company’s kind of investment, this is also important measures taken by the company management to ensure that their passengers are provided with food/meals and drinks approved to be healthy and delicious and securing them from getting unhealthy ones from somewhere else” (Director narrated during the interview).



Highway Restaurant – Korogwe, the place where Dar express passengers obtain their meals during the journey (Photo by Researcher)

The researcher also gave passengers an open-ended question to come up with their own opinions on what should be done for Dar Express Bus Company to improve its services. One of the areas that were touched by respondents was the restaurant. Initially, they do appreciate and they are satisfied by the kinds of services being provided there despite of some few shortcomings. The whole place including the toilets is clean. They did suggest adding some more varieties of foods/bites. See the quote below;

“ For a bus transport company to have its own hotel or restaurant is a good thing but it has to make sure that varieties of foods and bites are available to meet the needs of different customers whom they will be capable of getting what they want depending also on the size of his/her pocket” (Passenger)

4.6.5 Tangibles

This is a service quality dimension proved to have the most significant effect comparing to other two which are responsiveness and assurance. Passengers came up with views on some few areas of interest under this dimension to work on as obtained through interview and observation.

Physical Appearance of Staff was another area which boosted much the overall satisfaction of passengers was the physical appearance of staff of the company (drivers and hostess/conductors). Neatness and professional appearance statement in the questionnaire has a mean score of 3.89 which conclude that passengers agreed that Bus staffs of this company are neat and have professional appearance. This was also confirmed through observation made by the researcher. It was observed that it is very normal to find a driver and his fellow hostess wearing a suit or a shirt with a tie, properly dressed and smart appearance all over the journey.

However, there were some few complaints about poor knowledge of some hostesses on customer care/services

Moreover, the mean scores on statement concerning the modernity of the company buses was 3.68.

Meaning that the majority of passengers agree that buses owned by Dar Express Bus Company are the modern ones. However, some complained about the increase of breakdown recently. During the interview it was discovered that personnels for the maintenance and repair are inefficiency in company. See the quotation below from one of the drivers interviewed;

“ Kwa kweli mabasi ya kampuni yetu bado niya kisasa kabisa. Tatizo lipo kwenye kitengo cha matengenezo. Wanafanya kazi chini ya kiwango au ubora unaotarajiwa. Nafikiri wanahitaji kusimamiwa kwa karibu zaidi au labda maslahi yao yaangaliwe vizuri kwani vitendea kazi vipo vya kutosha ”(Bus driver)

English translation;

“ Frankly speaking, buses of our company are the modern ones. The problem is at the repair and maintenance department. They are ineffective and inefficiency in the repair and maintenance work. Close supervision is proposed or their benefits need to be reviewed for further improvement ”



Some of the Dar Express Buses at their main yard and workshop located at Nyerere Road, Dar es Salaam (Photo by Researcher).

4.7 Summary of Findings and Implication of the Results

This study found that three dimensions i.e. Responsiveness, Assurance and Tangibles are the good predictors of customer satisfaction. McDougall and Levesque (1994) have claimed that knowing the relative importance of each dimension of service quality can help service providers to priorities their efforts and resources and deploy them more effectively to improve each dimension of service quality. Furthermore, this knowledge allows managers to concentrate on those dimensions that offer the greatest opportunity to enhance customer satisfaction and their loyalty.

The results from this study were consistent with previous results. Aldehayyat, S. (2011) in his study on Perception of Service Quality in Jordanian Hotels, he assessed the relationships between the quality service dimensions and customer satisfaction. The results show a positive statistical significance between the three dimensions of service quality (Reliability, Responsiveness and Assurance) and the customer satisfaction; while no relationship was found with empathy and tangible. Akbaba (2006) conducted in the hotel industry confirmed the five-dimensional structure of service quality, but some of the dimensions were also different. All these findings support the claims that the numbers of service quality dimensions vary depending on the particular service being offered, and different measures should be developed for different service context (Carman 1990; Finn and Lamb 1991; Babakus and Boiler 1992; Bouman and Van der Wiele 1992).

Learning from the Dar express Bus Company, Service providers must understand that not all customers are the same, and indicates the potential importance of market segmentation - grouping customers sharing similar requirements, expectations and demographic profiles. Here, the role of service quality can be very important and afford service providers the ability to build strong relationships with targeted customers (Zeithaml and Bitner, 2000).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The study assessed the influence of service quality on customers' satisfaction in passenger transport industry in Tanzania taking Dar Express Bus Company as a case study. The study met its objectives that; the service quality dimensions were assessed and found that Responsiveness, Assurance and Tangibles dimensions are good predictors of customer satisfaction of intercity bus transport service.

It is also found that customers are actually satisfied from the provided services by Dar Express Company. Though the company seems to do better in the eyes of the majority there are some areas that need to be improved in making sure that the company position in the market of which is good, will sustain longer. Willingness to help passengers, handling passengers' problems and how staffs pay personal attention to their customers are the areas that need agent action towards improvement.

Management should focus on specific items to be improved, Customer care in particular. The managerial implication includes the need for the company to develop human resource management strategies to train employees to become more skilled in their job, have excellent communication skills, being courteous, friendly and competent to meet customers' need.

Since Assurance and Tangibles dimensions in this study appeared to be the most significant factors influencing customer satisfaction, the effort should be made by the company to ensure that these dimensions are watched and maintained in a high level. Thus, the initiatives should be taken to increase the level of the identified variables.

5.2 Conclusion

The reliable and sustainable communication system between service provider and service consumer is one of the best means of retaining customers in such a competitive business.

Substantial evidence is now available that customers' perceptions of service quality performance of specific acts are very predictive of their overall satisfactions and willingness to use the service again, if needed.

5.3 Recommendations

Based on the research findings, the following recommendations are made:

- The intercity bus transportation system should use user-friendly printed material (e.g. area based timetables, posters and brochures) which customers can relate to. Electronic media should also be used to greater effect (e.g. a comprehensively detailed website). This will address issues around empathy and tangibles in the industry.
- The ticketing system should be more accessible in terms of location as well as operating hours. To this end, geographic information regarding ticketing offices should be placed at strategic points (e.g. at tourism centers and in the media).
- The reliability of the bus service should be improved in three ways: Firstly, a consistently aligned set of factors, processes and standards that can define timely routing should be developed. Secondly, there should be regular maintenance of the fleet as well as readily available spare equipment and parts. Thirdly, new technologies (e.g. Global Positioning/tracking system) should be introduced to control routes and timings.
- Changes in time and prices should be communicated quickly to customers. To this end rapid electronic media should be used.
- There should be greater interaction with present as well as potential customers with a view to understanding their needs more clearly. Regular surveys should be conducted and customer complaints, fully analyzed. Staff members need to

be made aware of customer feedback as well as complaints so that the necessary actions can be taken.

- Detailed policies and procedures should be developed so that the variability in customer treatment is reduced. There should be formalized training in the area of customer service. Recruitment and selection should take cognizance of the element of customer service.
- The study showed that customers were also concerned with the highway Restaurant (company's restaurant located at Korogwe) where passengers boarding Dar Express Buses are taken there to get their meals. They recommended the company to improve variety of meals provided and increase quantity and quality as well.
- There should be closer co-operation between the bus companies (operators) so that there can be a more synchronized approach to operations e.g. sharing passenger loads during conditions of under-capacity as well as excess capacity.

5.4 Areas for Further Research

Although the findings of this research have some generality, they do have limitation. The choice of population was limited to a single company which might tend to limit the generalisability of the findings in the sense that this company might have unique features compared to other company in the same industry. Also the study was conducted on only one transport mode i.e. road transport. Therefore, further research could be conducted on other modes as well. Since this study was conducted solely in northern east zone, future research may also look at whether the findings of this research differ from other parts/zones of the country.

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APPENDICES

APPENDIX I: RESEARCH QUESTIONNAIRE FOR PASSENGERS

QUESTIONNAIRE FOR ASSESING THE INFLUENCE OF SERVICE QUALITY
ON CUSTOMERS' SATISFACTION IN PASSENGER TRANSPORT INDUSTRY
IN TANZANIA

Case Study: Dar Express Bus Services Company.

Dear Respondent

This is an academic research assessing the “Influence of Service Quality on Customers’ Satisfaction in Passenger Transport Industry in Tanzania”. I therefore request your kind assistance in filling the attached questionnaire by providing your honest opinion with regard to various services provided by Dar Express Bus Service Company.

Please be assured that your responses will remain confidential and will only be used for the purpose of this study.

Thank you for your generous support

1. Respondent particulars

Gender

Male { } Female { }

Nationality

Tanzanian { } Others (Mention)

Occupation.....

Professional	{ }
Student	{ }
Management	{ }
Housewife	{ }
Employee of Company	{ }
Government employee	{ }
Private business	{ }
Others	{ }

2. How do you rate the following services provided by Dar Express?

➤ Provide service as required

Very uncertain	Uncertain	Average	Certain	Very certain

➤ Handling of passengers' problem

Very poor	Poor	Average	Good	Very Good

➤ Performing service at the required time

Very poor	Poor	Average	Good	Very Good

- Provides service at the promised time

Very incorrect	incorrect	Average	Correct	Very correct

- Maintains error – free records

Very uncertain	uncertain	Average	Certain	Very certain

- Keeping passenger informed about when service will be performed

Very untrue	Untrue	Average	True	Very true

- Prompt service to customer

High unprompt	Unprompt	Average	Prompt	Highly prompt

- Willingness to help customers/passengers

Very unwilling	Unwilling	Average	Willing	Very Willing

- Readiness to respond to customers' request

Not Ready at all	Not ready	Average	Ready	Very ready

- Employees instills confidence in customers

Very incorrect	incorrect	Average	Correct	Very correct

➤ Making customer feel safe in their transactions

Very poor	Poor	Average	Good	Very Good

➤ Employees who are consistently courteous

Very inconsistently	Inconsistently	Average	Consistently	Very consistently

➤ Employees who have the knowledge to answer passenger's question

Highly Unknowledgeable	Unknowledgeable	Average	Knowledgeable	Highly Knowledgeable

➤ Employees who have neat and professional appearance

Not neat at all	Not neat	Average	Neat	Very neat

➤ Give passengers personal attention

Very inattentive	Inattentive	Average	Attentive	Very attentive

➤ Convenient business hours

Very inconvenient	inconvenient	Average	Conveniently	Very convenient

\

➤ How modern the vehicles/Buses are?

Not modern at all	Not modern	Average	Modern	Very modern

➤ Visually appealing facilities

Very unappealing	Unappealing	Average	Appealing	Very appealing

➤ Overall, how satisfied are you with Dar Express Bus services?

Very unsatisfied	unsatisfied	Somewhat Satisfied	Satisfied	Completely satisfied

➤ Would you consider travelling with Dar Express again in the future

Definitely I will not	I will not	Probably I will	I will	Definitely I will

➤ Would you recommend this Bus transport company to other people?

Definitely I will not	I will not	Probably I will	I will	Definitely I will

- What if anything could the Dar Express Bus Company do to improve its services?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

APPENDIX II: INTERVIEW GUIDE FOR MANAGEMENT AND EMPLOYEES

INTERVIEW GUIDE FOR DRIVERS

1. What is your working experience in driving?
2. For how long have you been working in this company?
3. What kind of employment contract are you in? (Probe; Are you comfortable with your job security in this company?)
4. How many hours spent in one journey?(Probe; How many hours do you rest before starting another journey? Are you satisfied? Do you need assistance driver? Why?
5. What about your vehicle maintenance schedule? (Probe; Does the company adhere to it? Are you/passengers satisfied with the condition of the bus you are driving?)
6. What are the challenges do you face? (Probe; from the customers/passengers when driving, from the management/Bus operators? How do you tackle them?
7. What opinions have you ever submit to management (Probe; from you/driver and from the passengers, how does the management respond?)
8. What do you think is not going well in the company? / How do you think the company is doing in business? What should be done to improve the situation?)
9. Who do you think is important for your business growth? Why?

INTERVIEW GUIDE FOR BUS CONDUCTORS

1. What is your working experience as a bus conductor?
2. For how long have you being working in this company?
3. What kind of employment contract are you in? (Probe; Are you comfortable with your job security in this company?)

4. How many hours spent in one journey? (Probe; How many hours do you rest before starting another journey?) Are you satisfied with the rest hours?
5. What are the challenges do you face? (Probe; from the customers/passengers, from the management/Bus operators? How do you tackle them?
6. What opinions have you ever submit to management (Probe; Your own and from the passengers, how does the management respond?)
7. What do you think is not going well in the company? (Probe; how do you think the company is doing in business? What should be done to improve the situation?)
8. Who do you think is important for your business growth? Why?

INTERVIEW GUIDE FOR BUS TICKET SELLER/BOOKING OFFICER

1. What is your working experience as a ticket seller/Booking officer?
2. For how long have you being working in this company?
3. What kind of employment contract are you in? (Probe; Are you comfortable with your job security in this company?)
4. How many hours do you rest?) (Probe; Are you satisfied with the rest hours?)
5. What are the challenges do you face? (Probe; from the customers/passengers, from the management/Bus operators? How do you tackle them?
6. What opinions have you ever submit to management (Probe; from bus conductor and from the passengers, how does the management respond?)
7. What do you think is not going well in the company? (Probe; how do you think the company is doing in business? What should be done to improve the situation?)
8. Who do you think is important for your business growth? Why?

INTERVIEW GUIDE FOR MANAGEMENT/ BUS OWNER

1. When did you start passenger transportation business? What experience can you tell so far? (Probe; company achievements, employees experience, employees and passengers security, business competition)
2. How do you keep passengers informed about your service?
3. How modern the vehicles/Buses are? (Probe; Type and Model, year of manufacture, maintenance)
4. What opinions have you ever receive from the employees and passengers? How does the company respond?
5. How do you survive in the market competition for 33 years? (Probe; efforts to improve the service, maintaining passengers trust/ feel safe, understanding and responding to passengers interests etc)
6. What are the problems facing your passengers before and during the journey? (Probe; not in time, bus breakdown, accidents, passenger-employees conflicts etc. Probe; How do they handle those problems?)
7. What are the challenges facing the management? (Probe; from the passengers and the employees) How the company combats them?
8. What do you think is not going well in the company? / How do you think the company is doing in business? (Probe; the future plan of the company?)
9. Who do you think is important for your business growth? Why?

APPENDIX III: RESEARCH BUDGET

S/NO	PARTICULARS	AMOUNT (TSHS)
1.	Preparation of proposal • Stationer y and secretarial work 100,000 • Storage devices 50,000 • Literature preparation 50,000	200,000
2.	Data Collection • Transport cost 250,000 • Field Allowances 800,000 (for research assistants included)	1,050,000
3.	Data analysis 300,000	300,000
4.	Final Document Preparation • Stationeries 200,000 • Secretarial work 150,000 • Binding 100,000	450,000
	TOTAL COSTS	2,000,000

APPENDIX IV: TIMEFRAME AND WORK PLAN

Research Activity	Duration				
	Jan	February	March	April	May
Writing Proposal					
Data Collection					
Data Analysis					
Writing a research report					

APPENDIX V: MODEL SUMMARY, ANOVA ANALYSIS, COEFFICIENTS AND COLLINEARITY STATISTICS

Table 1: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.797 ^a	.636	.627	.44653

a. Predictors: (Constant), Combined variables for tangibles, Combine variables for reliability , Combine variables for empathy, Combine variables for Assurance, Combine variables for responsiveness

b. Dependent Variable: Combine variables for satisfaction

Table 2: ANOVA Analysis

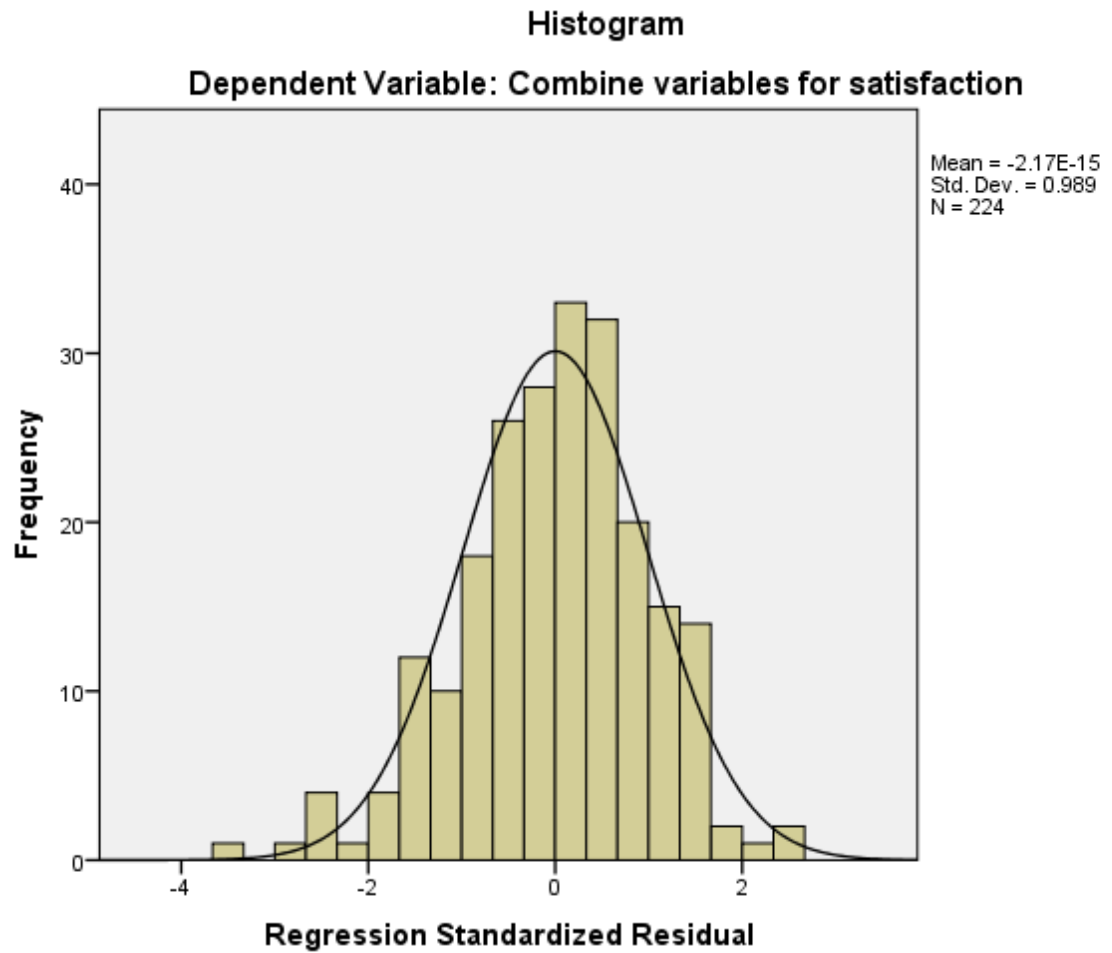
	Sum of Squares	Df	Mean Square	F	Sig.
Regression	75.891	5	15.178	76.124	.000
Residual	43.466	218	.199		
Total	119.357	223			

Table 3: Coefficient and Collinearity Statistics^a

Independent Variables	Unstandardized Coefficient		Standardized Coefficient	t-value	Sig	Collinearity Statistics	
	B	Std Error	B			Tolerance	VIF
Constant	0.180	0.207		0.871	0.385		
Reliability	0.119	0.075	0.097	1.594	0.112	0.447	2.239
Responsiveness	0.205	0.078	0.187	2.611	0.010	0.327	3.056
Assurance	0.300	0.073	0.279	4.094	0.000	0.360	2.776
Empathy	0.046	0.063	0.049	0.736	0.463	0.379	2.638
Tangibles	0.360	0.063	0.321	5.748	0.000	0.536	1.866

a. Dependable Variable: Combined variable for satisfaction

APPENDIX VI: HISTOGRAM



APPENDIX VII: NORMAL PLOT

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Combine variables for satisfaction

