EFFECT OF SERVICE DELIVERY ON CUSTOMER SATISFACTION IN THE TRANSPORTATION INDUSTRY IN NIGERIA: A STUDY OF PLEASURE TRAVELS COMPANY LIMITED, MAKURDI

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Abstract - The objective of this research is to ascertain the effect of quality service delivery on customer satisfaction in the transportation industry in Nigeria: A study of Pleasure Travels Company Limited Makurdi. The study adopted a cross-sectional survey design. A sample size of 130 respondents was used, determined by convenience sampling. A structured questionnaire was the instrument for data collection. The questionnaire had 2 constructs, namely tangibility dimension of service quality (Independent variable) and customer satisfaction (Dependent Variable). The questionnaire was personally administered to passengers at the departure lounge of Pleasure Travels Limited Makurdi Park. The study found out that that tangibility dimension of service quality has a strong significant positive effect on customer satisfaction in the transportation industry in Nigeria. The study recommends that managers of Pleasure Travels Company limited should invest substantial resources in the acquisition of more buses as the available buses are inadequate to satisfy the influx of passenger mostly during festive periods and more so, the personnel should be trained constantly for effective and better quality delivery.

Keywords - Service Quality, Tangibility, Customer Satisfaction, Transportation.

I. INTRODUCTION

Service quality is seen as critical for service organizations in positioning themselves strongly in a competitive environment and also as indicators of business performance. When organizations are faced with larger and powerful competitors, the smaller organizations can compete by improving on the quality of service delivery instead of competing on price (Klemz & Boshoff, 2001). Service quality influences organizational outcome in the area of: performance superiority, increasing sales profit and market share, improving customer relations, enhance corporate image and promotes customer satisfaction (Ehigie, 2006; Poretla & Thanassoulis, 2005; Duncan & Elliot, 2002; Caruana, 2002; Fisher, 2001). It is a great differentiator; it gets and keeps the customer's attention and helps an organization gain a lasting competitive advantage (Parasuraman, Zeithaml, & Berry, 1988; Boshoff & Gray, 2004; & Brady & Robertson 2001). Service quality leads to customer satisfaction and customer satisfaction in turn results to customer loyalty and retention.

This paper is centered on the effect of service quality delivery on customer satisfaction in the transportation industry in Nigeria, with focus on Pleasure Travels Company Limited, Makurdi. Pleasure Travels Limited is one of the top 10 (Ten) road transport companies in Benue State, Nigeria. Its transports passengers to virtually all the 36 States in Nigeria, hence the reason for its choice by the researcher.

Research Objective

The objective of this study is to ascertain the effect of service delivery on customer satisfaction in the transportation industry in Nigeria.

Research Hypothesis

Ho_1: Tangibility dimension of service quality has no effect on service delivery on customer satisfaction in the transportation industry in Nigeria.

II. LITERATURE REVIEW

2.1 The Concept of Service Quality

Bitner and Hubbert (in Adeniran & Adekunle, 2016) define service quality as the consumer's overall impression of the relative inferiority/superiority of the organization and its service. Parasuraman, Zeithaml and Berry (1985; 1988) defined service quality as the customers' comparison between the actual perceived services or experience quality and their expected services and called it "gap analysis". According to Lethinen & Lethinen (1991), "service quality is derived from the interaction between customers and service providers and could be classified into process quality and output quality: process quality referred to customers' subjective remark on services, while output quality meant customers' measurement of service achievement". Customer satisfaction comes in after a service encounter and it is the difference between expected service and the perception of service after an encounter with a service provider (Angelova & Zekiri, 2011).

2.1.1 Dimensions of service Quality

Parasuraman, Zeithaml and Berry (in Wilson, Zeithaml, Bitner, & Gremler, 2008) developed the SERVQUAL instrument and laid down a conceptual framework for the measurement of service quality. The SERVQUAL instrument since its development has become the most dominant instrument for measuring service quality and it originally comprised of 10 dimensions with 97 items but later reduced to 5 dimensions with 22 items in 1991. The five

dimensions also known as RATER; are Reliability, Assurance, Tangibles, Empathy, and Responsiveness,.

Reliability dimension of service quality measures the consistency of performance and the dependability of the service. According to Zeithaml et al. (2006) reliability is "the ability to perform the promised service dependably and accurately" or "delivering on its promises" Does the firm perform the service right at the first time? Does the firm honours it promises? These are some of the questions which need to be answered by service providers if they are to achieve reliability. The accuracy in billing, proper record keeping and performing the service at the designated time all constitute an attempt to achieve reliability.

Assurance dimension entails the knowledge and courtesy of employees and their ability to convey trust and confidence. It also includes competence, courtesy, credibility and security. Andaleeb and Conway (2006) noted that assurance may not be so important relative to other industries where the risk is higher and the outcome of using the service is uncertain. For instance, in the medical and healthcare industry, assurance is an important dimension that customers used as criteria in assessing a hospital or a surgeon for an operation. The trust and confidence may be represented in the personnel who connect the customer to the organization (Zeithaml et al., 2006).

The dimension of tangibility comprises of the physical evidence of the service. Specifically, the concept explores the physical facilities of the service provider, the appearance of personnel, the tools and equipment used to provide the service including other customers in the service facility. Tangibles are used by firms to convey image and signal quality (Zeithamal et al, 2006).

Empathy dimension involves the caring and provision of individualized attention to customers by personnel of the firm (Zeithaml et al., 2006). In this respect, the customer feels unique and special. In an attempt to develop empathy, personnel of the firm should ensure to know the names of their regular customers, their preferences and needs and take steps to satisfy them.

Responsiveness dimension measures the willingness or readiness of employees to provide service (Parasuraman et al., 1985). This dimension is concerned with dealing with the customer's requests, questions and complaints promptly and attentively. A firm is known to be responsive when it communicates to its customers how long it would take to get answers or have their problems dealt with. To be successful, companies need to look at responsiveness from the view point of the customer rather than the company's perspective (Zeithaml et al., 2006).

2.2 Customer Satisfaction

Customer satisfaction refers to the extent to which customers are happy with the products and services provided by a business. Gaining high levels of customer satisfaction is very important to a business because satisfied customers are most likely to be loyal and to make repeat orders and to use a wide range of services offered by a business. A number of benefits are associated with customer satisfaction; satisfied customers buy additional products, and are less influenced by competitors and stay loyal longer (Zineldin, 2000).

Customer satisfaction is defined as the result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance. If the perceived performance is less than expected, customers will be dissatisfied. On the other hand, if the perceived performance exceeds expectations, customers will be satisfied. Otherwise, if the perceived expectations are met with performance, customers are in an indifferent or neutral stage. In general, increased customer satisfaction leads to: higher customer retention rate, increases customer repurchase behaviour, and ultimately drive higher firm profitability.

Customer satisfaction with a company's products or services is often seen as the key to a company's success and long-term competitiveness. Customer satisfaction has developed extensively as a basic construct for monitoring and controlling activities in the relationship marketing concept. Satisfaction is regarded as a short term emotional state that results from an intrapersonal comparison of the customer's expectations with the evaluation of a single product or service encounter. (Olu, 2010; Brady and Robertson, 2001; Lovelock, Patterson & Walker, 2001; Oliver, 1981;) conceptualise customer satisfaction as an individual's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations.

Generally, there are two general conceptualisations of satisfaction, namely, transaction specific satisfaction and cumulative satisfaction (Yi & La, 2004; Jones & Suh, 2000). Transaction-specific satisfaction is a customer's evaluation of his or her experience and reactions to a particular service encounter (Boshoff and Gray, 2004), and cumulative satisfaction refers to the customer's overall evaluation of the consumption experience to date (Cook, 2008).

Having looked at the concept of service quality, customer satisfaction and their various dimensions, this paper would focus on the tangibility dimension of service quality and customer satisfaction from the cumulative dimension.

2.3 Empirical Literature

Adeniran and Adekunle (2016) in their study assesses the relationship between dimensions of service quality and customer satisfaction from the perspectives of passengers that travel through Nigerian airports. Survey methodology was adopted for the study. Cross-sectional data were collected at four International airports with the aid of structured questionnaire. The questionnaire was administered to

600 passengers across Lagos, Abuja, Kano and Port-Harcourt airports with 71% response rate. Regression analyses reveal that although the relationship between each of the dimensions of service quality and customer satisfaction is significant at 5%, the multiple correlation coefficient ranges from weak to moderate thus suggesting that the dimensions of service quality requires further enhancement for customers satisfaction to be improved upon by the Airport Authority in Nigeria. The study advocate decisive action by the Airport Authority in Nigeria to initiate policies geared at enhancing dimensions of service quality for improved customer satisfaction at various Nigerian Airports. Ojo (2010) investigated the relationship between service quality and customer satisfaction in the telecommunication industry with a focus on Mobile Telecommunication Network (MTN) Nigeria. A total of 230 respondents participated in the study. Regression analysis and Pearson product moment correlation coefficient were employed in analyzing the data. The study revealed a positive relationship between service quality and customer satisfaction. The researcher therefore recommended that organizations should focus more attention on service quality, because of its effects on customer satisfaction. To ensure that customer satisfaction level is high organization must first of all know the expectations of the customers and how they can meet such expectations. Customer satisfaction helps in customer loyalty and retention. It has been discovered that the cost of attracting new customer far exceeds the cost involved in retaining existing ones.

III. METHODOLOGY

The objective of this research is to ascertain the effect of quality service delivery on customer satisfaction in the transportation industry in Nigeria: A study of Pleasure Travels Company Limited Makurdi. The study adopted a cross- sectional survey design. A sample size of 130 respondents was used, determined by convenience sampling. A structured questionnaire was the instrument for data collection. The questionnaire had 2 constructs, namely tangibility dimension of service quality (Independent variable) and customer satisfaction (Dependent Variable). The questionnaire was personally administered to passengers at the departure lounge of Pleasure Travels Limited Makurdi Park. Out of the 130 questionnaires issued, 118 questionnaire were properly filled and were used, which translates to 91 per cent response rate.

Validity and Reliability of Instrument

Validity is the ability of a measuring instrument to produce reliable results as well as measure what it claims to measure (Akpa, 2011). A valid measure is one that produces true results that agree with the true situation and prevailing conditions of the environment it purports to study.

Reliability of scale indicates the stability and consistency with which the instrument measures the concept and helps to assess the goodness of a measure (Sekaran, 2000). To test the reliability of the instrument, the Cronbach's alpha test was conducted with the data collected

Variable	Anchor	No. of Items	Cronbach Alpha
Tangibility	5 Points	4	0.785
Customer Satisfaction	5 points	4	0.753

Table 3.1: Reliability Statistics
Source: SPSS Output

Table 3.1shows different Cronbach's Alpha for the 2 constructs of the questionnaire (1 independent variables and 1 dependent variable). Tangibility dimension of service quality has 0.785; while customer satisfaction has 0.753. Overall, all the items in each variable in the questionnaire have a good reliability. This is because all Cronbach alpha values are in excess of minimum value of the 0.60 recommended by Cronbach and Nunnally (in Adepoju & Suraju, 2012).

IV. ANALYSIS

Descriptive statistics and Pearson Product Moment Correlation were used to analyse the data which were collected.

	N	Minimum	Maximum	Mean		Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error	Statistic	Std. Error
Tangibility	435	1.00	5.00	3.32	.04318	.90	-.452	.117	.062	.234
Customer Satisfaction	435	1.00	5.00	3.57	.04896	1.02	-.646	.117	-.246	.234

Table 4.1. Descriptive Statistics
Source: SPSS Output

The statistics in Table 4.1 also shows that the mean of value for tangibility dimension of service quality for the sampled passengers of Pleasure Travels is 3.32 with a standard deviation 0.90. This shows that the level of

dispersion in the tangibility of the service among the respondents is wide, while the descriptive statistics shows that, the mean value of customer satisfaction is 3.57 with the standard deviation as 1.02. This suggests that a response of passengers of Pleasure Travels about their customer satisfaction is also wide.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-.291	.234		-1.244	.214	-.750	.169
Tangibility	.340	.045	.300	7.518	.000	.251	.429

a. Dependent Variable: Customer Satisfaction

Table 4.2. Coefficients
Source: SPSS Output

The average difference in customer satisfaction for tangibility dimension of service quality who differ by one unit is 0.340 holding other service quality dimensions constant.

Hypothesis Test

Ho_1: Tangibility dimension of service quality has no effect on customer satisfaction in the transportation industry in Nigeria. Table 4.2 displays the t-values and probability value for tangibility dimension of service quality. Given that the critical value of t is ±1.96 and the calculated value of $t = 7.518$, $p < 0.01$ the study rejects the null hypothesis and concludes that tangibility dimension of service quality has a strong significant positive effect on customer satisfaction in the transportation industry in Nigeria.

V. DISCUSSION OF FINDING

The study found out that that tangibility dimension of service quality has a strong significant positive effect on customer satisfaction in the transportation industry in Nigeria. This implies that customers of Pleasure Travels Company Limited, Makurdi, are satisfied with the physical facilities that constitute the service rendered by the transport company. These include the neatness of the transportation vehicles, the neatness of the staff, the toilet facilities, the shopping facilities, the departure halls, and the loading bay, among others. The customers were satisfied with the physical facilities which were present at the park and as such would recommend the service provider to others, will say positive things about the service provider, will encourage others to use the services of the service provider (Pleasure Travels Limited) and will continue using the service provider in the future. In a related finding, Adeniran and Adekunle (2016) found a positive but weak effect of tangibility dimension of service quality on customer satisfaction among air passengers in Nigeria.

VI. CONCLUSION

Literature reviewed and empirical findings have established the fact that service quality has effect on customer satisfaction. In addition, the relationship between the two variables has been found to be positive. This implies that passengers of Pleasure Travels Company Limited are satisfied with the quality of services which they receive.

RECOMMENDATIONS

The managers of Pleasure Travels Company Limited Makurdi, in addition to the provision of attractive offering and fair price, should also pay more than a passing attention to the delivery of high and effective service.

They should invest substantial resources in the acquisition of more buses as the available buses are inadequate to satisfy the influx of passenger mostly during festive periods and more so, the personnel should be trained constantly for effective and better quality delivery.

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Appendix Questionnaire (PASSENGERS ONLY)

Topic: Effective Service Delivery and Customer Satisfaction in the Transportation Industry in Nigeria: A study of Pleasure Travels Company Limited Makurdi, Benue State.

I humbly request you to fill the questionnaire below by ticking the most suitable option. Please be informed that all information obtained through this questionnaire is to expand the frontier of knowledge and will be kept confidential.

Section A: Bio-data

1. Age of respondents

a. Below 25 ( ) b. 25-40 ( ) c. 41-55 ( ) d. 56-65( ) e.66- and above

2. Sex: a.Male ( ) b.Female ( )
3. Qualification:

a. O' Level ( ) b. ND ( ) c. HND/B.Sc./BA ( ) d. Post-graduate/professional qualification ( )

4. Occupation: a. Civil/public servant ( ) b. Private company's employee ( )

c. Self-employed ( ) d. Student ( )

5. How long have you been patronizing this company: a. 2 – 4 yrs ( ) b. 5 – 7 yrs ( ) c. 8 yrs and above ( )

Section B: Research Question

Key to Options

1 - Strongly Disagree; 2 – Disagree; 3 – Uncertain; 4 – Agree; 5 – and Strongly Agree.

S/N	Statement on Research Variables	1	2	3	4	5
	Tangibility Dimensions of Service Quality					
1	The buses used to covey passengers are neat and new					
2	The employees are well dressed in appearance					
3	The physical facilities are visually appealing (the toilet, departure hall, eatery facility etc)					
4	The equipment used to provide the service are standardized					
	Customer Satisfaction					
5	I would always say positive words about my Pleasure Travels					
6	I would encourage others to patronize Pleasure Travels					
7	I would recommend the services of Pleasure Travels transport company to others					
8	Overall I am satisfied with the services of Pleasure Travels transport company					

I appreciate your timely filling and return of this questionnaire.

The Researcher

★★★