

The Influence of Express Mail Service Quality on Customer Satisfaction: Evidence from EMS Ethiopia

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ABSTRACT

The study examined the association between service quality and customer satisfaction in Ethiopian Express Mail Service (EMS Ethiopia). It had adopted explanatory design using quantitative data collected using standardized questionnaire. The instrument used was the SERVPERF model, consisting of the five quality dimensions (Tangibles, Reliability, Responsiveness, Assurance and Empathy). Data were collected from a sample of 384 respondents who send their documents and parcels through EMS Ethiopia over a period of two consecutive weeks. The findings of the study indicated that all service quality dimensions have positive and significant influence on customers' satisfaction except tangibility. Of all the service quality dimensions Empathy has the most important influence on customer satisfaction followed by Responsiveness. Hence improving the quality of service will help strengthen the satisfaction of customers in EMS Ethiopia. Future research should study by reaching other organizations to better generalize about the Ethiopian Business Environment in general.

Keywords: Service Quality, Service Quality Dimensions, Customer Satisfaction

INTRODUCTION

The history of postal services show that its origin dates back to the middle ages and it developed from the medieval system of royal messengers who employed to carry government documents from one place to another (Ethiopian Postal, 2011). In Ethiopia, the service was begun through messengers known as 'Postegnas' (*translating post's men*). These tough individuals travelled great distances, often on foot, overcoming rough landscape and hostile climate. They endured the pangs of hunger and thirst and carried their letters over their heads, on cleft sticks until they reached their destination (Zena-Posta, May 2019).

Today, documents and merchandise are transferred from source to destination in a more secured and speedy

manner. This is because, express operators started to provide guaranteed, fast and reliable, on demand, world-wide, integrated, door-to-door movement of shipments which are tracked and controlled throughout the journey. They are the Business Class of cargo services (Oxford Economic Forecasting, 2005).

One of the factors that differentiate a firm from another is its consistent service delivery. Products and Services that meet or exceed customer expectations result in customer satisfaction. Quality is the expected product/service being realized (McNeill, 2000). By doing so it is possible to be the choice of the customers for a repeat service, beating the competitors. Technological changes have confronted operators with new forms of competition from other communication services (e.g. e-mails), but also presented new opportunities, e.g. the use of technology in the just-

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in-time shipment of goods by express delivery companies (WTO, 2019) Today the global parcels market is almost US\$380bn in 2018, up from just over US\$340bn in 2017 (Apex, 2019). Ethiopia is a member of the Universal Postal Union (UPU) through its 125 years old postal agency and also a member of the Express Mail Service Cooperative established by UPU in 1989 (Universal Postal Union, 2010). Express Mail Service Ethiopia (EMS Ethiopia) was set up in 1999 with the objective of providing mail acceptance, transfer and delivery services for customers in a reliable and speedy manner (Ethiopian Postal Services, 2011).

Assessing the service provision and the future of the courier service is vital to get at the right conclusion and recommendation as it is a measure of how well the service level delivered matches customer expectations (TCRP Report 47). Different research works were conducted in measuring the provision of service quality (Shyle & Xhelo, 2017; Mahfooz, July 2014; Raboca, 200; Yarimoglu, 2014; Seth, Deshmukh & Vrat 2004; Unuvar & Kaya, 2016; Temba, 2013). All these researches are conducted in various sectors such as the financial sector, health care, hospitality and other and proved that service quality is the basis for customer satisfaction which in turn results in attaining customer loyalty; the basis of future operations. To the best of the researchers' knowledge, there are no any empirical evidences on the quality of courier service sector particularly the services of EMS Ethiopia as a basis for satisfying and retaining customers in the emerging market that is proven with the existence of a number of international courier services in the country. Prior studies also result in some contradictions in their findings about the measure of service quality performance. Fogarty et al. (2000), for instance, reported that the five-factor structure was rejected factor by Cronin and Taylor (1992) who conducted studies across five retail settings. Therefore this is a gap that led to conduct this research by using a model that is deemed valid in the field. The research is based on the theoretical foundation developed under service quality model that is based on performance called SERVPERF as it provide consistency in meeting consumer satisfaction, service quality and purchase intentions (Cornin & Tylor, 1992). It is designed to measure service quality for service providing entities. The justification for using the model is, it lays a strong foundation for providing customer oriented services.

Adil et al. (2013) also argued in favor of using ServPerf and argued that SERVPERF was an enhanced means of measuring the service quality construct. They clearly propounded a performance-based measure of service quality called 'SERVPERF' illustrating that service quality is a form of consumer attitude. Hence, this study was based on SERPERF model instead of SERVQUAL.

Research Questions

The research questions the study answered were:

RQ₁: What are the practices of service quality dimensions (Tangibles, Reliability, Responsiveness, Assurance and Empathy) and customer satisfaction?

RQ₂: What is the influence of service quality dimensions and customer satisfaction?

Even if it is possible to exchange ideas instantly through the internet, transfer of original documents and merchandise will continue to manifest through the express mail. Hence a research conducted on EMS Ethiopia is of great significance to better improve the service for the future. In order to achieve long term success in the market, firms should monitor the customer satisfaction signals regarding product, service and relationship (Cengiz, 2010). Therefore the findings and results in the study provide an empirical evidence to evaluate the satisfaction of customers with the service provision they are engaged on. In addition, the study results in recorded evidence from a developing economy point of view contributing to the academic and research world.

LITERATURE REVIEW

Then the SERVQUAL model was developed by Zeithaml and her fellow researchers and the scale focused on the performance component of the service quality model in which quality was defined as the disparity between expectations and performance (Allen, 2004). Parasuaman, Zeithaml and Berry (1985) proposed 10 components of service quality namely; tangibles, reliability, courtesy, responsiveness, security, competence, access, communication, credibility, and understanding/knowing the customer. In order to develop the SERVQUAL measurement scale, Parasuraman formulated questions for rating a service on specific attributes reflecting the ten

basic components (Polyakova & Mirza, 2015). Consumers were asked with a total of 44 questions to rate the service in terms of both expectations and performance. Lately, in 1988, the (10) dimensions were summarized into 5 (Alarussi, 2016). The components of reliability, tangibles and responsiveness remained distinct; Polyakova and Mirza noted that the remaining seven components were absorbed into two dimensions - assurance and empathy. The five quality dimensions are also called by an acronym RATER. Reliability, Assurance, Tangible, Empathy and Responsiveness. They enable service providers and researchers to measure the customers' expectations for service quality and the perception of the actual service provided. So as a gap between expectation and performance, the model uses the five quality dimensions with 44 questions during research. The research outcome is used to overcome the deficiencies in the service provision. But researchers have raised two main concerns about the SERVQUAL fit (Lee & Fitzgerald, 2014). Firstly, it is thought that it takes too much time to answer a total of 44 questions and the second concern relates to the vagueness of the expectation and the fact that measuring perceptions and expectations simultaneously can cause boredom and confusion.

Therefore based on the limitations of SERVQUAL, Cornin and Tylor (1992) developed different models to measure the service quality. They claimed that their model which is called SERVPERF (service performance) is more suitable and accurate than SERVQUAL. They also stated that SERVPERF needs fewer items than SERVQUAL to measure satisfaction (Rahman, Khan & Haque, 2012). The model halved the number of items that must be measured (from 44 items to 22 items), making it easier to use. This model is a performance-only model for measuring service quality with empirical studies in banking, pest control, dry cleaning and fast food sectors (Yarimoglu, 2014; Deshmukh & Vrat, 2004). According to Cornin and Tylor, the SERVPERF model better reflects long-term service quality attitudes than SERVQUAL. They believe that there is considerable support for the superiority of simple performance based measures of service quality without the need to incorporate expectations into the measurement scale. From the extant literature review, of the service quality models, the SERVPERF is very appropriate for measuring the Express Mail Service. Because the questions suggested for the dimensions enable the researcher to view the service in its

totality from various angles. From the customers, service providers, physical facilities and service delivery angles. Therefore it is used to measure the service provision of EMS Ethiopia. Service quality and customer satisfaction are one of the most talked topics and have attracted many literary works. By using the quality dimensions, different researches were conducted on various sectors including on hospitality and tourism (Mill, 2011). The study shows how SERVQUAL model presents the best mechanism to explain customer satisfaction in hospitality and tourism and used the 5 service quality dimensions within the context of hospitality and tourism. By bringing service promises in line with what is currently being offered management begins to manage customer expectations.

In the discussions above, overall relationship between service quality and customer satisfaction were considered. Next are presented the relationship between each dimension of service quality and customer satisfaction to develop the research hypotheses.

Tangibles as Dimension of Service Quality

Afroz (2019) stated that the tangibles are considered as the firms' representatives, physical facilities, materials, and equipment as well as communication materials. Physical environmental conditions work as a clear evidence of the care and attention paid for the details offered by the service provider. According to Gobena (2019), tangibility provides physical representations or images of the service that customers, particularly new customers, will use to evaluate quality. Service organizations often use tangibles to enhance their image, provide continuity and signal quality to customers. Minh et al. (2015) stated that for a hotel for instance, Tangibles include the appearance of hotel and hotel staff, physical facilities at hotel/rooms, visual materials for customers. In this research, tangibles are the physical facilities and the personnel as perceived by the customers. Hence, it can be hypothesized as follows:

H₁: Tangibles accompanying a service have significant positive effect on customer satisfaction.

Reliability as Dimension of Service Quality

Reliability is to provide promised, dependable, accurate and consistent services to the customers. However,

reliability depends on handling customer service issues, performs the services right the first time; offers services on time, and maintain a record of error-free (Afroz, 2019) and thus reflects the consistency and dependability of an organization's performance (Gobena, 2019). For Mihn et al. (2015), from a hotel point of view, Reliability includes hotel's ability to perform services accurately and on time right at the first time. For this research, reliability includes whether the parcels are delivered as promised, just on time and at the right locations. It can, therefore be hypothesized as follows:

H₂: Reliability of service has significant positive effect on customer satisfaction.

Responsiveness as Dimension of Service Quality

According to Afroz (2019), responsiveness is defined as the willingness to help customers and provide prompt service. More specifically, responsiveness is defined as the willingness or readiness of employees to provide services. He further stated that responsiveness is the speed, prompt customer service, less waiting time and short queuing time which is the result of the willingness or readiness of employees to provide services. Gobena (2019) stated that the dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints and problems. For a hotel for instance, Mihn et al. (2015) argued that responsiveness is the hotel's willingness and flexibility to serve and help customers. The same concepts were taken to define responsiveness for this study. Hence, it can be hypothesized as follows:

H₃: Responsiveness of service providers has significant positive effect on customer satisfaction.

Assurance as Dimension of Service Quality

Afroz (2019) stated that assurance is the level of knowledge and courtesy of employees for providing services and to build confidence in customer. Skilled employees who treat customers with respect and make consumers feel that they can trust the firm exemplifies assurance. Gobena (2019) also stated that the assurance dimension of service quality addresses the competence of the organization, the courtesy it extends to its customers and the security of its operations. For a hotel, Mihn et al. (2015) stated

that assurance includes the hotel's ability to build trust in customers about hotel services, hotel staff's knowledge and skills. Hence, we hypothesized as follows:

H₄: Assurance of service providers has significant positive effect on customer satisfaction.

Empathy as Dimension of Service Quality

Afroz (2019) stated that empathy is a care and individual attention to customers which includes recognizing customers by their name and providing specific service to the individual customers that shows empathy. Gobena (2019) further stated that the essence of empathy is conveying, through personalized or customized service, that the customers are unique and special and that their needs are understood. Mihn et al. (2015) in their study about a hotel also stated that empathy refers to the hotel's attentions and cares to each individual customer. Hence, it can be hypothesized as follows:

H₅: Empathy of service providers has significant positive effect on customer satisfaction.

Customer Satisfaction

Gobena (2019) argued that customer satisfaction has been recognized as one of the most important elements of contemporary marketing thought, particularly in the case of service sectors. Afroz (2019) defined customer satisfaction is a feeling that surfaces from an evaluation process, i.e. when the consumer of a good or service compares what is received against what is expected from the utilization of that good or service. Because satisfied customers tend to maintain their consumption pattern or consume more of the same product or service, customer satisfaction has become an important indicator of the future behavior (Gobena, 2019). Hence, customer satisfaction is argued to be influenced by the dimensions of service quality as hypothesized above and as indicated in the conceptual framework presented below.

Conceptual Framework

A conceptual framework serves as the basis for understanding the causal or correlational patterns of interconnections across events, ideas, observations, concepts, knowledge, interpretations and other

components of experience” (Tamene, 2016). It also enables the researcher to show the relationship of the independent and dependent variables. Service quality is measured through the five dimensions and the ultimate goal is to achieving customer satisfaction. Therefore the five dimensions are the causes that can be explained as independent variables that affect customer satisfaction which is the dependent variable. Customer satisfaction depends on service quality. The identification of the variables enabled to construct the following conceptual framework.

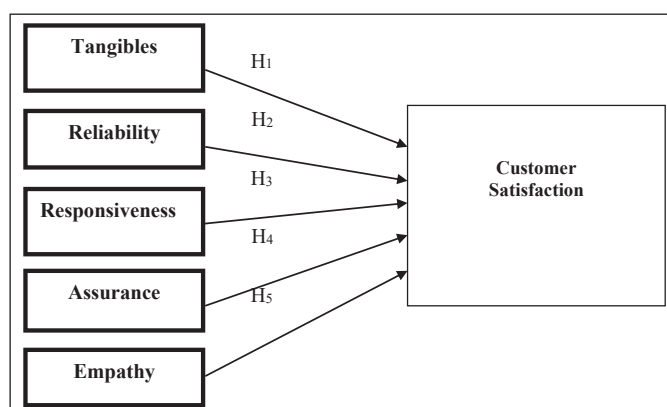


Fig. 1: Conceptual Framework (based Afroz, 2019)

RESEARCH METHODOLOGY

Research Design and Approach

The Research design for the current study was explanatory design. The design describes the practices of the service quality dimensions that constitute the independent and dependent variables of the study and the relationship of the variables for the purpose of answering the research questions as well the research hypotheses formulated. The design is chosen as it is believed to be the right avenue to answer the research questions by involving the customers of the service under the study. The research approach used was quantitative method. The goal in conducting quantitative research is to determine the relationship between one thing [an independent variable] and another [a dependent or outcome variable] within a population (Research Guide, 2019). Based on the formulated conceptual framework, the relationship and effect of independent variables which are the quality dimensions and dependent variables respectively were

analyzed, depicting the deployment of quantitative approach.

Data Types and Data Sources

The study used primary data that was collected through a questionnaire completed by respondents. Through the quantitative approach, the collected data was used to answer the research questions and analyze the hypotheses formulated for the study. The structured questionnaire was based on the service quality dimensions.

Sampling Procedure and Sample Size

Sampling is a technique (procedure or device) employed by a researcher to systematically select a relatively smaller number of representative items or individuals (a subset) from a pre-defined population to serve as subjects (data source) for observation or experimentation as per objectives of his or her study (Sharma, 2017). Sharma explains that the most common reason for sampling is to obtain information about population parameters more cheaply and quickly than would be possible by using a complete census of a population. A complete census is impracticable: the choice lies between obtaining the information by sampling or not at all (Cochran, 1977). The population for this study was infinite and it was not possible to use probabilistic sampling. Therefore collecting data from customers who visited the service center over a specified period of time was used. This approach enabled the researchers to secure required data without introducing bias of the researchers.

The size of the sample used to study a proportion within a population is a critical factor to obtain reliable results about the proportion in the whole population (Wisker, 2010). The two measures that are very vital in determining the sample size are confidence level and margin of error. The acceptable and usually preferred confidence level and margin of error is 95% and 5% respectively. If a 95% confidence level is selected, 95 out of 100 samples will have the true population value within the range of the precision (Israel, 1992).

Different researchers have suggested different formulas for finding out the appropriate sample size for research works. One of the researchers who came up with a

way to decide the sampling size is a prominent Scottish statistician called William Gemmell Cochran (O'Connor & Robertson, Updated on 2019). His formula is used for researches that have infinite population and it is used for deciding the sample size for this study. The following is the formula developed by Cochran (1977) to determine the sample size in the research work (Bartlett, Kotrlík & Higgins, 2001).

$$n = \frac{(z)^2 p (1-p)}{d^2}$$

Where n = sample size

z = level of confidence, which is usually 95%

p = estimated proportion of the population (when unknown we use p = 0.5)

d = tolerated margin of error

The Z value for the 95% level of confidence is 1.96. Hence by calculating the proportion used for the study, the sample size is calculated as follows. Hence by calculating the proportion with a 95% level of confidence and a margin of error of 5% we obtain:

$$\begin{aligned} n &= \frac{((1.96)^2 \times .5(.5))}{(.05)^2} \\ &= \frac{(3.8416 \times .25)}{.0025} = \frac{0.9604}{.0025} \\ &= 384.16 \\ &= 384 \end{aligned}$$

Therefore the sample size used for this research is 384 respondents, the number of individuals within a population that use the express mail service.

Sampling Technique

The technique selected for collecting the data is convenience sampling where the users who attended the postal office for sending documents and parcels were involved during the dates fixed for gathering the data. The number of individuals, taken out of the whole EMS Ethiopia users, which is the population, is believed to share certain thoughts out of so many possible alternatives. As the researchers didn't have the possibility of influencing who should visit the organization on the data collection

dates, the sampling method was the right approximation to probability sampling.

Data Gathering Instruments

The principal data gathering instrument for this research was a questionnaire, which was originally prepared in English and translated to Amharic (official local language of the respondents) for their convenience. Questionnaires are probably the most frequent methods of data collection and using questionnaires to collect people's opinions about various issues is a very efficient and often reliable data collection method (Symeou & Lamprianou, 2008). The questionnaire had three parts. The first part had 5 questions and was about the demographics of the respondents. The second part is a measure on the service quality of EMS Ethiopia. It is based on the five quality dimensions of SERVPERF model; Tangibles, Reliability, Responsiveness, Assurance, and Empathy. There were 22 questions that covered the 5 dimensions. All of the questions were closed questions on a 5-point Likert Scale – a structured technique, which indicates the respondents' level of agreement or disagreement based on a series of statements/sentences concerning the attitude object (Menezes & Elbert, 1979).

Data Analysis Techniques

Data from the survey was analyzed by using the Statistical Package for Social Sciences (SPSS) version 24. The necessary analysis was conducted based on the data collected from the users. Through descriptive statistics, the profile of the participants and the mean and standard deviation of service quality dimensions and customer satisfaction were identified. Correlation and Linear Multiple Regression analysis too are performed for the purpose of analyzing the relationship and impact of service quality dimensions on customer satisfaction respectively. The analysis led to answer the research questions and show the impacts of quality dimensions whereby the conclusions and recommendations of the study are derived out of.

Reliability and Validity

The most commonly used technique to estimate reliability or internal consistency is coefficient alpha often referred to

as Cronbach's alpha. This was developed by Lee Cronbach in 1951 to provide a measure of the internal consistency (Cronbach, 1951). Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 1.0, the greater the reliability of the items in the scale (Namdeo & Dout, 2016).

The Cronbach's Alpha of the independent variables; Tangibles, Reliability, Responsiveness, Assurance, and Empathy are .854, .871, .861, .707, .881 respectively and the dependent variable (customer Satisfaction) with .920 Cronbach's Alpha. Good measure of the alpha should be 0.70 or higher (Abebe, 2018). Based on this fact, all the variables in the scale are positively related to each other. Alpha ranges from a maximum of 1.0 for a perfect score to minimum of zero. Therefore the individual scores of all the independent and dependent variables are above the acceptable range. The joint score of all the variables too is .947 which is closer to 1 and this shows how reliability or internal consistency is maintained. Therefore the values indicate that the questionnaire in use is reliable. Regarding validity, it is the extent to which the scores from a measure represent the variable they are intended to (Price, Jhangiani & Chiang, 2015). The validity of the research was assured by using a survey instrument used by other researchers for several years and by pretesting it with experts in the area if it was fit for Ethiopian context. Translating it into local language was also other means of assuring validity.

Ethical Considerations

Research projects have to make sure that the right of participants in the research has to be respected while conducting the research work. "Because ethical issues form an important component of research as far as the conduct of researchers is concerned (Wanhoji, 2005, p. 91). Voluntary participation, principle of anonymity, confidentiality and use of data for the intended purpose were some of the principles to be respected while working on ethical consideration.

All those principles are addressed in this study through writing as well as verbally. All the issues like the purpose of the study, its confidentiality, anonymity and for what purpose the data is to be used were well addressed at the beginning of the questionnaire. Their consent was of

course ascertained in their willingness to completing the questionnaire. The respondents' precious time invested while completing the questionnaire was also justified with the consideration of each and every response in the study.

RESULTS AND DISCUSSIONS

This part presented the descriptive analysis followed by a correlation and regression analysis of the data collected using SPSS version 24 follows. Analysis and discussions in relation to the extant literature was also made concurrently.

Descriptive statistics

The descriptive part of the statistics was used to explain the implementation of the five service quality dimensions and customer satisfaction in action by using the data collected from the sample of the end users. Mean and standard deviation were used to measure the practice of service quality dimensions and customer satisfaction.

Different researchers use different ranges to interpreting the mean. Since we are measuring the practice of the variables by using the mean score on the basis of the Likert Scale that ranges from 1 to 5, the following ranges were used to interpret the scores (Abdelrasheed, 2020). Very low: 1 - 1.80, Low: more than 1.80 - 2.60, Moderate: more than 2.60 - 3.40, High: more than 3.40 - 4.20 and Very High: more than 4.20 - 5.00. This range is preferred for this study as it is well suited to the distribution of the mean for all the variables in the data collected from the respondents.

Table 1: Mean and Standard Deviation of Quality Dimensions

<i>Independent Variables</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>N</i>
Tangibles	3.95505	0.98380	384
Reliability	3.9619	0.79194	384
Responsiveness	4.2129	0.78568	384
Assurance	4.1653	0.78387	384
Empathy	3.8354	0.86605	384
Average	4.02611	0.84226	

Upon looking at the overall average of the mean and standard deviation of the service quality dimensions, the mean is 4.026. That means all the respondents are satisfied

with the services of the office during their encounter. Both dimensions, i.e., tangibles, reliability, responsiveness, assurance, and empathy are proven to be the causes for getting satisfaction during the service provision.

The mean of the five service quality dimensions signaled how the respondents have an agreeable consent on all the items they were asked to respond to. This means they agree that the quality of service they received from the firm satisfied their requirements.

The practice can be interpreted as high. The dependent variable is customer satisfaction whose positive outcome was based on the independent variables which are the service quality dimensions. The overall mean of the dependent variable is 4.106. The mean indicates how the respondents were satisfied with the services they received from Ethiopian Postal Enterprise. This is a high show of approval for the current service provision, ensuring the practice as high.

Correlation Analysis

The most commonly used techniques for investigating the relationship between two quantitative variables are correlation and linear regression (Bewick, Cheek & Ball, 2003). The Pearson correlation coefficient was

used to determine the significance of the relationship between the independent and dependent variables. The data analysis showed that service quality and all its dimensions; tangibles, reliability, responsiveness, assurance and empathy have somewhat significant and positive relationship with customer satisfaction with the coefficient of .373, .521, .373, .543, and .579 respectively. The correlation coefficient (r) of all the independent variables is > 0 , showing that the correlation is positive. This indicates that the variables (Tangibles, Reliability, Responsiveness Assurance, and Empathy) lie on a straight line. They increase in the same direction with customers' satisfaction with their respective strength. The larger the absolute value of the coefficient, the stronger the relationship between the variables.

Impact of Independent Variables on Customer Satisfaction

The regression results show all service quality variables combined significantly influence customer satisfaction. Thus the independent variables explained the dependent variable by 0.458. This result implies that service quality accounted for 45.8% of the variance in customer satisfaction. In fact, the R^2 value is low, which means there are other variables that have more impact for the satisfaction of customers than the ones stated in this study.

Table 2: Linear Multiple Regression Results

Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B		$Beta$			Tolerance	VIF
1	(Constant)	.167	.276		.606	.545		
	Tangibility	.056	.035	.070	1.615	.107	.763	1.311
	Reliability	.167	.051	.164	3.251	.001	.561	1.783
	Responsiveness	.246	.063	.161	3.906	.000	.843	1.187
	Assurance	.223	.060	.197	3.748	.000	.519	1.927
	Empathy	.284	.045	.309	6.318	.000	.599	1.669

Upon identifying the variable with highest impacts, the researcher used standardized beta values. A standardized beta coefficient compares the strength of the effect of each individual independent variable to the dependent variable. The higher the absolute value of the beta coefficient, the stronger the effect (Glen, 2016). The highest standardized coefficient beta from the independent variables is .309 for the independent variable Empathy. This implies

that an increase of Empathy by one increases customer satisfaction by 30.9%. This has a significant importance in determining customer satisfaction. Then Assurance with the coefficient beta of .197, Reliability with .164, Responsiveness with .161, and Tangibles with .070 has effect on customer satisfaction in order. As compared to all the independent variables, Tangibles has the least degree of importance in affecting customer satisfaction with a

beta coefficient of .070. It is statistically insignificant. Therefore the variable is removed from the model.

Multicollinearity

Multicollinearity occurs when there are high correlations between two or more predictor variables (Glen, 2015). It is a state of very high inter-correlations or inter-associations among the independent variables. The two collinearity diagnostic factors that can help to identify multicollinearity are Tolerance and Variance Inflation Factor (VIF). Collinearity describes the situation where two or more predictor variables in a statistical model are linearly related (Alin, 2010). The acceptable ranges for VIF is 1 – 10 (Myers, 1990), while for tolerance the acceptable level is greater than 0.2 (Menard, 1995). Both are factors used to measure the discrepancy between a model and the actual data. Therefore the Table shows that both figures in VIF and Tolerance are within the acceptable ranges, depicting that the data leads to reliable outcomes.

Fitness of the Model

The inferences drawn from any statistical analysis should be ascertained that the model is fit. Because inferences drawn on poorly fitting models may be badly misleading. The Goodness of Fit (GOF) of a statistical model describes how well it fits into a set of observations. GOF indices summarize the discrepancy between the observed values and the values expected under a statistical model (Maydeu-Olivares & Garcia-Ferero, 2010).

Table 3: ANOVA

	<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	75.167	5	15.033	63.870	.000 ^b
	Residual	88.972	378	.235		
	Total	164.140	383			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Empathy, Responsiveness, Tangibility, Reliability, Assurance

ANOVA tells the overall GOF of the model. Typically, if “Sig.” is greater than .05, we conclude that our model could

not fit the data, if Sig. < .01, then the model is significant at 99%, if Sig. < .05, then the model is significant at 95%, and if Sig. < 0.1, the model is significant at 90%. Significance implies that we can accept the model. If Sig is > 0.1 then the model is not significant (Frost, 2020). Therefore by looking at service quality predictors (Empathy, Responsiveness, Tangibility, Reliability, and Assurance) against the dependent variable (customer satisfaction), the model as a whole is significant (sig. <0.001) indicating 99% confidence in the ability of the model to explain the dependent variable.

Hypotheses Testing

The hypotheses formulated for the study were based on the relationship of independent and dependent variables. Accordingly the hypothesis states that service quality dimensions have significant relationship with customer satisfaction. The hypothesis is tested by using the level of significance and p-value, the probability value which is found from the SPSS statistical analysis. The significance level is already established at .05.

Table 4: Summary of Hypothesis Test Results

<i>No</i>	<i>Proposed Hypothesis</i>	<i>Sig.</i>	<i>Result</i>
H ₁	Tangibility has significant and positive effect on customer satisfaction	.107	Not Accepted
H ₂	Reliability has significant and positive effect on customer satisfaction	.001	Accepted
H ₃	Responsiveness has significant and positive effect on customer satisfaction	.000	Accepted
H ₄	Assurance has significant and positive effect on customer satisfaction	.000	Accepted
H ₅	Empathy has significant and positive effect on customer satisfaction	.000	Accepted

According to Table 4, the beta coefficients of service quality dimensions have a significant and positive effect on customer satisfaction at the Express Mail Service Ethiopia except tangibles. Hence, the independent variables have a significant and positive influence on the dependent variable (customer satisfaction), proving that the hypotheses formulated are accepted except the first one for tangibles. The above findings are in line with the extant literature such as Mihn et al. (2015), Gobena (2019) and Afroz (2019).

Tangibles didn't have significant and positive effect on customer satisfaction as it was claimed in the hypothesis because the physical facilities of the firm studied were not attractive based on the observation of the researchers during the data collection process and as customers of the EMS Ethiopia. In addition, the compound itself was so crowded with very busy, dusty and non-appealing parking area. It was really hard to get in, park, get served and leave the organization. Hence, EMS Ethiopia should work hard in improving this limitation so that customer satisfaction will be maintained.

Managerial Implications and Direction for Future Research

The Ethiopian Postal Enterprise through EMS Ethiopia is currently discharging its international duty of cooperation through the establishment of the firm and is also engaged in a business activity that have of a paramount importance. The courier business is one of the most competitive business sectors that attract many international companies. Therefore working on improving the services to meeting the expectations of its customers is a matter of survival. Maximum effort should be exerted in improving the tangibles dimension of service quality by improving the physical facilities, its branding and parking facilities.

Future studies shall consider the limitations in this study and broaden the scope in many ways. Firstly, respondents from the regions (in branch offices) should be incorporated and future research may observe that as well. As the experience of different firms may reveal different results, incorporating other courier companies such as DHL and others may also be another area of research. Conducting similar studies in other sectors is also recommended for future studies. Incorporating mediating and moderating variables in the existing conceptual framework is the final area of research recommended for future researchers.

Limitations and Directions for Future Research

The study fully focused on the main post office where the service is provided. There is a long counter which is divided in to two; the Express mail and the regular postal services. Accordingly customers submit their documents and packages for dispatch after filling out

the necessary sender/receiver information card. As to the methodological scope, a quantitative approach was used for the study. So, customers who got the service were asked to complete the questionnaire based on their consent. Corporate customers were not addressed in the research; only individual customers were used for the study. This study would have been more comprehensive if comparative studies have been conducted by including other couriers in the city to compare the price, speed, and logistical facilities. But due to time factor and the Covid effect the study focused on EMS Ethiopia only. This is yet another subject to deal in the future either by using in-house or outside researchers as the issue is important to strengthen the client base.

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