



# THE INFLUENCE OF SERVICE QUALITY ON CUSTOMERS' SATISFACTION IN PORTHARCOURT PORT

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## Abstract

This study assessed the influence of service quality on customers' satisfaction with particular emphasis on Port Harcourt port. SERVQUAL scale was used for this study and the study objectives were to determine how reliability influences customer satisfaction in Port Harcourt port, to evaluate how responsiveness influences customer satisfaction in Port Harcourt port, to analyze how assurance influences customer satisfaction in Port Harcourt Port, to examine how empathy influences customer satisfaction in Port Harcourt Port and to ascertain how tangibility influences customer satisfaction in Port Harcourt Port. The study adopted survey research method. Structured questionnaire and interview were used to collect data for this study which was carried out in Port Harcourt port south-south Nigeria. The study population comprise a total of 260 Port Harcourt port users. The hypotheses tests gave rise to the following findings: Reliability, Empathy and Tangibility significantly influences Customer Satisfaction in Port Harcourt Port while Assurance and Responsiveness does not significantly influence customer satisfaction in Port Harcourt Port. The study concludes that high concentration should be given on Tangibility, Empathy and Reliability dimensions of Port Harcourt Port. The study recommends, improvement of physical facilities, equipment, communication materials and technology for tangibility dimensions. Increase on individualized services for empathy and finally services should be delivered dependably, efficiently and timely for optimal service quality on customer satisfaction in Port Harcourt Port.

Keywords: Service quality; SERVQUAL Scale; Port Harcourt Port; customers' satisfaction.

## Introduction

To exceed the expectations of the port users in a competitive environment, service quality criteria are used as a competitive advantage weapon. As a result, customer preference for terminals and ports is increasingly influenced by service quality. (Ha, 2003). Service quality, the term service quality is an association of two different words 'service' and 'quality'. Any activity or benefit that one party can provide to another that is essentially intangible and does not result in ownership of anything is referred to as service (Kotler et al., 2006). Quality has come to be recognized as a strategic tool for attaining operational efficiency and better performance of business. Kotler and Armstrong (2006) defined service quality as the ability of a service firm to hang on to its customers. That is customer retention is the best measure of service quality. Parasuraman et al., (1985) defined Service Quality as the provision of outstanding or superior service in comparison to client expectations. They conducted extensive research into service quality and identified criteria in its evaluation popularly known as SERVQUAL dimensions which includes; Reliability, Responsiveness, Assurance, Empathy and Tangibility.

Customer satisfaction is considered to be the most important factor whether it is meant for product or service. If the company fails to satisfy its clients, it will be replaced by others. It is paramount that industries offering various services have to be more vigilant because there is a special attitude that plays an important role attracting and retaining the customers. (Khurshid, 2012). Hence customer satisfaction entails the full meeting of customer expectation of the product or service.

According to Nigeria Maritime Administration Safety Agency (NIMASA), Port Harcourt port was conceptualized because of coal discovery in Enugu. In 1913 Port Harcourt was opened to shipping by Governor General Lord Lugard along with its Lagos counterpart Apapa port. During the civil war era 1967-1970, the security of Port Harcourt port came into sharp focus leading to its closure to foreign traffic. Lagos thus became the only available port servicing the nation maritime transportation needs. The federal government began an effort to improve port efficiency in 2003, and the landlord port model was implemented for all Nigerian ports. Presently Port Terminal Operators LTD and BUA Ports and Terminal are the caretakers of Port Harcourt Port under Build, operate and transfer (BOT) concession model (NPA, 2019).

Despite the global concern about and awareness of port service quality, the SERVQUAL scale has been rarely mentioned in the maritime sector and only a few studies examines it in commercial shipping sector like "Service Quality Measurements in Ports of a Developing Country by Ugboma, Calistus and Innocent (2006)" and "Port Service Quality Study of Nigeria Sea Port by Onyemechi, Azubuike, Igboanuse and Abiodun (2017)". Presently No research has been done on Influence of service quality on customer satisfaction in Port Harcourt port.

These studies suggest that there is a positive relationship between service quality and the satisfaction of customers (Ahmed 2010). Offering quality product and services is said to be the key factor in satisfying customers and it has a positive effect on the repurchase intentions of customers in the future (Ahmed 2010). The days of a customer adopting one product or service for life are long gone. Customers are often swayed by advertising and better deals due to ease of

access and global competitiveness. (Lucas, 2005). Same is now in Nigeria port system. With the current competition in today's port environment service quality has become inevitable factor for port success as it determines the retention and further growth of customer base (Ugboma et al., 2004). Hence no port can function in isolation. Therefore, in the maritime industry especially seaport, service quality will determine the size of fleet owners and ship agents controlled by an operator which will resultantly determine the market share and profit (Onyemechi, Azubuiké, Igboanuse and Abiodun (2017).

## Objectives

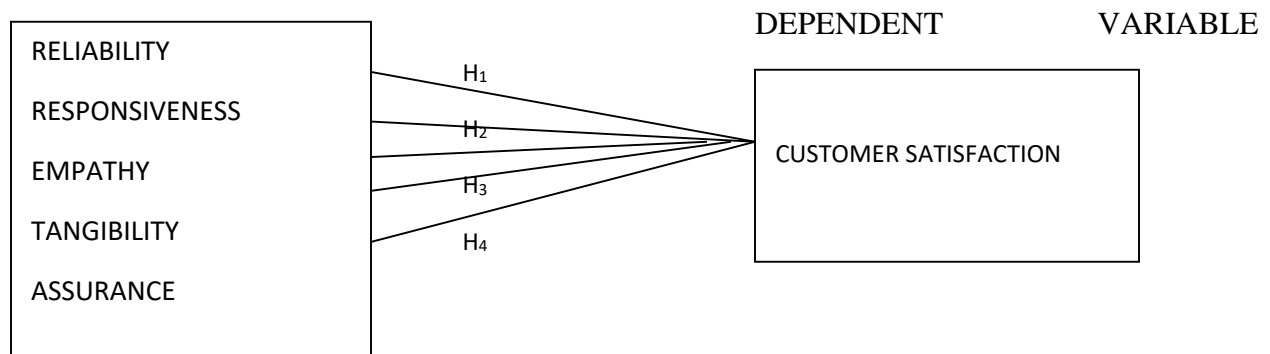
The main objective of the study is to evaluate the influence of service quality on customers' satisfaction in Port Harcourt port.

In order to achieve the main objective, the following specific objectives are postulated.

1. To determine how reliability influences customers' satisfaction in Port Harcourt port.
2. To evaluate how responsiveness influences customers' satisfaction in Port Harcourt port.
3. To analyze how assurance influences customers' satisfaction in Port Harcourt port.
4. To examine how empathy influences customers' satisfaction in Port Harcourt port.
5. To ascertain how tangibility influences customers' satisfaction in Port Harcourt port.

INDEPENDENT VARIABLE

SERVICE QUALITY



**Figure 1: SERVQUAL Model**

Source: Modified from Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). Servqual: Measuring Consumer Perceptions of service quality using Multiple-Item Scale *Journal of Retailing*, 64(1), 12-40.

## Summary of the Literature Review

The review showed the relevance of service quality in the Maritime Industry. There is a consensus among scholars that services rendered should be geared towards exceeding customers' expectations.

In today Maritime industry ports no longer operate in isolation because of the fierce and high competition in port selection. The measurement of service quality of ports has become essential to determine their positions in meeting port users' requirements and market share.

The study reviewed the influence of service quality on customer satisfaction in Port Harcourt port and it found that there is a steady decline of vessels that call to Port Harcourt port showing a consequential decline in customer retention as a measure of customer satisfaction which a high percentage attributed to decline in service quality of Port Harcourt port. The study also showed the relationship between customer satisfactions as a process with port performance indicators.

According to Lucas 2005 days of a customer adopting one product or service for life are gone with ease access and global competitiveness, customers are often swayed by advertising and better deal. Ugboma et al; 2004 proved this trend that same is now in Nigeria Port System; With the current competition in today's port environment service quality has become inevitable factor for Port success as it determines the retention and further growth of customer base hence no Port can function in isolation. Onyemechi et al; 2007 buttressed this trend stating that service quality will determine the size of fleet owners and ship agents controlled by an operator which will resultantly determine the market share and profit especially in the Seaport. The study is focused on the gap between present (perceived) service quality and expected service quality on customer satisfaction in Port Harcourt Port.

The study reviewed some theories such as Gap theory of service Quality and extended Gap model. It concluded that the study has a relationship with these theories for instance, Gap theory of service quality is evaluated and measured based on the difference between expectation and service performance using ten (10) dimensions which was refined to extended Gap model of five (5) dimensions; reliability, responsiveness, assurance, tangibility and empathy which this study is anchored on.

Based on the review therefore, it was found that on all the studies it was difficult to lay hands on any work involving the influence of service quality on customers' satisfaction in Port Harcourt port, hence the need for the present study.

## Material and Method

The instrument to be used for data collection for the study is questionnaire structured into sections the questionnaire will be distributed to a sample population of the customers and port users of Port Harcourt port in south – south geopolitical zone under the study.

The statistical package for social sciences (SPSS) version 20 was used to analyze the data. The descriptive statistics, which includes percentages, frequencies, mean and standard deviation was used to answer research questions while hypotheses were tested using linear Regression.

## Presentation of Results and Discussion of Findings

Regression Analysis showing the Effects of Tangibility, Reliability, Responsiveness, Assurance, and Empathy on Customer Satisfaction

### *Variables Entered/Removed<sup>a</sup>*

Model	Variables Entered	Variables	
		Removed	Method
1	Empathy, Assurance, Tangibility, Responsiveness, Reliability <sup>b</sup>		. Enter

a. Dependent Variable: Customer Satisfaction

b. All requested variables entered.

### *Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.962 <sup>a</sup>	.926	.924	.22466

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

### *ANOVA<sup>a</sup>*

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	159.617	5	31.923	632.482	.000 <sup>b</sup>
	Residual	12.820	254	.050		
	Total	172.438	259			

a. Dependent Variable: Customer Satisfaction

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

### *Coefficients<sup>a</sup>*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.062	.074		.837	.403
	Tangibility	.077	.038	.073	2.034	.043
	Reliability	.131	.046	.123	2.827	.005
	Responsiveness	-.033	.043	-.029	-.783	.434
	Assurance	.007	.038	.007	.193	.847
	Empathy	.807	.033	.814	24.305	.000

a. Dependent Variable: Customer Satisfaction

## **Discussion of Findings**

Discussion in this study followed the hypotheses raised and tested which are presented below.

### **Hypothesis One: Reliability does not significantly influence customers' satisfaction in Port Harcourt Port.**

The first hypotheses which states that reliability does not significantly influence customers' satisfaction was not supported. This implies that reliability significantly influence customers' satisfaction in Port Harcourt Port. This finding agrees with earlier finding. Onyemehi, Azubuiké, Igboanusi and Abiodun (2019) reported that reliability influences customers' satisfaction in Port Harcourt Port. Port Harcourt Port capabilities to perform promised services dependably and accurately will significantly influence customers' satisfaction these includes ease of doing business, speed of doing business, procedures/ policies consistency, attitude towards complaints and keeping customers informed on time.

### **Hypotheses Two: Responsiveness does not significantly influence customers' satisfaction in Port Harcourt Port.**

The second hypotheses which states that responsiveness does not significantly influence customers, satisfaction in Port Harcourt Port was supported. This implies that responsiveness does not significantly influence customer satisfaction in Port Harcourt Port. This finding disagrees with earlier finding. Onyemehi, Azubuiké, Igboanusi and Abiodun (2019) reported that Responsiveness influences customer satisfaction in Port Harcourt Port.

### **Hypotheses Three: Empathy does not significantly influence customers' satisfaction in Port Harcourt Port.**

The Third hypotheses which states that empathy does not significantly influence customers' satisfaction in Port Harcourt Port was not supported. This implies that empathy significantly influence customers' satisfaction in Port Harcourt Port. According to Ugbomma, Calistus and Innocent (2006) the rating of Port Harcourt port Empathy dimension is relatively low which calls for a higher focus for individualized services rendered at Port Harcourt port. This finding agrees with earlier finding. Onyemehi, Azubuiké, Igboanusi and Abiodun (2019) reported that empathy influences customer satisfaction in Portharcourt Port. Empathy dimension calls for a serious attention to be given to different needs of the customers. Special and additional optimal services should be offered from containerized cargo, liquid cargo, refrigerated cargo, bulk cargo etc. Invariably increases customers' satisfaction, retention and referrals.

### **Hypothesis Four: Assurance does not significantly influence customers' satisfaction in Port Harcourt Port.**

The fourth hypotheses which states that assurance does not significantly influence customers' satisfaction was supported. This implies that assurance does not significantly influence

customers' satisfaction in Port Harcourt Port. This finding disagrees with earlier finding. Onyemechi, Azubuike, Igboanusi and Abiodun (2019) reported that assurance influences customers' satisfaction in Port Harcourt Port.

### **Hypothesis Five: Tangibility does not significantly influence customers' satisfaction in Port Harcourt Port.**

The fourth hypotheses which states that tangibility does not significantly influence customers' satisfaction was not supported. This implies that tangibility significantly influences customers' satisfaction in Port Harcourt Port. This finding agrees with earlier finding. Onyemechi, Azubuike, Igboanusi and Abiodun (2019) reported that tangibility influences customers' satisfaction in Port Harcourt Port. Provision of Equipment like Port crane, Automated Guided Vehicles, Automated transfer crane, Gantry Cranes and other state of the art technology. Provision and automation of Trailer park, expansion of Port Harcourt Port access road, consistent dredging of Port Harcourt Port and Revitalization of Railway linkages domicile in Port Harcourt Port which has capability to move cargo to different parts of Nigeria will revolutionize Port Harcourt Port.

### **Conclusion**

In line with the findings of this study the following conclusion are drawn.

1. Physical facilities, equipment, communication materials and technology should be a major focus to ensure that the tangibility dimensions for Port Harcourt is excellent.
2. Port terminal operators of Port Harcourt port need to know and understand their customers individually this will aid to render better individualized varieties of services to consistently exceed the empathy dimensions of Port Harcourt Port.
3. Promises on service delivery, provisions, problem resolution, ease of doing business and pricing should be excellent, consistent and reliable with the goal of exceeding customers' satisfaction.

### **Recommendations**

Following the findings and conclusion of this study the following recommendations are made.

1. The following are recommendations for Tangibility dimension
  - a. State of the art equipment like Port Crane, Automated guided Vehicles, Automated Transfer cranes, Gantry Cranes and other machines should be provided, optimally used and maintained to increase speed and efficient cargo movement.
  - b. Expansion of Port Harcourt Port road network to reduce traffic, delays and congestion.
  - c. Provision / expansion of storage yards capable to store different commodities.

d. Dredging scheduling of Port Harcourt Port a necessity to ensure safe and easy navigation with better anchorage/berthing of all types of vessels.

e. Revitalization of Port Harcourt Port Railway Linkages capable to move cargo to all parts of Nigeria.

f. Provision and digitalization of Trailer/ Customer Park will curb traffic, congestion and delays. It will increase ease and speed of business and cargo movement.

2. The following are recommendations for Reliability dimension.

a. Reduction of charges for Port operations will aid encourage, attract and retain customers in Port Harcourt Port.

b. Scraping or joining of agencies that are involved in cargo import or export will aid increase ease and speed of doing business.

c. Cargo movement policies/ procedures should be consistent and changes properly and timely communicated to increase ease of doing business.

3. The following are recommendations for Empathy dimension

a. A comprehensive and consistently updated database of all customers is a necessity to reduce customer barriers in communication, understanding personal preferences, information disseminations and feedback. Invariably a customer service centric drive will increase a better understanding of customer individualized preferences.

b. A one stop shop for business with a shift from Port to Port delivery to Door to Door delivery should be a target with a vision to exceed customers' expectations creating such services or outsourcing, tailored for each customer.

c. A comprehensive database of customers will create a real-time situation report of cargo which customers can use to track their cargo.



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