

SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITY OF MANAGEMENT AND TECHNOLOGY



CUSTOMER SATISFACTION ANALYSIS OF METRO
BUS SERVICE

MS THESIS

BY

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1. Introduction

Does it look justified if a developing country that has a national debt reaching around US\$200 billion and whose 50% of population is living under the line of poverty decides to launch a rapid transit system with a project cost of about \$300 million while one third of running cost is met by taking subsidy from the government?

Rapid transport system, operating on dedicated rail or road tracks (called Bus Rapid Transport system or BRT in case of roads), is a common phenomenon in large cities of developed countries that can afford heavy investment for such service and who have already provided basic facilities to the citizens. Starting such project in developing country raises a very legitimate concern on the justification of the expense. The situation initiates some thought provocation by raising questions like, “has this heavy investment been initiated to meet the requirements of public (the customers)” and “does it deliver satisfaction to them?” This research hence aims at exploring if the newly operative Metro Bus Service (will be referred in this study as MBS) launched at a cost of about Rs30 billion for a 27 kilometer route in Lahore Pakistan

Abstract

Metro Bus System (MBS) is operative in Lahore, Pakistan for last few months; it is a project that has a heavy financial liability on a developing nation while its justification is based on its claim of meeting the customers' (passengers) requirement. This thesis aimed to find if MBS meets customer expectations and deliver them satisfaction especially in contrast with the other Public Bus Service (PBS) operating in the city.

SERVQUAL was used through survey technique by means of its 22 variables and five constructs to find customers' expectations about a good bus service and their perception about the actual level of service delivered by both types of bus services. With the help of descriptive statistics and *t* test, it was found that customers are satisfied with MBS and their level of satisfaction is also higher than PBS since results showed that customers are not satisfied with PBS. The mean value of satisfaction from MBS is 0.44 and for PBS is - 0.16 (dissatisfaction as indicated by negative number), hence an overall advantage of MBS is 0.60; all the differences are statistically significant.

The main satisfying factor for MBS are safety, promptness and in time service, while the dissatisfaction was for convenient operating hours and personalized attention. The major contributors of customer dissatisfaction in PBS were delays and lack of promptness. MBS as per survey results is delivering satisfaction to customers and meeting their expectations but it has to maintain the current practices in long run and may focus on increasing its operating hours to further increase the satisfaction. PBS would require improving on delays and promptness of their service if they intend to increase the satisfaction.

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Declaration

I certify that this thesis contains my original work submitted in fulfillment of the requirement of the degree of MS Management submitted to the Center for Graduate Research (CGR), School of Business & Economics, University for Management & Technology, Lahore, Pakistan. It consists of no material which has been accepted for the award of any other degree in my name, in any university, to the best of my knowledge and belief, and contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name, for any other degree in any university.

Dedication

I dedicate this thesis to my family Sohela (my wife), Adham (my son) and Ameena (my daughter) who were with me in all my work and who shared part of their time with this thesis.