Service Quality Delivery and Performance of Selected Matatu Saccos Within Nairobi County, Kenya

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ABSTRACT

Public transport system across the world contribute significantly to the Gross Domestic Product of a country because they facilitate movement within major cities and across the country. In Nairobi County, public service vehicles popularly known as Matatus are most common means of transport. However, most of these public service vehicles performances are poor forcing majority of the owners to sell them. Majority of the Matatu owners have complained about the decline in the income generated by the business, many of them unable to repay the outstanding loans in the banks. The studies reviewed presented a contextual and conceptual relating to quality service provision in transport sector. Therefore, this research explored the nature of quality service delivery and its effect on performance of selected Matatu SACCos within Nairobi County. The specific study objectives were to determine the effect of reliability, service assurance, state of tangibles and responsiveness on performance of selected Matatu SACCOS within Nairobi County. The study was guided by the resource based theory. This research used descriptive research design. The study target population was 420 matatu that were selected randomly out of the 4 selected SACCOS. Systematic random sampling was applied to arrive at 84 respondents. Questionnaires were used to collect data from the respondents. Data collected was analysed mainly through descriptive analysis, correlation analysis and regression analysis. Tables and graphs were used to present data. The findings indicated that the public service vehicle market share has improved in the recent past and moderately improved net income. The results also indicated that the drivers and their assistants do not meet customer’s expectations more often. The results indicated that there are no journey interruptions during their working hours and that matatus are easily accessible by the passengers. The results of the study indicated that Matatu are not a safe mode of transportation, client’s luggage is not safe in transit and that majority of PSV staff are not qualified and professional in their work. The results showed that Matatu and bus stage are not visually appealing to the customers and that majority of PSVs have not adopted a modern technology (Wi-Fi, CCTV, metal detectors). The study concluded that reliability, responsiveness, assurance, tangible and empathy were positively and significantly correlated performance of PSV. The study recommends routine check-ups on the tidiness, cleanliness and the compliance level by the management of the SACCOS. The study recommends that there should be a proper management of the Matatu SACCOS by ensuring that there are managers in each route to overcome the challenges of tangibility, empathy and responsiveness.
INTRODUCTION

Background of the Study

In today’s highly competitive environment many industries are aiming to gain a share of the global market and to take advantage of higher performance and reduced costs of operations. A key determinant of performance nowadays is the role of quality service in ensuring the customer satisfaction (Surak & Cawley, 2006). Many approaches to service quality management have been suggested to improve the efficiency and competitiveness of business. Increasing demand for better quality by customers have caused more and more transport SACCOs to realize that they will have to provide high quality products or services in order to successfully compete in the marketplace.

According to Weisbrod and Reno (2009) transport sector is one of the major sectors that is vital to the economic development and growth of companies in Europe. The Kenyan transport sector contributes between 5 to 15% of the GDP of the country. However, the impact of the transport sector is not limited to the economic growth of the country but is of great importance that the sector provides the society with adequate, effective and efficient services (Alistri, Rutherford & Tarr, 2009). The inception of matatus can be traced back to the 1960s because of the role they played in the public transport system in the city of Nairobi. Pick-up trucks were the first batch of shared taxis among Kenyans because of their resilience to overcome rough terrains and challenges that were associated with the lack of roads in the rural and urban areas. The industry would see significant growth in the 1980s and 1990s as individuals embraced the Matatu culture that enabled them to connect with their neighborhoods. Musicians started to feature matatus in their music videos later in the early 2000s, pitching the competition among the buses, a notch higher (Anthony, 2017).

In Nigeria, for long term survival of the matatus, the management of the transport SACCOs have more than ever before paid attention to the needs and wants of the customer so as to address the increase in complaints from commuters in regards to careless driving, loud music, fare hikes, route change and harassment from crews. The performance of matatus purely relies on the number of trips the crew makes in a day. Most of the vehicle have an average of 9 trips per day with the revenue collected used to cater daily expenses and the remaining sent to owner, shared among matatu crew and a specific amount remitted to the SACCO (Aduwo 2010). Even though the daily trip target is more than possible, it is usually not the case.

Until the 2000s, matatus in East Africa were operating on a free fall without facing many restrictions regarding their service delivery and operations. The NTSA estimates road accidents in the country to claim up to 3,000 lives annually where 80 percent of the reported deaths occur on the road and are caused by PSVs. However, in 2004, the Michuki Rules (named after Minister of Transport and Communication, John Michuki) came into effect (Manyara, 2016). Matatu operators were required to maintain their public taxis in a standard condition while passengers were expected to wear their safety belts while on transit. In addition, the laws needed matatus to operate in designated routes, a move that prompted the establishment of SACCOs to effect and oversee the implementation of the rules. From this observation, the minister succeeded in his attempt to restore
sanity on the Kenyan roads after a long duration that claimed lives and led to the rise of criminal activities in the country (Muiurugi, 2012).

**Quality Service Delivery**

Services are intangible products unlike goods they are perishable, and therefore they are produced and consumed at the same time. They got a unique aspect of inseparability from the producer. The presence of element of human in the system of delivering services increases the chances of error in the delivery of service to the customer. This error is due to unique nature of the service which cannot be easily administered and monitored (Bowen, 2006). Quality of service entails the contributions of the service provider in consideration of the perception of the consumer of the service. Organizational success relies heavily on service or product quality. To improve and maintain on the quality, the organization has to put in place various practices such as organizational culture, quality assurance, procedural adherence, continuous improvement and measurement of key performance indicators. (Quality management systems, 2000).

According to ISO 9001, customer focus is described as an organization ability to identifying customer expectations, providing the resources to meet customers’ expectations, setting key performance indicators and measuring customer satisfaction. By identifying the consumer needs, an organization is able to come up with more competitive strategies that enable them to survive in the market place (Ukens, 2007). Some of the customer focus strategies businesses in the transportation sector use are; greeting clients by name so as to feel warm and welcome, training staff to be proactive in offering extra help and being knowledgeable on the operations, welcoming feedback on service, ensuring safety, keeping time and building relationships (Ritz-Carlton, 2015). All these are customized strategies help to not only retain existing clients but also attract more.

**Organizational Performance**

Organization performance may be measured using indicators of such as return on assets, profit margins, customer satisfaction, asset growth, performance of product and return on invested assets. The role that companies play beside the shareholder’s wealth maximization is very vital to the economic, social and political development. The economist describes the success of the company through meeting the social and economic development as the main mover of the country’s success (Nooteboom, 2009). Organization is said to be performing if it satisfies its customer, market share is increasing and there is profitability increase.

It is therefore vital for companies to move towards continuous improvement of their productivity for the progress and sustainable growth. Performance of organization is a term commonly used differently in many researches. Georgopoulos and Tannenbaum (2007) observed that in 1950s performance of the organization was seen as a communal entity and would carry out their functions guided by communal requirements among other requirements. Organizations viewed performance differently in 1960s and 1970s as it embarked on reexamination of their tasks towards performance. Scholars shifted the interpretation to refer to the ability of the organization to be
profitable through limited investment (Vonortas, 2007). Begemann (2003) argued that organization performance fragility is a major contributor to the transport Saccos collapse around the globe. For institution to survive they need improved return on assets on a continuous basis. The performance in the current study was measured by profitability, asset growth and customer satisfaction.

**Matatus Saccos in Nairobi County**

Matatus in Kenya play an important role on daily basis. They account for 80% of the total public transport in the country (SASRA Report, 2012). To bring sanity to Matatu industry, the government directed that all buses and Matatus involved in transport industry join SACCO’s (legal notice 23rd December 2010) or a transport company. The rule requires that the corporate body licensed to operate as a PSV must own a minimum of 30 serviceable vehicles. These SACCOs were expected to play a vital role in growth of the transport industry and some have now become respected brands in the sector. They have also been pioneers in changing the image of public transport, which was dominated by rogue drivers and tours without regard for traffic rules.

Matatu SACCOs operates in such a sector, experiencing both internal and external forces. This means that the Matatu SACCOs have to strategize, make themselves competitive as possible, while observing continuous customer satisfaction and profit maximization for survival and expansion purposes. It is also estimated to have an annual turnover of Ksh 73 billion. The sector has been undergoing re-organization in the past 10 to 15 years which saw among other things: the defacing of the 14-sitter matatus in most routes in the Country’s capital City, Nairobi; the introduction of the Transport Licensing Board (TLB) and the National Transport and Safety Authority which check compliance with regulatory requirements; and more recently the introduction of TV screens and Wi-Fi internet access in some of the Matatus.

**Statement of the Problem**

Matatu SACCOs have been identified as the backbone of secure and active transport systems in Nairobi County, there is a growing concern of safety among the customers. First, the rate of accidents taking place in the County is on the rise. According to NTSA, 22% of fatalities in 2017 were passengers in PSV. The accidents were majorly attributed to lack of safety belts and over speeding by drivers (NTSA Report, 2017). Over speeding is still a major cause of accident since most drivers knowingly break traffic rules and fail to comply to statutory requirements such as installing and maintaining speed governing gadget (Olemo, 2016). NTSA banned certain SACCOs from conducting night travels journeys because of their inability to meet the expectations outlined by the Ministry of Transport especially upcountry vehicles that travelled for long distances. Matatu Saccos have experienced drop in their customer satisfaction and growth in their profitability levels.

A research done by Msurvey in 2013 on contributors of service delivery in transport sector reports that 82% of Nairobi commuters describe matatus as unsafe mode of transportation. In regards to convenience, 7% regard matatu to suit their day to day needs. The lack of quality service by PSV has led to consumers opting for safer and more reliable means of transport such as taxis and boda bodas. The study presents a contextual gap and methodological since it concentrated on
contributors which are too broad and it failed to present the inferential analysis. Since performance of the PSV is majorly dependent on commuters, the SACCOS have to provide quality services meet that their expectations.

The increase in customer complaints has led to poor performance of Matatus as compared to earlier years. We have witnessed revocation of the Sacco licences for instance Embassava Sacco’s license after one of its registered buses killed passengers on Uchumi Lane along Jogoo Road. Interestingly, the consequence affected the activities of the entire fleet of vehicles hence no revenue for the particular period. Since most vehicles are purchased via loans, there has been an increase in the number of PSV being auctioned by financial institutions due to loan defaulter’s local banks has been on the rise (Muyia, 2011). As the cost of doing business for matatus continue to increase, PSV owners and Sacco management need to increase their revenue collection and one sure way of doing that is by retaining and attracting clients through customer satisfaction. There this study sought to investigate the effect quality service on performance of selected Matatu SACCOS in Nairobi County, Kenya.

**Objectives of the Study**

**Specific Objectives**

The general objective of this study was to investigate the service quality delivery and performance of selected Matatu SACCOS within Nairobi County, Kenya.

**Specific objectives**

i. To examine the effects of Reliability on performance of selected Matatu SACCOS in Nairobi County.

ii. To establish the effect of Assurance on performance of selected Matatu SACCOS in Nairobi County.

iii. To examine the effects of Tangibles on performance of selected Matatu SACCOS in Nairobi County.

iv. To examine the effect of Responsiveness on performance of selected Matatu SACCOS in Nairobi County.

**Research Questions**

i. What is the effect of Reliability on performance of selected Matatu SACCOS in Nairobi County?

ii. How does Assurance affect the performance of selected Matatu SACCOS in Nairobi County?

iii. How does Tangibles affect the performance of selected Matatu SACCOS in Nairobi County?

iv. What is the effect of Responsiveness on the performance of selected Matatu SACCOS in Nairobi County?
Significance of the Study

This study contributed knowledge to the public transportation sector. It gave in depth understanding of the current service delivery quality to the matatu SACCO management, vehicle owners and crews by establishing the relationship between RATER and Performance. The study enabled SACCOs identify the gaps in their service quality delivery and come up with better customer attraction and retention strategies in order to survive the competitive market place. The study helped NTSA to come up with better policies to ensure safety of commuters and pass the policies to the traffic police for implementation. The study also was of importance to Nairobi county government as it aided in management of SACCOs and urban planning.

From this study, investors were able to identify the challenges of matatu sector, the opportunities and customer preferences so as to invest wisely. Nairobi county government was able to propose several restrictions aimed at reducing congestion and easing traffic to facilitate the smooth movements of investors and business people from one point to the other.

Limitation of the Study

The study faced certain limitations. The findings of this study were only limited to the selected SACCOs and some of the respondents were found to be busy during the day. However, to curb this shortcoming, the study reached out to Sacco managers and drop the questionnaires and collected them after 7 working days. This gave them time to go through the questionnaire and filled the necessary details in full.

The study sought confidential data from the respondents and that majority were reluctant to fill in the questionnaire. The researcher assured them that the data was for education purposes and a copy of the findings will be submitted to them.

Organization of the Study

The content of the study chapters was as follows: The first chapter introduces the historical research background and presents the problem affecting individuals in their immediate environment. Notably, it outlines the research objectives, provides the significance of the study, scope, and elucidates the limitations that can affect the credibility of the research findings highlighted by this research work. On the other hand, Chapter two furnishes the reader with the literature review regarding the service quality delivery and performance of organizations in the business environment. Chapter three highlights the methods used to collect data. The chapter presents how data was collected, collecting tools, methods of analysis and ethics considered. Chapter four presents the analysis of the findings and interpretations. Chapter presents the summary, conclusions and recommendations of the study.

LITERATURE REVIEW
This section focuses on reviewing the scholar’s theoretical studies as well as the empirical findings related to service quality and organizational performance. The relationship between variables were presented in a conceptual framework.

**Theoretical Literature Review**

There are various theories of quality management as discussed below. This project focused on key theories related to the research topic.

**Deming Quality Management Theory**

William Deming developed Deming Quality Management Theory in 1950s. He is popularly referred to as the father of quality evolution. Dr Deming quality management theory (1950) theory has been used by organizations both small and big in order to maintain desired levels of quality. The theory advocated for continuous improvements of products and services offered by an organization. Continuous improvement enables an organization to keep up with the ever-changing taste and preferences of consumers, reduce operating costs and give an organization a competitive edge in the market place and generate more sales.

Deming formulated 14 steps to guide management in implementing total quality management. The fourteen points are consistency to improving product or service quality, adapting new ways of doing things, building on product quality from start, building long term relationships with suppliers, continuous improvement, training and retraining of staff, institute leadership, abolish fear from company, enhance team work between departments, eliminate quantity targets but encourage quality, remove barriers to pride of workmanship and top management support. The Deming theory was further simplified to a PDCA cycle than constituted planning, implementing, reviewing progress and acting based on reviews. Commitment to continuous improvement based on customer feedback benefits a company in the long run since it tailors its products and services to offer maximum customer satisfaction. From the RATER model, responsiveness calls for an organization to respond fast to issues or concerns raised by customer. By being responsive, an organization is able to continuously improve its services in order to deliver quality services to the customer. Deming theory guided the study in analysing the level of responsive of service being delivered by selected Matatu SACCOs and therefore the study supported the responsiveness variable.

**Attribute Theory**

Attribute theory was developed by Klaus in 1985. The proposition of the theory is that service delivery system determines the service quality and that management has considerable control over the input defining the attributes. The attribute theory assumes that service quality primarily focuses on service delivery system and it applies the product quality conceptualization to services. An attribute theory approach further assumes that management has substantial control over the input explaining these attributes.
Resource based theory

Resource Based Theory was proposed by Penrose in 1959. The theory proposes that even though the geographical location of an organization contributes to its ability to convince prospective consumers to embrace their products and services, a company should ensure that it has adequate resources to overcome challenges in the business environment. In this regard, entrepreneurship is based on the ability of organizations to meet the needs of their clients by developing a useful service delivery measure that corresponds to their expectations. Alvarez and Barney (2017) posit that companies should focus on expanding their internal resources as opposed to finding a suitable ground for operation in the external environment. Locally, SACCOs should focus on equipping their physical locations with resources that can handle a significant number of vehicles to attract prospective clients and correctly manage their business enterprises. Alvarez and Barney insist on the need for scholars to shed more light on the aspects that can affect the operations of entrepreneurs in a business context. The study supports the utilization of company’s resources in ensuring that there is quality service delivery. Therefore, the theory supported responsiveness and assurance variables.

SERQUAL aims to address five gaps in the service delivery process. Gap 1 highlights the difference between consumer expectations and management perceptions of consumer expectations. Gap 2 highlights the variation between management perceptions of consumer expectations and service quality specifications. Gap 3 identifies the difference between service quality specifications and the service actually delivered. Gap 4 identifies the variation between service delivery and what is communicated about the service to the consumer. Lastly, gap 5 identifies difference between consumer expectations and perceptions (Parasuraman, 1988). Thus, service quality can be conceptualized as a simple equation: \( SQ = P - E \) where; \( SQ \) is service quality \( P \) is the individual's perceptions of given service delivery, \( E \) is the individual's expectations of a given service delivery. An organization is said to be delivering quality service when its customer’s perception exceed expectation of delivered quality.
Assurance and Performance
Susan (2012) stresses that the main aim of public transportation customer service is to treat commuters in a manner that prompts them to be repeat clients and refer it to family and friends. The nature of human interaction between matatu crew and consumers is the core of customer service. Offering individualized service means commuters that require special attention are served just as well as the others. Old commuters, pregnant women and even the physically challenged all require personalized service that's unique to each group. Clients are loyal to brands and services that acknowledge their emotions and are willing to go the extra mile to make them comfortable. Even though most staff at point of hiring are not always equipped with empathy knowledge, it is a skill that can be taught for the overall benefit of the organization.

According to Githinji (2012), in the study on an investigation into the constraints affecting the growth and profitability of public transport business in Nairobi- A case of Langata/Rongai route, the study states that road transport is the leading sub-sector in the transport sector and it accounts for 2.9% of the gross domestic product (GDP). The study notes that public and private organizations, firms and companies require assurance, efficient and well-coordinated transport systems that are well managed and coordinated so as to enable them operate effectively. The study findings show that the nature of the infrastructure in and around Nairobi and the extent of the transport network. A well developed and managed infrastructure system greatly affects the growth and profitability of the public transport system.

Njiru (2012) did a study on the strategies used by Matatus in Nairobi to gain competitive advantage. Primary data and secondary data were collected using structured questionnaires and industry analysis reports. The study shows that although the matatu industry looks like a chaotic business in the country, it’s a lucrative industry which if attended to and issues raised addressed can generate enormous income and employment for the country. Thus, with proper management of the matatus using the individual PSVs SACCOs for each route, the matatus will overcome their competitive challenges that they experience in the environment that they operate in and thus gain competitive advantage and thus sustain its success in the market.

Tangibles and Performance
Almselati and Ladin (2014) in a journal on the attitudes and awareness of traffic safety among drivers in Tripoli-Libya Road notes that tangibles are one of the major challenges faced by most PSVs worldwide. The study findings reveal that age, gender of the drivers and tangibles in PSVs has a significant influence on the attitude and knowledge of traffic rules and their ability and willingness to comply by them. The study mentions that female drivers are more cautious in their driving, though many of the women lack enough information on the traffic rules when compared to the males.

A study by Nyarku & Agyemang (2017) examined the service quality and customer acceptability at Cape Coast Branch, South Africa. The study found that tangibles contributes positive to performance. Kyalo (2011) in the study on an analysis of factors affecting performance of the matatu enterprises' sector: a case study of selected routes in Nairobi noted that the public transport industry in Kenya is used by millions of people on a daily basis. Many people in Nairobi access
the Central Business District (CBD) daily to carry out their business either learning, working or running their business activities. The matatus are notorious for their poorly kept drivers and assistants—+, reckless driving, uncouth behavior and lack of professionalism by the matatu drivers and crew members. Some state that the matatu drivers are normally under a lot pressure by the owners of the matatu to make as much money as possible and thus in order to meet the daily target, they have to make as many round trips as possible to maximize profits for their operators and get a cut for themselves. This is because more round trips with more customers effectively translates to more money for the workers and the owners.

1.1.4 Summary of Literature and Research Gaps

Customer experience and satisfaction is critical in the public transport system because of its ability to influence the outcomes of events in the business environment. For example, in a route that is applied by young people, SACCOs are compelled to embrace flashy design and play urban music that corresponds to the expectations of individuals in the market. Over the years, the need to have a functional public transport system has been overtaken by events that are explained by the switch of consumer needs to focus on the experience. The empirical literature presents clear contextual, conceptual and geographical gaps since majority of the studies did not present the inferential statistics and the context of the study was not on RATER. The studies have indicated that over the years, consumers are now focusing on luxury and are willing to pay the top shilling to any SACCO that addresses this need. While other studies indicate that majority of transport Saccos in Nairobi are not keen with observing the needs of their consumers, SACCOs that have revamped their matatus with flashy designs and attractive bodies have succeeded and continue to dominate the transport industry in the county. It is clear that the studies reviewed presents a contradicting findings in relation to service quality delivery in transport Saccos.

Conceptual Framework

Conceptual Framework presents the interrelationship between independent and dependent variables. The independent variables were Reliability, assurance, tangibility and responsiveness while the dependent variable was the performance of selected transport Saccos. Figure 2.1 presents the interrelationship between variables.
Independent Variables

- **Reliability**
  - Accessibility
  - Arrival on time
  - Waiting time

- **Assurance**
  - Safety of commuters
  - Competence of staff
  - Security of luggage

- **Tangibles**
  - Attractiveness
  - Technology advancement
  - Number of vehicles
  - Appearance of staff

- **Responsiveness**
  - Attitude of staff
  - Need assessment
  - Responses to Complaints

Dependent Variable

- **Performance of SACCOs**
  - Customer satisfaction
  - Profit levels
  - Asset growth

**Figure 2.1 Conceptual Framework**

**Source:** Researcher (2018)

**RESEARCH METHODOLOGY**

This section explores the methodology used by the researcher; research design, population of the study, sampling design, data collection methods, validity and reliability of research instruments, data analysis methods and ethical considerations.

**Research Design**

A research design is a scientific systematic approach that is applied to undertake a study. Due to the nature of the research, the research design used was descriptive design (Ketchen & Bergh,
2007). Descriptive research design focuses on explaining why, how, when and whom (Ketchen & Bergh, 2007). It relies more on questionnaires to collect data. From the data collected, the researcher was able to identify a relationship between variables. Onyiuke (2011) defines descriptive research as one in which a group of people or items is studied and findings from the research considered to be a representative of the entire group. The findings from the selected Matatu SACCOs was assumed to be a representative of the Nairobi county Matatu SACCOs. Since the research is to determine how of customer service delivery affects performance of Matatu SACCOs. A dependent variable was predicted by the four major independent variables which were service reliability, assurance, tangibles and empathy of Matatu crew to commuters. Descriptive research design was justified because it portrayed an accurate profile of people, events and situations. People were observed in their natural set up without any manipulation of their environment.

**Target Population**

Population is a group of individuals that portray common characteristics that is well defined by a researcher (Mugenda & Mugenda, 2003). The target population was four transports SACCOs in Nairobi Kenya. The matatu Saccos were selected based on the number of the vehicles they had.

**Table 3.1 Target Population**

<table>
<thead>
<tr>
<th>SACCO</th>
<th>No. of vehicles owners per Sacco</th>
<th>Target population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lopha MP SACCO</td>
<td>87</td>
<td>174</td>
</tr>
<tr>
<td>Oromat SACCO</td>
<td>41</td>
<td>82</td>
</tr>
<tr>
<td>Rongao SACCO</td>
<td>33</td>
<td>66</td>
</tr>
<tr>
<td>KMO</td>
<td>59</td>
<td>118</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>221</strong></td>
<td><strong>442</strong></td>
</tr>
</tbody>
</table>

**Sampling Design**

Sampling is the process of selecting groups within the population of interest that by carrying out the proposed study, a trend or generalization can be identified (Welman, Kruger & Mitchell, 2005). According to Mugenda and Mugenda (2009) 10% of the target population is a good representation of the target population. The current study sampled 20% of the total population. Systematic random sampling was applied where the 2nd driver and assistant were selected to form the sample size. Sampling is necessary because using the whole population for the study is cumbersome due to the large amount of data handling that takes time as well as resources.
Table 3.2 Sample design

<table>
<thead>
<tr>
<th>SACCO</th>
<th>Target population</th>
<th>Sample ratio</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lopha MP SACCO</td>
<td>174</td>
<td>0.2</td>
<td>34</td>
</tr>
<tr>
<td>Oromat SACCO</td>
<td>82</td>
<td>0.2</td>
<td>16</td>
</tr>
<tr>
<td>Rongao SACCO</td>
<td>66</td>
<td>0.2</td>
<td>13</td>
</tr>
<tr>
<td>KMO</td>
<td>118</td>
<td>0.2</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>442</strong></td>
<td><strong>0.2</strong></td>
<td><strong>87</strong></td>
</tr>
</tbody>
</table>

Data Sources and Collection Instruments

Primary data was sought in this study. Questionnaire is a type of survey research that is made of a list of assumed questions on a particular subject of interest. It is used widely in data collection especially in qualitative research. Semi structured questionnaires were used. For this research, open and closed questionnaires were preferred because of its inexpensive nature and guarantees anonymity of the respondents. The questionnaire was administered on Matatu crews’ on quality service delivery and performance of selected Matatu SACCOS. Structured questionnaires were used to gather the crew rating on quality service delivery and how it affects performance of selected SACCOs. The questionnaire was divided into four categories based on the research questions. The Likert scale was of the form 1-2-3-4-5 each number representing strongly agree, agree, neutral, disagree, and strongly disagree respectively. A total of 87 questionnaires were issued and the feedback analyzed.

Data Collection Procedure

After the data collection, the researcher tested the accuracy of the data collected. For research to be credible, the data collection methods must be analyzed and reviewed for defaults that may affect the accuracy of the research findings. It should be noted that wrong research findings can mislead an institution or a country into a crisis that may affect its interactions with other concepts and ability to formulate viable solutions that can mitigate the challenges in the contemporary society. Questionnaire were dropped and picked after 7 days.

Data Analysis and Presentation

Correlation analysis, Regression statistics and Descriptive statistics were used to analyse quantitative data. They were generated with the help of SPSS version 21.0. Qualitative data was analyzed with the help of content analysis. A regression model was used to show the relationship between independent and dependent variables. Data was presented in graphs and tables. The model used was as follows;
Y = $\beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Whereby

Y = Performance of Transport Saccos

$X_1$ = Reliability

$X_2$ = Assurance

$X_3$ = Tangibility

$X_4$ = Responsiveness; $\beta_0$ = Constant,

$\beta_1 - \beta_4$ = Intercepts for the independent variables and $\varepsilon$ = Error term

Ethical issues

Ethical issues are defined as situations that require the researcher to choose between right and wrong especially when dealing with people. The research obtained authorization letters from Kenyatta University and NACOSTI as a supporting documents showing that the research was fully authorized. The researcher obtained informed consent to conduct research, confidentiality of the participants, avoiding deceptive practices and providing employees the right to withdraw from research. Before data collection, a research consent was obtained from SACCO officials, the participants were informed in good time of the proposed research, conducting the questionnaire at less productive times e.g. off-peak periods and not sharing the data with outsiders.

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

This chapter presents the research findings guided by the research specific objectives. It has three major sections which are demographic characteristic section, descriptive statistics section and inferential statistics section. The data presented in tables and figures was guided by the specific objectives. Percentages, frequency, mean and standard deviation was used in data interpretation.

Response Rate

The study targeted the Matatu SACCOs in Nairobi County, Kenya and the respondents were the drivers of the Matatus and their assistants. Questionnaire was used to collect data. The response rate as shown in figure 4.1 indicate that out of 87 questionnaires distributed to the respondents 76 were fully filled and collected by the researcher. This represented 87% response rate which according to Mugenda and Mugenda (2009) was an excellent response. The results were presented in the figure 4.1.
Demographic Characteristics
This section presents the respondents characteristics such as gender, age and education level. The subsection below presents the figures/tables and discussion and interpretations of the findings.

Gender of the Respondents
The respondents were requested to indicate their gender and their response was summarized in the figure 4.2. The findings in figure 4.2 indicated that majority (97%) of the drivers and assistants were men while the minority were women as evidenced by a smaller percentage of 3%. This indicates that kind of task performed requires the energy, flexibility and versatility found in men.
Source: Survey (2019)

Age of the Respondents
The study requested the respondents to indicate their age brackets. The response and interpretation were presented in the table 4.1.

Table: Age of the Respondents

<table>
<thead>
<tr>
<th>Age Brackets</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>17</td>
<td>22.37</td>
</tr>
<tr>
<td>25-35</td>
<td>33</td>
<td>43.42</td>
</tr>
<tr>
<td>35-45</td>
<td>12</td>
<td>15.79</td>
</tr>
<tr>
<td>45-55</td>
<td>11</td>
<td>14.47</td>
</tr>
<tr>
<td>55 and above</td>
<td>3</td>
<td>3.95</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>76</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Survey (2019)

Table 4.1 findings indicate that majority of the respondents had an age bracket of 25-33 years as evidenced by 43.42%. 22.37% of the respondents had between 18 and 25 years of age. 15.79% of the respondents had 35 to 45 years of age. 14.47% had between 45 and 55 years of age. The minority (3.95%) of the respondents had above 55 years of age. The results indicate that majority of the SACCO drivers and assistants were young and energetic youth of 35 years or below.

SACCO Name
The researcher requested the respondents to indicate the name of the Sacco they operate under. The responses were summarized in the table below

Table: SACCO Name

<table>
<thead>
<tr>
<th>SACCO Name</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lopha</td>
<td>27</td>
<td>35.5</td>
<td>35.5</td>
<td>35.5</td>
</tr>
<tr>
<td>Rongao</td>
<td>14</td>
<td>18.4</td>
<td>18.4</td>
<td>53.9</td>
</tr>
<tr>
<td>Oromat</td>
<td>21</td>
<td>27.6</td>
<td>27.6</td>
<td>81.6</td>
</tr>
<tr>
<td>Kangemi</td>
<td>14</td>
<td>18.4</td>
<td>18.4</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>76</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey (2019)

Table 4.2 presents data on the names of the Matatu SACCOs targeted in the study and the number of respondents from each SACCO. The table indicate that majority of the respondents (35.5 per cent)
were from Lopha Sacco, 27.6 per cent were from Oromat, while Kangemi and Rongao Sacco had 18.4 per cent of the representation in the current study. This indicates that majority of the respondents were from Lopha Sacco which has got the highest population amongst the four Saccos considered.

Descriptive Statistics

The section presents the descriptive statistics on study variables. There are five subsections in this part. The sub-sections include; performance of PSV, reliability, assurance, tangibles and responsiveness sub-sections. Number of respondents, minimum, maximum, mean and standard deviation was used as the parameters to interpret data. Minimum represented the lowest response while maximum represented the highest response in the statement category. The mean indicated the average response rate, a high mean (value close to 5 indicates high level of agreement with the statement while a low mean (value close to 1) indicates high level of disagreement with the statement. Standard deviation indicates the level of variability of the response rate.

Performance of Public Service Vehicle

The respondents were requested to give their perceived view on the following performance indicators. The results were summarized in Table 4.3.

<table>
<thead>
<tr>
<th>Performance of Public Service Vehicle</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our market share has improved in the recent past</td>
<td>76</td>
<td>4.43</td>
<td>.772</td>
</tr>
<tr>
<td>We meet our customers’ expectations</td>
<td>76</td>
<td>2.07</td>
<td>.854</td>
</tr>
<tr>
<td>Our net income has improved in the recent past</td>
<td>76</td>
<td>3.25</td>
<td>1.168</td>
</tr>
<tr>
<td>Customers give positive remarks about our services</td>
<td>76</td>
<td>2.26</td>
<td>1.012</td>
</tr>
<tr>
<td>Average</td>
<td>76</td>
<td>3.00</td>
<td>0.9515</td>
</tr>
</tbody>
</table>

Source: Survey (2019)

The findings in table 4.2 shows that the public service vehicle market share has improved in the recent past as portrayed by a very high mean rate of 4.43 and a low standard deviation of 0.772. The respondents argued that they have moderately improved net income in the recent past as represented by a moderate mean of 3.25 and standard deviation of 1.168. The respondents disagreed that customers give positive remarks about their services and that majority of the customers complain as indicated by a low mean of 2.26 and a mean of 1.012. The drivers and their assistants do not meet customer’s expectations more often as depicted by a very low mean of 2.07 and a standard deviation of 0.854. This meant that public service vehicle market share has improved in the recent past despite drivers and their assistants not meeting customer’s expectations.
Service Tangibility

The researcher third objective sought to establish the effects of service tangibility on performance of public service vehicle in Nairobi County, Kenya. The findings were shown in the table 4.5

Table. Service Tangibility

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Matatu and bus stage are visually appealing</td>
<td>76</td>
<td>1</td>
<td>5</td>
<td>2.18</td>
<td>1.241</td>
</tr>
<tr>
<td>The psv have adopted modern technology (Wi-Fi, CCTV, metal detectors)</td>
<td>76</td>
<td>1</td>
<td>5</td>
<td>2.71</td>
<td>1.374</td>
</tr>
<tr>
<td>The SACCO has adequate number of vehicles</td>
<td>76</td>
<td>1</td>
<td>5</td>
<td>2.88</td>
<td>1.083</td>
</tr>
<tr>
<td>The Matatu staff are tidy and neat</td>
<td>76</td>
<td>1</td>
<td>5</td>
<td>2.05</td>
<td>1.018</td>
</tr>
<tr>
<td>Averages</td>
<td>76</td>
<td></td>
<td></td>
<td>2.455</td>
<td>1.179</td>
</tr>
</tbody>
</table>

Source: Survey (2019)

The study findings indicated that the studied SACCOs do not have adequate number of vehicles as evidenced by a mean of 2.88 and standard deviation of 1.083. It is clear from a mean of 2.71 and std. deviation of 1.374 that majority of the PSV have not adopted a modern technology (Wi-Fi, CCTV, metal detectors). The study findings in table 4.5 indicates that majority of the respondents disagreed (mean 2.18 and std, deviation 1.241) that the Matatu and bus stage are visually appealing to the customers. The study findings indicated that the studied SACCOs do not have adequate number of vehicles as evidenced by a mean of 2.88 and standard deviation of 1.083. It also clear that majority of the Matatu staff are not tidy and neat (Mean of 2.05, Standard deviation of 1.018). The study presents that the bus stage are visually not appealing and that the Matatu staff are not tidy and neat.

The findings concur with the reviewed study by Yahia, Ismail, Albrka, Almselati and Ladin (2014) on the attitudes and awareness of traffic safety among drivers in Tripoli-Libya Road. The study found that tangibles are one of the major challenges faced by most PSVs worldwide. The findings also agree with Kwamena Minta Nyarku, Lawrence Yaw Kusi, Douglas Opoku Agyemang (2017) study on the examination of the service quality and customer acceptability at Cape Coast Branch, South Africa. The study found that tangibles contributes positive to customer’s satisfaction. Kyalo (2011) study also concurs with the current study findings that the Matatus are notorious for their poor safety records, reckless driving, uncouth behavior and lack of professionalism by the matatu drivers and crew members.

Inferential Analysis

Correlations
The study sought to determine whether there exists any correlation between variables. Pearson Correlation method was used. The results were presented in Table 4.8.

**Table 4.8 Correlation Co-efficient**

<table>
<thead>
<tr>
<th>Performance_of_PS V</th>
<th>Performance_of_PS V</th>
<th>Reliability</th>
<th>Assurance</th>
<th>Tangibles</th>
<th>Responsiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pearson Correlation</strong></td>
<td><strong>Sig. (2-tailed)</strong></td>
<td><strong>N</strong></td>
<td><strong>Pearson Correlation</strong></td>
<td><strong>Sig. (2-tailed)</strong></td>
<td><strong>N</strong></td>
</tr>
<tr>
<td><strong>Performance_of_PS V</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>76</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>76</td>
<td>76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assurance</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td>76</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td>76</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td>76</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td>76</td>
</tr>
</tbody>
</table>

**Source: Survey (2019)**

The findings in table 4.8 shows that the correlation between variables were positive. The study also indicates that all significant values were less than 0.8. The highest significant value is presented between performance of PSV and responsiveness (0.746).
Regression Analysis

The section presents the relationship between the independent and dependent variables.

Model Summary

The summary of the model indicates the extent to which the independent variables explains the dependent variable. This is indicated by the coefficient of determination ($R^2$).

Table. Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.899a</td>
<td>.808</td>
<td>0.724</td>
<td>1.99900</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Responsiveness, Assurance, Tangibles, Reliability

Source: Survey (2019)

The findings in table 4.7 indicates that responsiveness, assurance, tangibles and reliability determine 80.8% changes in the performance of Matatu Saccos ($R^2 = .808$). Therefore, they can be used to explain the changes of the dependent variable (performance of Matatu Saccos).

Analysis of Variance

Table. ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>9.015</td>
<td>4</td>
<td>2.254</td>
<td>.563</td>
<td>.000b</td>
</tr>
<tr>
<td>1</td>
<td>Residual</td>
<td>71</td>
<td>4.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>292.987</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance_of_Matatu Saccos
b. Predictors: (Constant), Responsiveness, Assurance, Tangibles, Reliability

Source: Survey (2019)

The presented significant value (0.000) is less than the recommended 5 per cent and therefore the model was significant in explaining the relationship between independent variables (Responsiveness, Assurance, Tangibles and reliability) and dependent variable (performance of PSV) at 95 per cent significance level.

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This section presents the summary of the study guided by the four specific objectives. The conclusions in the sub-section 5.3 was based on the summary of the study findings. Sub-section
5.4 presents the recommendations based on the conclusions of the study. Suggestion for further study was done based on the limitations faced and the gaps identified

**Summary of Findings**

The first objective of the study was to determine the effect of service reliability on performance of public service vehicle in Nairobi, County. The indicators of service reliability used in the study were journey interruptions, accessibility of Matatus and convenient payment methods. The study inferential statistics indicated that reliability and performance are positively and significantly correlated. The study shows that a unit change in reliability results to a positive change in the performance of the Matatu Saccos in Kenya. The study therefore presents that changes in reliability affect greatly the performance of Matatu Saccos.

The second objective was to assess the effect of service assurance on performance of public service vehicle in Nairobi, County. Safe mode of transport, qualified and professional staff and luggage safety were the measures of service assurance. From the findings, most respondents revealed that matatus service assurance is affecting performance of matatus within Nairobi County. The study indicated that Matatu are not a safe mode of transportation and many argued that there are cases of robbery and terrorism attacks reported in Matatus in Nairobi. The inferential statistics indicated that assurance significantly and positively affects performance. The study presents that a positive unit change in assurance of service will result to positive unit change to the performance of Matatus Saccos. The study therefore presents that changes in assurance affect greatly the performance of Matatu Saccos.

The third objective of the study was to establish the effect of service tangibility on performance of public service vehicle in Nairobi, County. The study coefficient indicates that the relationship between service tangibility and performance of Matatu Saccos was positive and a significant. Therefore, it is clear that a positive unit change in tangibles will result to a positive unit change in the performance of the Matatu Saccos. The study therefore presents that changes in tangibles affect greatly the performance of Matatu Saccos.

The fourth objective of the study was to assess the effect of service responsiveness on performance of public service vehicle in Nairobi, County. Service responsiveness was indicated by tidiness and neatness of staff members, ability to carry out need assessment and response to customer’s complaints. The Inferential study findings indicates that the relationship between responsiveness and performance of Matatu Saccos was positive and significant. The study indicates that a positive unit change in responsiveness results in a positive unit change in the performance of Matatu Saccos. The study therefore presents that changes in responsiveness affect greatly the performance of Matatu Saccos.

**Conclusions of the Study**

Based on the findings of the study, it was concluded that there is a positive effect between service quality and performance of matatus within Nairobi county. The study concluded that there a positive and significant correlation between service quality and performance of Matatu Saccos.
The study concluded that service reliability translates to the transport service serving its main purpose of moving passengers from two different points with no journey disruptions, easy accessibility at any of the two points and convenient payment methods by the customer (passenger). The study therefore concluded that there is a positive and significant correlation between reliability and performance of Matatu Saccos.

**Recommendations**

Based on the conclusions, the study recommends the following; Matatu Saccos should embrace new payment methods such as mobile money in order to cater to clients who prefer cashless transactions. Drivers and their assistants should be trained in customer handling and care so that they know the importance of professionalism to the performance of the saccos. Before hiring, the management can organize formal trainings to improve the level of competence.

The study recommends that Matatu Saccos should put in place regular cleaning schedule of the matatus and maintenance in order to make the matatus clean and visually appealing to clients. They should also adopt modern technology such as CCTV and Wi-Fi so that assure client safety and comfort. Matatu saccos should do customer need assessment quarterly so as to get service quality review from clients and put in place strategies to improve on weaknesses.

**REFERENCES**


