SERVICE INNOVATION AND SERVICE DELIVERY IN NIGERIA'S TRANSPORTATION INDUSTRY

ODIWO Williams Omokhudu, PhD
Department of Business Administration,
Edo State University Uzairue, Edo State, Nigeria,
odiwo.williams@edouniversity.edu.ng
+234(0)8075635789

OGUNODE Philips Olatunde, PhD
Department of Marketing,
The Federal Polytechnic Ado-Ekiti, Ekiti State, Nigeria
Ogunode_po@fedpolyado.edu.ng
+234 (0)8037181611

&

ALIU Fatima
Department of Business Administration,
Edo State University Uzairue, Edo State, Nigeria,
Fjael24@gmail.com +234(0)8064075281

Abstract

This study is on service innovation and service delivery in Nigeria's transportation industry. Specifically, the study examined the influence of quality service, service design and customer feedback on service delivery in Nigeria's transportation industry. The study adopted a survey design while the population consists of drivers and passengers in selected Transportation Companies in Nigeria. They include Keen Rides, Olaniyi Transportation Services, Peace Mass Transportation Company, and Trans Nationwide Express Plc. Therefore, the population of interest comprises 235 while the number of passengers could not be ascertained with exactitude. Stratified random sampling was used to select 150 drivers while convenience sampling was adopted to select 200 passengers who took part in the study. Data used for analysis was collected through primary sources with the aid of interviews and questionnaire. The research hypotheses were tested using simple linear regression. The study found that all the independent variables (quality service, service design, and customer feedback) have a significant influence on service delivery in Nigeria's transportation industry. It was therefore recommended that Transportation companies should continuously seek to identify customer needs and further gear their innovations towards meeting these needs.

Keywords: Innovation, Service Innovation, Service Design, Quality Service, Service Delivery.

Introduction

Service innovation has been described as something, which is carried into practice. These innovations usually have an impact on customers' perception of the organization and the service based on the satisfaction they derive from it (Rogers, 2005). There have been considerable changes in transportation companies in recent years to become competitive. The development of information technology and the use of computers have changed the nature of clerical operations. The posting of ledger accounts and customers' statements by hand are now almost forgotten tasks. The pace of change is likely to continue (Lall, 2001; Patel, 2005; Shoemaker, 2005; Nelson; 2013). Loyal customers are valuable to a business (Kaganzi, 2003). Therefore, creating and maintaining loyalty should be a major goal for businesses. Transportation companies should continuously engage in creating services that meet the requirements of their clients to ensure the retention of their customers.

The concept of service Innovation was first discussed in Miles (2013) and has been developed in the past two decades. It is used to refer to many things. These include but are not limited to:

i. Innovation in services – new or improved services (commodities or public services). Often this is contrasted with "technological innovation", though services can have technological elements. This sense of service innovation is closely related to service design and "new service development".

ii. Innovation in service processes – new or improved ways of designing and producing services. This may include innovation in service delivery systems, though often this will be regarded instead as a service innovation. Innovation of this sort may be technological, technique- or expertise-based, or a matter of work organization (e.g. restructuring work between professionals and paraprofessionals).

iii. Innovation in service firms, organizations, and companies – organizational innovations, as well as service and process innovations, and the management of innovation processes, within service organizations.

The Finnish research agency TEKES (2010) defines service innovation as the following: "Service innovation is a new or significantly improved service concept that is taken into practice. It can be for example a new customer interaction channel, a distribution system or a technological concept or a combination of them. A service innovation always includes replicable elements that can be identified and

systematically reproduced in other cases or environments. The replicable element can be the service outcome or the service process as such or a part of them.

Hay (2008) asserts that service innovation benefits both the service producer and customers, and it improves its developer's competitive edge. A service innovation is a service or service process that is based on some technology or systematic method. In services, however, the innovation does not necessarily relate to the novelty of the technology itself, but the innovation often lies in the non-technological areas. Service innovations can for instance be new solutions in the customer interface, new distribution methods, novel application of technology in the service process, new forms of operation with the supply chain, or new ways to organize and manage services."

Scholars generally agree that transportation occupies an important place in the process of economic development (Olukoju, 2006). For this reason, researchers have shown considerable interest in transportation studies. In Nigeria however, previous studies on the subject of road transportation have tended to concentrate on the physical and infrastructural aspects of the transport system. Olubomehin (2001) looked at the physical development of road infrastructure in Eastern and Western Nigeria respectively. The other aspects of road transportation that researchers have studied include the issue of railroad competition (Oshin, 2010), the geography of road transportation (Hay, 2008), and road transportation as a business enterprise. Since the transportation industry plays a central role in the development of any nation, neglecting such a viable sector will place the country at a disadvantage. Hence, this study examines the influence of service innovation on service delivery in Nigeria's transportation industry.

Transportation service delivery in Nigeria has recorded a history of miserable failure and disappointment. As a result, the Nigerian transportation service has often come under heavy criticism due to poor organization, indiscipline, incompetence, corruption, rudeness, thuggery, truancy, and malingering (Okon, 2008). Too often, citizens see the transportation service as plodding, inefficient, incompetent, unresponsive, and worst of it corrupt. Citizens often complain that transportation companies provide services that are inadequate, inappropriate, insecure, or too costly for them (Oyedele, 2015). Although service innovation in transportation companies has received increased attention recently, it has been tried and tested in this sector using various models and principles, which were mainly influenced by experiences from the private sector. Experience in Nigeria points to the fact that innovative ideas have not been effectively imbibed and successfully implemented in Nigeria's transportation industry. Based on the above premise, this study examines

the influence of service innovation on service delivery in Nigeria's transportation industry.

The main objective of the study is to determine the influence of service innovation on service delivery in Nigeria's transportation industry. The following specific objectives are to:

i. examine the influence of quality service on service delivery in Nigeria's transportation industry.

ii. determine the influence of service design on service delivery in Nigeria's transportation industry.

iii. assess the influence of customer feedback on service delivery in Nigeria's transportation industry.

Review of Related Literature

The concept of Service and Service innovation is a product of essentially intangible benefit, either in its own right or as a significant element of a tangible product which through some form of exchange satisfies an identified need and cannot be stored. Very few services face a constant pattern of demand throughout time. Many show variations, which could be daily, weekly, seasonal, or cyclical. All of which display unpredictable patterns of demand (Agwu., Dimelu & Madukwe, 2008).

A service cannot be seen, touched, tasted, or smelled, nor can it be possessed. The intangible process characteristics that define services such as reliability, personal care, attentiveness of staff, and friendliness can only be verified once a service has been bought and consumed. People do not always perform consistently and thus vary from one service to another within the same organization (Dattakumar, 2003). Organizations can attempt to reduce their inconsistencies through standardization and training.

Schumpeter (2007) describes service innovation as a service or service process that is based on some technology or systematic method that is carried into practice to provide benefit to its developer. Service innovations can for instance be new solutions in the customer interface, new distribution methods, and application of technology in the service process, new forms of operation with the supply chain, or new ways to organize and manage services. The first service innovation theory named "the reverse innovation cycle" describes the service innovation sequence as having a reverse form in comparison with traditional industrial cycles as process innovation comes before service innovation. Therefore, service companies

implement new technologies to enhance the efficiency of their processes and then the quality of service. Finally, they develop new services (Tassey, 2007).

Service innovation has also been described through the "reverse product cycle" theory which describes service as a combination of three kinds of characteristics: final characteristics which represent the benefits for the customer, technical characteristics which correspond to the firm's tangible and intangible systems used in the production of the service and competence characteristics which are the individual skills of the service provider and the customer. In this theory, the customer's expectations are the guiding factor to developing the correct competencies in the organization (Tassey, 2007).

Nählinder (2005) indicated that innovation is not always a change in a tangible product or the production process of such a product. It may also be a change in what we usually label a service. Most importantly, innovation is more than merely technical change. Nählinder (2005) further stated that services have been sadly invisible in the common discussion of innovation and even the existence of innovation in services has been questioned. Researchers of innovation in services sometimes even defend their existence. One reason for this neglect may be that it is difficult to conceptualize an innovation in an intangible service and even harder to see how such an innovation may have importance. While, for many people, the word "innovation" is immediately associated with large technological devices, such as the steam engine, electronic gadgets and technical advances. On the contrary, the concept of the word ‘innovation’ is more inclusive. Innovation is more than merely technical change. Some innovations are changes in technology but an innovation may also be an organizational change for example, or a service.

A massive literature on services has demonstrated that service sectors are innovative although they do not have the same points of departure and tend to regard innovation in services differently compared to manufacturing sectors (Howells, 2000). The concept of innovation in services however, is not limited to pure service firms alone but also extends to manufacturing firms that support their products with services (Lenfle, 2004). This is due most often to creating a competitive distinction from other firms operating in the same companies and to offering satisfying solutions to customers.

Drawing from the views of Lenfle (2004), the concept of service innovation is not limited to purely service firms alone but also extends to manufacturing firms that support their products with services. This is done most often to create a competitive distinction from other firms operating in the same companies and to offer need-

satisfying solutions to customers. There are many different ways for a service provider to be innovative. Below are some categories of service innovations. Major Service innovations; which are new core products for markets that have not been previously defined. They usually include both new service characteristics and radical new processes.

Major process innovations; which consist of using new processes to deliver existing core products in new ways with additional benefits.

Product-Line Extensions; which are additions to current product-lines by existing firms. The first companies in the market to offer such a product may be seen as innovators, while the others are merely followers often acting defensively. These new services may be targeted at existing customers with different needs.

Process-line extensions; which are less innovative than service innovations, but often represent distinctive new ways of delivering existing products, either with the intent of offering more convenience and a different experience for existing customers or of attracting new customers who find the traditional approach unappealing.

The concepts of Service Innovativeness and Satisfaction have been denoted by scholars as innovativeness as a happy accident (Krishnan, 2013). Client happiness is a sign of customer satisfaction. Perhaps, Customer satisfaction is and has always been one of the most critical service elements for any business organization. The foremost drive of innovation is to achieve viable competition and increase the expertise of the organization by this, winning customer satisfaction Leonard-Barton, (1992). Innovativeness that tends to satisfy must consider the unfolding experiences that customers are exposed to during interactive sections with service personnel (Asiegbu, 2015). When a firm produces an innovative product, satisfaction is realized and loyalty of the customers increases towards their offerings. Innovativeness focuses on its capacity to increase the level of customer experience and enhance customer satisfaction, which ultimately leads to higher profits (Kannan, 2003).

Shane (2004) demonstrated that whenever an innovative feat is presented, customers explore its features and value thereby building satisfaction. It is, however, believed that the degree of newness has a direct effect on customer satisfaction (Rahman, 2014). Consequently, when the customers are satisfied with the product, they ask for more. Satisfaction is important for customer retention and being innovative in-service offering is a necessary enticement to making apostles (Asiegbu, 2015). Seemingly, customer understanding of innovation articulates how greatly they are

pleased or dissatisfied (Goode, 2005). Debatably, people are always pleased with innovative products and retort that innovative efforts must possess the basic features to satisfy and meet certain needs of the consumer.

The concept of Service Delivery Systems comprises a wide range of industries, such as entertainment, food services, healthcare, financial services, transportation and distribution services, education, and professional services. This diversity makes it difficult to make useful generalizations concerning the management of all service organizations. However, many underlying characteristics are similar across services and are often very different from those in other sectors of the economy (e.g., manufacturing, mining, agriculture) (Cook, 1999).

A service firm, such as an international airline, creates value for its customers without or with relatively little transformation of materials. On the other hand, a manufacturer transforms metals, polymers, and energy into a product such as a sports utility vehicle. Customers are rarely involved in the production process of the majority of manufactured goods (e.g., automobiles), but are very likely to become an essential part of the service-delivery process (e.g., urban mass rapid transit systems). The majority of services cannot be inventoried, as can products in manufacturing (an unsold airline seat is "lost" as soon as the airplane leaves the gate) (Cook, 1999).

Krishnan, (2013) understands unique managerial issues associated with different types of services or to identify commonalities among different firms, close attention should be paid to the underlying features of services.

Quality Indicators of Bus Transportation Service

The quality of transport service can be measured against reliability, convenience, safety, security, and comfort (Iles, 2005). Furtherance to the above is the speed, accessibility in time, reliability, and frequency, are quality indicators of transport services (Wood & Johnson, 1989).

Reliability is an important element of service quality, which determines the level of passengers' satisfaction. The provision of reliable service enables service providers to retain passengers for a long period. Passengers may be lost and may not be regained if the service is unreliable. Those passengers who use urban bus transportation services are increasingly sensitive to waiting time and they are more satisfied with scheduled service, which habitually operates exactly according to scheduled departure and arrival times by operating at the appropriate frequency (Iles, 2005).

The primary determinant of service reliability is the reliability of the vehicle itself (Iles, 2005). The availability of sufficient numbers of buses will attract more passengers to use buses for their daily traveling needs. Poor reliability within an operation is the result of several breakdowns, which in turn hurts vehicle availability and affects the quality and quantity of the overall services (Iles, 2005).

Convenience comprises accessibility, waiting time, interchangeability between services, travel expenditure, ease of payment, and availability and accuracy of information as an important element, that determines the quality of the service (Iles, 2005).

Accessibility can be expressed in terms of the distance passengers have to walk starting from their home to the initial bus stops and from the final bus stops to their final destination (Iles, 2005). Walking distance is an indicator of the coverage of the service. High walking distance indicates small coverage (World Bank, as cited in Barney, Wright & Ketchen, 2013). In dense urban areas, the walking distance should range from 300-500 meters. In low densely urban areas, 500-1000 meters is the acceptable distance that passengers may walk to and from bus stops (World Bank, as cited in Barney, Wright & Ketchen, 2013; Iles, 2005).

Waiting Time is the time passengers have to wait at bus stops for buses (World Bank, as cited in Barney, Wright & Ketchen, 2013). Even though, their expectations may vary, most passengers are delighted with minimum waiting time. The shorter the waiting time is the greater the level of convenience (Iles, 2005). Longer waiting times indicate poor quality of service. To achieve a reasonable level of service, the average waiting time should be in the range of 510 minutes and the maximum waiting time should be in the range of 10-20 minutes (World Bank, as cited in Armstrong-Wright, 2013).

Interchangeability between Services is the number of times a passenger has to change buses or other modes on a journey to or from work (World Bank, as cited in Barney, Wright & Ketchen, 2013). Passengers are more satisfied with a route network that enables them to complete their journey without having to transfer from one vehicle to another (Iles, 2005). The average interchanges between routes and services are determined to be in the range of zero to one and the maximum should not be more than two. At the same time, the number of passengers who interchange two times (i.e., the maximum interchange) should be less than 10% of passengers (World Bank, as cited in Barney, Wright & Ketchen, 2013).

Ease of payment is another important element, which influences service convenience. A system that requires passengers to have the exact fare ready when

boarding the bus and advance purchase of tickets from roadside vending machines is common in most countries. Whatever the system of payment, it should be easier and more user-friendly than others (Iles, 2005).

Availability and accuracy of information enable passengers to plan their journeys, especially for prospective passengers. Even if the service is very good, the convenience of the service is significantly reduced if passengers do not have information about the service. Details of routes operated, points at which vehicles may load and unload passengers, places served along each route, final destinations of routes, the fares for the journeys to be made, and service operation timetables which include departure times from terminals, times at major intermediate stops and arrival times at the destination are important information that should be made available to passengers. Service providers should also keep information about the service up to date.

Accurate and up-to-date information increases passenger satisfaction and it may persuade additional passengers to use the service (Iles, 2005).

Safety in most situations, high standards of safety are a desirable objective for most passengers. Road accidents are the main threat to passengers. Poor driving standards and poor vehicle conditions are considered the primary causes of accidents. The tendency for drivers to drive at dangerously high speeds accompanied by overloading, poor maintenance, and poor vehicle lighting while driving at night and the failure of drivers to regulate their speed by road conditions are the common sources of the death and injury of passengers. Hence, safety measures have to be put into practice so that the passengers will be guaranteed of safety (Iles, 2005; Height & Cresswell, 1979).

Security in many transport systems, passengers are not secured from pickpocket both on buses and at bus stops and terminals. In some cases, it is common for passengers to be violently robbed. How transport is operated determines the level of insecurity. While the presence of inspectors or conductors on the vehicles, good lighting on buses and at bus stops have a beneficial effect in reducing the opportunities for the crime of pick pocketing, overcrowding of buses and poor discipline at bus stops and terminals increases passengers' vulnerability to pickpockets (Iles, 2005). On public buses particularly, stealing is common and people lose their wallets due to pick pocketing. These acts often create a sense of insecurity among passengers and diminish their satisfaction with public transportation services.

The concept of comfort is an important element of service quality considered by passengers using public transportation services. Good seats with available space to move easily, good heating and ventilation systems, high proportion of seated to standing passengers, low step heights (to facilitate access by disabled passengers), good maintenance standards so that the interiors of buses are in a good state of repair and good standards of cleanliness, low level of crowding, smoothly driven buses particularly where standing passengers are carried, good protection and resting facilities for waiting passengers at bus stops and stations, good discipline at bus stops and on boarding the vehicle so that passengers are being protected from jostling or losing their places in a queue are highly required by passengers and determine their level of comfort and satisfaction (Iles, 2005; Height & Cresswell, 1979).

Theoretical Framework

This study is underpinned by the diffusion of innovation theory, which was propounded by Gabriel (2006), a French lawyer and judge, alongside Neal (1946-1948). Diffusion of Innovations is a theory that analyses, as well as helps explain, the adaptation of an innovation. In other words, it helps to explain the process of social change. An innovation is an idea, practice, or object that is perceived as new by an individual or other unit of adoption. The perceived newness of the idea for the individual determines his/her reaction to it (Rogers, 2005). In addition, diffusion is the process by which an innovation is communicated through selected channels over time among the members of a social system. Thus, according to Rogers (2005), the aforementioned definition contains four elements that are present in the diffusion of innovation process. These elements are: innovation, communication, time and the social system. Mass media channels of the communication process are more effective in creating knowledge of innovations, whereas interpersonal channels are more effective in forming and changing attitudes toward a new idea, and thus in influencing the decision to adopt or reject a new idea. Most individuals evaluate an innovation, not on the basis of scientific research by experts, but through the subjective evaluations of near-peers who have adopted the innovation. First, time is involved in the innovation-decision process: is the mental process through which an individual (or other decision-making unit) passes from first knowledge of an innovation to forming an attitude toward the innovation, to a decision to adopt or reject, to implement the new idea, and to confirm this decision. The second way in which time is involved in diffusion is in the innovativeness of an individual or other unit of adoption. Innovativeness is the degree to which an individual or other unit of adoption is relatively earlier in adopting new ideas than other members of a social system. The third way in which time is involved in diffusion is in rate of adoption.

The rate of adoption is the relative speed with which an innovation is adopted by members of a social system. The rate of adoption is usually measured as the number of members of the system that adopt the innovation in a given time period.

Methodology

The study adopted a survey design to obtain the opinion of the drivers and the passengers from the selected Transportation Companies in Nigeria. The research population consists of drivers and passengers in selected Transportation Companies in Nigeria. They include Keen Rides, Olaniyi Transportation Services, Peace Mass Transportation Company, and Trans Nationwide Express Plc. These companies have their headquarters in Lagos. Therefore, the population of interest comprises 235 while the number of passengers could not be ascertained with exactitude. Stratified random sampling was used to select 120 drivers while convenience sampling was adopted to select 200 passengers who took part in the study. Data used for analysis was collected through primary sources with the aid of interviews and questionnaire sent to their drivers and passengers. The research hypotheses were tested using simple linear regression

Results and Discussion

Hypothesis 1: Quality service has no significant influence on service delivery in Nigeria's transportation industry.

Table 1: Simple Linear Regression Analysis showing the influence of quality service on service delivery in Nigeria's transportation industry

ANOVA						**Model Summary**		
Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**	**R**	**R^2**	**Adj. R^2**
Regression	23304.007	1	23304.007	1917.779	0.000	0.632	0.399	0.399
Residual	35118.013	2890	12.152					
Total	58422.021	2891						

***p< 0.05**

Table 1 shows that quality service had a significant influence on service delivery in Nigeria's transportation industry ($F_{1, 2890}$=1917.779, p< 0.05). The null hypothesis was rejected. This implies that the predictor variable (quality service) provides a

significant explanation for the variation in service delivery in Nigeria's transportation industry. The table shows that there is significant positive multiple correlations between the predictor variable (quality service) and service delivery in Nigeria's transportation industry ($R=0.632$, $p<0.05$). This implies that the predictor variable is a factor that can exert influence on the service delivery of transportation companies. The value of the coefficient of determination indicates that the predictor variable accounted for 39.9% of the total variance in service delivery of transportation companies while the remaining 80.1% unexplained variance is largely due to other variables not included in the study that can account for service delivery of transportation companies.

Table 2: Simple Linear Regression analysis showing the influence of quality service on service delivery of transportation industry.

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
	B	**Std. Error**	**Beta (β)**		
(Constant)	13.332	.197		67.820	.000
Quality service	.431	.010	.632	46.041	.000

***p<0.05**

The regression result in the above table reveals that the influence of quality service on service delivery of transportation companies is statistically significant at $p< 0.05$ level ($t=46.041$, $p< 0.05$). This implies that quality service had significant influence on service delivery of transportation companies.

Hypothesis 2: Service design has no significant influence on service delivery of transportation companies.

Table 3: Simple Linear Regression Analysis showing the Influence of service design on service delivery of transportation industry.

ANOVA						Model Summary		
Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**	**R**	**R^2**	**Adj. R^2**
Regression	25635.855	1	25635.855	2461.112	0.000	0.764	0.435	0.439
Residual	32750.492	2890	11.332					
Total	58386.347	2891						

***p<0.05**

Table 3 shows that service design had significant influence on service delivery of transportation companies ($F_{1,}$ 2890=2461.112, p< 0.05). The null hypothesis was rejected. This implies that the predictor variable (service design) provides a significant explanation for the variation in service delivery of transportation companies. The table shows that there is significant positive multiple correlations between the predictor variable (service design) and service delivery of transportation (R=0.764, p< 0.05). This implies that the predictor variable is a factor that can exert influence on service delivery of transportation companies. The value of the coefficient of determination indicates that the predictor variable accounted for 43.5% of the total variance in service delivery of transportation companies while the remaining 56.5% unexplained variance is largely due to other variables not included in the study that can account for service delivery of transportation companies.

Table 4: Simple Linear Regression analysis showing the influence of service design on service delivery of transportation industry.

Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
	B	**Std. Error**	**Beta (β)**		
(Constant)	11.410	.220		51.777	.000
Service design	.510	.011	.663	47.562	.000

***p< 0.05**

The regression result in the above table reveals that the influence of service design on service delivery of transportation companies is statistically significant at $p< 0.05$ level ($t=47.562$, $p< 0.05$). This implies that service design had significant influence on service delivery of transportation companies.

Hypothesis 3: Customer feedback has no significant influence on service delivery of transportation companies.

Table 5: Simple Linear Regression Analysis showing the influence of Customer feedback on service delivery of transportation industry.

ANOVA						**Model Summary**		
Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**	**R**	**R^2**	**Adj. R^2**
Regression	24709.110	1	24709.110	2119.882	0.000	0.660	0.423	0.423
Residual	33687.157	2890	11.656					
Total	58396.267	2891						

***p<0.05**

Table 5 shows that customer feedback had significant influence on service delivery of transportation companies ($F_{1, 2890}=2119.882$, $p< 0.05$). The null hypothesis was rejected. This implies that the predictor variable (customer feedback) provides a significant explanation for the variation in service delivery of transportation companies. The table shows that there is significant positive multiple correlations between the predictor variable (customer feedback) and service delivery of transportation companies ($R=0.660$, $p<0.05$). This implies that the predictor variable is a factor that can exert influence on service delivery of transportation companies. The value of the coefficient of determination indicates that the predictor variable accounted for 42.3% of the total variance in service delivery of transportation companies while the remaining 57.7% unexplained variance is largely due to other variables not included in the study that can account for service delivery of transportation companies.

Table 6: Simple Linear Regression analysis showing the influence of customer feedback on service delivery of transportation companies

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta (β)		
(Constant)	13.777	.179		77.169	.000
Customer Feedback	.411	.009	.650	56.021	.000

***p<0.05**

The regression result in the above table reveals that the impact of quality customer service on customer satisfaction of insurance companies is statistically significant at $p<0.05$ level ($t=56.021$, $p<0.05$). This implies that customer feedback had significant influence on service delivery of transportation companies.

Conclusion

The study has established that a positive relationship exist between service innovation practices and service delivery in the transportation industry in Nigeria. This indicates that the more transportation companies engage in service innovation practices, the higher the level of the customer satisfaction in their service delivery. This conclusion is consistent with previous studies (Georghious 2006; and Georgantzas, 1995).

There is overwhelming evidence that transportation companies continuously invest in innovation of services offered to their customers. However, the level of innovation differs from service to service. This relationship may be majorly due to the benefits accrued by both the transportation companies and the customers as explained by Hall (2006) who indicated that service innovation benefits both the service producer and customers and it improves its developer's competitive edge.

The study indicated that service innovation has the potential to increase the transportation companies' earnings by maximizing the profitability of the total customer relationship over time, boost growth and give transportation companies competitive edge. This is consistent with the view of (Dattakumar, 2003).

Recommendations

Sequel to the findings and conclusions of this study, the following recommendations are proffered:

1. Transportation companies should continuously seek to identify customer needs and further gear their innovations towards meeting these needs. Through this approach, transportation companies will be able to continuously meet customer expectations and enhance customer satisfaction
2. The government should create an enabling environment to facilitate continued service innovations by transportation companies. Increased flexibility in the industry and infrastructure should be provided so as to bring about a level playing that will foster creativity.
3. Service design as an essential element to the good service delivery should not be taken with levity. Service design should be put to practice by the service industries in order to boost service delivery.

References

Agwu, A. E., Dimelu, M. U. & Madukwe, M. C. (2008). Innovation System Approach to Transportation Development: Policy Implications for Road and Transport in Nigeria, *African Journal of Biotechnology*, 7 (11), 1604-1611.

Cook, D. P. (1999). Service typologies: A state-of-the-art survey, *Production and Operations Management*, 8(3):318—338

Dattakumar, R. R. (2003). A Review of Literature on Benchmarking, Benchmarking: *An International Journal Management*, 10 (3), 176-209.

Goode, D. A. (2005). Determining Customer Satisfaction from Mobile Phones. *Journal of Marketing Management*, 21: 755- 778.

Hay, M. (2008). Engaging the Business Support Network to Give SMEs the Benefit of Foresight. *Technovation*, 20(11):589–602.

Height, F. & Cresswell, R., (1979). *Design for Passenger Transport. Great Britain*: Pergramon Press.

Howells, J. (2000). Innovation & Services: New Conceptual Frameworks. Centre Research on Innovation and Competition, University of Manchester, Manchester.

Iles, C.G. (2005). *Service Operations Management. Improving Service Delivery*. 2nd ed. London: Ashford Colour Press Ltd.

Kaganzi, B. (2003). Participation in Market Research to Identify Income Generating Opportunities. *CI AT Africa Highlight*, 9, 31-35.

Kannan, P. K. (2003). E-Service: A New Paradigm for Business in the Electronic Environment, *Communications of the ACM,* 46 (6), 37-42.

Krishnan, G. (2013). Local Innovation; the Key to Globalization, *Management Review,* 25, (4), 43-65.

Lall, S. (2001). Competitiveness Indices and Developing Countries: An Economic Evaluation of the Global Competitiveness Report, *World Development*, 29(9), 1501-1525.

Lenfles, S. (2004). "Peut-on Gérer L'innovation par Projet?" in GAREL Gilles, GIARD Vincent, MIDLER Christophe [eds.] Faire de la recherché en Imanagement de projIet, Paris, Vuibert Fnege, 11-34.

Leonard-Barton, D. (1992). *Wellspring of Knowledge: Building and Sustaining the Source of Innovation*. Harvard Business School Press, Boston, M A.

Miles, I. (2013). *Innovation in Services.* In: Fagerberg J, Mowery DC, Nelson RR the Oxford Handbook of Innovation. Oxford University Press, Oxford, 433–458.

Nählinder, J. (2005). Innovation and Employment in Services. The case of Knowledge Intensive Business Services in Sweden. Linköping: Linköping University.

Nelson, R.R. (2013). *The Oxford Handbook of Innovation*. Oxford University Press, Oxford, 181–208.

Okon, E. (2008). Public Service Reforms and the Concept of Service Compact with all Nigerians. (SERVICOM) in Nigeria Beyond 2007: Issues, Perspectives and Challenges.

Olubomehin, O. O. (2001). The Development of Roads and Road Transportation in South Western Nigeria, 19061920. *Nigerian Journal of Economic History*, 4(9), 14-45.

Olukoju, A. O. (2006). Transportation in Colonial West Africa. In G.O. Ogunremi & E.K. Faluyi. An Economic History of West Africa since 1750. (144156) Ibadan: Rex Charles Publication in Association with Connell Publications.

Oshin, O. (2010). Rail & Road Transport Competition in Nigeria, 1904 – 1950. In F. Toyin. Modern Nigeria: A Tribute to G.O. Olusanya. (62 89).

Oyedele, S.O., (2015). The Nigerian Public Service and Service Delivery under Civil Rule, in *Journal of Public Administration, Finance and Law*. Issue 7, 2015.

Patel, P. (2005). Localised Production of Technology for Global Markets, *Cambridge Journal of Economics*, 19(1), 141 -154.

Rahman, A. (2014). Factors Affecting Customer Satisfaction on Grameen Phone Users in Bangladesh', *Global Journal of Management and Business Research*: *E Marketing*, 14 (3), 56-66.

Rogers, E. (2005). *Diffusion of Innovations*. (4th edition.). New York, NY: The Free Press.

Schumpeter, J. A (2007). *Capitalism, Socialism and Democracy*, Harper and Row, New York.

Shane, U. (2004). Technological Innovation, Product Development, and Entrepreneurship in Management Science, *Management Sciences,* 50 (2), 133-144.

Shoemaker, J.H., (2005). Scenario Planning: A Tool for Strategic Thinking. *Sloan Manage*, 36 (2), 25-40.

Tassey, G. (2007). *The Economics of R&D Policy*, Praeger Publishers, Greenwood Publishing Group, United Kingdom.

Wood, F.D. & Johnson, C.J., (1989). *Contemporary Transportation*. 3rd ed. United States of America: Macmillan Publishing Company.