

## **Impact of Service Quality on Passengers' Satisfaction in Bus Transportation in Kandy City**

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This study attempted to identify passengers' perceptions towards the service quality and satisfaction gained by bus transportation in Kandy city. Further, the study is based on a cross-sectional design to gather primary quantitative data through a structured questionnaire. The study generated a sample of 591 passengers based on the Stratified random sampling technique. The first step of the analysis is the *Exploratory Factor Analysis* to identify the major factors that influence Service Quality in Bus Transportation in Kandy city. The second step is the *Confirmatory Factor Analysis* to confirm the identified major factors from the *Exploratory Factor Analysis*. Finally, the *Structural Equation Model* to identify the relationships between the identified factors in the model. Results emphasized that the first and second steps identified only four variables out of five that influence the service quality of bus transportation in Kandy city. The identified major latent variables are Tangibles, Reliability, Assurance, and Empathy. The study found that Tangibles, Reliability, Assurance, and Empathy have a significantly positive impact on the service quality of bus transportation in Kandy city. However, the impact of Empathy on the service quality of bus transportation in Kandy city is the most crucial factor in explaining 98%. Further, the study revealed that the service quality in bus transportation in Kandy city influences 100% on the passengers' satisfaction. This states that service quality is the major phenomenon which affects the passengers' satisfaction in Kandy city. Finally, the study suggests that bus transportation in Kandy city should focus more on strategies that enhance service quality to improve passenger satisfaction. These strategies may include, arriving and departure of the buses at the punctual time, minimizing the breaking down of buses on the road, employing skilled drivers and polite conductors, providing an efficient staff service, etc.

**Keywords:** Passengers' Satisfaction, Service quality, SERVQUAL Model