UNILAG JOURNAL OF TRANSPORT AND LOGISTICS, VOL. 2 (1) 2025 pp. 134-154

The Impact of Fleet Management on Vehicle Leasing and Customer Satisfaction: A Case Study of ICS Outsourcing Nigeria Limited.

By

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ABSTRACT

This study examines the impact of fleet management on vehicle leasing and customer satisfaction with a focus on ICS Outsourcing Nigeria Limited. The research investigates how effective fleet management practices, such as vehicle acquisition, maintenance scheduling, tracking systems, and cost control, contribute to efficiency in vehicle leasing operations and influence customer perceptions of service quality. The study employed a descriptive survey design, drawing data from staff and clients of ICS Outsourcing through structured questionnaires. The findings revealed that effective fleet management significantly enhances vehicle availability, reduces downtime, and improves cost efficiency, which in turn increases customer satisfaction and loyalty. Furthermore, the study highlights the importance of adopting technology-driven solutions such as GPS tracking, digital maintenance logs, and performance monitoring to optimize operations. It concludes that efficient fleet management is not only vital for operational effectiveness but also serves as a strategic tool for improving customer experience in the vehicle leasing industry. The study recommends that organizations continuously invest in modern fleet management systems, staff training, and customer feedback mechanisms to sustain competitive advantage and ensure long-term client satisfaction.

Key Words: Vehicle leasing, Fleet Management, Customer Satisfaction, Vehicle acquisition

Introduction

Transportation remains a cornerstone of economic development, serving as the backbone for trade, commerce, and social mobility. The efficiency of transportation systems directly influences industries that depend on vehicle fleets for daily operations, and in this regard, fleet management plays a central role in sustaining productivity, lowering operational costs, and ensuring reliable service delivery. Fleet management involves a wide array of functions such as vehicle acquisition, preventive maintenance, monitoring of fuel consumption, driver supervision, route optimization, integration of telematics, and compliance with regulatory standards. Together, these components determine how effectively transportation services operate, especially in the vehicle leasing sector. Leasing has in recent years emerged as an attractive option for firms and individuals seeking access to dependable vehicles without the heavy financial commitment of ownership. For providers, however, the success of leasing rests heavily on the quality of fleet management. When poorly executed, consequences may include frequent mechanical failures, mounting downtime, inflated costs of maintenance, and customer dissatisfaction that undermines both trust and competitiveness. Clients who lease expect well-maintained vehicles, prompt service, and operational continuity. Failure to meet such expectations can erode a company's reputation and threaten its long-term position in the market.

One prominent Nigerian firm at the intersection of fleet management and vehicle leasing is ICS Outsourcing Limited, established in August 1994. From its headquarters at Ilupeju, Lagos, and branch offices in Abuja, Port Harcourt, Asaba, Kano, Sokoto, Gombe, and Ibadan, the company has grown into a leading provider of business support solutions. It employs a workforce of about 300 permanent staff and over 4,000 outsourced personnel while offering a wide range of services beyond leasing, including recruitment, training, people outsourcing, background checks, and business advisory. Nonetheless, its fleet operations remain one of the most visible and influential parts of its portfolio. Customers depend on these services for efficient mobility, and their satisfaction depends on the company's ability to minimize downtime, control costs, and ensure vehicle safety. A structured fleet management system that applies preventive maintenance schedules, real-time GPS tracking, driver performance monitoring, efficient deployment, and data-based decision-making is essential to sustaining both client confidence and operational resilience.

Despite the recognized importance of such systems, Nigerian leasing companies, including ICS Outsourcing, face persistent challenges. Rising fuel prices, regulatory hurdles, rapid vehicle depreciation, congestion, and inconsistent driver training combine to place enormous pressure on operational efficiency. In Lagos, where ICS manages its largest operations, conditions are especially demanding. Chaotic road networks, complex regulations, and rising costs heighten risks of delay and dissatisfaction. One pressing concern is the disparity in driver salaries between mainland and island locations. Because the cost of living on the island is significantly higher, drivers either resist such postings or demand higher pay, which stretches the company's budget

and complicates the distribution of manpower. The imbalance delays service provision, disrupts customer schedules, and diminishes satisfaction.

Vehicle misuse and downtime represent another major obstacle. Clients sometimes employ leased cars for purposes beyond the agreed terms, accelerating wear and tear, increasing breakdowns, and inflating repair bills. Preventive measures such as withholding original licenses and insurance papers to deter theft or fraud occasionally create further complications, especially when law enforcement agents request such documents at checkpoints, leading to fines, stoppages, or even impoundments. These practices, while protective, also cause friction with both clients and regulators. Rising fuel costs worsen the situation. The removal of subsidies and constant market fluctuations push operational expenses upward, forcing higher lease charges and threatening affordability for cost-conscious customers. Heavy dependence on petrol and diesel vehicles leaves firms like ICS especially vulnerable in this regard.

Driver behavior and workforce management create further difficulties. Complaints of reckless driving, disregard for maintenance, and poor customer relations erode confidence in the service and reduce chances of repeat business. Recruiting drivers close to client sites is another hurdle, causing delays in delivery, slow response to breakdowns, and violations of service agreements. In an environment where road safety enforcement is uneven, maintaining professional standards among drivers remains a continuous struggle. Combined with infrastructural bottlenecks, regulatory inconsistencies, and volatile costs, these challenges complicate the firm's capacity to offer seamless, cost-effective, and customer-focused leasing services.

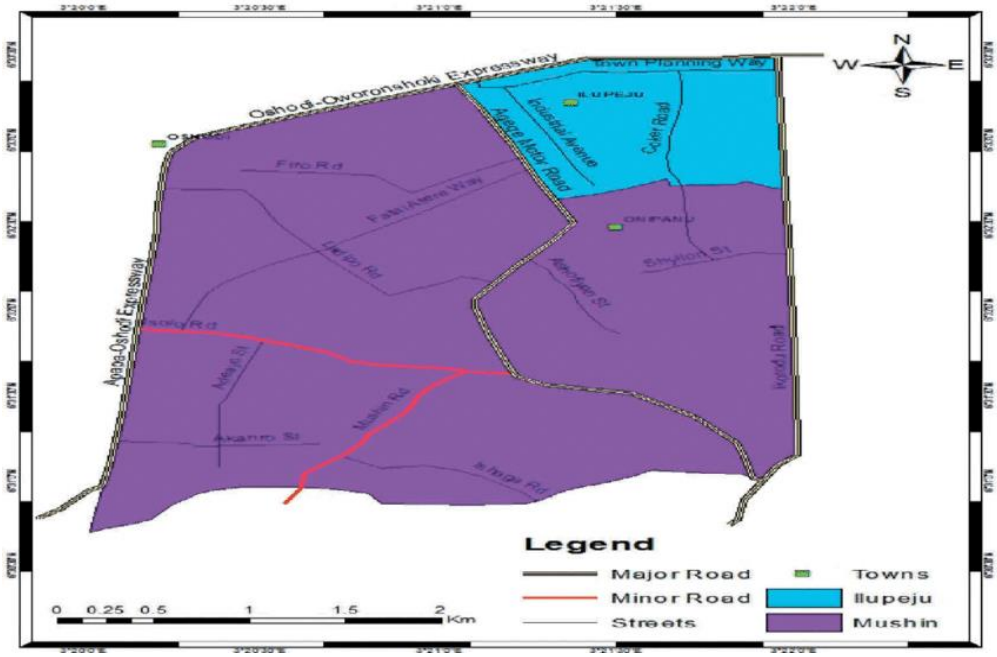
The purpose of this study is to examine the impact of fleet management on leasing operations and customer satisfaction using ICS Outsourcing Limited as a case study. The research considers how issues such as driver salary disparity, vehicle misuse, downtime, rising fuel prices, and driver management affect the company's ability to deliver reliable services in Lagos. It seeks to determine how these factors influence customer perceptions, identify gaps in operational practice, and suggest strategies that might improve efficiency, reduce costs, and strengthen client satisfaction. Lagos is chosen as the focal point because it represents both the hub of the company's operations and one of the most challenging urban transport environments in Nigeria. By concentrating on this setting, the study provides an in-depth view of the specific obstacles facing leasing firms in Nigeria's largest city while offering insights that can be adapted elsewhere.

The significance of this work extends beyond ICS Outsourcing itself. For the company, the findings are expected to inform strategic adjustments, enabling more efficient vehicle deployment, reduced downtime, and enhanced service delivery. For policymakers and regulatory agencies, the study may highlight how current frameworks affect private fleet operators, pointing to opportunities for reform. Other leasing firms and logistics providers can also draw lessons on how to optimize fleet performance and enhance client experience under difficult conditions. Academically, the research contributes to understanding how operational and human resource dynamics within fleet management interact with customer satisfaction in emerging economies.

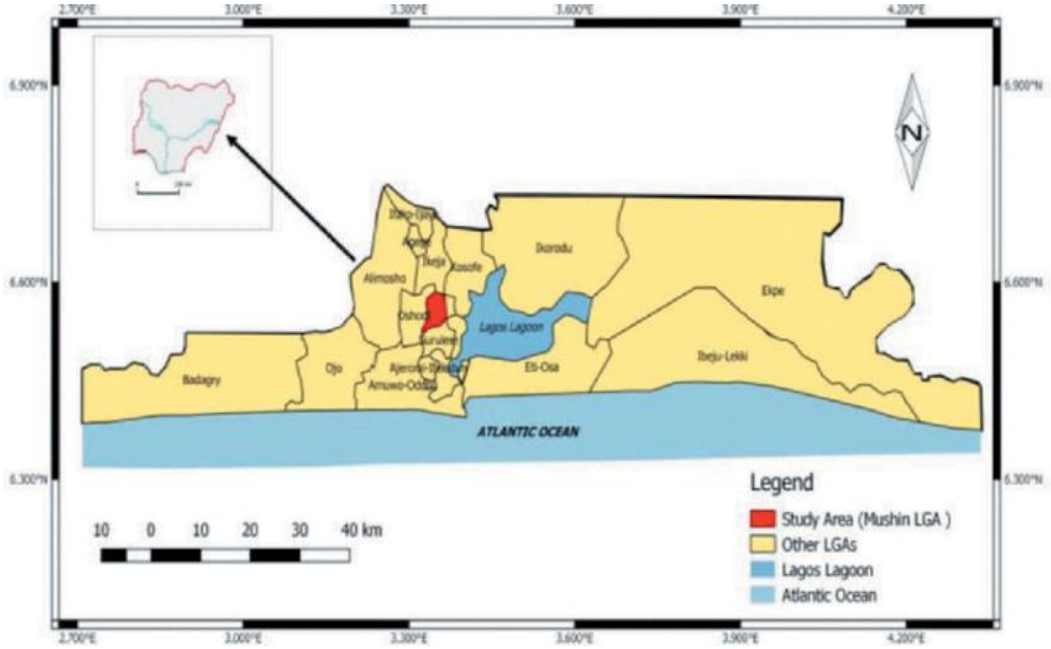
While the study aims to provide comprehensive insights, it is bounded by certain limitations. Its scope is confined to ICS operations in Lagos, which, though representative of urban fleet challenges, may not fully reflect conditions in other regions. Access to sensitive company data, such as financial records or maintenance logs, may be restricted for confidentiality reasons, limiting the depth of quantitative analysis. Reliance on interviews and survey responses introduces potential bias, as perceptions of quality and satisfaction are partly subjective and may be shaped by external economic pressures. Time constraints may also prevent the observation of longer-term patterns in fleet performance. Nonetheless, these limitations do not detract from the value of the study, which aims to provide a grounded analysis of real-world challenges and actionable insights.

The study area, Ilupeju in Mushin Local Government, Lagos, is a commercial and transport hub that links several of the city's major districts. Its dense road networks, high vehicle traffic, and concentration of industries make it an ideal base for fleet management operations, but also expose it to the very challenges this research addresses. ICS Outsourcing leverages its proximity to these networks to serve clients swiftly, deploying a diverse fleet of saloon cars, buses, and utility vehicles, many of them Toyota models, to meet corporate demand. The firm's location within such a dynamic environment underscores the importance of effective fleet management as both a logistical necessity and a determinant of customer satisfaction.

By investigating the interconnections between fleet efficiency, operational challenges, and customer perceptions within ICS Outsourcing's Lagos operations, this study offers both practical recommendations for the company and broader implications for the Nigerian leasing industry. The insights may contribute to policy discussions, corporate strategy, and academic debate on how transport systems in rapidly growing urban economies can evolve to better serve businesses and customers alike.



Map of Lagos State showing Mushin Local Government Area: Adapted from Google



Map of Lagos State Showing Mushin Local Government Area: Adapted from Google

Front View of ICS Outsourcing (Headquarters), Lagos. Source: Researcher's Field Work

Literature Review

Fleet management is both a strategic and operational function that coordinates vehicular assets to deliver efficiency, cost control, compliance, and reliable service. It covers acquisition, deployment, maintenance, tracking, fuel management, driver supervision, regulatory adherence, and end-of-life decisions, and is a critical element of logistics and supply chain performance in sectors that depend on mobility for goods or personnel movement (McKinnon et al., 2015). In service-oriented settings such as outsourcing, transportation, and delivery, customer satisfaction is closely tied to the availability, timeliness, and reliability of vehicles. Effective fleet management lowers cost and improves service delivery by ensuring vehicles are roadworthy and accessible at the point of need, a challenge that is more acute in operating environments marked by congestion, poor road quality, and high maintenance burdens, such as many Nigerian cities (Ghosh and Trivedi, 2017). The technological turn has reshaped this field. GPS and telematics, route optimization, predictive maintenance, and automated alerts yield real-time data for decisions on scheduling, utilization, and safety, and they reduce downtime while improving responsiveness to clients (Bates and Holweg, 2018). Alongside technology, compliance and risk controls remain foundational. Routine inspection, licensing, insurance, and monitoring of driver conduct protect staff and assets and insulate firms from legal exposure while reinforcing reliability to corporate clients who purchase service level assurance as much as mobility itself (Rushton, Croucher, and Baker, 2017). Cost management is the other pillar. Maintenance, fuel, insurance, and depreciation are the largest levers, and lifecycle analysis, fuel efficiency monitoring, and lease versus buy evaluations help sustain margins without eroding service quality (Christopher, 2016). Because vehicles and drivers are often the most visible touchpoints of an outsourcing firm, fleet condition and professionalism become cues that shape client impressions and brand reputation (Lai, Wong, and Cheng, 2010). Persistent pressures include volatile fuel prices, asset wear, theft risk, route inefficiencies, and variations in driver performance, which require disciplined systems and strategic planning to align operations with business goals (Lambert, Stock, and Ellram, 2008). Within this broader field, vehicle leasing functions as a financing and operating solution that grants use rights without transferring ownership. Leasing preserves liquidity, smooths cash flow, and shifts a portion of asset risk to the lessor, especially where residual values are uncertain (Gentry and Hubbard, 2001; Klein and Leffler, 1981). Operating leases suit firms with variable contract volumes because they support rapid scaling up or down, while finance leases are a longer commitment and may include purchase options. For outsourcing companies, the operating model usually fits the cadence of client projects and the need for flexibility. Leasing also refreshes the fleet more frequently, which improves fuel efficiency, reduces emissions, and lowers mechanical risk, while fixed periodic payments create budget predictability and may confer tax advantages depending on jurisdiction and contract structure (Katz and Green, 2009; Zietlow, Hankin, and Seidner, 2007). In asset-light strategies, firms can focus on core services and rely on specialized partners for procurement and maintenance, thus improving capital efficiency and operational focus (Rappa, 2004; Myers and Majluf, 1984). Environmental claims are strongest when leasing programs prioritize newer models and efficient technologies that reduce the footprint of transport operations and align with green logistics aims and corporate social responsibility agendas (Björklund, 2011). Leasing contracts, however, are not

costless. Mileage caps, wear penalties, and limited customization can constrain use, and long-term heavy utilization may favor ownership, so a careful cost-benefit analysis is required to match structure to need and horizon (Brealey, Myers, and Allen, 2011). Customer satisfaction in leasing is shaped by service quality, value for money, vehicle reliability and safety, maintenance support, and communication quality. Transparent pricing and flexible terms raise perceived fairness, strong maintenance programs limit service failures, and responsive support mitigates disruption when issues arise (Anderson, Fornell, and Lehmann, 1994; Heskett, Sasser, and Schlesinger, 1997). Retention links directly to profit, and small gains in loyalty can yield outsized improvements in performance, while failures to meet expectations undermine market share and brand equity through complaints and churn (Reichheld and Sasser, 1990; Rust and Zahorik, 1993; Grönroos, 2001). In Nigeria, where system-level transport gaps persist, private providers face higher expectations to deliver reliability, transparency, and quality to secure trust and repeat business (Adebayo and Ojo, 2019). The operational core of fleet management spans several tightly connected domains. Lifecycle planning aligns the type and number of vehicles to mission needs, costs, and depreciation profile, and timely replacement limits exposure to escalating repairs and unreliability (Woodcock and Starkey, 2015). Preventive maintenance schedules extend asset life and reduce breakdowns that compromise service commitments and safety (Beheshti and Beheshti, 2010). Driver management covers recruitment, training, monitoring, and incentives for safe and fuel-efficient behavior, supported by telematics that surface coaching opportunities and enforce standards (Bates and Holroyd, 2014). Fuel management uses monitoring, idling control, and route design to curb consumption and detect anomalies that signal theft or inefficiency (Ronen, 2015). Telematics improves dispatching, visibility, and accountability, which shortens lead times and stabilizes client expectations, and compliance regimes reduce legal and reputational risks through documentation, inspections, and incident protocols (Saini and Gajjar, 2020; Ghosh and Arora, 2018). Digital fleet platforms that integrate scheduling, maintenance, fuel, and analytics reduce error and increase decision speed, while route optimization, outsourcing where it lowers total cost of service, and sustainability measures such as eco driving and gradual electrification round out modern strategy sets (Kumar and Bansal, 2018; Coyle, Langley, Novack, and Gibson, 2016). Fleet management and customer satisfaction are tightly coupled through timeliness, vehicle condition, responsiveness, cost efficiency, safety, reliability, and brand effects. Punctual service depends on preventive maintenance and route control, and transparency through tracking improves communication on estimated arrival times, which builds trust. Clean, modern, and well-equipped vehicles signal professionalism and reduce perceived risk, while rapid problem resolution during disruptions protects the relationship when incidents occur. Efficiency gains that lower operating costs can be channeled into competitive pricing or value-added services, which lifts perceived value. Safety culture and compliance underpin confidence, especially in staff mobility and passenger contexts where duty of care is central. Consistency over time stabilizes expectations and supports loyalty, and strong fleet performance reinforces brand reputation through positive word of mouth and association with the client's own reliability standards (Kotler and Keller, 2016; Zeithaml, Bitner, and Gremler, 2017; Parasuraman, Zeithaml, and Berry, 1988; Wright and Smith,

2017; Kotler and Armstrong, 2015). Several theories frame these dynamics. The resource-based view explains advantage through effective configuration of valuable, rare, inimitable, and non-substitutable resources such as reliable vehicles, trained drivers, telematics, and maintenance systems. When these are aligned with client needs, firms deliver superior reliability and responsiveness that competitors struggle to match, translating capability into satisfaction and retention (Barney, 1991). The SERVQUAL model decomposes service quality into tangibles, reliability, responsiveness, assurance, and empathy, which map cleanly to fleet assets, punctuality, issue handling, safety competence, and customization. Measuring gaps along these dimensions directs improvement efforts where it most lifts satisfaction (Parasuraman, Zeithaml, and Berry, 1988). The theory of planned behavior links attitudes, subjective norms, and perceived control to client intentions. Positive experiences and credible referrals elevate attitudes and norms, while ease of booking, clear communication, and dependable availability raise perceived control, all of which strengthen reuse intentions. Expectancy disconfirmation theory holds that satisfaction arises when performance meets or exceeds expectations, so consistent delivery and careful expectation management reduce negative disconfirmation at moments that matter (Ajzen, 1991; Oliver, 1980). The Kano model adds that some features are basic and prevent dissatisfaction only when present, others scale linearly with performance, and a few excite and delight. In fleet contexts, safety, punctuality, and availability are basic, cleanliness and efficiency are performed, and personalized dashboards, loyalty benefits, or premium options can create delight when fundamentals are secure (Kano, 1984). Empirical studies support these links. Work on leasing and transport services shows that fleet quality and disciplined maintenance raise perceived reliability and retention (Fitzgerald, 2003). Studies in Pakistan and the UAE report that on-time delivery, maintenance reliability, and responsiveness are central drivers, and that telematics and real-time analytics improve performance and transparency, which heighten satisfaction (Khan and Qureshi, 2016; Hussain et al., 2019). Reviews in North America and India find that predictive maintenance and data-driven planning reduce disruptions and sharpen delivery accuracy, while digital booking and payments improve convenience and trust in Southeast Asian contexts (Robinson et al., 2018; Sharma and Das, 2020; Gamage et al., 2019). Nigerian studies point to availability, mechanical reliability, and customer service as recurring determinants, with structured inspections and timely repairs lifting satisfaction despite infrastructure constraints, while flexible terms and after-hours support aid loyalty during peak demand (Ogunyemi et al., 2017; Adeola, 2018; Okorie and Onwuka, 2020). Cost efficiency remains a bridge between operations and satisfaction. Fuel-efficient vehicles and optimized routing enable competitive pricing without quality loss, and firms that control maintenance and fuel costs while preserving reliability often pass savings to clients and strengthen long-term sustainability (Johnson and Lee, 2017; Tariq et al., 2018; Ibrahim et al., 2021). Persistent challenges include downtime, skills gaps, and aging fleets, which depress satisfaction through delays and inconsistent standards, and which call for training, investment in technology, and renewal strategies to stabilize performance, particularly under infrastructure and cost pressures identified in Nigeria and comparable markets (Khan et al., 2020; Adedeji and Olaleye, 2019). Bringing these strands together, a concise conceptual view positions fleet management practices,

vehicle quality, and technology adoption as core independent drivers of customer satisfaction. Preventive maintenance, route planning, fuel control, and disciplined driver management reduce service interruptions and strengthen punctuality. High-quality vehicles satisfy expectations of comfort, safety, and dependability. Digital systems provide transparency, faster cycle times, and more accurate information during exceptions. Two moderators shape how strongly these drivers translate into satisfaction. Customer expectations can amplify or dampen perceived quality, since very high or unmanaged expectations can yield disappointment even when performance is objectively strong. Market conditions such as inflation, regulatory changes, competition, and fuel prices can weaken or strengthen the operational to satisfaction link by affecting cost pass-through, investment capacity, and relative offers in the market. The dependent outcome is customer satisfaction, expressed through repeat use, referrals, and stable relationships. The pathway suggests clear managerial implications. Invest in assets and capabilities that meet VRIN tests, then measure and improve along SERVQUAL dimensions. Manage expectations through clear promises and reliable communication to limit negative disconfirmation. Raise perceived control through simple booking, accurate tracking, and predictable availability. Secure basics before pursuing delight features. In operating environments with volatile costs and infrastructure gaps, protect the service core through preventive maintenance, driver training, and telematics, and use cost savings from efficiency to preserve value for money. When executed together, these choices convert fleet management from a back-office function into a visible driver of brand equity and client retention in vehicle leasing and outsourced mobility services.

Research Methodology

The methodological framework for this study was designed to provide a rigorous and credible basis for examining the impact of fleet management on vehicle leasing and customer satisfaction at ICS Outsourcing Nigeria Limited. The research employed a descriptive case study design, appropriate for investigating contemporary organizational practices within a real-life context where the boundaries between the phenomenon and its environment are not clearly defined. The unit of analysis is the fleet management operations of ICS Outsourcing in Lagos, which represent the most significant concentration of the firm's leasing activities. Data collection relied exclusively on secondary sources to ensure feasibility and access to documented evidence. The dataset included internal company reports, operational audits, policy documents, and customer feedback records, complemented by industry publications, government regulatory documents, peer-reviewed journals, conference proceedings, and case studies from transport and logistics organizations. These diverse sources formed a triangulated body of evidence to minimize bias and enhance the reliability of interpretations. Data analysis followed a qualitative content analysis procedure, systematically coding and categorizing materials to identify recurring patterns and themes linking fleet management practices with customer satisfaction outcomes. Comparative analysis was employed to detect differences in leasing performance before and after specific interventions, while descriptive statistics such as frequency distributions and percentages were used to summarize available numerical indicators of service quality, vehicle uptime, and client

evaluations. Ethical integrity was upheld by ensuring full attribution of sources, safeguarding confidential company information, and preventing misrepresentation or manipulation of data. Although the use of secondary data provides breadth, it also introduces limitations, including incomplete records, variations in reporting standards, and constraints in assessing subjective aspects of customer experience beyond documented feedback. These limitations were explicitly recognized to avoid overgeneralization and to ensure that conclusions remain proportionate to the evidence available. Validity and reliability were reinforced through source triangulation, consistency checks, and the use of only official or peer-reviewed materials. Results are presented through descriptive summaries, tables, and visual illustrations such as charts and graphs to communicate findings clearly and highlight the operational linkages between fleet efficiency, leasing performance, and customer satisfaction.

DATA PRESENTATION AND RESULTS

This section presents and interprets the study's findings by transforming quantitative results and qualitative patterns into insights that address the research questions on fleet management, vehicle leasing, and customer satisfaction at ICS Outsourcing Nigeria Limited. The analysis focuses on driver availability and salaries, booking patterns, causes of downtime, fuel costs, and challenges in driver management. Collectively, the results show how operational choices and market conditions shape performance and client experience in Lagos. Driver availability is a key determinant of operational efficiency. Using a utilization-based calculation, island drivers consistently showed 20 percent availability, while mainland drivers averaged 66.5 percent availability between January and May. The pattern suggests a workforce imbalance that limits service reliability in high-demand island locations. Salaries, bookings, and availability are summarized in Table 4.1.1. Regression analysis for mainland drivers yielded a positive slope linking salary to availability, captured by the equation Availability = 0.373 + 0.0023(Salary), indicating that each additional ₦1,000 in salary is associated with about a 2.3 percent increase in availability. Fit statistics are reported in Table 4.1.1a and Table 4.1.1b, and coefficient estimates appear in Table 4.1.1c. A visual summary with a regression line is presented in Figure 1. The island series did not vary in availability despite salary increases, which indicates that local living costs and geography constrain supply more than pay alone.

Table 4.1.1: Salaries, Bookings, and Availability of Drivers (January–May)

Month	Avg Salary (Island)	Avg Salary (Mainland)	Bookings (Island)	Bookings (Mainland)	Availability (Island)	Availability (Mainland)
Jan	₦75,000	₦70,000	62	55	20%	54%
Feb	₦75,000	₦75,000	42	38	20%	68%
Mar	₦85,000	₦77,500	66	58	20%	52%

Month	Avg Salary (Island)	Avg Salary (Mainland)	Bookings (Island)	Bookings (Mainland)	Availability (Island)	Availability (Mainland)
Apr	₦85,000	₦82,500	29	25	20%	79%
May	₦100,000	₦100,000	32	28	20%	77%

Table 4.1.1a: Regression Statistics for Mainland Driver Availability

Statistic	Value
Multiple R	0.73
R Square	0.53
Adjusted R Square	0.37
Standard Error	10.35
Observations	5

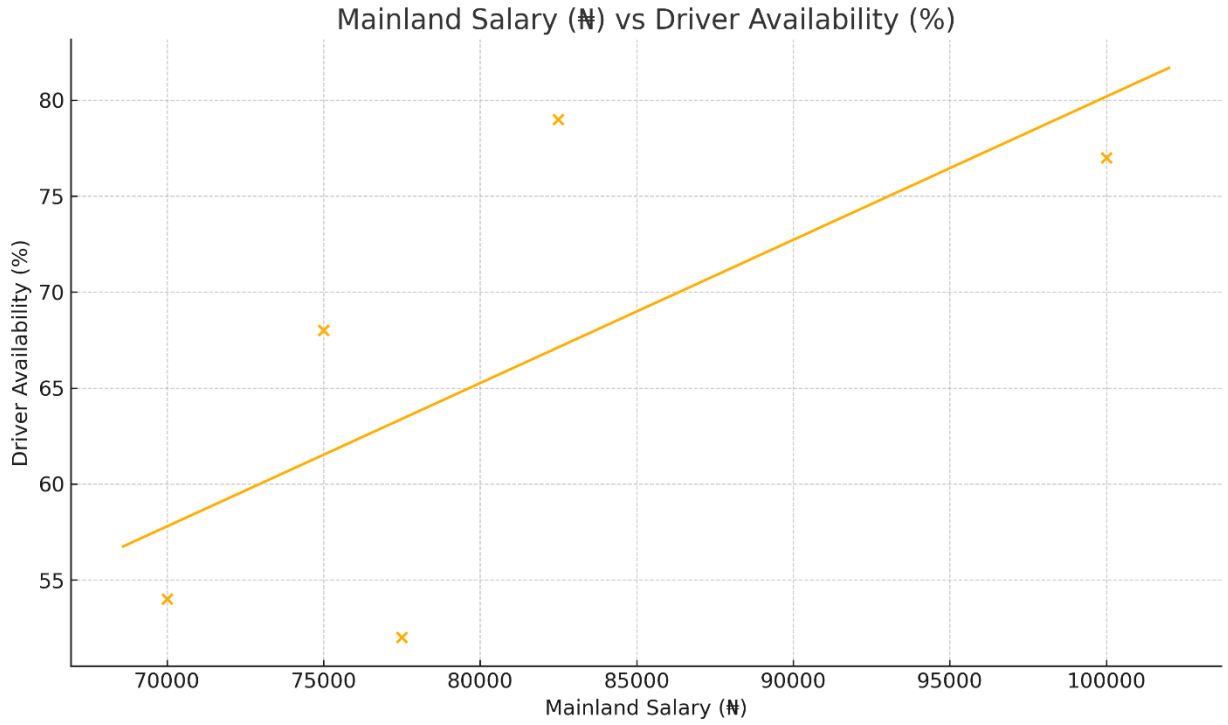
Table 4.1.1b: ANOVA for Mainland Driver Availability

Source	df	SS	MS	F	Significance F
Regression	1	246.41	246.41	2.30	0.226
Residual	3	321.59	107.20		
Total	4	568.00			

Table 4.1.1c: Regression Coefficients for Mainland Drivers

Variable	Coefficient	Std Error	t-Stat	P-value
Intercept	0.373	63.119	0.006	0.995
Mainland Salary	0.0023	0.00076	3.026	0.056

Figure 1. Mainland Salary and Driver Availability with Least-Squares Trend Line.



The second analysis evaluated whether island salary demands affect bookings. With availability fixed at 20 percent across months, bookings were regressed on salary. The slope was negative at −0.0024 (per ₦1), implying that a ₦1,000 pay rise is associated with a reduction of approximately 0.24 bookings, although the model's explanatory power was weak and statistically non-significant. Results are shown in Table 4.1.2, Table 4.1.2a, and Table 4.1.2b. A supportive visualization with a

regression line appears in Figure 2. The practical reading is that wage-driven cost pressures can dampen demand where customers are price sensitive, but in essential transport markets, the impact is often moderated by service quality gains that accompany better compensation.

Table 4.1.2: Bookings and Availability of Island-Based Drivers

Month	Bookings	Availability	Salary
Jan	62	20%	₦75,000
Feb	42	20%	₦75,000
Mar	66	20%	₦85,000
Apr	29	20%	₦85,000
May	32	20%	₦100,000

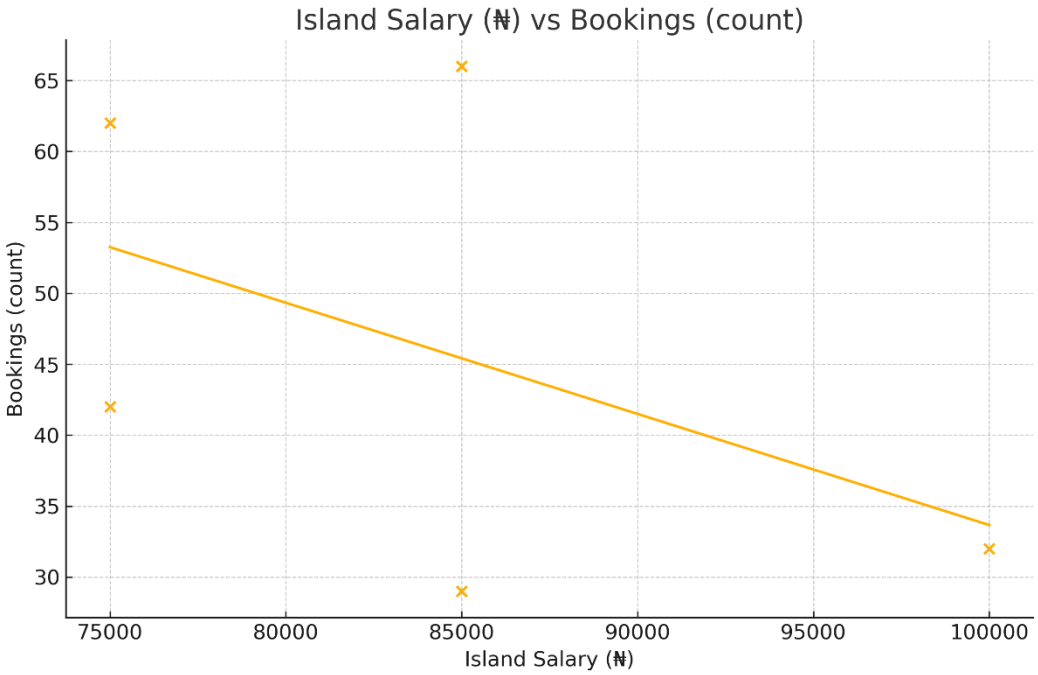
Table 4.1.2a: Regression Statistics for Island Driver Bookings

Statistic	Value
Multiple R	0.43
R Square	0.19
Adjusted R Square	−0.24
Standard Error	17.35
Observations	5

Table 4.1.2b: Regression Coefficients for Island Drivers

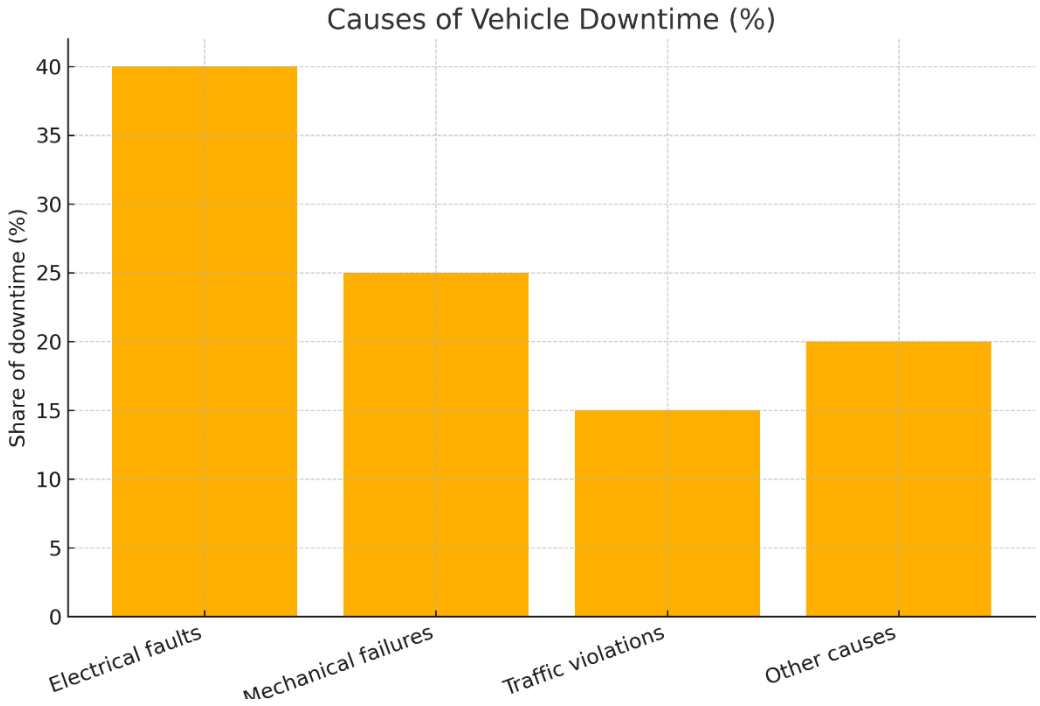
Variable	Coefficient	Std Error	t-Stat	P-value
Intercept	80.42	54.13	1.49	0.234
Island Salary	−0.0024	0.00021	−1.12	0.343

Figure 2. Island Salary and Bookings with Least-Squares Trend Line.



The third analysis examined vehicle downtime. Electrical faults accounted for 40 percent of events, mechanical failures for 25 percent, and traffic violations for 15 percent, with the remainder attributed to minor administrative or user-related issues. Average downtime was about one hour and forty-five minutes, extending to four hours in severe instances. The operational effects were loss of productivity, higher maintenance expenses, and reputational costs that can depress repeat business. A bar chart of causes is presented in Figure 3. The evidence supports a maintenance strategy anchored in preventive schedules, diagnostic monitoring, and predictive analytics to reduce unplanned stoppages, extend asset life, and stabilize customer experience.

Figure 3. Causes of Vehicle Downtime.



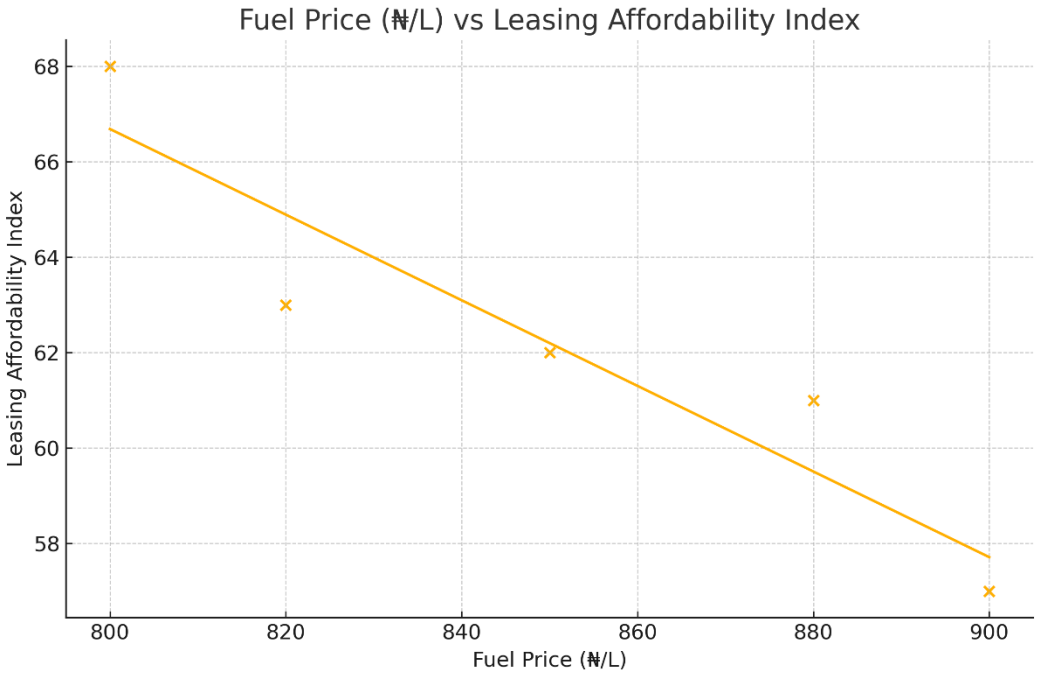
The fourth analysis addressed fuel costs and leasing affordability. Monthly data from January to May indicate an inverse relationship, summarized in Table 4.1.4 and modeled by the equation Affordability = 123.07 − 0.073(Fuel Price). The coefficient implies that each ₦1 increase in fuel price is associated with a 0.073-point decline in the affordability index. Coefficient estimates are shown in Table 4.1.4a. The scatter with the fitted line appears in Figure 4. The results confirm that volatile energy prices are a major constraint on leasing accessibility and margins, strengthening the case for fuel-efficient deployment and price-smoothing policies.

Month	Fuel Price (₦/L)	Leasing Affordability Index
Jan	900	57
Feb	880	61
Mar	850	62
Apr	820	63
May	800	68

Table 4.1.4a: Regression Coefficients for Fuel Price and Leasing Affordability

Variable	Coefficient	Std Error	t-Stat	P-value
Intercept	123.07	11.83	10.40	0.002
Fuel Price	−0.073	0.015	−4.81	0.017

Figure 4. Fuel Price and Leasing Affordability with Least-Squares Trend Line.



The final analysis considered driver management. Misconduct includes reckless driving, traffic violations, misuse of vehicles, and non-compliance with safety rules. These behaviors increase repair costs, insurance exposure, and legal risk while undermining brand trust. Retention challenges are driven by competition for skilled drivers, turnover, and dissatisfaction with pay or conditions. High turnover inflates recruitment and training costs and weakens service continuity. A balanced response includes performance-linked incentives, targeted training, predictable scheduling, and attention to compensation structures that support retention without eroding affordability. Together, the results show that fleet performance at ICS Outsourcing is shaped by salaries, supply constraints, maintenance reliability, fuel prices, and human resource management. Addressing these factors jointly through competitive but sustainable pay, predictive maintenance, fuel-aware planning, and retention-oriented workforce policies can improve efficiency and stabilize customer satisfaction in Nigeria's leasing market.

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

Summary of Findings

The study investigated the influence of fleet management practices on vehicle leasing operations and customer satisfaction at ICS Outsourcing Nigeria Limited. Guided by five objectives, supported by regression analyses, operational records, and customer feedback, the following key findings were made:

- Driver Salary and Availability: There is a strong positive relationship between salary and availability of mainland drivers. For every ₦1,000 increase in salary, availability rose by 2.3%. However, island-based drivers maintained a fixed 20% availability, unaffected by salary incentives, suggesting that external factors such as congestion, longer routes, and burnout limit responsiveness.
- Salary Demands and Bookings: Island drivers demand higher pay, yet availability remains stagnant. Regression analysis showed that as driver salary increases, bookings decline slightly, reflecting the pressure of rising operational costs on leasing prices and customer affordability.
- Vehicle Downtime and Unauthorized Use: Electrical issues accounted for 40% of downtime, mechanical failures for 25%, and traffic violations for 15%. Average downtime was 1 hour 45 minutes per incident, leading to revenue losses and reduced customer trust. Unauthorized use by clients further limited vehicle availability and increased wear and tear.
- Fuel Costs and Leasing Affordability: Regression modeling showed that each ₦1 rise in fuel cost reduces affordability by 0.073 units. With fuel prices averaging ₦650 per liter, leasing services became less affordable, forcing price hikes that reduced bookings, particularly among small businesses and individual customers.

- Driver Misconduct and Retention: Persistent challenges were observed in driver management. Misconduct, traffic infractions, lack of training, and poor retention strategies lowered service quality. High turnover rates and burnout among island drivers weakened morale, while customer complaints reflected dissatisfaction with reliability and professionalism.
- Customer Satisfaction and Revenue: Customer experiences were shaped by driver availability, downtime, and pricing. Island drivers faced overbooking, delays, and reduced service quality, while mainland drivers represented untapped capacity. Frequent downtime and rising leasing costs undermined customer confidence, reduced affordability, and threatened revenue sustainability.

Conclusion

The study concludes that fleet management effectiveness depends on a delicate balance of financial incentives, human resource management, operational discipline, and external cost drivers. Salary incentives improve availability only where working conditions are manageable, as seen on the mainland. On the island, where traffic stress and cost of living are higher, salary alone does not influence availability. High wage demands from island drivers reduce profitability and weaken booking volumes, as higher leasing prices discourage customers. Vehicle downtime caused by electrical faults, mechanical breakdowns, and traffic violations is a critical constraint on productivity and trust. Rising fuel prices further compound affordability challenges, diminishing customer demand, and market competitiveness. The human factor remains central to fleet operations. Misconduct, high turnover, weak retention strategies, and inadequate training continue to limit efficiency. These factors not only reduce customer satisfaction but also erode long-term financial stability. In summary, fleet management is not simply about deploying and maintaining vehicles but about integrating economic planning, workforce motivation, predictive data use, and customer experience into a cohesive strategy. Sustainable growth for ICS Outsourcing Nigeria Limited will depend on addressing cost inefficiencies, enhancing driver management, and adopting innovative operational models.

Recommendations

Drawing on the findings, the following recommendations are proposed to strengthen fleet management, improve leasing performance, and enhance customer satisfaction at ICS Outsourcing Nigeria Limited:

1. Review and Standardize Driver Compensation: Develop a data-driven salary structure that minimizes disparities, introduces performance-based incentives, and provides targeted allowances for challenging locations like the Island.
2. Adopt Location-Based Fleet Strategies: Differentiate fleet deployment policies between the Island and Mainland. Options include shift-based scheduling, transport or housing support for Island drivers, and remote dispatch systems.

3. Introduce Predictive Workforce Planning: Use predictive scheduling tools to forecast peak demand periods and balance driver supply with leasing needs, reducing instances of unavailability.
4. Develop a Real-Time Fleet Monitoring Dashboard: Implement a digital system to track utilization rates, downtime, unauthorized usage, and maintenance schedules, ensuring data-driven operational decisions.
5. Curb Unauthorized Vehicle Use: Enforce strict usage contracts, integrate GPS tracking, and apply penalties for misuse. Establish automated preventive maintenance routines to cut downtime.
6. Adjust Leasing Prices Responsively: Adopt transparent, dynamic pricing models tied to fuel price fluctuations. Explore the gradual integration of fuel-efficient and electric vehicles to reduce long-term operating costs.
7. Strengthen Driver Training and Retention: Create structured programs covering safety, customer service, defensive driving, and the use of technology. Regular evaluations and feedback will encourage accountability and improve professionalism.
8. Enhance Customer Feedback Systems: Implement continuous monitoring of customer satisfaction through surveys and ratings, using feedback to refine service delivery, pricing, and driver performance.
9. Outsource Non-Core Functions: Consider outsourcing vehicle maintenance, fueling, and insurance processes to specialized providers, allowing ICS to focus resources on customer service and strategic development.
10. Expand Data Collection and Research Capacity: Invest in comprehensive digital record-keeping, periodic audits, and wider data sampling across operations to support long-term planning and better decision-making.

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