I hereby confirm that I have examined this project paper entitled:

Service Marketing: The effects of website usability towards customer satisfaction

by examining the website usability as marketing channel

By

MUHAMAD HAFIZUL BIN MAMAT @ AB WAHAB

I hereby acknowledge that this project paper has been accepted as part fulfillment for the
degree of Bachelor of Technology Management (Hons) in High Technology Marketing

Signature   : ....

Supervisor   : ....

Date   : ....

Service Marketing: The effects of website usability towards customer satisfaction

by examining the website usability as marketing channel

MUHAMAD HAFIZUL BIN MAMAT @ AB WAHAB

Report submitted in fulfillment of the requirement for the degree of Bachelor of Technology Management (Hons) in High Technology Marketing

Faculty of Technology Management and Technopreneurship

UniversitiTeknikal Malaysia Melaka

JUNE 2013

I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.

Signature : ....

Name   : ....

Date   : ....

DEDICATION

This research paper is lovingly dedicated

to my respective parents

who have been my constant sources of inspiration.

They have given me the drive and discipline to tackle any task with more

enthusiasm and determination.

Without their love and support, this project would not have been made possible.

I miss you both!

ACKNOWLEDGEMENT

Alhamdulillah. Thanks to Allah, whom with His willing giving me an opportunity to complete this research paper entitled "Service Marketing: Service Quality and Customer Satisfaction of Air Asia by examining the website usability as marketing channel". I would like to thank, without implicating, to my fellow classmates, supervisor, family and friends for helping me working on this research project.

I would like to express my deepest thanks to Miss Nurul Zarirah Bt Nizam a lecturer at FPTT and also assign as my supervisor who had guided me for the task during 2 semester in session 2012/2013. Also sincere appreciation and thanks to Dr.Chew Boon Cheong and Dr. Ismi Rajiani for sharing their experience and knowledge in the Research Methodology and Marketing Research subject that really helped me through the writing of this research.

Lastly, I am truly indebted to my beloved parent, brothers and sisters and my dearest wife-to-be for their endless moral support and encouragement. Their towering strength helped me so much during my hard time of this project.

Thank you very much.

ABSTRACT

Customer loyalty on websites, *e-loyalty*, is reflected on customer behavior or customer satisfaction, regardless of online or offline business. Specifically, it is believed that customer loyalty on a website is strongly associated with website service quality. Thus, this study aims to evaluate the usability of Air Asia website as well as examine the customer satisfaction on it. In order to do it, a series of survey is conducted on UTeM students who are or might be the web browser or more specifically potential customer of Air Asia. 234 questionnaires were distributed for that purpose. The quantitative method approaches were used as the research involved in analyzes the data from questionnaire. As the elements of website usability being evaluated, the customer satisfaction were examined, this research could contribute on the better performance of website in the future.

Keywords : Customer satisfaction, website usability

ABSTRAK

Kesetiaan pelanggan di laman web, e-kesetiaan, terserlah pada tingkah laku pelanggan atau kepuasan pelanggan, tidak kira perniagaan online atau offline. Khususnya, ia dipercayai bahawa kesetiaan pelanggan di laman web berkait rapat dengan kualiti perkhidmatan laman web. Oleh itu, kajian ini bertujuan untuk menilai kebolehgunaan laman web Air Asia serta mengkaji kepuasan pelanggan terhadap servis laman sesawang itu. Dalam usaha untuk melakukannya, satu siri kajian yang dijalankan ke atas pelajar UTeM yang merupakan atau mungkin menjadi pelayar web atau lebih khusus pelanggan potensi Air Asia. 234 soal selidik telah diedarkan bagi tujuan itu. Pendekatan kaedah kuantitatif telah digunakan sebagai penyelidikan yang terlibat dalam menganalisis data daripada soal selidik. Setelah elemen kebolehgunaan laman web telah dinilai, kepuasan pelanggan yang telah dikaji, kajian ini boleh menyumbang kepada prestasi yang lebih baik daripada laman web pada masa hadapan.

Kata kunci : Kepuasan pengguna. Kebolehgunaan laman web

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATION AND SYMBOLS

ABBREVIATION	TITLE
FPTT	Fakulti Pengurusan Teknologi Dan Teknousahawanan
N	Number of Items
P	Level of significance
R	Value that indicates strength and direction of correlation
SSPS	Statistical Package for Social Science
UTeM	Universiti Teknikal Malaysia Melaka

LIST OF APPENDICES

NO.	TITLE
1	Questionnaire Sample
2	Print Screean (Air Asia website)

CHAPTER 1

INTRODUCTION

1.1   Introduction/Background of Study

Many travel-service websites enable Internet users to access a wide range of travel-related services to plan their trips, from information searching to booking hotel rooms or airline tickets. This resulted in the Internet becoming one of the most important platforms for travel-related service businesses today (Ho & Lee, 2007). As the ubiquity of the Internet has accommodated travelers' attempts to search travel-related information from websites, electronic purchases of travel products and services have grown significantly.

According to the Internet World Statistics (2011), the Internet user rate has grown to 528.1 percent in 2011 (approximately 2 billion), compared to that of the year of 2000 (approximately 360 million). It shows that the user of the internet has increased drastically in parallel with the existence of e-commerce website resulting from the advancement of technology.

Competitiveness in electronic commerce is continuously increasing because of the large number of agents involved in it, the reduced search costs and the high power obtained by the consumer with the appearance of the internet. Therefore, it is difficult to increase the client base of an online business and, as a result, the development of

© Universiti Teknikal Malaysia Melaka

customer loyalty and positive word-of-mouth are two of the main objectives aimed at by any online marketers or service provider.

1.2   Problem Statement

Nowadays, the marketing of service through internet has become a trend for some big company. Website is one type of the internet communication that being used as the way for them to market their product or offering their service. Air Asia also tend to uses this approach on doing their marketing promotion where their website is developed in ordered for the customer to interact with them.

The ability and diversity of skills possessed by the user can motivate users to choose website. If the user enters the site that is difficult to use, cannot find the desired product in the e-commerce site, or are not clear about what is offered by the website, users typically will leave the website. The information accessible quickly from the web site is more needed by the user rather than waiting for a certain loading time for accessing it. In the other word, the service functionality is the important things to be considered in developing the website. For the company that uses website as their marketing channel, the satisfaction of customer should not only be evaluated when they use the service but also after the service being performed. It's a fact that customer will talk about the service they have used to their friends. Word of mouth from the customer to another prospect customer might be the reason for the customer to use the service or not. It is also a fact that there are some companies that still ignoring the matter of customer satisfaction on their service quality.

1.3 Research Objective

The aim of this study is to evaluate the dependency between website usability and website quality which directly influence the customer satisfaction and next recommend improvement measures on improving the website performance. The objectives of the study are stated as follows:

- To evaluate the service quality of website in term of its usability as the medium of product or service promotion.
- To examine the customer satisfaction and perception towards the website usability.
- To identify and suggest the most suitable method for the website to be improved.

1.4 Scope of research

The scope of this study will focus on the Air Asia website usability on providing the booking service for online tickets and online promotion. The online services that involve the relationship between the merchant (service provider) and the customer (B2C) will be covered. This study of website usability is based on five key issues: Consistency, Accessibility, Navigation, Interactivity, and Content. The study is conducted on UTeM students as the potential user or passenger of Air Asia. Lastly, Air Asia being used as the model of website to be analyzed.

The limitation for this research is about the respondent being used. The researcher only limits the respondent for this study to UTeM's students who are or might be the web browser of Air Asia website.

© Universiti Teknikal Malaysia Melaka

1.5 Importance of the Project

The importance of this project is decided as follow:

Country
The research being conducted can be the model for other researchers to do future research on the website usability. The government official as well as private sector official also can use it to develop their own company's website.

Air Asia
The respective web designer might use the propose method to improve their website in order to make sure the flow of potential customer accessing the website being keep constantly.

University
This research might be used to help the university in term of improving UTeM's official website. This research also can be published by the university.

Student/ Public
They can easily searching the information with an efficient way.

1.6 Summary

Overall, this chapter provides an initial overview of the project that be carried out. It includes the statements of problem that being researched, namely the Air Asia website usability to users. The objective of the study describes the goals to be achieved during the study is done. The study was conducted using the Air Asia website as the model. Statement of the problem needs to be solved in order to prove that the set objectives can be achieved in accordance with the scope of research set. Finally, the importance of the project is identified in order to deliver value to consumers and organizations involved.

4

CHAPTER 2

LITERATURE REVIEW

This chapter reviews the related research and reading on website quality and discusses the determinants of website quality in relation to customer perceived service quality, customer satisfaction, customer return intention, and customer loyalty on a the e-commerce website. The impact of website quality on these consequential variables toward an e-commerce website will be discussed from the customer's perspectives.

2.1   Introduction

There are too many facilities available to users with the advancement of technology. The pace of technology has now made the world become smaller which information can be accessed only at the fingertips of internet technology. The appearance of Internet evolution leads to the existence of several applications such as e-commerce (e-commerce) and e-business (e-business). Information technology has changed people's lives become fast paced. With the advent of web technology, long way communication become more efficient, effective and able to be used by anyone (Bishop, 1999). As the result, people from all over the world can communicate with each other and obtain information easily and efficiently

This study believes that the advancement of technology has made people think on the important of website. As the prove, website nowadays being used as the tools of market review, direct marketing as well as the new channel of marketing the product.

2.2   Service Marketing

2.2.1   E-commerce

E-commerce or electronic commerce is the term used to explain the transactions that occurred between some of the parties' dealings online. E-commerce includes transformation of business activities that were previously done manually to electronic business activities involving Internet users, computer and information technology as well as appropriate communication.

Laudon (2012), states that the e-commerce is the use of internet and website to transact business and is no longer bound to time and place. In other words, e-commerce is the way to carry out the purchase of the products, services and other transactions using the Internet as a medium of transaction. Laudon also said that e-commerce is a part of e-business.

This study believes that e-commerce nowadays have been used by many companies in order to interact with their prospect partners, supplier and even customers. Some of them use this channel to make the marketing of their product as well as the channel for their customer to make online purchasing.

2.3   Service Quality

Service quality is one of the important elements that need to be considered on ensuring the satisfaction from the customer. Seth et al. (2005, 2006) pointed that there is a need to study service quality with a wider domain considering all the processes and operations

associated in delivery of product or service. Parasuraman et al. (1985) defined service quality as "the global evaluation or attitude of overall excellence of services". So, service quality is the difference between customer's expectation and perceptions of service delivered by service firms. Nitecki et al. (2000) defined service quality in terms of "meeting or exceeding customer expectations, or as the difference between customer perceptions and expectations of services". As in this research, the study explains the relationship between the service quality being delivered by Air Asia on their website and the customer satisfaction.

2.3.1 Dimension of website service quality

Content and services are the reasons for the existence of a website, which is built by application of techniques and technologies. Thus, considering the results of some studies conducted and/or supervised by the author (e.g. Rocha and Victor, 2010), as well as the systematization of the knowledge available in several bibliographies, we can group website quality in three main dimensions (Figure 1): content quality, service quality, and technical quality. This is an innovative conception of website quality.
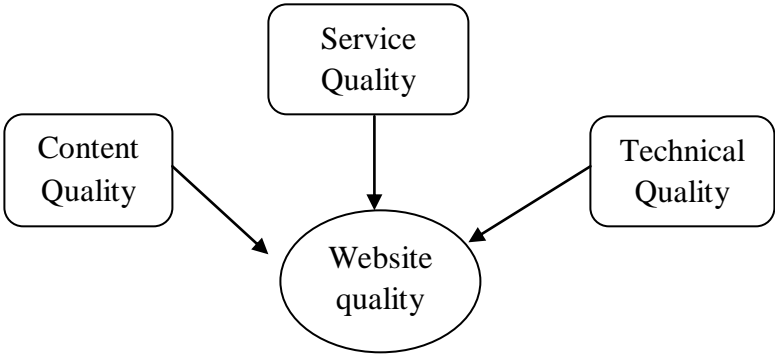

Figure 2.1: Dimension Of Website Quality (Rocha And Victor, 2010)

7

2.3.2   Website usability

In general, the concept of usability can be defined as the effort required to uses a computer system. The experience consumers have on a website is increasingly becoming an important topic both for academia (Agarwal and Karahanna, 2000; Novak, Hoffman & Yung, 2000) and for organizations using websites to market their products and services. Hill (2001) stated that the website design is the important determinants of visitors' online purchases and revisit intentions. Moreover, Nielsen (2000) argues that "users experience usability of a site before they have committed to using it and before they have spent any money on potential purchases." Thus, it is important to build and develop sites that are easy to use and that meet the organizational needs. More specifically, focusing attention on the internet, website usability reflects the perceived ease of navigating the site or making purchases through the internet and it is considered a critical factor on the development of electronic commerce (Flavian et al., 2006).

Mohd Shahrizan, (2006) uses seven determinants in the website usability evaluation. The determinant is called SCANMIC usability model which is the acronym for screen design, consistency, accessibility, navigation, media use, interactivity and content.

To show the agreement with the literature being reviewed, the researcher thinks that the website usability or simply said as website quality is directly related with the service quality. The researcher by this reference evaluates the usability of website by using five from the seven elements stated by Shahrizan, 2006 which is consistency, accessibility, navigation, interactivity and content.

2.3.3   Determinants of website usability

1) Consistency

Norman, (1998) said that inconsistencies force people to spend extra time trying to figure out how to navigate, or where to find the answers to questions they have – it increases cognitive overhead. Consistency also can be related to the speed of the website

load. For instance, Nantel and Senecal, (2007) suggest that there is positive relationship between the time user spent on waiting the website to load and the probability that they will complete their task on the website. Consistency maintained on layout and design of the website makes easy for the visitor to easily navigate the website. While browsing from one page to the other, visitors do not feel that they have landed up on a different website, when the main elements remain the same. To use a Web Template for designing your website is good way to maintain consistency in your website.

2) Accessibility

Web accessibility generally refers to the technical approaches used during Web design to make a Website more accessible to users (e.g. disabled people, the elderly) and user agents (e.g. Web browsers, adaptive technologies, and mobile phones). The World Wide Web Consortium's Web Accessibility Initiative (WAI) provides the Internet's most prominent accessibility regime and prescribes various guidelines and standards that Web content, authoring tool, and user agent developers can use (World Web Wide Consortium, 2009).

3) Navigation

Ease of navigation relates to the level of time and effort required to accomplish specific tasks (Venkatesh, 2000). Good navigation design helps users acquire more of the information they are seeking and makes the information easier to find. Thus, a key challenge in building a usable website is to develop a good navigational structure and appropriate hyperlinks. Ease-of-navigation is analogous in essence to the ease of use in website service marketing.

4) Interactivity

Interactivity can be defined as a characteristic of a computer-mediated communication in the marketplace that increases with the directionality, timeliness, mutual controllability, and responsiveness of communication as perceived by consumers and firms (Yadav &

Varadarajan 2005). Venkatesh and Ramesh (2006) argue that the ability to customize websites is an important design characteristic because it helps users save time and provides information that is of greatest interest to them.

5) Content

Marketing practioners and academic researchers contend that one of the primary purposes of a company's website is to provide information to prospects, customers, and other stakeholders (Chen and Wells, 1999). In fact, a content analysis revealed that firms are using websites as a part of an integrated communication strategy to serve higher objectives such as creating desire and action (Sheehan and Doherty, 2001). Thus, it can be conclude that the content of the website need to be informative.

2.4   Satisfaction

Focusing attention on services, satisfaction may be defined as an affective customer condition that results from a global evaluation of all the aspects that make up the customer relationship with the service provider (Severt, 2002). More specifically, the concept can be divided into two distinct perspectives (Geyskens et al., 1999). The first perspective considers satisfaction as an affective predisposition sustained by economic conditions, such as the volume of sales or profit margins obtained. The second vision, known as non-economic satisfaction, considers the concept using more psychological factors, such as a partner fulfilling promises or the ease of relationships with the aforementioned partner. Indeed, most definitions on the concept of satisfaction highlight a psychological or affective state (Bhattacherjee, 2001). In this line, satisfaction is understood as a global evaluation or attitude that evolves over time (Eshghi et al., 2007) resulting from the interactions produced by the customer and the organization in the relationship. Thus, customer satisfaction is not the result of a specific transaction, but that of a global evaluation of the relationship history between the parties.