

ALIFAH BINTI ADNAN

Brech

2016

UTeM

**THE CRUCIAL FACTORS CONTRIBUTING TOWARDS EXCELLENT
CUSTOMER SERVICE IN TELEKOM MALAYSIA**

ALIFAH BINTI ADNAN

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

SUPERVISORS' CONFIRMATION

We acknowledge that we have read and examined this project paper and in our opinion this project paper is sufficient in terms of scope and quality for the award of Degree of Bachelor of Technopreneurship with Hons.

Signature :

Supervisor : Ms. Johanna Binti Abdullah Jaafar

Date : 17th June 2016

Signature :

Supervisor : Engr. Dr. Mohd Fazli Bin Mohd Sam

Date : 17th June 2016

**THE CRUCIAL FACTORS CONTRIBUTING TOWARDS EXCELLENT
CUSTOMER SERVICE IN TELEKOM MALAYSIA**

ALIFAH BINTI ADNAN

**This Report Is Submitted In Partial Fulfilment of Requirements for Degree of
Bachelor of Technopreneurship with Hons.**

Faculty of Technology Management and Technopreneurship

Universiti Teknikal Malaysia Melaka

JUNE 2016

DECLARATION

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

Signature :

Name : Alifah Binti Adnan

Date : 17th June 2016

DEDICATION

To

My Parents

Thank you for your support and advices, and for always stands by me.

My Family

Thank you for all the love, prayers, and encouragement that keep me going.

My Friends

Thank you for all the support and sharing that you gives to me.

My Supervisor

Thank you for all the advices, guidance, and patience that helped me completed this project.

ACKNOWLEDGEMENT

I would have never been able to finish my dissertation without the guidance from several people who led me through this research period, help from friends, and support from my family.

I would like to express my deepest gratitude to my supervisor, Ms. Johanna Abdullah Jaafar, who in spite of being extraordinarily busy with her duties, took time out to hear, guide and give advices to keep me on the correct path, allowing me to carry out my research and gives opportunities to experience doing a research and practical issues beyond the textbooks, and supported my research.

It is my radiant sentiment to place on record my best regards, deepest sense of gratitude to the lecturers, for willing to help and give their best suggestions to my research, warm encouragements, thoughtful guidance, critical comments, and corrections for the research.

I would also like to thank my family members especially my parents, Mr. Adnan bin Shariff and Mrs. Asiah binti Zainal. They are always support and encourage me with their best wishes that cheer me up and stand by me through the good and bad times.

To my friends and housemates, thank you for your help and advice I needed every time I have trouble with the research. My research would not have been possible without their helps.

ABSTRACT

Customer service is the service provided by a company to customers in every interaction before, during and after purchasing a product. Good customer service gives customers great experience, thus creates happy customers that will be repeat customers. Bad customer service could drive the customers away thus affect the company's sales and profits. During the internship at Telekom Malaysia (TM), the researcher has noticed that the company does not provide good customer service. Hence, there is a need to investigate among the customers on which factors that contributes toward excellent customer service so that it could be suggested to TM to improve their customer service. This study will focus on these three factors which are time management, employees, and trust building. The focus will be on what the relationship is, the influences, and which is/ are the most crucial factors towards excellent customer service. This study suggests that all three factors have a positive relationship with excellent customer service. This study will be conducted a survey involving 150 targets respondents of TM's customers in Seremban. Data will be analyzed using simple statistic methods, reliability and validity and Pearson Correlation. The findings will provide valuable insights for Telekom Malaysia to take appropriate measures in enhancing the customer service.

Keywords: Customer service, time management, employee, trust

ABSTRAK

Khidmat pelanggan adalah khidmat yang diberikan oleh sesebuah syarikat kepada para pelanggan dalam setiap interaksi sebelum, semasa, dan selepas membeli produk. Khidmat pelanggan yang baik memberikan pelanggan pengalaman yang bagus, sekali gus menjadikan pelanggan gembira yang akan menjadi pelanggan tetap. Manakala, khidmat pelanggan yang buruk akan menjauhkan hubungan pelanggan dengan syarikat lalu akan terkesan pada jualan dan keuntungan syarikat. Semasa menjalani latihan industri di Telekom Malaysia (TM), pengkaji menyedari bahawa syarikat tersebut tidak memberikan khidmat pelanggan yang baik. Justeru itu, satu kajian terhadap para pelanggan TM perlu dijalankan untuk menyiasat faktor manakah yang mampu menyumbang kepada khidmat pelanggan yang baik, supaya ianya boleh dicadangkan kepada TM untuk menambah baik khidmat pelanggan mereka. Kajian ini akan fokus kepada tiga faktor iaitu faktor pengurusan masa, faktor pekerja, dan faktor membina kepercayaan. Fokus kajian akan tertumpu kepada hubungan dan pengaruh faktor- faktor serta untuk mengenal pasti faktor manakah yang paling mempengaruhi khidmat pelanggan yang baik. Kajian ini mencadangkan bahawa ketiga- tiga faktor mempunyai hubungan yang positif dengan khidmat pelanggan yang baik. Kajian ini juga akan menjalankan soal selidik ke atas 150 pelanggan TM di kawasan Seremban. Analisis data akan dilakukan menggunakan kaedah mudah statistik, tahap keboleh-percayaan, tahap kesahan, dan kaedah "Person Correlation". Penemuan kajian akan memberikan maklumat berharga kepada Telekom Malaysia untuk mengambil langkah- langkah yang sepatutnya untuk menambah baik khidmat pelanggan mereka.

Kata kunci: *Khidmat pelanggan, pengurusan masa, pekerja, kepercayaan*

TABLE OF CONTENTS

| CHAPTER | TITLE | PAGES |
|------------------|--------------------------|--------------|
| | DECLARATION | i |
| | DEDICATION | ii |
| | ACKNOWLEDGEMENT | iii |
| | ABSTRACT | iv |
| | <i>ABSTRAK</i> | v |
| | TABLE OF CONTENTS | vi |
| | LIST OF TABLES | xii |
| | LIST OF FIGURES | xiv |
| CHAPTER 1 | INTRODUCTION | |
| | 1.1 Background of Study | 1 |
| | 1.2 Problem Statements | 3 |
| | 1.3 Research Questions | 4 |
| | 1.4 Research Objective | |
| | 1.5 Scope of Study | 5 |

| CHAPTER | TITLE | PAGES |
|----------------------|---|--------------|
| | 1.6 Limitations of the Study | |
| | 1.7 Significance of the Study | 6 |
| | 1.8 Summary | |
| CHAPTER 2 | LITERATURE REVIEW | |
| | 2.1 Introduction | 7 |
| | 2.2 What is Customer Service? | |
| | 2.2.1 The 5 Dimensions of Service Quality | 8 |
| | 2.3 Why Customer Service is Important? | 11 |
| | 2.4 The Factors Contributing towards Excellent Customer Service | 13 |
| | 2.4.1 The Time Management Factor | 14 |
| | 2.4.2 The Employee Factor | 17 |
| | 2.4.3 The Trust Building Factor | 19 |
| | 2.5 Relationship between Customer Service Factors And Excellent Customer Service | 22 |
| | 2.6 Hypothesis | 23 |
| | 2.6.1 Hypothesis 1 | |
| | 2.6.2 Hypothesis 2 | |
| | 2.6.3 Hypothesis 3 | |
| | 2.7 Theoretical Framework | 24 |

| CHAPTER | TITLE | PAGES |
|------------------|-----------------------------|--------------|
| | 2.8 Summary | 25 |
| CHAPTER 3 | RESEARCH METHODOLOGY | |
| 3.1 | Introduction | 26 |
| 3.2 | Research Design | 27 |
| 3.3 | Source of Data | 28 |
| | 3.3.1 Primary Data | 29 |
| | 3.3.2 Secondary Data | 30 |
| 3.4 | Location of Research | 31 |
| 3.5 | Research Strategy | |
| 3.6 | Time Horizon | 32 |
| 3.7 | Data Analysis | |
| 3.8 | Statistical Tools | 34 |
| 3.9 | Pilot Test | 35 |
| 3.10 | Validity & Reliability | |
| 3.11 | Gantt Chart PSM 1 | 36 |
| 3.12 | Summary | 37 |
| CHAPTER 4 | DATA ANALYSIS | |
| 4.1 | Introduction | 38 |
| 4.2 | Pilot Test | |

| CHAPTER | TITLE | PAGES |
|----------------|---|--------------|
| 4.3 | Reliability Test | 40 |
| 4.4 | Frequency Analysis | 41 |
| 4.4.1 | Distribution of Respondents by Gender | |
| 4.4.2 | Distribution of Respondents by Race | 43 |
| 4.4.3 | Distribution of Respondents by Age | 44 |
| 4.4.4 | Distribution of Respondents by Marital status | 46 |
| 4.4.5 | Distribution of Respondents by Profession | 47 |
| 4.4.6 | Distribution of Respondents by Level of Education | 49 |
| 4.4.7 | Distribution of Respondents by TM Product Subscribed | 51 |
| 4.4.8 | Distribution of Respondents by Subscribed Period | 53 |
| 4.5 | Descriptive Analysis | 54 |
| 4.5.1 | Customers' Awareness | |
| 4.5.2 | Product Subscribed Intentions | 56 |
| 4.5.3 | Time Management Factor | 57 |
| 4.5.4 | Employee Factor | 58 |
| 4.5.5 | Trust Building Factor | 60 |

| CHAPTER | TITLE | PAGES |
|----------------------|--|--------------|
| | 4.5.6 Excellent Customer Service | 61 |
| 4.6 | Pearson Correlation Coefficient Test | 62 |
| 4.7 | Regression Analysis | 65 |
| | 4.7.1 Model Summary | |
| | 4.7.2 ANOVA Analysis | 67 |
| | 4.7.3 Coefficient Analysis | 68 |
| 4.8 | Hypotheses Testing | 69 |
| 4.9 | Summary | 72 |
| CHAPTER 5 | CONCLUSION AND RECOMMENDATIONS | |
| 5.1 | Introduction | 73 |
| 5.2 | Summary of Statistical Analysis | |
| | 5.2.1 Reliability Test | |
| | 5.2.2 Frequency Analysis | 74 |
| | 5.2.3 Descriptive Analysis | |
| | 5.2.4 Pearson Correlation Coefficient Test | 75 |
| | 5.2.5 Regression Analysis | |
| 5.3 | Discussion on Major Findings | 76 |
| 5.4 | Implication of the Research | 79 |
| 5.5 | Recommendation for Future Research | 80 |
| 5.6 | Conclusion | |

| | | |
|-----|-------------------|-----|
| 5.7 | Summary | 81 |
| 5.8 | Gantt Chart PSM 2 | 82 |
| | REFERENCES | 83 |
| | APPENDIX A | 87 |
| | APPENDIX B | 100 |

LIST OF TABLES

| NO. | TITLE | PAGES |
|-----|---|-----------|
| 1 | Table 4.1: Case processing Summary of Pilot Test | 39 |
| 2 | Table 4.2: Reliability Statistics for Pilot Test | |
| 3 | Table 4.3: Case Processing Summary of Reliability Test | 40 |
| 4 | Table 4.4: Reliability Statistics of Reliability Test | |
| 5 | Table 4.5: Frequency table of Gender | 41 |
| 6 | Table 4.6: Frequency table of Race | 43 |
| 7 | Table 4.7: Frequency table of Age | 44 |
| 8 | Table 4.8: Frequency table of Marital Status | 46 |
| 9 | Table 4.9: Frequency table of Profession | 47 |
| 10 | Table 4.10: Frequency table of Level of education | 49 |
| 11 | Table 4.11: Frequency Table of TM Product Subscribed | 51 |
| 12 | Table 4.12: Frequency Table of Subscribed Period | 53 |
| 13 | Table 4.13: Descriptive frequency of Customers' Awareness (CA1) | 54 |
| 14 | Table 4.14: Descriptive frequency of Customers' Awareness (CA2) | 55 |
| 15 | Table 4.15: Descriptive frequency of Customers' Awareness | |

| | | |
|----|---|-----------|
| | (CA3) | |
| 16 | Table 4.16: Descriptive Analysis of Product Subscribed Intentions | 56 |
| 17 | Table 4.17: Descriptive Analysis of Time Management Factor | 57 |
| 18 | Table 4.18: Descriptive Analysis of Employee Factor | 58 |
| 19 | Table 4.19: Descriptive analysis of Trust Building Factor | 60 |
| 20 | Table 4.20: Descriptive Analysis of Excellent Customer Service | 61 |
| 21 | Table 4.21: Correlation between Time Management Factor, Employee Factor, and Trust Building Factor with Excellent Customer Service | 62 |
| 22 | Table 4.22: Range of Correlation Strength | 64 |
| 23 | Table 4.23: Model Summary of Time Management, Employee, and Trust Building | 65 |
| 24 | Table 4.24: ANOVA of Time Management, Employee, and Trust Building | 67 |
| 25 | Table 4.25: Coefficient of Time Management, Employee, and Trust Building | 68 |
| 26 | Table 4.26: Coefficients | 69 |
| 27 | Table 4.27: Summary of analysis | 76 |

LIST OF FIGURES

| NO. | TITLE | PAGES |
|-----|---|-------|
| 1 | Figure 2.1: The 5 Service Dimensions Customers Care About | 10 |
| 2 | Figure 2.2: Overall trust influencing factors for Banking, Insurance, and Mobile industry in UK and USA | 20 |
| 3 | Figure 2.3: Drivers of emotional trust and rational trust | 21 |
| 4 | Figure 2.4: Theoretical Framework | 24 |
| 5 | Figure 4.1: Gender | 42 |
| 6 | Figure 4.2: Race | 43 |
| 7 | Figure 4.3: Age | 45 |
| 8 | Figure 4.4: Marital Status | 46 |
| 9 | Figure 4.5: Profession | 48 |
| 10 | Figure 4.6: Level of Education | 50 |
| 11 | Figure 4.7: Product Subscribed | 52 |
| 12 | Figure 4.8: Subscribed Period | 53 |

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Customer service is the service provided to customers before, during and after purchasing and using goods and services (Business Case Studies LLP, 2015). Good customer service provides an experience that meets customer expectations. It leads to satisfied customers that are likely to be repeat customers. Bad customer can generate complaints thus lost in sales. Customers will recognize bad customer service when they have gone through bad experience while obtaining a service. The purpose of this research is to identify the crucial factors that contribute towards excellence customer service in Telekom Malaysia (TM). Therefore, it will focus in identifying the crucial factors that contribute towards excellence customer service. For that purpose the data were collected among customers of TM in Seremban. As we know, each customer is very important for a business organization. Customers contribute towards business success. When customers buy goods, products or services, they usually know precisely what they are getting. They will put certain expectations on such products or services which could benefit them. Customer service plays an important role to keep the customers happy and satisfied with their purchase of products or services.

So, what does good customer service actually mean? We all know that good customer service is crucial, but once you get down trying to define what goes into it, not everyone is on the same page. To some, good customer service is as simple as solving problems and offering solutions in an expedient manner. To others, it means overall pleasantness and politeness from those who represent the frontlines of the company (Stuart Leung, 2014). There is no right or wrong because the factors of what makes customer service “good” also depends on what specific things a particular customer may hold valuable or their expectations form what industry competitors do. There are definitely basic factors that support good customer service such as customer feedbacks, trust building, quick resolutions to problem, and many others, but, which are the most crucial factors? Perhaps most important of all is to recognize that good customer services encompasses any interaction, online or offline, that a consumer or potential customer may have with your company, and it includes the entire experience, from the initial contact to final sale and beyond (Stuart Leung, 2014). In fact, it is often good customer service that wins and keep customers in the first place, helping the company to achieve a positive and efficient service experience. Therefore, after reviewing some articles and researches, the researcher has decided to focus on these three factors which are time management, employees, and trust building.

1.2 Problem Statements

As a developing country, Malaysia offers many business opportunities to the people. Many new businesses were established. A business without customers is not a business. Even with unhappy customers won't be a business for very long (Stefani Amini, 2013). With respect to that, offering a good customer service would help in generating bonds with customers. However, not all businesses have the skills to do so. As in my experience during the industrial training, I have noticed that the company does not offer a satisfying customer service. This is because there are many complaints from the customers. Even though the company is one of the biggest telecommunication companies in Malaysia, it does not make the company to be able to serve their customers with good customer service. Therefore, three factors that contribute towards excellence customer service have been identified.

First is the time management factor. Don't make the customers wait. Customers blamed their frustrations on having to address an issue to multiple employees at different times, to be call back or transferred only to re-explain their problem over again, while the problem is never actually getting any closer to a solution.

Second factor is the employees' skills and attitude. Companies must make sure that their employees have the full skills and attitude to serve and provide the customers. The employees should be able to listen to customers' problem, be respectful, understanding, and respond positively.

The third factor is trust building. You are building much- needed trust when your company is giving customers a personalized experience when they need it. If companies can provide the customers what they are looking for, when they need and expect it, then that trust built between the company and the customer will evolve into invaluable customer loyalty (Stuart Leung, 2014).

1.3 Research Questions

The research focused on customers of TM in Seremban. The key issues are as follows :

- What are the relationship between the customer service factors (time management, employees, and trust building) with excellent customer service in Telekom Malaysia (TM) ?
- How are these factors (time management, employees, and trust building) influence the customer service in Telekom Malaysia (TM) ?
- What is (are) the most crucial factor(s) that contribute towards excellent customer service in Telekom Malaysia (TM) ?

1.4 Research Objectives

The research is conducted based on the following objectives:

- To identify the relationship between the customer service factors (time management, employees, and trust building) with excellent customer service in Telekom Malaysia (TM).
- To investigate the influence of the customer service factors (time management, employees, and trust building) on the customer service in Telekom Malaysia (TM).
- To determine the most crucial factor(s) that contributes towards excellent customer service in Telekom Malaysia (TM).

1.5 Scope of the Study

This research focused on finding the crucial factors contributing towards excellent customer service at TM. Hence, the researcher has conducted a study on customers of TM. Due to time constraint of the study, a survey questionnaire was distributed to the customers in Seremban area only. The survey helped the researcher to find out the customers' expectations on the company's customer service and identify the crucial factors that could contribute towards excellent customer service.

1.6 Limitations of the Study

Limitations are the shortcomings, conditions or influences that cannot be controlled by the researcher, that place restrictions on the researcher methodology and conclusions. Limitations are influences beyond the researcher control (BCPS, 2014). In this research, two limitations have been identified. Firstly, the study focused on the customers of TM in Seremban area only. The data of the study are not collected from other customers of other business organizations. The data is solely from TM customers and may not be suitable for other organizations from different industries. This is because customers from other business organizations may have different opinions and expectation from each organization.

Secondly, the survey is time consuming. Customers were reluctant to participate in the survey. This might affect the percentage of target respondents in the study that could delay the data collection process. Therefore, the researcher has difficulties in completing the survey during the specified time. Hence, the researcher needs to strategize the survey process in order to encourage participation among respondents.

1.7 Significance of the Study

By identifying the crucial factors that could contribute towards good customer service, it will boost the company's business performances as customers are more satisfied. The business organization could improve their customer service based on the suggested factors. Both parties will benefit from each other as the business is providing a service that meets the customers' needs and the customers will continue to support the business.

This research is important for entrepreneurs. Understanding a good customer service is a basic for every entrepreneur and businessman in all industries so that businesses can position themselves in a marketplace with highly branded name and good image that provide satisfying products and services.

1.8 Summary

Overall, this chapter explains about the purpose of this research and what the researcher wants to achieve. To conclude, if we can provide the customers what they are looking for, when they need and expect it, it could build trust between the company and the customer will evolve into invaluable customer loyalty.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

A literature review is a critical and in depth evaluation of previous research. It is summary and synopsis of a particular area of research, allowing readers to establish why they pursuing the particular research program. A good literature review expands upon the reasons behind selecting a particular research question (Martyn Shuttleworth, 2009).

For this chapter, the researcher has discussed on the overview of the factors contributing towards excellent customer service. Besides that, the relationships between the factors and excellent customer service are explained while, how the factors influence the customer service is elaborated.

2.2 What is Customer Service?

Customer service is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met (Paul Mckinney,