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BTM (High-Tech Marketing)

2017

UTeM

THE STUDY OF SERVICE QUALITY TOWARDS
CUSTOMER SATISFACTION AMONG EXPRESS BUS
FOR MELAKA – KUALA LUMPUR ROUTE

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THE STUDY OF SERVICE QUALITY TOWARDS CUSTOMER SATISFACTION
AMONG EXPRESS BUS FOR MELAKA – KUALA LUMPUR ROUTE

ONG LING MEI

The thesis is submitted in partial fulfillment of the requirements for the award of
Bachelor of Technology Management (High Technology Marketing)

Faculty of Technology Management and Technopreneurship
Universiti Teknikal Malaysia Melaka

JUNE 2017

DECLARATION OF ORIGINAL WORK

“I hereby declare that this report is the result of my own, except certain explanations and passages where every of it is cited with sources clearly.”

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DEDICATION

I would like to dedicate the appreciation to my parents and family members who supported me from spiritually and financially, housemates and course mates that assisted me through the journey of research.

ACKNOWLEDGEMENT

The final year project research that I had done was a great chance for learning and professional development. I was grateful for having an opportunity to meet up with many people and professional who led me through this research period.

Bearing in mind I would like to take this opportunity to express my deepest thanks to En Kamarudin bin Abu Bakar, my beloved final year project supervisor for his guidance and advice throughout journey completing this research. This research could not be well if without his encouragement. In addition, I would like to thank Dr. Norhidayah binti Mohamad for her fruitful comments and feedbacks in my final year project.

Besides, I sincerely thanks to the researchers that did their research paper and uploaded online. Although the topic of the research was different, but the theory and knowledge that provided were fruitful.

The appreciation is also extended to respondents who willing to spent their time in answering my questionnaire. Their cooperation was helpful in completing my final year project research. Last but not least, appreciation goes to those who involved either directly or indirectly towards this project. Hopefully this report will be a good reference for others in the future.

ABSTRACT

Express bus services were often having bad impression by the people where people didn't satisfied to the services. However, in recent years, express bus services providers worked hardly to improve the services provided in order to increase the customer satisfaction. It was due to the high competition in the market. Express bus service providers not only to improve the services but they should understand the customers' needs and wants in order to meet up with the customers' expectation. Therefore, this study was conducted to study the service quality towards the customer satisfaction among express bus. Data were collected by using questionnaire distribution to 175 respondents in Melaka Sentral. The respondents were the express bus users for Melaka – Kuala Lumpur route. There were a few dimension of services quality that will influence the customer satisfaction which was tangibility, reliability, responsiveness, assurance and empathy. There was a significant relationship between the services quality towards the customer satisfaction. In this research, researcher used a few data analysis method which were Pearson's correlation, T-test and multiple regressions analysis to analyze the data that collected from the questionnaire. The results of the research showed that all of the five variables which were tangibility, reliability, responsiveness, assurance and empathy, were having significant relationship toward the customer satisfaction among express bus for Melaka - Kuala Lumpur route. This result of the study contributed exceptional judgment to express bus service providers and transportation authorities in Malaysia.

ABSTRAK

Perkhidmatan bas ekspres sering memberi tanggapan buruk kepada rakyat Malaysia di mana orang ramai tidak berpuas hati terhadap perkhidmatan yang diberi. Walau bagaimanapun, pada tahun kebelakangan ini, syarikat bas ekspres telah berusaha untuk meningkatkan perkhidmatan bagi meningkatkan kepuasan para pelanggan. Hal ini demikian kerana terdapat persaingan tinggi antara syarikat bas ekspres di pasaran. Syarikat perkhidmatan bas bukan sahaja perlu meningkatkan perkhidmatan tetapi mereka harus memahami keperluan para pelanggan supaya jangkaan perkhidmatan pelanggan dapat ditemu. Oleh itu, kajian ini dijalankan bagi mengkaji penjejasan ekspres kualiti perkhidmatan bas terhadap kepuasan pelanggan. Data dikumpulkan dengan menggunakan pengedaran soal selidik kepada 175 orang responden di stesen bas Melaka. Responden dalam kajian ini merupakan pengguna bas ekspres bagi perjalanan dari Melaka ke Kuala Lumpur. Terdapat beberapa dimensi kualiti perkhidmatan yang akan mempengaruhi kepuasan pelanggan iaitu tangibiliti, kebolehpercayaan, responsif, jaminan dan empati. Terdapat signifikan hubungan di antara kualiti perkhidmatan terhadap kepuasan pelanggan. Dalam kajian ini, penyelidik menggunakan beberapa kaedah analisis iaitu Pearson's correlation, t-test dan multiple regressions analisis untuk menganalisis data yang dikumpul daripada soal selidik. Hasil kajian menunjukkan bahawa lima dimensi kualiti perkhidmatan iaitu tangibiliti, kebolehpercayaan, responsif, jaminan dan empati mempunyai signifikan hubungan bersama kepuasan pelanggan terhadap kepuasan pelanggan bagi perjalanan Melaka – Kuala Lumpur. Hasil kajian ini dapat memberi pertimbangan luar biasa kepada syarikat bas ekspres dan pihak berkuasa pengangkutan di Malaysia.

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LIST OF ABBREVIATIONS

FYP	Final Year Project
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CHAPTER 1

INTRODUCTION

This chapter has introduced the background of study, alongside with the problem statement, research questions, research objectives, scope and limitation, and significant of the studies. Summary will be done at the last part of this chapter.

1.1 Background of Study

Marketing is the study of exchange relationship management. According to the American Marketing Association, marketing has defined as “*the activity, set of institutions, and processes for creating, communication, delivering and exchanging offerings that have value for customers, clients, partners, and society at large*”. Marketing is able to involve in every sectors in order to deliver value for customers. Transportation sector will be study in this research to understand the current situation of transportation services in Malaysia.

Nowadays, transportation is important for the public to move from one place to another. Public transportation system consist all diverse occupancy vehicle services which used to deliver people on local routes. The distance problems can be solved by the transportation easily. Public transport system includes the privately or publicly owned

taxi, van, bus, rail and more, delivering their services to the public (Schwarcz, 2003). The private transports such as personal car are more convenient for the passengers. However, Shamsuddin et al. (2012) noted that the demand of the cars will increase if a society priorities vehicle for personal use only. This will cause many problems such as traffic congestion and pollution. Therefore, it is important for the public to make used the existing public transports to solve the problem.

There are various types of public transport in Malaysia to fulfill the needs and wants of the customers. Public transport is a shared passenger-transport service which bring convenience for the public who facing the transportation problem. Public transport system includes all various vehicle services that used to transport customer on regional and local routes (Bachok et al., 2014). The public transport modes are divided into short distance public transport such as transit bus, taxi, rapid transit and long distance public transport such as express bus, train, and airplane. One of the famous public transport modes in the rural and urban areas of many countries are the public bus services. The most basic form of the public transport are buses where buses are the democracy representative through which the society is mobile (Litman, 2015). The types of public bus can be divided into two which are the transit bus (intra-city) and express bus (intercity). The public bus services that provided should be excellent to support the growth of economic, population and also the development of urban and rural activities (Bachok et al., 2014).

1.1.1 Major Express Bus Service Provider in Melaka

According to the study of International Road Transport Union, express buses are the second famous transportation in Europe according to the statistics from 1995 to 2002. Express bus is a public transport that carries passenger for significant distances without stopping between different town and state. In Malaysia, express bus services are used for holiday travel, personal reasons and also for the business and working purpose (Mohamed, 2009). The services are popular especially on the festivals or long holidays

such as Eid al-Fitr, Chinese New Year, and Deepavali. Express bus services in Malaysia are available in 24 hours based in the schedule set by the company (Mohamed, 2009). Private companies such as *KKKL Express*, *City Express*, *Plusliner*, *Transnasional*, *Mayang Sari Express*, *Delima Express* and more are operating the express bus services around whole Malaysia. According to my observation and communication with some express bus customers and ticket selling clerks, customers are more prefer to choose *KKKL Express*, *City Express* and *Delima Express* for their journey from Melaka to Kuala Lumpur. Besides that, there are most frequent bus schedule per day for the bus route form Melaka to Kuala Lumpur. Therefore, these three express bus companies above for Melaka – Kuala Lumpur route are being chosen to study in this research. It is very important for the express buses service providers to provide a better service for their customers to increase competitive advantages among each other and increase the customers’ perception towards the express bus.

Pantouvakis & Lympelopoulos (2008) has proposed that the different in the importance of service quality attributes are closely related with the time of customer spend in the public transport. There is higher chance of being affected by the service provided when time spent in certain area is longer. Therefore, express bus is suite for the research because of the long-distance travel. This research is worth for investigate customers perception towards the service provided by the express bus.

Even though the research only focus on the customers’ perception towards the service provided by the express bus. Meanwhile, it is proved that various findings will be produce from various research contexts (Nair, 2006; Bhaskaran & Sukumaran, 2007). Therefore, the research on the customer perception and satisfaction in other public transportation contexts that different with express bus are seems to be necessary and will take reference in the research.

1.2 Service Provided by Express Bus

Express buses services can be access and mobile easily where people able to move themselves from one place to other destination (Litman, 2015). It providing the long distance services for their customers where during the long journey customers will feel the quality of services provided by the organization more deeply. Therefore, the quality of services provided by the express bus service provider are suggested as a means of increasing a competitive advantage among various competitors (Zeithaml et al., 1988; Hensher et al., 2003).

According to the report of Schneider et al. (2013), the services provided by the public transportation are always didn't meet with the needs of the users. The quality of services provided will determine the use of public transportation in Malaysia. Express bus is one of the public transportation that should emphasize in the services provided. Therefore, it is important for the study to emphasize the express bus service quality from different orientation.

1.3 Customer's Perception

The services provided by the express bus are important to meet the customers' expectation. The customer perception is important since "*customers are the sole judge of service quality*" (Eboli & Mazzulla, 2011). The more the service can meet with the customers' expectation, the more success for the services. Different customers have different needs and wants. Their level of expectations toward the specific service is also different. It is difficult for a product/service to meet all the expectation of the customers.

The customers' experience during the consumption and acquisition of the service will influence on the customers' satisfaction judgment (Homburg et al., 2006). The most satisfied customer will stay as a long term loyal customers for an organization (Berman

and Evans, 2010). Therefore, it is important for the study to emphasize the customer satisfaction toward the express bus service.

1.4 Problem Statement

Nowadays, express bus services are become the most popular and affordable public transport modes in Malaysia which provide a long-distance service for the customers from one state to another. By using the express bus service, traffic congestion issues can be solved especially during the school holiday and big festival such as Eid al-Fitr, Chinese New Year, Deepavali and more. Express bus's company has to provide accessibility that lead to safe, convenience reliable, and effective of transport system. Excellent services that provide by the express bus's service providers will help the business to create competitive advantage among the various competitors. Customers will feel satisfied if the services provided by express bus service providers able to fulfill their expectation.

In reality, however, express bus services deals largely with problems and issues encountered with services and facilities. Initial review on the topic found that the quality of services that provided by the express bus service providers is poor and unreliable. This cause that peoples are not willing to make use the express bus especially for the personal car users. There are a number of problems that relate with the express bus services such as bus didn't move based on the schedule, poor bus drivers' attitude, bus are not clean and comfort, high bus fare and more. This issue caused that peoples didn't satisfied with the services having bad images toward the current express bus services.

Therefore, by understanding the situation above, the research is important to carry out to study the relationship between service quality and customer satisfaction among express bus for Melaka – Kuala Lumpur route. Express bus service providers are able to facilitate their services to provide a better experience for their customers in the

future. Peoples are more willing to accept and use the services provide by the express bus's company in the future.

1.5 Research Questions

- i) Are there significance variables of the express bus service quality and the customer satisfaction?
- ii) Is there a correlation between the express bus service quality and the customer satisfaction?
- iii) Is there significance relationship of the express bus service quality toward the customer satisfaction?

1.6 Research Objectives

- i) To identify the significant variables of the express bus service quality and the customer satisfaction.
- ii) To determine the correlation between the express bus service quality and the customer satisfaction.
- iii) To analyze the significant relationship of the express bus service quality toward the customer satisfaction.

1.7 Scope and Limitation of the Study

There are some scope and limitation occur when conduct the research by the researcher.

1.7.1 Scope

Scope of the study is the section that explained the information that will be analyzed in the research. It is important to having a scope in the research because it is impossible for the researcher to study every aspect of every subject.

The scope of this study will be conducted only for the express bus services users between aged 15 to 55 years old. Those peoples are being selected because, in common travel behavior, they have taken the express bus routinely (Ismail et al., 2013). Those users who are having the experience of taking express bus are able to answer the survey accurately. They are able to make judgment towards the express bus service according to their experience. They can also express their opinion about the express bus services and giving the suggestion to the services provider to improve their services. In order to ensure that the respondents involved in the research having express bus experience before, the research will be conducted at the Melaka Sentral where it is the biggest bus terminal in Melaka to minimize the error of the survey. The experience of customers towards the express bus services will be asked in the questionnaire. Demographic options will be included in the questionnaire to determine the age of the respondents.

The express bus services users that will be involved in this research are also specific for the bus route from Melaka to Kuala Lumpur. It is because there are the most frequent express bus schedules among these two destinations due to the high demands of customers. Besides that, the study will only conducted by the researcher in Melaka state, Malaysia. It was because Melaka has been chosen as a holiday destination for most of the family due to its historical sites (Choy, 2013). Therefore the express bus services