

FACTOR INFLUENCING CUSTOMER
SATISFACTION TOWARDS SERVICE EFFICIENCY
AT SYARIKAT AIR TERENGGANU

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FACTOR INFLUENCING CUSTOMER SATISFACTION TOWARDS SERVICE
EFFICIENCY AT SYARIKAT AIR TERENGGANU

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DECLARATION

“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 the candidature of any other degree. “

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DEDICATION

For beloved parents, lecturer, and friends

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Alhamdulillah, Thanks to Allah, whom with his willing giving me an opportunity to complete this research paper. I would like to extend my thanks to my fellow friends, classmates, parent's, lecturer and family for helping me work on this research project.

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ABSTRACT

Customer satisfaction is the significant criteria of accomplishment and excellence for the company in delivering service to the customer. This study had three main objectives which are to determine the most influencing factor that influence customer satisfaction towards the service efficiency, to identify improvement method in improving customer satisfaction towards the company and lastly to investigate the relationship between the service efficiency and the customer satisfaction. Quantitative approach had been used in this study through the distribution of 80 set of questionnaires to the customer of Syarikat Air Terengganu, Dungun. The finding from the study reveals that all the independent variable had a relationship with the dependent variable service efficiency. The most significant factor that influencing customer satisfaction towards service efficiency had been identified as independent variable continuous improvement. The results of this study will provide the company especially service-based business understand about the preferences relating to customer satisfaction and letting them to direct an effective service efficiency.

Keywords: Customer Satisfaction, Service Efficiency, Communication, Service Improvement, Quantitative

ABSTRAK

Kepuasan pelanggan adalah kriteria penting pencapaian dan kecemerlangan bagi syarikat itu dalam menyampaikan perkhidmatan kepada pelanggan. Kajian ini mempunyai tiga objektif utama iaitu untuk menentukan faktor yang paling mempengaruhi kepuasan pelanggan terhadap kecekapan perkhidmatan, untuk mengenal pasti kaedah penambahbaikan dalam meningkatkan kepuasan pelanggan terhadap syarikat itu dan akhir sekali untuk mengkaji hubungan antara kecekapan perkhidmatan dan kepuasan pelanggan. Kaedah kuantitatif telah digunakan dalam kajian ini melalui pengagihan 80 set soal selidik kepada pelanggan Syarikat air Terengganu, Dungun. Dapatan dari kajian ini mendapati bahawa semua pembolehubah bebas mempunyai hubungan dengan perkhidmatan pembolehubah bersandar kecekapan perkhidmatan. Faktor yang paling penting yang mempengaruhi kepuasan pelanggan terhadap kecekapan perkhidmatan telah dikenal pasti pembolehubah peningkatan berterusan. Kajian ini akan menyediakan syarikat terutamanya berasaskan perkhidmatan perniagaan memahami tentang keutamaan yang berkaitan dengan kepuasan pelanggan dan membiarkan mereka untuk mengarahkan kecekapan perkhidmatan yang berkesan.

Kata Kunci: Kepuasan Pelanggan, Kecekapan Perkhidmatan, Komunikasi, Penambahbaikan servis, Kuantitatif

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LIST OF ABBREVIATIONS

SSPS	Statistical Package For Social Science
IV	Independent Variable
DV	Dependent Variable
ANOVA	Analysis Of Variance
SATU	Syarikat Air Terengganu
SPAN	Suruhanjaya Perkhidmatan Air Negara

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Customer satisfaction is the first criteria to identify the quality of delivery to the customers through products or services and embedded service and the main indicator of the performance of public institutions. Measurement of customer satisfaction is an significant criteria of attempts to improve product quality or service which eventually leading to the comparative advantage of the company (Dasuqkhi et al. 2013) . The company has customers more satisfied are more successful and more beneficial (R.Allen 2004)

Tse and Wilton have to determine customer satisfaction in response to a user who visits valuation contradictions between the previous expectation of and the actual performance the product as visible after the consumption (Tse and Wilton 1988). Meeting the needs and the expectations of customers means that the company knows what their customers want, they know what the customers anticipate and they can convey them in a consistent manner. Customers are the one who judges of the quality of service, not the service provider no matter how the records service providers seem to be excellent from the management view. (Edvardsson 1998). Therefore, it is useless if the company provide the excellent performance of the service from the perspective of the of the company but do not have a beneficial effect on user satisfaction from their perspective. It is been widely accepted that the concept service quality and efficiency needs to be approached from the perspective of the customer (Hashim et al. 2011)

Growing number of companies choose to customer satisfaction as their key performance indicators. Furthermore, customer satisfaction may provide or act as an indicator of accomplishment and excellence for all employees and staff involved in any stage of customer service process (Grigoroudis E. and Y. Siskos 2010). In this way, the measurement satisfaction actually lead to people implement and achieved a higher degree (Wild 1980; Hill 1996). A good reputation in customer service is not something that can be achieved in a short time. However having a fine reputation in the area that would eventually be beneficial to the company. This study will be focused on relevant factors that influence customer satisfaction on the efficiency of services at Syarikat Air Terengganu.

1.2 Research Problem

Customer satisfaction is a term in marketing which used to measure whether the service or product offered by one company had met customer expectation or not. Customer satisfaction is very significant to be taken care by the company in order for them to improve their service and products from time to time. Customer feedbacks and voice is very crucial to be heard so that the improvement can be done. A focus of quality is very significant to service business and it has acted as a foundation for the organization in order to survive the competition, be able to achieve the company mission and vision and get well accepted by the society (Natalisa and Subroto 2003).

Customer satisfaction of the service received over the counter can be beneficial to the company. Customer satisfaction is impacted by two criteria which were the experience and expectations or prediction of service performance (Yi 1990). The dissatisfaction of the customers might arise when the service received by the customer over the counter did not meet customer expectations.

According to (Katz et al. 1991), the number of customers had spent time waiting in the checkout line at the stores can directly influence the level of satisfaction. In this study, the amount of time that customers have to spend waiting at the service counter can affect the level of their satisfaction towards the efficiency of services. Research has indicated that customer satisfaction being affected not only by time but by the expectation of waiting for customers or any attribution, or determining the reasons for the wait (Bitner 1990; Churchill and Suprenant 1982; Folkes 1984; Maister 1985 ; Folkes et al. 1987; Oliver 1980; Shostack 1985; Taylor 1994; Tom and Lucey, 1995; Tse and Wilton, 1988)

1.3 Objective of the Study

The main study objectives have been constructed as per below:

1. To determine the most influencing factor that influence customer satisfaction towards the service efficiency
2. To investigate the relationship between the service efficiency and the customer satisfaction.
3. To suggest a solution in improving customer satisfaction towards the company.

1.4 Research Question of the Study

The main study question has been constructed as per below:

1. What are the most influencing factor that influence customer satisfaction towards service efficiency?
2. What is the relationship between service efficiency and the factor influencing customer satisfaction?
3. How can the company improve the satisfaction level towards their services?

1.5 Scope of the Study

The scope of this is focused on Syarikat Air Terengganu in Dungun branch. Syarikat air Terengganu (SATU) was incorporated under company act 1969 and not a government division. The main activities of this company were to supply a clean water to Dungun area, issued monthly bills and receive bills payment, receive and record customer complaints regarding water supply and also managing all application to use the water supply.

This study aimed to investigate what is the problem between the service offered by the company and the customer satisfaction of the customer. The research scope only focusing only the company activities which have the direct encounter with a customer. This research paper discussed the problems arise and the way to improve the service efficiency.

1.6 Significant of the Study

This study may help the company involved to identify the real needs and wants of the customers in putting effort to acquire as well as retain the customer satisfaction. The certainty and reliability of the result are able to act as a guideline for future research in customer satisfaction in Malaysia context. Last but not least this research paper may benefit universities and authorities who are conducting the service-based business.

1.7 Summary

The first chapter of the study discussed the background of the study, the research problem, the objectives, research questions and also the significance of the study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter consists of literature review, review of the relevant theoretical model, conceptual framework, hypothesis development and overall conclusion for Chapter 2.

2.2 Customer Satisfaction

Customer's experiences at the service counter are crucial in determining their satisfaction level and their judgments and feedback of service quality received (Brown et al 1994). Moreover, the performance role of the company is particularly critical, as they are expected not only to serve the customer but also responsible for solving customers' service-related issues (Sparks et al. 1997). (Broetzmann et al. 2012) had stated in his recent paper that the manager of customer satisfaction likely to be more apprehensive with only measuring customer satisfaction rather than completely use information that develops to build the business case for upgrading the quality of services.