

THE STUDY OF CUSTOMER SATISFACTION TOWARDS BROADBAND
SERVICES IN PENINSULAR MALAYSIA

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DECLARATION

I declare that this thesis entitled “The study of customer satisfaction towards broadband services in peninsular Malaysia” is the results of my own research except as cited in the references. This thesis not has been accepted for any degree and is not concurrently submitted in candidature of any other degree.

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APPROVAL

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DEDICATION

I dedicate this thesis to my beloved father, M. Zai nuddi n B n Jaafar, mother, Ml m Hasnah B nti Abdullah and siblings, Noor Hazimah B nti Zai nuddi n and Noor Haliza B nti Zai nuddi n and also my beloved family.

ABSTRACT

Nowadays, into the new era of convergence between the wireless network, broadband Internet and the data sector, it had boosted the rapid growth of telecommunications industry. Information and communication technology (I.C.T) become an important criteria in fast changing telecommunication world as it had significant contribution in several areas for the purpose to enhance the services. Customer satisfaction is commonly being classified as the main contributor in the creation of wealth in a firm. Therefore the targeted for this research to identify the factor influence customer satisfaction towards broadband services. This research also to measure the relationship between customer satisfaction between broadband services. This study had been mainly adopted from SERVQUAL model. Thus, tangible, reliability, responsiveness, assurance, empathy and income were focused factors in this research. This research used a quantitative method and will distributed a questionnaire to respondent because to identify their satisfaction about broadband services. This questionnaire will distributed to all user broadband and experience user broadband in peninsular Malaysia. The analysis was conducted using the Statistical Package for Social Science (SPSS) with a total 384 respondent. The close ended questions questionnaire distributed to the respondent. Data will analyze using Pearson correlation and multiple regression analysis.

Key word: Broadband service, Customer Satisfaction, SERVQUAL model, Peninsular Malaysia

ABSTRAK

Pada masa sekarang, era baru penunpuan antara rangkaian tanpa wayar, Internet jalur lebar dan sektor data, ia telah meningkatkan pertumbuhan pesat industri telekomunikasi. Teknologi maklumat dan komunikasi (I. C T) menjadi kriteria penting dalam dunia telekomunikasi yang pantas berubah kerana ia mempunyai sunbangan besar dalam beberapa bidang untuk tujuan meningkatkan perkhidmatan. Kepuasan pelanggan biasanya dikelaskan sebagai penyumbang utama dalam penciptaan kekayaan dalam firma. Oleh itu sasaran untuk kajian ini untuk mengenal pasti faktor mempengaruhi kepuasan pelanggan terhadap perkhidmatan jalur lebar. Kajian ini juga untuk mengukur hubungan antara kepuasan pelanggan antara perkhidmatan jalur lebar. Kajian ini telah digunakan terutamanya dari model SERVQUAL. Oleh itu, ketara, kebolehppercayaan, responsif, jaminan, empati dan pendapat adalah faktor fokus dalam kajian ini. Kajian ini menggunakan kaedah kuantitatif dan akan mengagihkan soal selidik kepada responden kerana mengenal pasti kepuasan mereka mengenai perkhidmatan jalur lebar. Soal selidik ini akan didarkan kepada semua broadband pengguna dan jalur lebar pengguna pengalaman di semenanjung Malaysia. Analisis dilakukan menggunakan Pakej Statistik untuk Sains Sosial (SPSS) dengan seramai 384 orang responden. Soal selidik soalan berakhir yang diagihkan kepada responden. Data akan dianalisis menggunakan korelasi pearson dan analisis regresi berganda.

Kata kunci: Perkhidmatan Jalur Lebar, Kepuasan Pelanggan, model SERVQUAL, Semenanjung Malaysia

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LIST OF ABBREVIATION

α	Al pha
A	Assurance
CS	Cust omer Satisfacti on
E	Empat hy
MRA	Multi ple Regressi on Analysis
R	Reli ability
RE	Responsi veness
SERVQUAL	Ser vice Quality
T	Tangi bles
I	Inco me
E	Empat hy
DV	Dependent Variables
MD	Most Dissatisfied
D	Dissatisfied
F	Fair
S	Satisfied
MS	Most Satisfied
CFA	Confir mat ory Fact or Analysis

CHAPTER 1

INTRODUCTION

1.1 Background of Study

No wadays, into the new era of convergence between the wireless network, broadband Internet and the data sector, it had boosted the rapid growth of telecommunications industry. Information and communication technology (I.C.T) become an important criteria in fast changing telecommunication world as it had significant contribution in several areas for the purpose to enhance the services. Found a positive economic impact from fixed broadband. According to Michael Minges (2015), state that a fixed broadband has a bigger impact on the economy compared to other ICT. Through ICT, the utilization of the resources can be managed effectively and efficiently. Broadband can be considered as a key indicator to become competitive advantage in changing economy environment and consistently economic growth and sustainable.

In peninsular Malaysia, the usage of internet and multi media by corporate, public sectors, and government is increased rapidly. The information technology is one of the key determinants in obtain global competitiveness. The increased use of data communication and rapid expansion of information technologies by residential users and business encourages the growth of internet-based on the services and generates a greater demand for an availability of high-speed internet service access. Developed and developing countries have prioritized the development of broadband or high-speed internet infrastructure as their countries development direction. According to Gunter Knieps and Patrick Zenhausern (2015), to build additional and upgrading the communication networks in urban areas. New technology should be promoted to urban area to increase the communication networks such as broadband.

In general, this research is to identify the study of customer satisfaction towards broadband services. Previously, internet users need to fixed to a specific area when using the network and spend lots of time in downloading large files or contents before the introduction of high speed broadband. The development of the broadband facilitates the users to use the network everywhere and any times. The high-speed broadband can transmit five or more times faster than the speed of a previous dial-up modem without disrupting telephone use.

Having continuously available of internet access is important for business email use, and it is useful in sending or receiving important business data files, photographs, videos, or graphics for business purpose such as promotion or advertisement. Broadband allows wider internet accessible coverage than a routine fixed line modem. With the development of broadband, network user especially business users and working people can have much easier and faster access to websites. This consequently enables better quality of other usage of the features that internet can offer, better communication, and better potential for video conferencing.

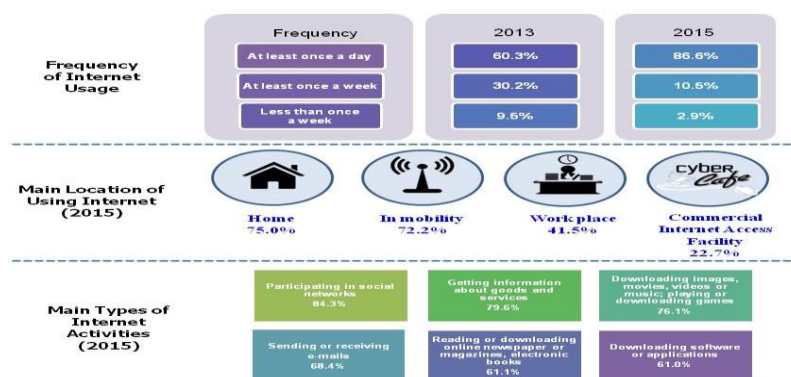


Figure 1.1: Source 2015 - Department of Statistics Malaysia Official Portal

1.2 Problem Statements

The major suppliers of broadband services in peninsular Malaysia have many companies. Currently, the customers of broadband services in peninsular Malaysia are rapidly changing under the fast development in information technology environment. Few broadband services competitors in peninsular Malaysia had begun to provide fastest services to make a customer satisfied with their services. Although in their area of coverage and speed of broadband are still at the primary stage but they are gradually growing and posing threat to broadband services in peninsular Malaysia. Broadband services in peninsular Malaysia have been receiving many negative feedbacks in terms of quality, price, speeds, and connectivity. According to Sanjib Tiwari et al (2015), state that broadband technologies have limited capacity and coverage in rural and remote communities and satellite technologies are expensive and provide limited data rates.

There are still lack of broadband penetration rates in the peninsular Malaysia due to many factors and reasons. Therefore, it is important to identify determinant of customer satisfaction and the response on the usage and adoption of broadband services peninsular Malaysia in order to construct an ideal strategic to increase customer satisfaction level. Poor line quality and customer service were the key concerns about landline providers. “Our LTE 4G services coverage currently exceeds 77 per cent of the household population in urban and rural areas and together with our partner, complementing it with 90 per cent 3G services coverage. “To enable the convenience of mobility, the company also enhanced its coverage and service quality with over 12,000 hotspots nationwide to-date,” Telekom Malaysia Bhd. said in a statement *News Strait Times* (2018).

According to Ed Grabisnowski (2018), state that broadband internet connection problems and a technical problem with network connection is a few things in life such as an “Address Not Found”, “Timed-out connections”, and “Internet Explorer cannot display the Web page”. Telekom Malaysia Bhd (TM) has reiterated its commitment to address issues faced by broadband and its customers in a more comprehensive manner. Technical issues, including slow connection speed and quality of service, were the main reasons given for dissatisfaction with broadband services in peninsular Malaysia. While Lennard et al. (2016), state that the broadband service is just focused in urban areas. There is a little research about the broadband services in Malaysia.

1.3 Research Questions

Research questions are the core of the research. The questions will determine research methodology so that to get solution that based on the questions that arisen. There are several specific questions arisen for this research.

- i. What is the significant factor influences customer satisfaction towards broadband services?
- ii. What is the relationship between customers satisfaction with broadband services?
- iii. What is the factor most significant that influencing customer satisfaction?

1.4 Research Objectives

The research objectives are summarization of what to be achieved by the research. The research objectives also are a guideline needed in order to investigate and measure variables contained in the research. There are an objective was highlighted in this research.

The specific objectives of this study include:

- (i) To determine factors influences customer satisfaction towards broadband services.
- (ii) To measure the relationship between customer satisfaction between broadband services.
- (iii) To identify which factor most significant that influencing customer satisfaction.

1.5 Scope of Study

The researcher suggested this study were focused in the customer satisfaction towards broadband service in peninsular Malaysia. So that, the respondent of the researcher classify to those customer who lives in peninsular Malaysia. This study will explore more about customer satisfaction towards broadband services.



Figure 1.2: The location of Peninsular Malaysia

1.6 Limitation of study

Researcher are facing few constraints and the limitations during do this research. The major limitation is:

a) Place

This study will be performed in peninsular Malaysia which all the information to collect information about broadband services.

b) Time

This study will be performed in peninsular Malaysia. Therefore, there will be challenging of study based on customer satisfaction towards broadband service.

c) Information

The limitation of resources such as difficult to find the journal, article and case study about the related issues of customer satisfaction towards any services. Only from these resources we can get information and ideas in completing this project.

1.7 Significant of study

The significant of this study is to enlarge a theoretical and the provided information about how the broadband services can affect customer satisfaction. This study also defined the relationship between the customer satisfactions towards broadband services quality. Customer satisfaction is commonly being classified as the main contributor in the creation of wealth in a firm. Hence, the broadband services industry in peninsular Malaysia need to be more strategically positioned to provide out performing services quality to obtain highest level of customer satisfaction. They need to investigate the key determinants of customer satisfaction towards their broadband service in order to have more competitive strategies in promoting their service. The broadband services are then able to strategically focus on service quality objectives and procedures to fit the peninsular Malaysian market according to the result of investigation.