

**SERVICE QUALITY EFFECT TOWARDS CUSTOMER SATISFACTION IN  
THE BOOKSTORE (MELAKA)**

**NUR SYAZLINA BINTI MAT SAID**

**Report submitted in fulfillment of the requirement for the Bachelor of  
Technopreneurship with Honours (BTEC)**

**FACULTY OF TECHNOLOGY MANAGEMENT AND  
TECHNOPRENEURSHIP (FPTT)  
UNIVERSITI TEKNIKAL MALAYSIA MELAKA (UTeM)**

**JUNE 2019**

## SUPERVISOR'S APPROVAL

“I hereby declare that I have read this thesis research and in my opinion this thesis is sufficient in terms of scope and quality for the award of Bachelor of Technopreneurship with Honours”

Signature: .....

Supervisor: ASSOC. PROF. DR HASLINDA MUSA

Date: .....

Signature: .....

Panel: DR AMIRUDDIN AHAMAT

Date: .....

## STUDENT'S DECLARATION

I declare that this research project of title "Service quality effect towards customer satisfaction in bookstore" is the result of my own research except the 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: NUR SYAZLINA MAT SAID

Matrix no: B061510002

Date: .....

## DEDICATION

I would like to dedicate the success of this project research especially to my parents, my father Mat Said Bin Sudin and my mother Rosnani Binti Abd Rahaman. This report will be dedicating to them because I want to thanks for all the sacrifices that they made for me while I been studies at this university. Secondly, this dedication is given to my sister who helped me in term of advice, finance and encouragement support to make this report. Next, I would like to express a lot of gratitude to my supervisor Assoc. Prof. DR Haslinda Musa and my friends that give a lot helped while make this Final Year Project.

## ACKNOWLEDGEMENT

I am grateful and would like to express my sincere gratitude to my supervisor Assoc. Prof. DR Haslinda Musa for her invaluable guidance, continuous encouragement and constant support in making this research possible. I really appreciate her guidance from the initial to the final level that enabled me to develop an understanding of this research thoroughly. Without her advice and assistance, it would be a lot tougher to completion.

My sincere thanks go to all lecturers and members of the staff of the Technology Management and Technopreneurship, UTeM, who helped me in many ways and made my education journey at UTeM pleasant and unforgettable. Many thanks go to members for their excellent co-operation, inspirations and supports during this study. This four-year experience with all you guys will be remembered as important memory for me to face the new chapter and new environment of life.

I acknowledge my sincere indebtedness and gratitude to my parents and my sisters for their love, dream and sacrifice throughout my life. I am really thankful for their sacrifice, patience, and understanding that were inevitable to make this work possible. Their sacrifice had inspired me from the day I learned how to read and write until what I have become now. I cannot find the appropriate words that could properly describe my appreciation for their devotion, support and faith in my ability to achieve my dreams.

Lastly I would like to thanks any person which contributes to my final year project directly or indirectly. I would like to acknowledge their comments and suggestions, which was crucial for the successful completion of this study.

## ABSTRACT

Satisfaction is a level of approval when comparing between what has been received and what was expected that involve the needs and wants on making purchase decision. Customer satisfaction is the measurement of how happy customers feel when they use or bought the goods or service from retailer or supplier. When satisfaction is a positive, that's means what customer expects from their business can give something that they want or need. Additionally, it is an overview of the user against low or relative service excellence. On the other side, service quality that reflect the customer's satisfaction in dimension of service quality such as tangibles, reliability, assurances, empathy and responsiveness. This research will explore how service quality influence customer satisfaction in the business-to-consumer (B2C). Business to Consumer or B2C is used by businesses that want to market products or services to consumers. B2C will conduct directly that business with customer without using middleman. This research will be conducted research in Melaka that have 15 bookstores in Melaka state. This research will be focusing on selected bookstores such as Popular bookstore, MPH bookstore, TS Commerce bookstore, Kedai Buku Pintar Sdn Bhd and other bookstore that have in area Melaka Tengah. Customer will prefer to buying books at physical bookstore compared to buying books online. There are some problems faced in bookstore from customer feedback. Back to research, the purpose of conducting this research is to measure dimension of service quality towards customer satisfaction in bookstore (Melaka). For the research methodology, the result was arranged analyzed based on primary data. All the total of respondents that contributed is 151 respondents. The analysis will run by using SPSS software for analyzed the question design, pilot test and descriptive study.

*Keywords: Service Quality, Customer Satisfaction, Bookstore*

## TABLE OF CONTENTS

CHAPTER	TITLE	PAGE
	SUPERVISOR’S APPROVAL	i
	STUDENT’S DECLARATION	ii
	DEDICATION	iii
	ACKNOWLEDGEMENT	iv
	ABSTRACT	v
	LIST OF TABLE	x
	LIST OF FIGURE	xi
	LIST OF APPENDICS	xii
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	<b>1</b>
	1.1 Background of Study	1
	1.2 Problem Statement	2
	1.3 Research Question	4
	1.4 Research Objective	4
	1.5 Scope of Study	5
	1.5.1 The subject	5
	1.5.2 The respondent	5
	1.5.3 Location	5
	1.6 Limitation of Study	6
	1.7 Significance of Study	6
	1.7.1 The researcher	6
	1.7.2 Bookstore customer	6

<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGE</b>
	<b>1.7.3 Booksellers</b>	7
	<b>1.8 Conclusion</b>	7
<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	<b>8</b>
	<b>2.1 Customer's Satisfaction</b>	<b>8</b>
	<b>2.1.1 Customer Satisfaction Analysis Model</b>	<b>9</b>
	<b>2.2 Service Quality</b>	<b>10</b>
	<b>2.2.1 Gaps Model of Service Quality</b>	<b>11</b>
	<b>2.3 The relationship between Customer Satisfaction and Service Quality</b>	<b>12</b>
	<b>2.4 The SERVQUAL Approach</b>	<b>13</b>
	<b>2.5 SERVQUAL Dimensions</b>	<b>13</b>
	<b>2.6 Theoretical Framework</b>	<b>16</b>
	<b>2.7 Research Hypothesis</b>	<b>18</b>
	<b>2.8 Conclusion</b>	<b>19</b>
<b>CHAPTER 3</b>	<b>RESEARCH METHODOLOGY</b>	<b>20</b>
	<b>3.1 Research Design</b>	<b>20</b>
	<b>3.1.1 Descriptive Research</b>	<b>21</b>
	<b>3.2 Methodological Choice</b>	<b>21</b>
	<b>3.3 Research Strategy</b>	<b>22</b>
	<b>3.4 Data Collection</b>	<b>22</b>
	<b>3.4.1 Primary Data</b>	<b>22</b>
	<b>3.4.2 Secondary Data</b>	<b>23</b>
	<b>3.5 Sampling Design</b>	<b>23</b>



<b>CHAPTER</b>	<b>TITLE</b>	<b>PAGE</b>
	3.5.1 Population	23
	3.5.2 Sampling size	24
	3.6 Research location	24
	3.7 Research Instrument	24
	3.7.1 Questionnaire design	24
	3.8 Time Horizon	25
	3.9 Data Analysis	25
	3.9.1 Descriptive Analysis	26
	3.9.2 Multiple Regression	26
	3.10 Pilot Test	27
	3.10.1 Reliability	27
	3.11 Conclusion	27
<b>CHAPTER 4</b>	<b>DATA ANALYSIS</b>	<b>28</b>
	4.1 Pilot Test	28
	4.1.1 Reliability Test	29
	4.2 Descriptive Analysis	30
	4.2.1 Demographic	30
	4.3 Reliability Analysis	37
	4.4 Multiple Regression Analysis	38
	4.5 Hypothesis Verification	41
	4.6 Conclusion	44

<b>CHAPTER TITLE</b>	<b>PAGE</b>
<b>CHAPTER 5 CONCLUSION AND RECOMMENDATION</b>	<b>45</b>
<b>5.1 Summary of Statistic Analysis</b>	<b>45</b>
<b>5.1.1 Multiple Regression Analysis</b>	<b>45</b>
<b>5.1.2 Respondent Demographic Profile</b>	<b>46</b>
<b>5.2 Discussion of Major Findings</b>	<b>49</b>
<b>5.2.1 The Effect of Service Quality Towards Customer Satisfaction in term of Tangible at The Bookstores</b>	<b>50</b>
<b>5.2.2 The Effect of Service Quality Towards Customer Satisfaction in term of Reliability at The Bookstores</b>	<b>51</b>
<b>5.2.3 The Effect of Service Quality Towards Customer Satisfaction in term of Assurance at The Bookstores</b>	<b>52</b>
<b>5.2.4 The Effect of Service Quality Towards Customer Satisfaction in term of Empathy at The Bookstores</b>	<b>53</b>
<b>5.2.5 The Effect of Service Quality Towards Customer Satisfaction in term of Responsiveness at The Bookstores</b>	<b>54</b>
<b>5.3 Limitation of The Study</b>	<b>55</b>
<b>5.4 Recommendation</b>	<b>56</b>
<b>5.5 Conclusion</b>	<b>57</b>
<b>REFERENCES</b>	<b>58</b>
<b>APPENDICS</b>	<b>63</b>

## LIST OF TABLE

<b>TABLE</b>	<b>TITLE</b>	<b>PAGE</b>
Table 4 1	The Standard of Coefficient Alpha	29
Table 4 2	Reliability test for the pilot test	29
Table 4 3	Reliability Statistics	29
Table 4 4	Statistical analysis of the respondents	30
Table 4 5	Respondent's Gender	31
Table 4 6	Respondent's Age	32
Table 4 7	Respondent's Race	33
Table 4 8	Academic Qualification	34
Table 4 9	Respondent's Occupation	35
Table 4 10	Frequency of book buying	36
Table 4 11	Guideline for Cronbach's Alpha	37
Table 4 12	Reliability Statistic	37
Table 4 13	Model Summary of Multiple Regression Analysis	38
Table 4 14	ANOVA	39
Table 4 15	The Coefficients	39
Table 4 16	Ranking of Independent Variables	41
Table 4 17	Significant Value	42
Table 5 1	Summary of Multiple Regression Analysis	46
Table 5 2	Summary of the Result of Hypothesis Testing	49

## LIST OF FIGURE

<b>FIGURE</b>	<b>TITLE</b>	<b>PAGE</b>
Figure 2 1	Customer Satisfaction Analysis Model	9
Figure 2 2	Gaps Model of Service Quality	11
Figure 2 3	The Theoretical Framework of Customer Satisfaction Toward Service Quality on Bookstore	17
Figure 4 1	Respondent's Gender	31
Figure 4 2	Respondent's Age	32
Figure 4 3	Respondent's Race	33
Figure 4 4	Respondent's Academic Qualification	34
Figure 4 5	Respondent's Occupation	35
Figure 4 6	Respondent's Frequency of Book Buying	36
Figure 4 7	Guideline for Interpreting the Hypothesis Testing	41

**LIST OF APPENDICS**

<b>APPENDIX</b>	<b>TITLE</b>	<b>PAGE</b>
APPENDIX A	Set of Questionnaire	63
APPENDIX B	Gantt Chart Final Year Project	68

## CHAPTER 1

### INTRODUCTION

In chapter 1, it summarizes which gives the reader a comprehensive overview of the study. It is started with a background of the research and providing the problem statement of the research problem, research question and focusing the exactness of the objectives goals of this study. At the end of this chapter consists of the limitation of the study that will clarify the research problem. The issue of service quality there linked to the perception of customers to provide the best service to the customers.

#### 1.1 Background of Study

Satisfaction is a level of approval when comparing what received and what was expected that involves the needs and wants on making a purchase decision. Customer satisfaction is the measurement of how happy customers feel when they use or buy the goods or services from a retailer or supplier. When satisfaction is positive, that's mean what the customer expects from their business can give something that they want or need. (Gloria, 2011)

From previous studies, the quality of services is referred to as far as this service can meet the expected needs of our customers. Additionally, it is an overview of the user against low or relative service excellence. (Muzahid & Noorjahan, 2009). On the other side, service quality that reflects the customer's satisfaction in the dimension of service quality such as tangibles, reliability, assurances, empathy, and responsiveness.

This research will explore how service quality influence customer satisfaction in the business-to-consumer (B2C). Business to Consumer or B2C is used by businesses that want to market products or services to consumers. B2C will conduct directly that business with a customer without using a middleman (Vinod Kumar & Gagandeep Raheja, 2012).

This research will be conducted research in Melaka that has 15 bookstores in Melaka state. This research will be focusing on selected of the bookstores in area Melaka Tengah. The physical bookstore is one of the places that customers - students or laymen will visit to find sources for reading and references. The customer will prefer to buy books at a physical bookstore compared to buying books online. There are some problems faced in the bookstore from customer feedback.

## **1.2 Problem Statement**

The service quality offered to customers is a key factor in the service to gain customer satisfaction. In this research, researchers want to identify how the quality of service affects customers' satisfaction from the services provided by bookstores. Because of that, the researcher will apply the SERVQUAL model are assurance, tangible, empathy, reliability and responsiveness in this research.

From observation, the problems raised on the basis of customer services offered on bookstores. Other than that, other dimensions also have issues that can be assessed to find out what customer perceptions of service in bookstores. This research will be done because the bookstore industry is unaware of the shortage of the services they provide for the customer and it has a profound impact on customer satisfaction.

According to the journal Arcarani and Capaldo (2007), service handling has become a common trend in the context of public management. Among the many services, quality of service occurs when delivering the service to customers. In addition, customers are able to judge the quality of service within an organization. Therefore, organizations need to use these five dimensions to further strengthen the service quality of the organization.

The publishing industry in Malaysia is the most important industry as the industry has received support from the government. The government has supported this industry in the field of education, the need for a modest technical resource, commitment to the development of information technology and dedicated entrepreneurs. However, the book publishing sector is not satisfactory as there are some obstacles that prevent it.

The difficulties faced by the industry in measuring the success of a competitive market, difficult to access industry in financial institutions. If this sector cannot meet the needs of its customers, it opens up space for publications from abroad. Hence, by gaining support from the government, it helps to enhance the performance of publishing industries which eventually aid to incrementing the economy. Via funding given to the publishing sector by government, it allows them to be more competitive with the foreign publishers.



### **1.3 Research Question**

These research questions stated will help the researcher to answer and resolve the problem statement.

1. What is the effect of service quality towards customer satisfaction in terms of tangibility at the bookstores in Melaka?
2. What is the effect of service quality towards customer satisfaction in terms of reliability at the bookstores in Melaka?
3. What is the effect of service quality towards customer satisfaction in terms of responsiveness at the bookstores in Melaka?
4. What is the effect of service quality towards customer satisfaction in terms of assurances at the bookstores in Melaka?
5. What is the effect of service quality towards customer satisfaction in terms of empathy at the bookstores in Melaka?

### **1.4 Research Objective**

These research objectives are related to the research problem and will explain the purpose of the study.

1. To identify the effect of service quality towards customer satisfaction in terms of tangibility at the bookstores in Melaka.
2. To identify the effect of service quality towards customer satisfaction in terms of reliability at the bookstores in Melaka.
3. To identify the effect of service quality towards customer satisfaction in terms of responsiveness at the bookstores in Melaka.
4. To identify the effect of service quality towards customer satisfaction in terms of assurances at the bookstores in Melaka.
5. To identify the effect of service quality towards customer satisfaction quality in terms of empathy at the bookstores in Melaka.

## **1.5 Scope of Study**

It focused on the SERVQUAL model of service quality towards customer satisfaction in bookstore Malaysia. It will discuss who are targeted respondent and where the location that the researcher focuses to complete this research. It also helps the researcher to know how customer satisfaction towards service quality in a bookstore by using the five-dimension model. All of this important to the owner bookstore to understand what customers need and want to satisfy them by the service quality.

### **1.5.1 The subject**

To figure out the service quality effects towards customer satisfaction provide by using the five-dimension model to fulfill the customer needs and wants. This also focuses on the element of this subject are what the customer satisfaction.

### **1.5.2 The respondent**

The researcher can determine the factors about customer satisfaction in service quality by using a five-dimension model on a bookstore in Malaysia at the Melaka area. The respondent is selected from a customer that visited the bookstore, student and also all community in Malaysia.

### **1.5.3 Location**

The location was selected in Malaysia. The researcher more focuses on the Melaka area for this study. This is because the researcher wants to know the service quality towards customer satisfaction in the Melaka area.

## **1.6 Limitation of Study**

The limitation of this research is the problem of the respondent by getting back their questionnaire. Not all respondents will return the questionnaire to the researcher. To make it achieved the sample size, the researcher needs to find more respondents to answer the questionnaire again. The result could not be used to generalize the hypothesis as the respondents and sample size are only focuses on selected areas – Melaka and not all over Malaysia.

## **1.7 Significance of Study**

For bookstore owners, customer satisfaction needs to be given priority to improve service quality to the customer. The owner of the bookstore can use this SERVQUAL model into their business to ensure that customer satisfaction is achieved and their business will grow with this research. This research is able to cope with the inadequacy of the service without them recognizing the lack of value. There are many satisfactions given from customers based on the service quality instrument.

### **1.7.1 The researcher**

The researcher collects more information and better ideas on service quality towards customer satisfaction at a bookstore in Malaysia. Other than that, it can recognize the importance of customer satisfaction that makes the satisfy with the service provided by the bookstore.

### **1.7.2 Bookstore customer**

By using the five-dimension model, the bookstore able to improve its service quality provided to the customer. If that service improves, the bookstore will gain more profit and get loyalty from their customers. This research can become a reference for the publisher or industry to improve what service will have provided to the customer.

### **1.7.3 Booksellers**

This research enhances understanding and identifies the most important five-dimension on the service quality of bookstore in Malaysia. It also can help the employer or owner of the bookstore to improve their service to the customer and giving some training.

## **1.8 Conclusion**

On the first chapter, this research begins the general introduction will move to the background of the study. A factor influences customer satisfaction towards service quality will state in the problem statement, research questions and research objectives that focused on the independent and dependent variable. Other than that, the researcher determines the scope, significance, and limitations of the study. In chapter 2, is about what are the researcher findings from the literature review study that related to service quality effect toward customer satisfaction in the bookstore at Melaka.

## CHAPTER 2

### LITERATURE REVIEW

On chapter 2 is an analysis connected of literature on the topic of the research. Then the researcher will come out the service quality dimension like tangible, responsiveness, assurances, empathy and reliability that use in this research. Other than that, the research will cover up some of the past research related to a bookstore in Malaysia.

#### 2.1 Customer's Satisfaction

In 1980, customer satisfaction refers to meeting one's expectation or in other words it is an attitude or a sense of the use of the product or service. In addition, direct marketing activities are also linked to satisfying customer satisfaction. Customer will make a repeat order or service if they satisfied with the service given to them. Not only that, customers are able to share that satisfaction with others and at the same time the sale of products or services increases. In simple words, when it comes to positive results then the conversation becomes positive (Syed Ali & Ali, 2015).

According to Atiqah, et. al., (2015), in term of customer satisfaction is a business that provides services to ensure customer expectations are achieved. It can be measured by looking at customer loyalty results for the business. In addition, the customer will warn the good of the product or service if the customer satisfies their services. Customer satisfaction is subjective, as today, there is still no researcher capable of establishing customer satisfaction based on user experience.

In decades, customer satisfaction has been widely linked with marketing concepts in business study. The verification process is labeled conventionally to assess customer expectations through product or service performance. The assimilation will change either increasing or decreasing according to expectations of satisfaction in performance (Ganiyu, 2017).

According to Ngo & Nguyen (2016), customer loyalty can be linked to the customer's satisfaction as people are more likely to be rational and also reduce the risk of inclination if they have a good relationship with the supplier.

### 2.1.1 Customer Satisfaction Analysis Model



Figure 2.1 Customer Satisfaction Analysis Model

According to Kabu & Soniya (2017):

### **Customer relationship management law**

*Customer Satisfaction = Customer Expectations – Customer Satisfaction*

The interval is divided into five (5) are low dissatisfied, relatively dissatisfied, general satisfaction, relatively satisfied and high satisfied. It will change according to customer expectations. The ways to improve customer satisfaction which improving customer experience and managing customers effectively and reducing customer expectations. The first way is widely used by all organizations to achieve great success.

## **2.2 Service Quality**

Service quality is a key factor in business as it relates to customer satisfaction. Service quality will have labeled as "customer judgment in product or service evaluation" (Niveen, 2015). Service quality means the level of discrepancy between the normative expectation of customers in the service and customer performance. In other words, it is a comprehensive assessment of the organization or business services. Other than that, service quality describes the overall relative on excellence and service perceptions. (Neupane & Devkota, 2017)

The definition of service quality as a how service on customer's perception is capable of satisfying the customer's needs and wants. From the previous research show, service quality becomes an important indicator of customer satisfaction. The organization can be seen from two different angles if customer satisfaction can be fulfilled or not from service provided. The service quality is an important aspect besides price and other cost elements. This because the offer given the service provided to the customer is capable of giving a positive impact on the organization (Gloria, 2011).

In the seminal work of Uta (n.d), the service quality is defined as the result of a valuation where customers can compare their expectations with the service they see. Since then, much research has been carried out on this topic and more focused on role input to customer satisfaction. Even in the global marketplace today, more than half of the value of money will be spent on corporate training for service quality issues. In today's technological era, comparisons can be seen on the website with the offered price and competitive advantage as well as the service quality. It is critical for businesses to maintain and attract customers to be customers' loyalty to their products or services.

### 2.2.1 Gaps Model of Service Quality

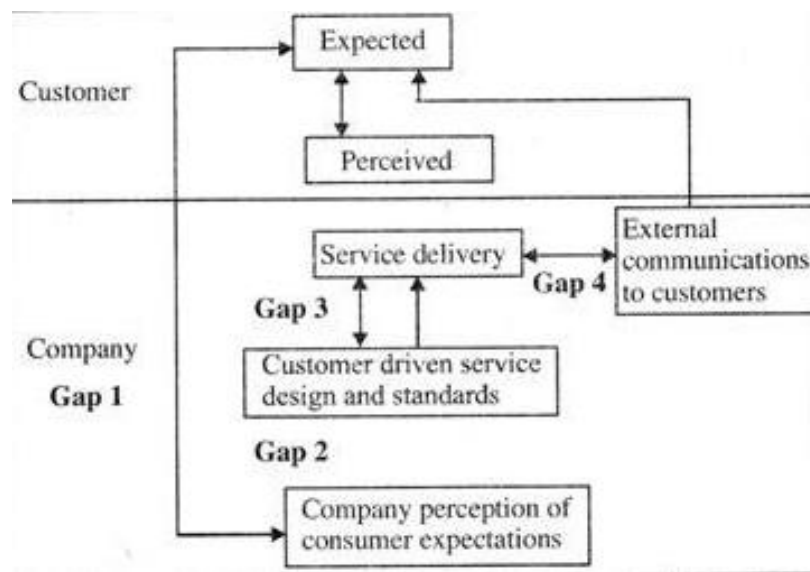


Figure 2 2Gaps Model of Service Quality

This diagram above shows a visual of the Gap Model of service quality. In the seminal work of Mary, Valarie & Dwayne (2010) to use this model, the organization needs to clear each gap and take steps to manage and minimize the gaps. There are five (5) gaps: