UNIVERSITI TEKNOLOGI MARA

FACTORS OF CUSTOMER SATISFACTION TOWARDS

WILLINGNESS TO PAY FOR SARAWAK LAYERED CAKE

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SARAWAK

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LETTER OF SUBMISSION

Dr.ThalanyBintiKamri

Advisor for Industrial Training (MKT661)

& Industrial Training Project Paper (MKT669)

Faculty of Business Management

UniversitiTeknologi MARA,

Kota Samarahan

Sarawak

Dear Dr,

<u>SUBMISSION OF RESEARCH REPORT</u>

Attached is the project paper titled *"FACTOR THAT CONTRIBUTE TO WILLINGNESS TO PAY FOR LAYERED CAKE"* to fulfil the requirement as needed by the Faculty of Business Management UniversitiTeknologi MARA.

Thank you.

Sincerely,

—————————————

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Bachelor of Business Administration (Honours) Marketing

ACKNOWLEDGEMENT

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CHAPTER ONE

INTRODUCTION

1.1 PREAMBLE

The objectives of this research are to identify which factors of customer satisfaction affect the willingness to pay for Sarawak layered cake. The things include in this chapter are background of the study, problem statement, research question and objectives, scope of the study, significance of the study, research limitation and lastly would be definition of term.

1.2 BACKGROUND OF STUDY

Sarawak Layered Cake is one of the famous cakes with a diverse and colourful variety. Traditionally, this layered cake will be served during festive season such as Hari Raya Aidilfitri, Chinese New Year, Deepavali and many more. Historically, layered comes from a neighbouring country which is Indonesia since the 1970s and 1980s. The idea of Sarawak layered cakes comes from Betawi people who came to visit Sarawak and taught how to make Betawi cakes. Since then, the people try to improve the cakes with adding new ingredients, flavourings and colour to the existence cake. The Sarawak people continue to diversify the layered cake so it is also known by the name of Sarawak modern layered cake when they combine the way of making western and traditional cakes.

Sarawak layered cake has a very unique taste and the colour are able to attract customer attention. Customers are willing to pay as high as RM120 per kilogram (Johari, 2014). As shown in plate 1.1, there are various types of layered cake. Sarawak Layered Cakes has made a big impact on the Malaysian society today. The demand of Sarawak layered cake can reach to RM 40, 000 per producer when it comes to festive season

1.3 PROBLEM STATEMENT

Philippines	6,226	6,174	5,716	5,515	5,870	6,100	5,921	5,172	5,780	5,266	5,090	5,550	68,380
Thailand	1,381	1,227	1,325	1,274	1,368	1,284	1,550	1,406	1,358	1,474	1,271	1,050	15,968
Taiwan	1,086	675	1,106	690	834	814	1,618	1,222	853	1,005	696	622	11,221
Indonesia	44,381	41,578	40,618	40,550	37,439	53,647	56,382	45,737	39,349	39,633	33,904	40,224	513,442
Pakistan	397	415	434	380	302	289	369	378	415	294	265	284	4,222
Japan	903	811	1,105	834	829	838	976	1,140	970	798	846	767	10,817
South Korea	1,053	972	806	739	954	1,015	1,143	976	957	926	707	863	11,111
Others	2,167	2,066	2,695	2,219	2,045	1,967	2,011	2,098	1,813	1,776	1,730	2,248	24,835
T. Foreigner	**229,884**	**201,057**	**273,546**	**227,910**	**214,065**	**237,581**	**228,159**	**218,519**	**227,292**	**176,083**	**173,471**	**231,955**	**2,639,522**
Pen. M'sia	113,794	96,838	117,815	106,088	127,027	104,536	100,902	71,673	102,634	107,639	99,736	115,840	1,264,522
Sabah	76,772	71,740	85,071	75,666	80,421	86,109	77,298	84,908	86,955	78,586	67,764	81,554	952,844
T. Domestic	**190,566**	**168,578**	**202,886**	**181,754**	**207,448**	**190,645**	**178,200**	**156,581**	**189,589**	**186,225**	**167,500**	**197,394**	**2,217,366**
Grand Total	**420,450**	**369,635**	**476,432**	**409,664**	**421,513**	**428,226**	**406,359**	**375,100**	**416,881**	**362,308**	**340,971**	**429,349**	**4,856,888**

Figure 1.1 Visitors came to Sarawak in 2017

(Sources: Sarawak Tourism Official Website – Visitor arrival into Sarawak 2017)

As we can see in the world map, Sarawak is a Malaysia state of Borneo where it was surrounded by the South China Sea. It is known for the rugged, dense rainforest of its interior, much of it protected parkland. The capital, Kuching, is a bustling city set on the Sarawak River. Sarawak received a lot of visitors either from foreign country (Philippines, Thailand, Taiwan, Indonesia, Pakistan, japan, South Korea and others) or domestic (Peninsular Malaysia and Sabah). For this study, the researcher will only focus on Domestic visitor which is from Peninsular Malaysia and Sabah. As we can see, Sarawak received a visitor from Peninsular Malaysia with a total of 1,264,522 while total visitors from Sabah over the year are 952,844. The overall total for Domestic visitors in 2017 is 2,217,366 and the overall amount of visitors that Sarawak received in 2017 is 4,856,888 visitors. Sarawak is famous with beautiful creature and one of the best example is Bako National Park. We can see how beautiful the nature from there. One of the specialities in Sarawak is the layered cake. Visitors will buy this cake as their souvenir. Not only the visitors, Sarawak citizen itself also buys layered cake either for festivities, occasion, self-consumption or just for testing.

especially during Hari Raya Aidilfirtri because of Sarawak layered cake customer are Malay.
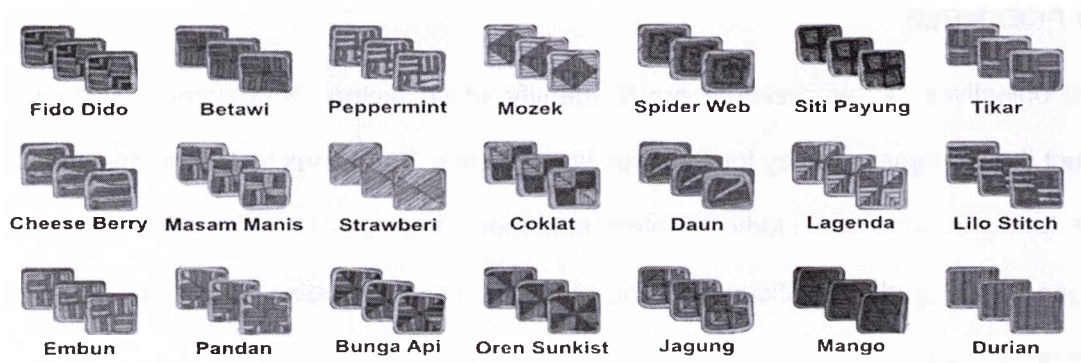
Plate 1.1 Types of Sarawak layered cake

According to the Deputy Minister in the Department of Agriculture, Sarawak layered cake has growth the business from a festive seasonal product which will only be sell during festive season such as Hari Raya Aidilfitri, Chinese New Year, and Deepavali has become one of the symbol of successful cottage industry which has potentials as Sarawak tourism product. Due to the increasing demand, layered cake manufactures their product out of Sarawak includes Peninsular Malaysia, Sabah and Brunei. As recorded in Bumiputera Entrepreneur Development Unit, there are total of 90 Sarawak layered cake entrepreneurs who may include Mira cake house, Asma cake house and Dayang Salhah.

Therefore, customers have their own level of satisfaction that will affect their decision making on a particular product. There are a large number of visitors who visit Sarawak in 2017 as shown in figure 1.1. Domestic visitor which is from Sabah and Peninsular Malaysia usually buy layered cake. Besides, Sarawak citizen also liked to buy this cake either for festivities, occasion or souvenir.

In order to make a good decision in purchasing, customers have to do some research on particular product such as detail about the product and its manufacturer because it will affect their perception and attitude. The increasing price of basic ingredient such as flour, sugar, butter, margarine and eggs gives a huge impact to the manufacturer as stated by the Department of Sarawak Agriculture. All of this was affected from inflation. There are limited numbers of supplies for the ingredients in market which will give them the opportunities to mark up the price (Johari, 2014). Thus, this will automatically make all the manufacturer of layered cake also increased their prices in order to gain profit. For the past few years, the price of Sarawak layered cake can be considered as low suitable with the size of the cake itself because at that time, the price of basic ingredient is cheaper. But at present, each layered cake was sold starting from RM 10 which the size become smaller and smaller. Other than that, the Halal issue also impact the layered cake business. On April 2011, there have been a Halal issue about golden churn. Many manufacturer use golden churn because the cake that been produced will taste better. Halal issue is a very sensitive issue in Islam. Luckily, JAKIM declares golden churn as Halal on May 2012. Layered cakes that been produced using golden churn will be a bit expensive because it is a high quality butter.

However, many tourists that come to Sarawak still support and trust Sarawak layered cake even Sarawak resident themselves. Each customer has their own preferences in purchasing. There are many factors that influence their willingness to pay for Sarawak layered cake. This study will focus on only one factor which is customer satisfaction. Through this, we will know which factor influence the most on willingness to pay and also know the level of customer satisfaction that will also affect their willingness to pay for Sarawak layered cake.

1.4 RESEARCH QUESTIONS

Research questions (RQs) are the statements of a specific construct that will linked to the problem faced in the study. According to Malhotra (2010), research question is the statement that will ask further detailed about the problem. The research questions of this research are:

1. What are the profiles of customers for Sarawak layered cake?

2. Which factor is the most influencing towards the willingness to pay for Sarawak layered cake?

3. How satisfied are customer towards Sarawak layered cake?

1.5 RESEARCH OBJECTIVES

Research objectives (ROs) will help to identify issue or problems and these problems will be used as dependent variable and independent variables (Voon & Lee, 2012). The research objectives of this study are:

1. To describe the profiles of customers for Sarawak layered cake.

2. To determine which factor is the most influencing towards the willingness to pay for Sarawak layered cake

3. To describe the level of customer satisfaction towards Sarawak layered cake.

1.6 SCOPE OF THE STUDY

Customers who buy Sarawak layered cake in Kuching, Sarawak will be the target population for this study. The customers can be from Sabah and Peninsular Malaysia who came either for the reason of leisure or business trip which are from different sector such as government sector, private sector and self-employed. It can also be Sarawak citizen itself which will buy Sarawak layered cake for festivities, occasion, souvenir, testing or self-consumption. This group of customer make their own decision when purchasing layered cake and they have different level of satisfaction in purchasing. This makes them an appropriate sample for this study.

1.7 SIGNIFICANCE OF THE STUDY

This study identified the most influence factors that contributes to willingness-to-pay for Sarawak layered cake among Malaysian that will influence their decision making process. This finding will be important to manufacturer that selling Sarawak layered cake in order to know whether their product meeting customer standard or not since the independent variable that will be measured are about the factor that affect customer satisfaction which include their satisfaction on the product characteristic, store environment and behaviour and attitude. All of this variable will affect their willingness to pay. Other than that, this study will also be important to the customer of Sarawak layered cake itself because the customer voice will be heard later.

1.8 RESEARCH LIMITATIONS

Limitation is something that cannot be controlled by the researcher. Some of the example are shortcoming, condition and influence that will bring some restrictions on the methodology and conclusions. The limitation was stated below:

1.8.1 Limited References

There is limited study done about Sarawak layered cake. Due to limited amount of references on this topic, this study will contain some restrictions. This study is restricted to only customers who buy Sarawak layered cake in Kuching area.

CHAPTER TWO

LITERATURE REVIEW

2.1 PREAMBLE

In this chapter, the researcher will provide further details about the literature that were used in this study. A literature review will focus on the most important point. Through this chapter, it will help the readers to understand better on what this research is all about. The topic of this study is "factors of customer satisfaction towards willingness to pay for Sarawak layered cake". Those pointed matters' explanations are shown below.

2.2 LITERATURE REVIEW

2.2.1 Willingness to Pay

Willingness to pay is talking about amount of money that an individual will sacrifice to acquire a product or service. The willingness to pay sometimes depends on the level of quality, income and preferences of the product. WTP can be part of the price perception process and it is closer to price judgement which linked to other variable that influence decision making such as satisfaction, loyalty and culture. According to Kalish and Nelson, when the latter is conceptualized in term of margin, WTP is considering as the reservation price or the 'floor reservation price'. As we all know that cost for basic ingredients in doing layered cake is increasing. This will make the prices of Sarawak layered cake becoming more expensive but the question is why people still support and buy Sarawak layered cake.

2.2.2 Customer Satisfaction

Offer that will satisfy a need and wants is called as a product which will includes experiences, person, places, organization and information (Kotler, Bowen & Makens, 2006). A customer satisfaction can be quite specific in nature. This will be depending on specific experience such as single transaction or particular attributes but may also be cumulative based on all pleasure experience with a good service (Pondichery, 2014). Customer Satisfaction can become one of the important elements because it provides marketers and manufacturer the element or strategy to improve their business. According to Oliver theory, there are three level of satisfaction. Firstly, negative perception happens when the level of service cannot meet the customer expectation. Secondly, it's happen when the services that the premises provide is better than what they expect. Lastly, it would happen when the services that were provided is equal with what the customer expect. This kind of situation usually called as simple disconfirmation (Parasuraman, Berry, Zeithaml, & Valarie, 1996).

Every entrepreneur will try their best in order to satisfy their current and past customer (Pizam & Ellis, 1999). Customers will repeat their purchase if they are happy with the goods and services that were provided and will become loyal customer (Oliver, 1980). Usually, customer will state that they are satisfied or dissatisfied with the goods and services after experiencing the quality and benefits of the product as well as the price (Lacobucci & Ostrom, 1995). The level of customer satisfaction will be measured based on their needs, objectives and experiences (Pizam & Ellis, 1999).

Every business should be customer oriented and always implement the main principles of continuous improvement. Entrepreneur or manufacturer need to seek idea on how to improve their product so that the product will meet customer satisfaction and

will lead to brand loyalty. In short, customer satisfaction plays an important role since it will help the business to get excellent performance and will also help to identify the potential market opportunities (Evangelos & Yannis, 2010).

In the questionnaire that will be distributed later, this study will also measure the level of customer satisfaction. Customer satisfaction will be asked in section B. There are three variables which is product characteristic, environment and behaviour and attitude. This entire variable will affect the willingness to pay for Sarawak layered cake.

2.2.3 Product Characteristic

Price characteristic here can be divided into price and quality of the product. According to Lee & Bae (1999), customer satisfaction will be influence by the price of the product. Price can be the main factors when buying layered cakes but some of the customer will also consider on the product quality and realness of information which will lead to their satisfaction (Huang , 2012). Product Characteristic can be one of the important factor that will affect the level of customer satisfaction in purchasing goods and services (Zhao, Zhou, & Ren, 2015). In the questionnaire, there are five questions relating to product characteristic which is price, quality, choices, size and availability of the product. There are five questions asked regarding product characteristic in the questionnaire.

2.2.4 Environment / Ambience.

According to Liao & Liaw (2003), store environment have a wide ranging and complicated definition. There are two ways to identify store environment which is physical and non-physical surrounding. According to Lam (2001), element such as cleanliness, lighting, music that were played in the store, arrangement of the product, directional signage that will help the customer to find the store and the factor of customer itself is considering as a store environment and it can be divided into two parts which is

physical and non-physical surrounding of the store. To attract more customer, visit the premise, all entrepreneur must consider the cleanliness of the store because it can be one of the important factor. Based on the research that were done by Seock (2009) and Khedri and Osman (2013), to get rid from increasing competition with online retailers, store environment can be consider as the primary marketing instrument.

2.2.5 Behaviour & Attitude

Employees are the most important element in business (Paulin et al., 2000) and serve as services providers who make a connection between the customers and the business (Bitner, 1995). Employee may know whether the services that were provided are good or bad through the customer's impression itself (Rafaeli, 1989). Therefore, a good relationship can be formed if the customers feel satisfied with the employee's behaviour and attitude. Customers will display a positive attitude towards the business if they really satisfied with the service that they provided (Singh, 1991). As conclusion, employee behaviour and attitude can be the key element of customer satisfaction (Turkay & Sengul, 2014).

2.3 RESEARCH FRAMEWORK
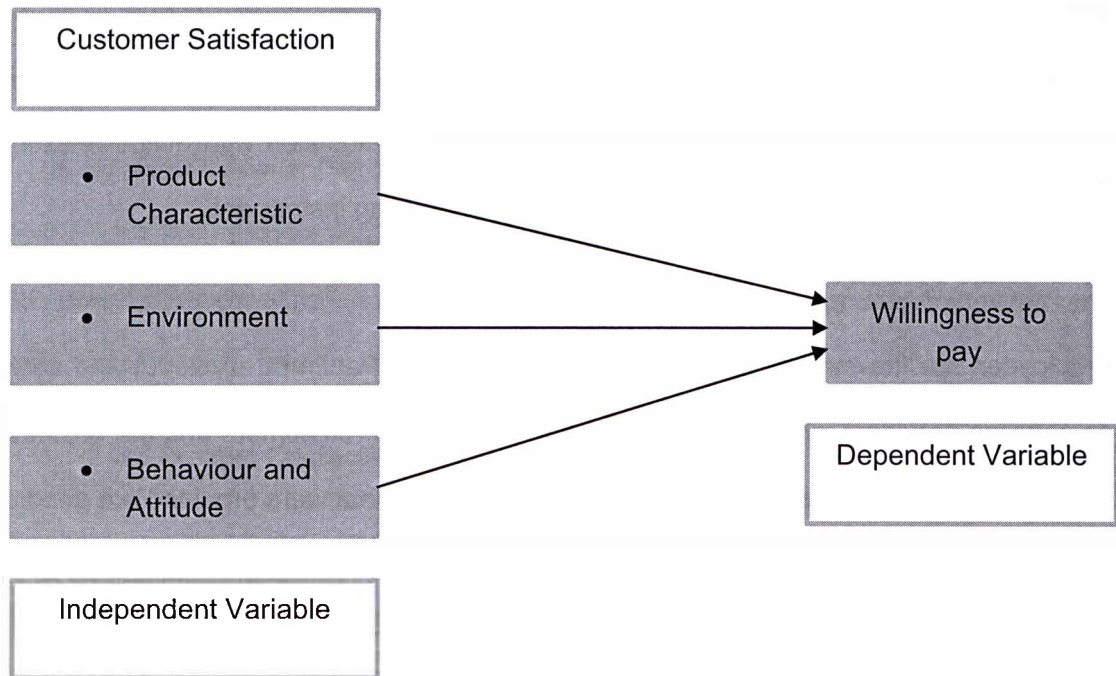
Figure 2.1 Theoretical Framework adapted from Pizam & Ellis (1999)

2.4 LINEAR REGRESSION ANALYSIS

Linear regression can be defined as the powerful and flexible approach which helps the researcher to identify the relationship between dependant variable and independent variable (Malhotra, 2010). There are two type of linear regression which is called as simple linear regression where there will be only one independent variable tested while, if there is more than one independent variable, it will be called as multiple linear regressions. Besides that, it is assists in understanding how much of the variance in the dependent variable may be explained by a set of predictors.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.400[a]	.160	-.282	1.13176

a. Predictors: (Constant), Helpfulness, Availability of Sarawak layered cake, Quality of Sarawak layered cake, Price of layered cake, Different choices of Sarawak layered cake, Hours of operation, Size of layered cake, Cleanliness of the premises, Location and accessibility, Friendliness

b. Dependent Variable: Preferable Price for Sarawak Layered Cake

Table 2.1 Regression Analysis

The researcher will know the value of regression by calculating the coefficient of determination which represent as r^2 in the SPSS. It is important to measure the R Square because the researcher will know the strength of association among the variable that were stated in the framework (Malhotra, 2010). As shown in table 2.1, the value of R Square for the model is 0.160 which means that 16% of the variance in willingness to pay has been explained by Product Characteristic, Environment, Behaviour and Attitude in this research. Meanwhile, the remaining 84% cannot be explained. That means there are explained by other factors that can determine their willingness to pay.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 PREAMBLE

Research methodology is defines as the general approach that were used in this study (Leedy & Ormrod, 2001). This chapter will consist of the explanation about research design, research instrument, sampling which consist of target population, sample frame and location, sample technique and sample size, operational definition table (ODT), data collection, pilot study and data analysis that were used to measure all the research objectives.

3.2 RESEARCH DESIGN

In this chapter, research design will explain the overall strategy that the researcher will used to integrate the different components of the study and will help to solve the research problems. Research design was formed to answer the research question (Voon & Lee, 2012). Research design can be divided into exploratory and conclusive. The most used is conclusive research design which can also be divided in two types which is descriptive and causal.

3.2.1 Descriptive Research

As for this study, the researcher used descriptive research design. Descriptive research is a type of conclusive research that has it major objectives description of something usually market characteristic or function (Malhotra, 2010). Descriptive research can be used for a large number of research situations and is the most frequently used type of research.

Descriptive research was used because this study involves a large number of samples and it is also to identify the most influence factors. Usually descriptive research will used quantitative data analysis which the data will be collected through survey questionnaire.

3.2.2 Quantitative Data Research

Quantitative Data methods emphasizes objectives measurement as well as the statistical analysis of data that have been collected through the polls, questionnaire or survey. Questionnaire will be the main approach to obtain the information responses from the customers in order to identify factors of customer satisfaction that will affect willingness to pay for Sarawak layered cake.

3.3 RESEARCH INSTRUMENT

3.3.1 Survey Questionnaire

Questionnaire is one of the famous instruments for data collection that will provide questions to be answer according to the scale given. It can be either written or non-verbal. In order to make customers answer the questionnaire easily, there will be procedure or scale given to selecting, approaching and questioning customers (Voon & Lee, 2012). By using questionnaire for data collection, the information was collected directly and easily.

The questionnaire was divided into 3 sections (Section A: Demographic Profile, Section B: Customer Satisfaction and Section C: Suggestion). In section B which is customer satisfaction, the researcher adapted the items for the questionnaires from previous research by Pizam and Ellis (1999). The questionnaire includes question regarding product characteristic, environment, attitude and behaviour towards Sarawak layered cake. The customers that I select randomly in Kuching area (Waterfront, Carpenter Street, Shopping mall and Bakery Outlet) will complete the questionnaires forms. The

data that were collected from the customers will be kept confidential and the information collected would be used only for the purpose of the study.

3.3.2 Scale of Measurement

Measurement can be defined as adding some numerical values to guide the customer in answering the questionnaire. The measurement is based on the characteristic according to the rules and the characteristic of the objects are being (Malhotra, 2010). There are four types of scale of measurement such as nominal, ordinal, internal and ratio. The scale of measurement that was used in this research is:

a) Nominal Scale

Nominal Scale is the simplest scale. In this scale the different scores on a measurement simply indicates different categories. The nominal scale does not express any values or relationship between variable. Nominal scale was being used in demographic profile questions in section A. Nominal Scale is

- Section A: Demographic Profile

Basically this section are aimed to obtained the general information and demographic data of the representative customers , nominal scale is used to measure the most appropriate answers for the representative customers. There are eleven (11) questions in this section. The questions would provide information about their gender, age, race, occupation, personal income, origin, do you live in Sarawak, reason of visiting Sarawak, preferable price, reason of purchase and volume of purchased.

b) Interval Scale

According to Malhotra (2010), the scale that used number to rate the item inside the questionnaire are called as interval scale. As stated in Marketing Research textbook, there are two types of scaling technique which is comparative and non-comparative scales. In this research, a non-comparative scaling technique that was used in section B is 5- Likert Scale. This is to measure the level of satisfaction of the product.

- Section B : Customer Satisfaction

For this section, the questions were adapted from Pizam & Ellis (1999). The questions concerning to customers satisfaction were also asked in order to collect more accurate data for this study. The 5 point of Likert Scale (table 3.1) also was used for question in this section. This part of questionnaire consists of 10 items which represent three variables. The variables that were measured are product characteristic, environment and behaviour and attitude.

SCORE	SCALE
1	Strongly Dissatisfied
2	Dissatisfied
3	Neutral
4	Satisfied
5	Strongly Satisfied

Table 3.1 Likert Scale for Section C

3.4 SAMPLING

Sampling is one of the components of a research design. Understanding the key term used in the research sampling can be important because the researcher will know their target for the study. The sampling term involve in this chapter are target population, sampling frame and location, sampling technique and sample size (Voon & Lee, 2012).

3.4.1 Target Population

The target population is the customer of Sarawak layered cake in Kuching area. The target population can be domestic visitors from Sabah and Peninsular Malaysia and also Sarawak citizen itself. This population are selected because they have an experience in purchasing layered cake.

3.4.2 Sampling Frame and Location

It consists of a list or set of directions for identifying the target population. Kuching is selected as the targeted location because most of the premises that selling layered cake were located at this area. The researcher will distribute the questionnaire in several premises such as Bakery Outlet (Mira Cake House and Dayang Salhah), Carpenter Street, Shopping Mall and Airport.
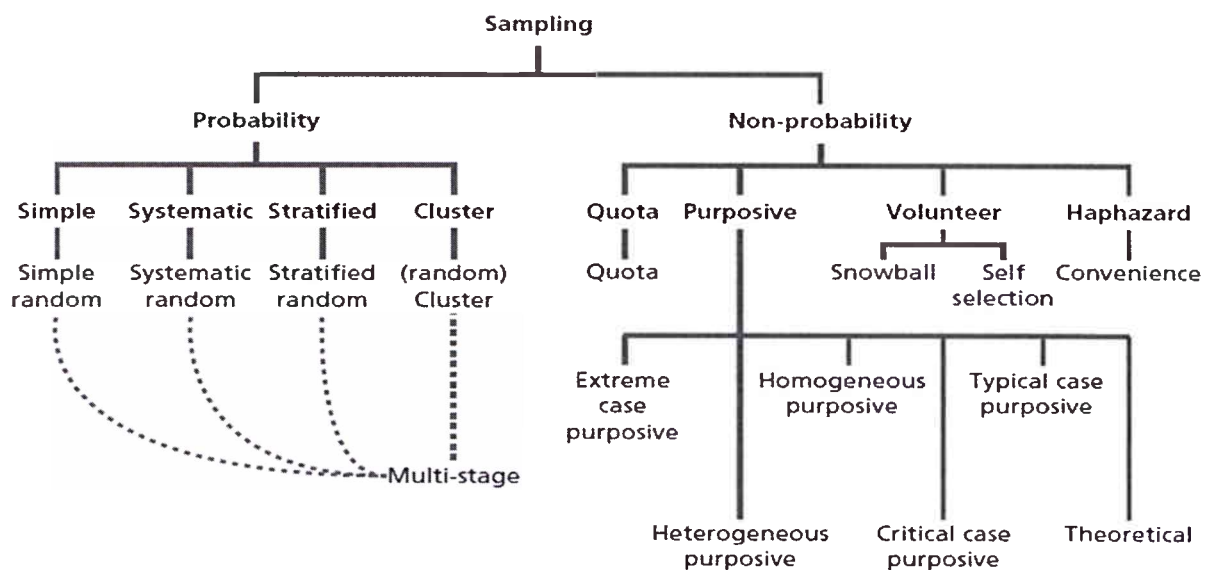
3.4.3 Sampling Technique

Figure 3.1 Types of sampling techniques

(Sources Saunders et al., 2009)

Before selecting the sampling technique, the researcher must consider many factor of a broader nature (Malhotra, 2010). Sampling technique can be divided into two parts which is probability and non-probability sampling as shown in figure 1.1. Non-probability sampling technique was used in this research. One of the major reasons why non-probability sampling is suitable for this study is because the researcher does not have the total population or the list of target customers. Non-probability sampling can be divided into four parts which is quota, purposive, volunteer and haphazard. The non-probability sampling technique used in this research is purposive sampling:

a) Purposive sampling

Purposive or also known as judgemental sampling will allow the researchers to provide a set of question that will be answered according to the judgement of the customers. This will enable them to answer the research question and meet the objectives of the study (Saunders, Lewis, & Thornhill, 2009). Purposive sampling represents a group of different non-probability sampling techniques. This sampling enables the researcher to choose members of populations to participate in the study. The purposive sampling technique of target is the customers of layered cake from Sabah, Sarawak and Peninsular Malaysia.

3.4.4 Sample size

Sample is referring to the target customers from whom the data will be obtained for analysis in this study. According to Sekaran (2013) and Roscoe (1975), the researcher need to distribute a minimum number of 30 questionnaire in order to make the research study sufficient.

F tests	Linear multiple regression: Fixed model, R² deviation from zero	
Analysis:	A priori: Compute required sample size	
Input:	Effect size f²	0.15
	α err prob	0.05
	Power (1-β err prob)	0.95
	Number of predictors	3
Output:	Noncentrality parameter λ	17.8500000
	Critical F	2.6834991
	Numerator df	3
	Denominator df	115
	Total sample size	119
	Actual power	0.9509602

Table 3.2 G-Power Analysis

G*Power is a tool that help the researcher to calculate the minimum number of sample that they have to distribute. G*Power is very usefull to researcher because it can compute statistical power analyses for many different tests which include t-test, F-test, X^2 tests and others. Besides, it can also be used to compute effect sizes and to display graphically the results of power analyses. As shown in table 3.2, the effect size of f² 0.15, α err prob 0.05, Power (1-β err prob) 0.95 with a number of 3 predictors. There are 119 minimum sample sizes for this study. Therefore, 450 questionnaires will be distributed to the customers of layered cake.

3.5 OPERATIONAL DEFINITION TABLE

Operation definition table help the researcher to list out the different sources from where they get the question stated in the questionnaire. It is essential when the researcher has to collect different types of data. This table is important to ensure that the information provided does exist. The researcher cannot create their own question to put in the questionnaire.

Variable	Item	No. of Item	Author
Product Characteristic	Price of layered cake	5	(Pizam & Ellis, 1999)
	Quality of Sarawak layered cake		
	Different choices of Sarawak layered cake		
	Size of layered cake		
	Availability of Sarawak layered cake		
Environment	Cleanliness of the premise	3	(Pizam & Ellis, 1999)
	Location and accessibility		
	Hours of operation		
Behaviour & Attitude	Friendliness	2	(Pizam & Ellis, 1999)
	Helpfulness		

Table 3.3 Operational definition table (ODT)

3.6 DATA COLLECTION

Data Collection is referring to the process of gathering and measuring information that will be used in this study. The methods of data collection were stated below:

3.6.1 Primary Data

According to Malhotra (2010), primary data is the data that does not exist yet and it is originated by the researcher for the specific purpose that will only focus on the problem at hand. Collecting data using primary data can be expensive and time consuming. For this research, survey questionnaire was used by researchers to obtain the accurate information and relevant data. The questionnaires were distributed to the customers randomly.

3.6.2 Pilot Study

According to Malhotra (2010), pilot study need to be obtained before the actual research is conducted. The purpose of pilot study is to determine the reliability and validity of the questionnaire and to improve the questionnaire by eliminating the potential problem such as question content, wording, spacing, sequence, and form and layout (Voon & Lee, 2012). Usually, 30 questionnaires will be distributed to the customers to conduct a pilot study.

3.7 PILOT TEST AND QUESTIONNAIRES

This pilot study will involve 30 questionnaires. It is important to conduct the pilot study because it can identify the problem in the design of the questions from prior actual survey. SPSS version 22 will help the researcher to calculate the value of reliability and validity for this study.

3.7.1 Goodness of Measurement

Reliability refers to the measurement procedure that will provide the researcher some accurate calculations of the variable or construct before it can be considered as valid. The reliability can be known through the interpretation of Cronbach's alpha or Coefficient alpha. Besides that, reliability is the extent to which result are consistent and yield the same result on repeated trials (Neuendorf, 2002). The value of Cronbach's Alpha must be in between 0 to 1. If the value of Croncbach's Alpha is equal to 0.6 or less it indicates unsatisfactory (Malhotra, 2010). The value of 0.7 will indicates the highest degree of consistency which is said to be reliable. As stated in table 3.4, the greater value of Cronbach's Alpha, the better it will be.

Cronbach's Alpha	Internal consistency
<0.60	Poor
0.60 to <0.70	Moderate
0.70 to <0.80	Good
0.80 to <0.90	Very Good
0.90	Excellent

Table 3.4 Rule of Thumb for Cronbach's Alpha Coefficient Value

3.8 RELIABILITY ANALYSIS FOR PILOT STUDY

Variables	No. of Items	Cronbach's Alpha
Product Characteristic	5	0.741
Environment	3	0.837
Behaviour & Attitude	2	0.958
Overall Reliability	10	0.880

Table 3.5 Reliability Analysis (Cronbach's Coefficient Alpha)

There are a total number of 30 customers has involved in this study to measure the reliability of the questionnaire and the result was shown in table 3.5. It can be concluded that all the items result in good reliability because all the Cronbach's Alpha value is above 0.70. The results have revealed that internal consistency reliability of each variable is ranging from 0.741 to 0.958. The overall reliability for all questions that were asked is 0.880. The most reliable variable is Behaviour and Attitude with reliability coefficient of 0.958, followed by store environment with reliability coefficient of 0.837 and the lowest reliability coefficient is Product Characteristic with reliability coefficient of 0.741.

3.9 DATA ANALYSIS

The questionnaire were analysed with help of Statistical Package for Social Science (SPSS) software version 22. Before the researcher analyse the final result, all the data that were collected need to be Keyed-in in the software. Through this software, the factors of customer satisfaction towards willingness to pay for Sarawak layered cake will be identified.

No.	Research Objectives	Measurement
1	To describe the profiles of customers for Sarawak layered cake.	Descriptive Profile
2	To determine which factor is the most influencing towards the willingness to pay for Sarawak layered cake	Descriptive Factor
3	To determine the most satisfying factor of Sarawak layered cake	Regression

Table 3.6 Data Analysis measurement

3.9.1 Descriptive Analysis

According to Zikmund (2013), descriptive analysis is the transformation of data in the form that easier to understand and interpret. Descriptive analysis is used to describe the basic features of the data in the study. Description of data is important to determine the normality of the distribution and description of the data. For this study, there are two research objective that will be using descriptive analysis which is RO1 and RO2.

3.9.2 Regression Analysis

In this research, regression were used to determine level of customer satisfaction towards Sarawak layered cake. Regression Analysis will help the researcher to measure the strength and significant of the variable involved that will indicate by Beta Value (Malhotra,2010).

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APPENDICES

APPENDICES A: SURVEY QUESTIONNAIRE

UNIVERSITI
TEKNOLOGI
MARA

FACTORS THAT CONTRIBUTE TO WILLINGNESS TO PAY FOR SARAWAK LAYERED CAKE

FAKTOR YANG MENYUMBANG KEPADA KESANGGUPAN UNTUK MEMBAYAR KEK LAPIS SARAWAK

Dear Mr/Mrs,

I am student of **Bachelor of Business Administration (Hons.) Marketing at Universiti Teknologi Mara, Campus Samarahan**. I would like to conduct a research to measure the **"Factors That Contribute to Willingness to Pay for Sarawak Layered Cake"**. I greatly appreciate your time in answering this questionnaire. Thank you for your cooperation.

Kepada Encik/Cik,

*Saya pelajar **Sarjana Muda Pentadbiran Perniagaan (Kepujian) Pemasaran di Universiti Teknologi Mara, Kampus Samarahan**. Saya sedang menjalankan penyelidikan berkenaan **"Faktor yang menyumbang kepada kesanggupan untuk membayar kek lapis Sarawak"** Saya amat menghargai masa yang anda luangkan untuk menjawab soal selidik ini.*

Researcher:

Name   :   Nur Izzati Amalina Isah
Course   :   Bachelor of Business Administration (Hons.) Marketing
Matric No: 2015104091

Section (A): Demographic Profile (Please tick (√) one appropriate answer only and write on the space given)

Seksyen (A): Profil Demografi (Sila tandakan (√) pada satu jawapan yang berkaitan sahaja dan tulis pada

ruangan yang disediakan)

1. Gender / *Jantina* Male / *Lelaki* ☐ Female / *Perempuan* ☐	**2. Age /** *Umur* **(As of year 2018)/** *(Sehingga tahun 2018)* _____ **Years Old/** *Tahun*
3. Race / *Kaum* Malay / *Melayu* ☐ Chinese / *Cina* ☐ Indian / *India* ☐ Iban / *Iban* ☐ Bidayuh / *Bidayuh* ☐ Melanau / *Melanau* ☐ Others (**Please Specify**) / *Lain-lain (Sila nyatakan):*	**4. Individual Monthly Gross Income (RM) /** *Pendapatan Kasar Bulanan Individu (RM)* RM1,000 and below / *RM1,000 ke bawah* ☐ RM1,001 – RM2,000 / *RM1,001 – RM2,000* ☐ RM2,001 – RM3,000 / *RM2,001 – RM3,000* ☐ RM3,001 – RM4,000 / *RM3,001 – RM4,000* ☐ RM4,001 – RM5,000 / *RM4,001 – RM5,000* ☐ RM5,001 and above / *RM5,001 ke atas* ☐
5. Occupation Sector / *Sektor Pekerjaan* Government Sector / *Sektor Awam* ☐ Private Sector / *Sektor Swasta* ☐ Self-employed / *Bekerja Sendiri* ☐ Others (**Please Specify**) / *Lain-lain (Sila nyatakan):*	**6. Origin/** *Asal Usul* Sarawak ☐ Sabah ☐ Peninsular Malaysia / *Semenanjung* ☐ *Malaysia*
7. Do you live in Sarawak? / *Adakah anda tinggal di Sarawak?* Yes/ *Ya* ☐ No/ *Tidak* ☐ • **If YES, please proceed to Q9** / *Jika YA, teruskan ke Soalan 9* • **If NO, please go to Q8** / *Jika TIDAK, sila jawab Soalan 8*	**8. Reason of visiting Sarawak /** *Tujuan mengunjungi Sarawak* Leisure/ *Masa lapang* ☐ Business Trip/ *Urusan kerja* ☐
9. Preferable price of Sarawak layered cake/ *Harga yang wajar untuk kek lapis Sarawak* RM 10 ☐ RM 15 ☐ RM 20 ☐ RM 25 ☐ RM 30 ☐	**10. Reason for purchase/** *Sebab untuk membeli* Festivities/ *Perayaan* ☐ (eg:Hari Raya Aidilfitri) Occasion/ *Majlis* ☐ (eg:Engagement or Wedding) ☐ Souvenir/ *Cenderahati* Testing/ *Percubaan* ☐ Self-consumption/n*Pengunaan sendiri* ☐ (eg:Breakfast or Tea time)

11. Volume of Purchase/ *Bilangan pembelian*

_____

Section (C): Customer Satisfaction (Please tick (√) one appropriate answer according to the scales below)

Seksyen (C): Kepuasan Pelanggan (Sila tandakan (√) pada satu sahaja jawapan yang berkaitan sahaja mengikut skala di bawah)

No.	PARTICULARS/*MAKLUMAT*	Strongly Dissatisfied ────────► Strongly Satisfied				
		(Sangat Tidak Bersetuju)			(Sangat Bersetuju)	
Product Characteristic/ *Ciri-Ciri Produk*						
1.	**Price of layered cake/** *Harga Kek Lapis*	1	2	3	4	5
2.	**Quality of Sarawak layered cake/** *Kualiti Kek Lapis Sarawak*	1	2	3	4	5
3.	**Different choices of Sarawak layered cake/** *Pelbagai pilihan kek lapis*	1	2	3	4	5
4.	**Size of layered cake/** *Saiz kek lapis*	1	2	3	4	5
5.	**Availability of Sarawak layered cake/** Kek lapis yang sedia ada	1	2	3	4	5
Environment/ *Persekitaran*						
6.	**Cleanliness of the premise/** *Kebersihan premise*	1	2	3	4	5
7.	**Location and accessibility/** *Lokasi and kemudahan*	1	2	3	4	5
8.	**Hours of operation/** *Waktu operasi*	1	2	3	4	5
Behaviour and attitude/ *Tingkah laku dan sikap*						
9.	**Friendliness/** *Keramahan*	1	2	3	4	5
10.	**Helpfulness/** *Tolong-menolong*	1	2	3	4	5

Section (E): Give suggestion on how to improve Sarawak layered cake

Beri cadangan mengenai bagaimana untuk memperbaiki kek lapis Sarawak.

_____

_____

_____

-THANK YOU FOR YOUR COOPERATION-