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**TO STUDY ON THE INFLUENCE OF PRODUCT QUALITY, SERVICE QUALITY AND PRICE
TOWARD CUSTOMER SATISFACTION AT PERSADA HERBS SDN BHD**

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CHAPTER 1: INTRODUCTION

1.0 INTRODUCTION

The research's purpose is to study on the influence of product quality, service quality and price toward customer satisfaction at PERSADA HERBS Sdn Bhd. The research is focuses on the customer's satisfaction toward the company's product quality, service quality and price on how they perceive the qualities inconsistency between same product bought for the first time and in future which if the quality intercept or differ from each purpose that may varied the customers experience on their satisfaction. Based on this chapter, the study will explain on the study's background, problem statement, research question, research objectives, scope of the study, hypothesis, limitation, significance and how the research to be proved as relevant.

1.1 BACKGROUND OF STUDY

Customer satisfaction is often seen as crucial link in establishing long-term relationships (Patterson, 1997; Karna, 2004) and few businesses can survive without build strong and concrete relationships with their customers (Morgan and Hunt, 1994; Dwyer, Schurr, and Oh, 1987). The consumers are likely to face inconsistent product quality when choosing among competing products which the consumers mostly relied on heuristic to judge quality across competitive products since consumers have finite time horizons and no incentive to perform thorough comparative studied prior to purchase (Dawar & Parker 1994). Maintaining the product quality level that the customers are expecting or precisely maintaining product quality perception is one of the keys elements in brand loyalty building process. Sometimes when major quality inconsistency occurs in a product, consumers may feel that their trust was betrayed and question their loyalty to that particular branded product.

Customer satisfaction is determined by the quality and price of the products desired by the customer as stated by Bei and Chiao (2001) that "Consider product quality and price as the foundation to build up consumer satisfaction", while Khan and Ahmed (2012) said that "product quality is a critical determinant of consumer satisfaction ". Moreover, Ehsani and Ehsani (2015) concluded that "price can be used as a resource to increase both profit and customer satisfaction". Service quality also hold the point of what it's supposed to do and how well it holds up over time as it reflects a crucial instruments for a service provider's effort to distinguish its services from its opponents. Regardless of the various viewpoints from the public, service quality is a competitive marker for brands that affects purchasing decisions and profitability.

Over time, it is realized that by merely having enormous number of followers will not help in the business success which the business need for the real customers with a purpose and need for products or services offered. Providing quality products and services can maintain the real customers to stay loyal with the company as long as the overall quality are consistent from the first purchase along to their purchase journey in order to provide a good and positive experience with the company offering. While happy customers with the price, product and service quality offered will act as word of mouth for the brand, a customer who is dissatisfied will ever recommend the brand to someone. Thus, the situation may resulted the company to face unwanted condition by facing uncertain profitability graph until they can gain back the customer's trust to repurchase their product.