

**SERVICE QUALITY AND CUSTOMERS' SATISFACTION TOWARD THE ROYAL  
MALAYSIAN CUSTOMS DEPARTMENT: SARAWAK CUSTOMER  
PERSPECTIVES**



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## **ABSTRACT**

This research study was to assess and analyse the service quality and customer's satisfaction toward the Royal Malaysian Customs Department in Sarawak customer perspectives. Specifically, the research study was to determine the customer perception and also the overall customer satisfaction level toward the service provided at Customs Department. This would be influenced by the dimensions that have been used to assess whether customer satisfied with the service quality that was providing by the department.

The study was used a questionnaire to obtain the result related to customer satisfaction. About 240 questionnaires have been collected to be analyzed to find out the result. SPSS programme (Statistical software package) was used to analyse and test the relationships among the variables toward the customer satisfaction.

The study was found that reliability of the variables were very effective and significant toward the customer satisfaction. But, some of the variables are not significant as there are no positive relationships between the variables with the customer perception toward the customer satisfaction. Moreover, customer satisfaction was found to have significant and positive relationship between the customer perceptions toward customer satisfaction. Furthermore, demographic characteristic such as gender, income, age, education, marital status, purpose, time visited, race, and occupation also be used to identify the relationship among customer satisfaction.

The implications of the study and also recommendation for the future research have been made. The limitation of the study also noted.

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## **CHAPTER 1: INTRODUCTION**

### **1.1 BACKGROUND OF STUDY**

Royal Malaysian Customs Department is the government agency under Ministry of Finance which they are responsible in administrating the nation's indirect tax policy. As we know, Royal Malaysian customs has administer seven main and about thirty-nine subsidiary laws in Malaysia. Royal Malaysian Customs was responsible to indirect tax such as import and export duty, excise duty, sales tax and service tax from relevant activities and persons. Customs department also responsible to facilitate industries development and safeguard of economy, social, and nation's security by preventing smuggling activities. Those activities which has been mentioning above can be done through the implementation of Free Industrial Zone, whereby the industries are free from sales tax and many others as their mission was collecting the duties and taxes of customs, provide facilities to trade and industrial sectors and ensuring compliance to legislations in protecting national economic, social, and security interests in order to achieve the vision of department which is to be world class customs administration. (Background of JKDM, retrieved from <http://www.customs.gov.my>)

Customs Department was the main of revenue collector but instead of make a contribution, revenue of collection also have to be increase annually by Customs Department. To avoid jeopardize the performance of the industrial sector, the activities have been done by delicate balancing act. Customs Department also must ensure that whilst its control on the related industries is minimal but effective, beside of there is to lend a helping hand and push and prod the industries to develop and achieve their mission and vision. Besides, preventive activities especially in stopping the entry of negative elements that can threaten the country's security or those that brought moral decay must be executed continuously and must be updated.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 LITERATURE REVIEW**

The literature review start off with a short overview of the customer satisfaction. As we know, customer satisfaction is very important toward the organization as satisfaction is the key of the organization's success. In addition, satisfaction is the customer experience that have experienced or accepted the entire interaction with the organization or customer experience who receive services specifically at various stages of the services. Meanwhile, customer satisfaction is the degree to which a customer perceive that an individual or organization has effectively provided a product or service that meets the customer's needs in the context the customer is aware with the product or service.

#### **2.1.1 Service Quality**

To understand more on what is the meaning of service quality, there is important to understanding more toward the term of quality which it emphasis the quality of services that will satisfy customer satisfaction. According to Parasuraman, Valarie, & Leonard (1985), they simplified a quality as the degree and direction of discrepancy between customer, service perception, and expectation. Based on the approach, services are differ from goods as services are tangible, heterogeneous and simultaneously produce and consumed. Meanwhile, services quality is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Gronroos, 1982). It takes place between the customer and service, physical resources and employees, or goods and service providers systems, which are provided as solutions to the problems of customers.