



**UNDERSTANDING SERVICE QUALITY IN
SERVICE DELIVERY TO LOCAL CUSTOMER:
A STUDY OF A DISTRICT OFFICE**

**DOUGLAS AMUT
2003303377**

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (MARKETING)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA**

OCTOBER 2008

TABLE OF CONTENTS

TITLE		<i>Page</i> i
DECLARATION OF ORIGINAL WORK		ii
LETTER OF SUBMISSION		iii
ACKNOWLEDGEMENT		iv
CONTENTS		v-viii
LIST OF TABLES		ix-xi
LIST OF FIGURES		xii
LIST OF ABBREVIATION		xiii
DEFINITION OF TERMS		xiv-xv
ABSTRACT		xvi-xix
CHAPTER 1	INTRODUCTION	1
	1.1 Introduction	1-2
	1.2 Background of Study	2-3
	1.3 Problem Statement	3-4
	1.4 Research Question	4-5
	1.5 Research Objectives	5
	1.6 Theoretical Framework and Hypothesis	6
	1.7 Significance of the Study	7
	1.8 Limitations of the Study	8
	1.9 Summary	8-9
CHAPTER 2	LITERATURE REVIEW	10
	2.1 Introduction	10
	2.2 Research History / Development	10-12
	2.3 The Setting / Industry / Sector	12-13
	2.4 Service Quality	13-17
	2.5 Customer Satisfaction	18-21
	2.6 Customer Loyalty	22-24
	2.7 Communication Effectiveness	24-25
	2.8 Trust	26-28
	2.9 Conclusion	29

ABSTRACT

Purpose

The purpose of this paper is to explore the relationship between service quality, trust, communication effectiveness, customer satisfaction and customer loyalty in service delivery. This paper hopes to understand the service quality in service delivery of the District Office. We usually heard the common criticism of the public on the poor quality of services rendered by the government staff. As fronts-liners, the quality of service given by the government staff will have a tremendous influence on the public perceptions of quality of the public services. Many customer satisfaction studies have concluded that there is a significant relationship between customer satisfaction and loyalty. Hence, the primary objective of service providers and marketers is identical; i.e. to develop and provide services that satisfy customer needs and expectations.

Objective

The objective of the study is for the District Office to investigate on the level of customers' perceptions and expectations to their service quality from their local customers' perspective in order to provide high quality services by improving service delivery. The information from their local customers', they could then strategically adjust their service quality to fit the local customers. This may be particularly important if such customer feedback is to be useful to policy makers and service managers.

Therefore, a key strategy for customer-focused agencies or department is to measure and monitor customer satisfaction and service quality. In the marketing literature, service quality, customer satisfaction and customer loyalty are three distinctive elements that a firm offering services should strive for. Customer satisfaction or dissatisfaction results from experiencing a service and comparing that experience with the kind of quality of service that was expected. In the context of government department, the quality of service provided by district level is a very important issue when signs of dissatisfaction with the services arise (Sutton, 1993).

CHAPTER 1

INTRODUCTION

1.1 Introduction

Since independence in 1957, public sector service quality has been a part of the Government's agenda. The 1980s revolved around the need to improve the quality of public sector management and to shift the responsibility for economic development to the private sector. To improve the quality of services offered by public sector agencies to the clients at the "service" counter, the Government took several measures to improve existing procedures and systems, introduced office automation and information technology to strengthen information and service delivery, and enhanced the capacity of district administration. Realizing that values and ethics are critical for the provision of "quality" service, the Government launched several programmes to inculcate desirable values, such as honesty, discipline, integrity, dedication, accountability, trustworthiness and efficiency among the public servants. The administrative reforms of the nineties were guided by the underlying philosophy of quality, with emphasis on administrative improvements, enhancement of information technology, improvement of information, and service delivery.

Today, "quality in public services is recognized as the right of all citizens" (Gaster 1995:1). This concern for quality needs to be understood both in the context of changing expectation of customers as indicated above as well as pressure of globalization. Globalization has posed a serious threat to the concept of nation-state as well as encouraged market economy. Add to all these civil servants in many countries of Asia work under an unfavorable environment. The symptoms of this are evident in too much demand, too little supply, unclear and unambiguous goals leading to corner-cutting and low morale (Gaster1995:1). So quality as a concept is important. Yet it is extremely difficult to define it to the minutest detail. Values influence nature of quality. Some of these values include economy, efficiency and effectiveness, equity, equality and environment, democracy, accountability, improvement and community.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter discussed the literature on the quality service delivery background, definition of quality, the dimensions and the approach in measuring quality and the factors that influence the evaluation of service quality in counter service. It is vital to review all the relevant literatures in order to understand the whole concept of quality service delivery, its tools and application in various sectors. It founded a strong basis for the development of the research framework and instrument.

Defining service quality and its components in a form that is actionable in the workplace is an important endeavour that an organisation should not take lightly. Without a clear and unambiguous definition, employees will be left with vague instructions on improving service quality within the workplace. The result will be that each employee will be left to form and act upon his or her own definition of quality which, more often than not, may be incomplete or inaccurate. Fortunately, there are researchers such as Grönroos (1983), Lehtinen and Lehtinen (1982), and Parasuraman, Zeithaml and Berry (hereafter referred to as PZB) (1985) who are working to uncover the factors that determine service quality and to provide a number of actionable tools that a marketer can use to gauge his or her firm's performance. Quality management in simple terms could be expressed through the meaning.

2.2 Research History/Development

Agus,A. Barker, S. & Kandampully, J.(2007) in their study titles; "An exploratory study of service quality in the Malaysian public service sector" explores the relationships among service quality, service performance, and customer satisfaction within the context of the public service.

According to them essentially, service quality represents a customer's assessment of the overall level of service offered by an organisation (Parasuraman et