

**THE IMPACT OF SERVICE QUALITY ON
CUSTOMER SATISFACTION, A STUDY ON
TANJUNG OFFSHORE SERVICES**

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ABSTRACT

As market growth slows or as markets become more competitive and level of switching costs increase, firms are more likely to attempt to maintain their market share by focusing on retaining current customers. Service Quality has been advocated as an easier and more reliable source of customer satisfaction. This research utilized a convenience methodology to improve customer satisfaction, and the researcher has helped the firm identifying the factors that contribute to retain customer and initiate a variety of strategies to accomplish this objective. Five dimensions that contribute to retain customer that had been identify by researcher consists of tangible, responsiveness, reliability, assurance and empathy.

The findings highlight that all the five dimensions do contribute to customer satisfaction and the firm should take action and focus more on these five contribution factors or dimensions in order to retain and keep their customers loyal. The researcher also identified the causes that lead to the decrease of the firm customer retention rate and had come out with few recommendations. The recommendations that can be taken into consideration such as formation of customer-contact-employee relationship, effective communications to build trust and establish customer loyalty programme.

By implementing these three recommendations, the researcher optimism that it will help the firm to better upgrade its performance and any area that is not running well in their management for future use.

1 Background Of Study

Today, the dynamics of customer relationship have change dramatically and force to meet the new revolution of relationship building. Organization need to, manage their customer relationship effectively to remain competitive in this interactive era. Hence, there have been calls for greater attention to the role of relationship in services. (Gronroos 1990; Gummesson, 1987; Sheaves and Barnes, 1996).

The study will concentrate on customer's satisfaction towards the quality of facilities provided by Tanjung Offshore Services a developing company in oil and gas industry. This research will focus on the quality of five dimension of service quality also known as SERQUAL which can be divided into tangible, responsiveness, reliability, assurance and empathy. This five dimension is use to identify and measure the customer satisfaction towards the services offered by Tanjung Offshore Services. It is also use to measure the relationship exist between the service quality in Tanjung Offshore Services and customer satisfaction among their clients.

1.1 Background Of The Company

TANJUNG OFFSHORE SERVICES SDN BHD (Tanjung) a wholly owned Bumiputera company, was incorporated on 13th February 1990 in response to the growing need for supporting services in the buoyant oil and gas industry in Malaysia.

Tanjung commence operations in March 1990, principally as the local marketing representative for a Norwegian offshore drilling contractor.