



**UNDERSTANDING THE PERCEPTION ON CUSTOMER EXPERIENCE
AMONG TOURISTS IN LABUAN**

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ABSTRACT

The purpose of this particular research which is entitled “Understanding the Perception on Customer Experience among Tourists in Labuan” is to investigate the perception of consumer in regard with the three experience clues which are functional clue, humanic clue and mechanic clue.

Labuan Federal Territory also known as Victoria Island is a popular getaway for a diverse range of tourists. Despite the rapid development in the tourism industry which brings about a wide business opportunity for the locals, the town still lacks accommodation to cater the demand of tourists especially during international events. Understanding tourists’ perception on customer experience will enable local service providers how to better treat their customers and indirectly promotes business sustainability.

Another purpose of this research is to identify the role of the main tourism service providers namely hotel, transportation provider and travel agency in contributing to the overall tourist experience and determine key aspects to increase customer satisfaction. This is because in a way or another tourists are likely to encounter at least one of the three aforementioned during their stay in Labuan.

Therefore, the finding that the researcher collected through this particular research resulted in majority of the respondents having positive and satisfactory customer experience as tourists in Labuan. Each of the main tourism service providers play significant role to offer tourists a memorable experience staying in Labuan thus empowering them through the findings from this research is a privilege.

TABLE OF CONTENT

CHAPTERS	PAGE
Acknowledgement	(iii)
Abstract	(xii)
1.0 INTRODUCTION	
1.1 Background of Study	1
1.2 Scope of Study	2
1.3 Problem Statement	3
1.4 Research Objectives	4
1.5 Research Questions	4
1.6 Significance of Study	5
1.7 Limitation of Study	6
2.0 LITERATURE REVIEW	
2.1 Customer Experience	7
2.2 Functional Clue	10
2.3 Humanic Clue	11
2.4 Mechanic Clue	13
2.5 Tourism Industry	14
2.6 Theoretical Framework	16
3.0 RESEARCH METHODOLOGY & DESIGN	
3.1 Introduction	17
3.2 Research Design	17
3.3 Data Collection Technique	18
3.3.1 Primary Data	
3.3.2 Secondary Data	
3.4 Sampling Design	21
3.4.1 Sampling Technique	
3.4.2 Sampling Size	
3.4.3 Population	
3.4.4 Sample Selection	
3.5 Data Entry and Data Processing	23
3.6 Data Analysis	23
3.6.1 Frequency Distribution	
3.6.2 Reliability Test	
3.6.3 Cross-Tabulations	

4.0 RESEARCH FINDINGS

4.1 Gender of Respondents	25
4.2 Age of Respondents	26
4.3 Nationality of Respondents	27
4.4 Occupation of Respondent's	28
4.5 Purpose Respondents Coming to Labuan	29
4.6 Clear Signage to Hotel	30
4.7 Adequate Parking Facilities in Hotel	31
4.8 Hotel Cleanliness is Satisfactory	32
4.9 Availability of Room Service in Hotel	33
4.10 Complete Bedroom Facilities in Hotel	34
4.11 On Time Transport Arrival	35
4.12 Transport Match Specification	36
4.13 Transport in Good Condition	37
4.14 Comfortable Handling of Transport	38
4.15 Safety Aspect of Transport is Fully Met	39
4.16 Packages are Worth the Money Paid	40
4.17 10 Labuan Icons Included in Package	41
4.18 Secure Online Transaction	42
4.19 User-Friendly Website	43
4.20 Packages Include Interesting Activities around Labuan	44
4.21 Welcoming Smile by Hotel Staff	45
4.22 Professionalism of Staff Attire	46
4.23 Keep Customers Informed Upon Completion of Task	47
4.24 Promised Tasks are Well Performed	48
4.25 Quick in Solving Problem	49
4.26 Driver is Courteous towards Customer	50
4.27 Make Extra Effort to Meet Customer's Request	51
4.28 Driver's Attire is Neat	52
4.29 Driver is Knowledgeable on Attractive Places in Labuan	53
4.30 Driver Has Good Communication Skill	54
4.31 Travel Agency Personnel Dress Appropriately	55
4.32 Travel Agency Personnel Perform Service Professionally	56
4.33 Employee's Behaviour Instils Confidence in Their Customers	57
4.34 Make Good Eye Contact While Communicating	58
4.35 Always Willing to Help	59
4.36 Location of Hotel is Convenient	60
4.37 Background Music of Hotel is Nice to Hear	61
4.38 Attractive Hotel Interior	62
4.39 Hotel Aroma Smells Good	63

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

In the last several decades, tourism has emerged as one of the major industries in world economy. The revenues reaped from tourism industry have grown to be the third largest industry in Malaysia after oil and automobiles. It is proved to be an important sector in enhancing the nation's economic development (Hanafiah and Harun, 2010). Previous researches conducted in other countries have proved that the recent key strategy is to emphasis on creating long term relationships with customers.

Several authors have argued that customer experience is a critical variable in ensuring customer satisfaction which has been missing all this while (Berry and Carbone, 2007; Cronin et al., 2000; Dube and Renaghan, 2000; Pine and Gilmore, 2000; 1999). Tourism service provider must emphasis on giving excellent service in order to score during moments of truth (real interaction between customer and service provider). This is essential as a good practice for front officers especially to overcome customer complaints tactfully and responsively. A customer is anyone who depends on you for your products, services and information to get what he or she wants and needs. Therefore, according to this definition the tourist is the customer (MOTAC, 2013).

The rapidly growing tourism sector in Malaysia is a symbol of promising industry to all firms involved as the tourism service providers. Labuan is also positively affected by this phenomenon given the heavy