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**RELATIONSHIP BETWEEN SERVICE QUALITY AND
CUSTOMER SATISFACTION IN FERRY
TRANSPORTATION IN LABUAN –WAWASAN
PERDANA FERRY**

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Customer satisfaction has been subject of great interest to any organizations that involved in either sales or service industry. With maximizing profits and paired with minimal costs being the principal objectives of most organizations, customer satisfaction has become more and more important and a 'must have'. This is because through customer satisfactions sales can be increased, from satisfaction leads to customers' loyalty (Wilson et al., 2008. P79), recommendation and of course repeat purchase or use of service. This is what the management of Wawasan Perdana ferry trying to improve in order to achieve in providing their customer/passenger through good quality service.

Nowadays, it is never enough just to have a product or a service offered to customers. Organizations are also obliged to provide more services in addition to what they are already providing. They are always the same common questions; Are the customers satisfied with our services? Are the services we provide to customer are up to the quality that our customers expected?

1.2 BACKGROUND OF THE COMPANY

1.2.1 Profile

Labuan Ferry Corporation Sdn. Bhd was incorporated on 09th September 1999. It was formerly known Labuan Ferry & Cruise Services Sdn. Bhd . It owns two ferries that commute from Labuan to Menumbok, Wawasan Perdana and Warisan Perdana. Both of its ferries have quite a number of ups and downs since they started operation till now. This is in particular refers to Wawasan Perdana ferry.

1.2.2 Core Values

Maintaining An Affordable Price of Ferry Tickets for all passengers

- Situations where festival festivities will increase number of passengers using ferry transport will not be taken advantage to increase its fares.

1.3 The Wawasan Perdana Ferry

There are a lot of passenger boats within Labuan. Since the island is water surrounded, ferries and boats are found in abundance. Wawasan Perdana Ferry is one of the well-known ferry by locals in Labuan. It is one of the pioneers and longest serving ferry there is. But instead of being a passengers' boat, Wawasan Perdana is more accurately referred to as car ferry, though it still carries passengers from Labuan to Menumbok. After been in a service to Labuan residents for so many years, Wawasan Perdana ferry had met with an accident that brought a big impact in ferry transportation Labuan. In 2012, the huge ferry was caught on big fire that has caused serious damaged. It would take its owner