



**RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER
SATISFACTION AT TABUNG HAJI KUCHING**

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Dear Madam,

SUBMISSION OF PROJECT PAPER (MKT669)

Attached is the project paper titled “**RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION AT TABUNG HAJI KUCHING**” to fulfill the requirement as needed by the faculty of Business Management, Universiti Teknologi MARA.

Thank you,

Yours sincerely,



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CHAPTER 1

INTRODUCTION

1.0 Background of the Study

“In Malaysia, there are several types of banking industries such as investment banks, commercial banks and Islamic banks” (Jayaraman, 2010). They represent as the primary mobiliser of funds and also being financial sources to support national economic activities. The customers are the main variables that will lead development of the banking industries. It is because, without the customers, banking industries could not grow up efficiently and effectively.

In developing and increasingly competitive on banking industries, organization must establish something different in order to make them apart from the crowd. *“There are some elements have been used in segmentation by banking industries such as convenience, product lines and customer service”* (Simpson, 2006). Besides that, organization also is focusing their attention on customer service which is means it is increasing customer loyalty and retention. In order to achieve the goal of increasing customer retention, the relationship between employees satisfaction who are responsible in being service provider, customer service quality which means the customer behaviors that those attitudes lead to and the customer satisfaction which the behaviors from customers has become important part of investigation.

“Customer satisfaction means when the customer has met their needs and wants that beyond their expectations” (Zekiri, 2011). According to William (1990), *“customer is divided into two which are internal customer and external customer. Internal customer is the employees in the organization while external customer is the one who will buy or consume the goods or services from organization.”* In order to make internal customer satisfied, the organization has to alert the needs of the employees such as their welfare, salary, fairness in

5.2 CONCLUSIONS

As conclusion, the study found that there is a significant relationship between service quality and customer satisfaction at Tabung Haji Kuching. The study shows that the customers were agreed with the five dimensions of service quality, which are tangible, assurance, reliability, responsiveness, and empathy would give impact to customers' satisfactions.

This study also can give the guidance for the manager of Tabung Haji Kuching to improve the service quality that would affect to customer satisfactions especially the tangible element since there is quite weak which $r=0.518$. Tangible appearances of organization show the corporate image of the institution so that it would not affect the reputation of the organization.

In order to survive in the competitive banking industry, banking organizations have to make some improvement or develop new strategies in order to attract more customers come to that bank and at the same time, they can make some strategies to retention the customer by making them satisfied with the services provided.

Bank employees have to lay an important role in attracting more customers to the banks. The higher management have to make strategies on their employees also so that they know how to face the variety of situation without making the customer switch to another service provider. The employees encouraged to send for training so that they would gain much knowledge from it.