



اَوْنِيُوْرَسِيْتِي تِيكْنُوْلُوْجِي مَارَا  
UNIVERSITI  
TEKNOLOGI  
MARA

**THE RELATIONSHIP BETWEEN FACTORS OF PRODUCT  
QUALITY, SERVICE QUALITY AND PRICE THAT  
CONTRIBUTE TO CUSTOMER SATISFACTION: A STUDY IN  
PRODUCT PURCHASE AT PERSADA HERBS SDN BHD**

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## LETTER OF TRANSMITTAL

16<sup>th</sup> DECEMBER 2018

Mardziyana Mohamad Malom

Head of Program

Bachelor of Business Administration

Faculty of Business Management

Universiti Teknologi MARA

Kampus Segamat,

Johor Darul Takzim

Dear Madam,

### SUBMISSION OF PROJECT PAPER

Attached is the research report title "The Relationship between Factors That Contribute to Customer Satisfaction: A Study in Product Purchase at Persada Herbs Sdn Bhd" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,



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## ABSTRACT

Customers satisfaction are one of the drivers that lead to organization success as satisfied customers return to organization, make repeat purchase and may recommend the company to others. In this study, a framework model of factors that contribute to customer satisfaction is developed and described. The study was conducted in order to identify the relationship between customer satisfaction factors as perceived by the customers that purchase products at Persada Herbs Sdn Bhd and to recommend on how the organization can improve its customer satisfaction degree. Three independent variables was tested which are product quality, service quality and price against the dependent variable which is customer satisfaction. A quantitative study that involved 100 respondents among the company's customers by used convenience sampling was done. The collected data were evaluated by using the statistical software SPSS version 22.0 which the analysis used are the Descriptive Statistic, Pearson's Correlation, Regression Analysis and Coefficient analysis. Through the finding, only two independent variables, which was product quality and service quality resulted in having significant relationship toward customer satisfaction which been the variables that can influence the customer's satisfaction in buying product. As a result, only one hypothesis was rejected and two hypotheses showed positive relationship towards the consumer satisfaction. The recommendation made include conducting further research and feedback display for the company to increase their customer satisfaction.

**Keywords:** Customer satisfaction, product quality, service quality, price

## **CHAPTER 1: INTRODUCTION**

### **1.0 INTRODUCTION**

The research's purpose was to study on "The Relationship between Factors That Influence Customers Satisfaction: A Study in Product Purchase at Persada Herbs Sdn Bhd". The research was focused on relationship between the independent variable which is customers' satisfaction toward the independent variables which are product quality, service quality and price. This chapter explained the study's background, problem statement, research question, research objectives, scope, hypothesis, limitation and significant.

### **1.1 BACKGROUND OF STUDY**

Patterson (1997) and Kama (2004) mentioned that customer satisfaction is often seen as crucial link in establishing long-term relationships and Morgan and Hunt (1994) mentioned that few businesses can survive without build strong and concrete relationships with their customers. The customers was likely to face inconsistent product quality when choosing among competing products since they had limited time horizons and had no incentive to perform a further study regarding the product chosen which they mostly relied on heuristic to judge quality across competitive products. It is important for the company to precisely maintained the quality level that are expected and perceived by the customers as it is one of the keys elements in building customer satisfaction process. A major quality inconsistency that occurs in a product even once had cause the consumers felt that their trust was betrayed and question their satisfaction level to the particular product brand which swayed them toward competing product.