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RESEARCH PROPOSAL

**“FACTORS AFFECTION CUSTOMER SATISFACTION BASED ON
SERVICE QUALITY INSTRUMENT IN THE ELECTRICITY SECTOR; A
STUDY IN KUDAT, SABAH.”**

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CHAPTER 1 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The purpose of this study is to investigate the determinant factors that influence customer satisfaction in the electricity supply service sector. As customer are more concerned about quality nowadays, service industries have become very competitive towards delivering a great service. There are very limited research and study that have been conducted on the service quality of electricity utilities. This is due to the nature of the market where there is normally a single company that monopoly in a specific region that supply this services and customer are left with no choice but to continue buying their services regardless of their satisfaction level. However, the researcher believes that it remains as a very important matter for research as it is a challenge for service provider to enhance their service and emphasizes its desirability to meet customer satisfaction (Suchismita Satapathy, An analysis for service quality enhancement in electricity utility sector of India, 2014).



Figure 1 Sabah electricity Sdn Bhd Logo

In Sabah, electricity is regulated by Sabah Electricity Sdn Bhd (SESB) and they are the only power utility which is available. Sabah Electricity Sdn Bhd (SESB) established in 1998 and mainly owned by subsidiary of Tenaga Nasional Berhad (TNB) (Sabah Electricity Sdn Bhd (SESB) MY, 2018). They are responsible to provide reliable generation, transmission and distribution services in the state of Sabah. They claimed to continuously applying innovative approaches to technology and implementing various projects to

support the growing demand of electricity. Recently, there are too many complains that have been posted and went viral on the social media regarding customer dissatisfaction towards services offered by Sabah Electricity sdn bhd in the social media. This situation has triggered doubt towards their competency to deliver electricity supply in line with their tagline "Your light, Our Pride". This is the main reason the researcher comes up with this study so it will help electricity supply company to improves their service quality. The factors that involved in this study includes reliability, tangibility, empathy, responsiveness, security, assurance, and stability.

1.2 PROBLEM STATEMENT

Presently, there are very limited number of companies that supply electricity utility for customer due to the scarcity of resources. However, with help of technology many are trying their best to venture into the industry. The more choices are better for customer for them to be able to differentiate and pay for better services. In the same time, more choices cannot guarantee that customer would get better services if the offering is identical in terms of quality. Thus, the researcher decided to conduct a study to on which variables from service quality model be the most effective to increase service quality. Thus, the researcher has decided to conduct a study focus on measuring customer satisfaction based on the service quality instrument. It is adjusted vital to understand the requirements of customers so that policies can be accordingly, in order to improve customer satisfaction and customer retention.

1.3 RESEARCH OBJECTIVE

- RO1:** To investigate the factors that greatly influence service quality
- RO2:** To investigate the relationship between service quality and customer satisfaction.
- RO3:** To investigate the relationship between all seven service quality instruments.

1.4 RESEARCH QUESTION

- RQ1:** What is the factor that will greatly influence service quality.
- RQ2:** What is the relationship between service quality and customer satisfaction.
- RQ3:** What is the relationship between all seven-service quality instrument?

1.5 SIGNIFICANT OF THE STUDY

The significance of this study is that the researcher wants to find out what is the relationship of all service quality instruments; assurance, stability, security, tangibility, empathy, responsiveness, and reliability towards customer satisfaction in electricity supply service. The study would benefit many parties includes supplier and customer. Supplier would be able to enhance their offering by focusing on increase their service quality and decreasing the gap between customer expectation and their actual services. In the other hand, customer would be able to receive the best service that they could possibly get from supplier.

1.6 SCOPE AND LIMITATION OF THE STUDY

Scope of study

The researcher decided to study the most influencing factors that works towards increasing customer satisfaction among customer in Kudat, Sabah. The most suitable respondent to this research is the residence of Kudat from all area in Kudat. The

