



**APPLIED BUSINESS RESEARCH: AN EMPIRICAL STUDY ON
CUSTOMER SATISFACTION AT THE ROYAL MALAYSIA CUSTOMS
DEPARTMENT IPOH**

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ABSTRACT

The research literature on customer satisfaction appears to be endless and is growing in popularity throughout the years. Despite the growing number of models available for measuring customer satisfaction, SERVQUAL appears to be the starting point towards further research. This study hopes to add further contribution towards understanding and measuring customer satisfaction in the quest for service improvements.

Although the major focus of most studies on customer satisfaction were aimed towards improving services provided by the private sector, it is undeniably important too that customer satisfaction towards public sector bodies would be translated into an efficient and an effective delivery system as envisaged by the government of the day in order to serve the *rakyat* better – particularly in today's age of globalization.

The purpose of this study is to evaluate the services quality of the Royal Malaysia Customs Department at its Ipoh office from the clients' viewpoints and to gauge the level of customer satisfaction. In addition, it intends to focus on the dissatisfied customers; to seek customer perception on the overall image the Royal Malaysia Customs Perak; and to recommend measures that can be taken towards improving customer satisfaction and hence turnaround the image of Royal Malaysia Customs Perak.

The study was conducted on 360 clients of the Department from various entities that were directly or indirectly related on matters relating to the legal provisions administered by the Royal Malaysia Customs Department.

Among the major findings from the research on the local business community within Ipoh are:

1. Racial origin indicates certain sensitivities towards customer satisfaction

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CHAPTER I

INTRODUCTION

1.0 Background of the Study

In Malaysia, an efficient delivery of public services is currently a major concern of the society (“Human Resource Management and the Changing Role of the Public Service”, by Tan Sri Dato' Samsudin Osman, Director General Public Service Department, Malaysia). Lately, the public is clamouring for greater efficiency and speedy delivery of public services. It has been stated so often that bureaucratic delays and procedures have caused slowness in the delivery of public services. Slow delivery may breed the seed of corruption, because the affected parties may feel that the officials are angling for a bribe to expedite decisions (MII, 2006).

The public expects speed in their dealings with the government departments/agencies where time is of essence, where there should be less red tape and things made easier to deal with them and get things done so that there is not much waiting, with the waiting time and period minimized. However, based on current data, unfortunately this problem still exists despite all the exhortations of the Government.

Complaints received and managed by the Public Complaints Bureau (PCB) for the year 2004 revealed that 48% were mostly about delay in taking action or non-action by the government departments/agencies, 11% were about unfair actions/decisions while failure of enforcement of rules and regulations accounted for 8% (PCB, 2005).

Budget 2008, the government will be giving priority towards strengthening the public service delivery system. The government has taken numerous measures to ensure the efficiency of the delivery system, including the establishment of the Special Task Force