



**CUSTOMER SATISFACTION TOWARDS PREPAID PHONE CARD USERS
IN KUCHING: CASE OF KADFON, PAYPHONE SDN BHD.**

**GRIFFIN ACHIL
99544255**

**BACHELOR IN BUSINESS ADMINISTRATION
(HONORS) (MARKETING)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITY TECHNOLOGY MARA
CAMPUS SAMARAHAN
SARAWAK**

MARCH 2005

TABLE OF CONTENTS

	PAGE
DECLARATION OF ORIGINAL WORK	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGEMENT	iv
CONFIDENTIALITY STATEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	xi
LIST OF FIGURES	xiii
LIST OF GRAPHS	xiv
LIST OF ABBREVIATION	xvi
ABSTRACT	xvii
 CHAPTERS	
1. INTRODUCTION	1
1.1 Introduction	1
1.1.1 Scenario of Malaysian Telecommunication Industry	1
1.1.2 Background of Payphones Business in Sarawak	5
1.1.3 Current Trend of Payphones Industry	9
1.2 Background and Scope of Study	11
1.2.1 Background of Study	11
1.2.2 Scope of Study	12
1.3 Problem Statement	14
1.4 Research Questions	14
1.5 Objective of Study	15
1.6 Significance of study	16
1.7 Limitations	18
1.8 Definition of Terms	19

ABSTRACT

Public telephone service is fast growing and getting competitive from other operators like Time Reach and RedTone Sdn Bhd. With the liberalization of telecommunication Industry, the cake is being shared among the operators providing the same service resulting in reducing of profit to the company. As for Payphone Sdn Bhd, the main business is to provide public telephone in two modes that is coin and card (prepaid card) in rural, suburban and urban areas. The maintenance of the Public sets has been outsourced to third party to ensure the serviceability and maintenance of the public sets is always in working condition and serviceability of the sets must be maintain around 80%.

The revenue trend for Payphones Kuching has been showing a steadily downward trend this year, which has caused concerned to Payphones management in Kuching. With the pressing issues of VOIP cards existing in Sarawak has somewhat affect the cards industry business in Sarawak generally. There was no research done so far on Customer satisfaction toward Prepaid Card phone (Kadfon) whereas there was a research done entitle ' Business Strategy Analysis Of Telekom Malaysia Payphone Unit Kuching' by group of EMBA students from UiTM. Their objective is to analyze the competitiveness of Payphones business and operation for both urban and rural market and covered Kuching Zone which include Kuching, Kota Samarahan and Sri Aman divisions. From their conclusion, the critical business issues that should be addressed were on Poor serviceability, high cost, Low revenue generated locality and Lack of Marketing promotion. The researcher however undertakes to study a different topic related to customer satisfaction entitle 'Customer Satisfaction Towards Prepaid phone card users in Kuching: case of Kadfon, Payphone Sdn Bhd '. The researcher try to uncovered whether Kadfon sales drop has any association with the satisfaction level of users towards kadfon agents service rendered, serviceability of sets and call-rate of kadfon.

After conducting the study, it was found that most of respondents were satisfied with the availability of kadfon and 65.3% of respondents purchased the prepaid card phone mostly

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

1.1.1 SCENARIO OF MALAYSIAN TELECOMMUNICATION INDUSTRY.

Telecommunication is essential to the economic development of Malaysia. It is mainly to support the country's industrial growth needed to meet the aspiration of a developed nation by the year 2020. In line with achieving the nation's development plan, the Malaysian Government announced its National Telecommunications Policy (NTP) in May 1994. The NTP seeks to develop Malaysia's Telecommunication infrastructure to a point whereby it will be comparable with those of highly developed nations elsewhere in the world. It also calls for the development of sophisticated Information Technology (IT) infrastructure to meet the country's needs in the future with particular emphasis on microwave, fiber optics and satellite technologies. These three technologies would form the foundation for a national information superhighway.

The Malaysian telecommunication sector has been exposed to a high level of competition with the liberalization of Government on telecommunication sector. The Government has granted 9 companies previously and at present only 3 to operate as telecommunications service providers namely Telekom Malaysia,

CHAPTER 2

LITERATURE REVIEW

2.1 LITERATURE REVIEW ON CUSTOMER SATISFACTION.

According to Philip Kotler (2003), Satisfaction is “a person’s feeling of pleasure or disappointed resulting from comparing a products’ performance in relation to the person’s expectations.” If the performance falls short of expectation, the customer is dissatisfied whereas if performance matches the expectations, the customer is satisfied. On the hand, if performance exceeds expectations, the customer is highly satisfied or delighted.

Evans and Lindsay (2002) discussed in their book “The Management and Control of Quality” in creating satisfied customer, their needs and expectations are translated into output. Expected quality is what the customer assumes will be received from the product. Actual quality is the outcome of the production process and what is delivered to the customer. Because perceived quality drives consumer behavior, this area is where producers should really centre their concerns any differences between these two aspects can cause either unexpected satisfaction (actual quality is higher than expected quality) or dissatisfaction (actual quality is lower than expected quality). Understanding these relationships requires a system of customer measurement and the ability to use customer feedback for improvement. Thus meeting or exceeding expectations requires looking at the processes through the customers’ eyes, not the organization’s.