



APPLIED BUSINESS RESEARCH (ABR 796)

**THE STUDY OF CUSTOMER SATISFACTION TOWARDS
PERNAMA KEM PENRISSEN RETAIL OUTLET
IN KUCHING, SARAWAK**

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ABSTRACT

This study is to investigate the customer satisfaction in PERNAMA Kem Penrissen retail outlet based on the factors of the 4Ps marketing mix namely Product, Price, Promotion and place, customers service and customer behaviour.

Perwira Niaga Malaysia (PERNAMA) is a wholly-owned corporation of the Armed Forces Fund Board (LTAT) to carry out business activities of retail sales, distribution, wholesale, import-export, hire purchase of goods as well as providing management services.

For the purpose of this study, the focus will be on the customers' satisfaction towards patronising PERNAMA Kem Penrissen retail outlet. Customer satisfaction is important because various studies have acknowledged that there is a positive effect on organisation profitability. The survey was conducted to obtain the customers namely the army personnels' evaluation of the product and services offered at the retail outlet and its impact on their overall satisfaction. The results of the findings have found a significant relationship between 4Ps marketing mix, customer service, customer behaviour, and the overall customers' satisfaction.

Demographic and relevant information pertaining to this study were collected from the survey apart from information gathered from official reports, published materials and personal observation.

With the understanding of the customer behaviour, PERNAMA Kem Penrissen retail outlet will be able to understand the activities of the customers when patronising the outlet, their spending pattern as well as their visits frequency as these factors would help the organisation formulate business strategy to be more successful in future.

Keywords: Customer Satisfaction, Retail Outlets, Customer Service, Customer Behaviour

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CHAPTER 1 INTRODUCTION

1.1. Background of the study

This chapter discussed on the importance of understanding the customers' needs and wants in order to remain competitive in the market.

The retail business environment in Kuching has grown tremendously and small family businesses have transformed their businesses into hypermarket such as Evertime and H&L. With the new hypermarket concept mushrooming in Kuching, more competition will emerge offering more product and services.

Based on previous studies (Oliver; 1997 and Gomez *et al*; 2004); customer satisfaction is considered as one of the most critical objectives undertaken by organisation and it has been found that customer satisfaction can contribute to the success in terms of profit and increase in market share.

According to Alireza *et al* (2012); it is critical for retailers to use strategies that focus on satisfying the current customers. This is due to the changes in preferences of the customers. In order to compete in the market, PERNAMA Kem Penrissen need to understand the needs and wants of their customers, and by determining their satisfaction, it will certainly benefit the overall business operation of this organisation.

CHAPTER 2 – LITERATURE REVIEW

2.1. Introduction

This chapter provides an overview of the customer satisfaction and its relations to the 4Ps marketing mix, service quality and customer behaviour. It begins by drawing on well-known researchers as well as annual reports to further explain the variables and the chapter goes on to review the major researches concerning the importance of customer satisfaction, 4Ps marketing mix, service quality and the need to understand customer behaviour.

PERNAMA Annual Report 2013 reported that the organisation has offered continuous promotions to the target market which includes discount sales for almost 70% of the product in the outlet for the army personnel. The product range offered at PERNAMA in comparison to the market is similar in terms of brand and price; and the discounted items promotion is able to create attractions to the customer. This promotion strategy gives PERNAMA a better position compared to their competitors.

Price competition have become a common marketing strategy in the retail markets but how they manage the product mix in order to sustain their profit margin depends on their expertise and relationship with the suppliers.