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**THE SIGNIFICANCE OF SERVICE QUALITY
AFFECT CUSTOMER SATISFACTION:
A CASE STUDY OF MNS BERJAYA – SARAWAK TRANSPORT**

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OCTOBER 2023 - FEBRUARY 2024

ABSTRACT

Customer satisfaction is a critical metric in business that reflects the extent to which a customer's expectations are met or not. Understanding customer satisfaction is essential for businesses seeking to retain existing customers, attract new ones, and foster brand loyalty. The purpose of this study is to determine the significance of service quality affects customer satisfaction in transportation industry among MNS Berjaya – Sarawak Transport customers. In this study, there were six major factors highlighted by the researcher which were reliability, assurance, tangibles, empathy, responsiveness, and price. This study will sample existing customers of MNS Berjaya - Sarawak Transport with a proposed sample size of 61 people to test their satisfaction towards our services. The research data will be gathered using surveys in which questionnaires will be sent digitally to respondents. It is to determine the level of customer satisfaction among MNS Berjaya – Sarawak Transport customers, then to examine the relationship between reliability, assurance, tangible, empathy, responsiveness, and price towards customer satisfaction of MNS Berjaya – Sarawak Transport customers and finally, to identify the main determinant of Service Quality (SERVQUAL) factor that influence customer satisfaction of MNS Berjaya – Sarawak Transport.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

The researcher will outline the components of the research in this chapter, beginning with the background of study, problem statement, research objectives and questions, scope of the study and definition of terms.

1.2 Background Of The Study

This study was about to determine the significance of service quality affects customer satisfaction in transportation industry among MNS Berjaya – Sarawak Transport customers. In this study, there were six major factors highlighted by the researcher which were reliability, assurance, tangibles, empathy, responsiveness, and price. Based on previous studies, whenever a business takes place, we often heard that customers always come “first” and the rest will follows. Every business organization’s “victory” perhaps depends on the satisfaction of the customers. According to Hoyer and MacInnis (2001), satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty and positive word of mouth.

Based on the six major highlighted by the researcher, it is forming a model to assess service quality dimensions which is called SERVQUAL. The model was developed and implemented by the American marketing gurus which are A. Parasuraman, Leonard Berry and Valerie Zeithaml in 1988. SERVQUAL do have a relationship between service quality and customer satisfaction. It is to measure preparation and well execution by an organization to deliver its service compared to the customer’s expectations. Whenever the service meets the customer needs and match or more than the expectations, it is considered customer satisfaction at final ends. Thus, it works as essential components in an

CHAPTER 2

LITERATURE REVIEW & CONCEPTUAL FRAMEWORK

2.1 Introduction

This chapter provides a review of the literature on the determinants customer satisfaction of MNS Berjaya – Sarawak Transport. The presentation of this chapter begins with customer satisfaction, followed by the service quality (SERVQUAL) and its determinants in influencing the customer satisfaction of MNS Berjaya – Sarawak Transport: reliability, assurance, tangibles, empathy, responsiveness, and price. Following the review of relevant literature, the conceptual framework is discussed in details in relation to the conceptual definitions. Finally, hypotheses are proposed to support research questions and research objectives of this study.

2.2 Customer Satisfaction

Customer is the person or company that purchase the product or services from an organization (Mohd Farid Shamsudin & Ishak, et al 2019). Customer satisfaction is a marketing term that measures how products and services are supplied by the company meet or surpass customer satisfaction. Customer satisfaction indicates how well the product use experience compares to the buyer's value expectations (Razak & Mohd Farid Shamsudin, 2019). Customer satisfaction is important in business organization to win over competitors (Borishade et al, 2018; Parasuraman, Zeithaml, & Berry, 1994; Rita Oliveira & Farisa, 2019).

Customer satisfaction also important to solve problems. Every business will come across problems and disgruntled customers can cause a lot of damage through negative reviews or even in extreme circumstances lawsuits. Customers love to be treated like special person and that includes managing grievances well (Davras & Caber, 2019; Gerdt, Wagner & Schewe, 2019; Kim Cho & Kim, 2019). A company with good customer service will be able to handle complaints