



**A STUDY ON CUSTOMERS SATISFCATION TOWARDS
TAKAFUL MALAYSIA SERVICE QUALITY
(KUCHING BRANCH)**

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ABSTRACT

The main scope of this study is to determine the level of customer satisfaction towards service quality being provided by Takaful Malaysia at present. In this study, the main objectives were: i) To determine the level of customer satisfaction towards service quality being provided by Takaful Malaysia (Kuching branch) at present. ii) To investigate the level of service quality provided by Takaful Malaysia (Kuching Branch). iii) To make recommendations to Takaful Malaysia (Kuching Branch) to improve service quality.

There were 100 numbers of respondents were involved in this study. 5 point bipolar Likert Scale was used to categorize and measure the respondent's degree of views. In this study, statistics involve were those of frequency distributions, percentage, mean scores, and Cross tabulation.

Among the five elements, reliability dimension scored the highest, meaning that these elements are able to satisfied customer more than other element with a mean score of 4.022. The lowest score which are tangible element with mean score 2.804. The tangible element related to physical facilities should be organized in an appropriate and professional way.

As a conclusion, Takaful Malaysia service quality still needs more improvement, as they achieve an overall mean value of 3.55. The measurement of the overall mean value is determined based on the scale used in questionnaire. So, as the overall mean value is 3.55, which is in between level 3 and 4 in the scale, meaning to say that Takaful Malaysia service quality as an overall performance is still not achieving customer satisfaction.

Cross tabulation.

Chapter 1

INTRODUCTION

1.0 Introduction

The insurance industry has gradually emerged as an important component to the financial service sector in Malaysia in the past decade (Bank Negara Malaysia 2004). The total premium income of this industry (comprising premium income from the life and non-life businesses) constitutes a mere 2.9% of the nominal gross national product (GNP) in 1990 but this proportion rose to 5.4% of the nominal GNP in 2001. The total premium income of the insurance industry has been growing from 1990 to 2001 except for 1998 due to a negative growth in the non-life business. The total premium income has increased more than five fold during the last decade (1990: RM3, 170.1 million and 2001: RM17, 101.2 million). Based on the total premium income reported, more than half of the income was contributed by the life business, i.e. 51.8% and 68.5% of the total premium income for 1990 and 2001 respectively.

However, the total premium income generated by the insurance industry in Malaysia (2000: US\$4,004 million) is small as compared to those in countries such as United States (US) (2000: US\$1,157,516 million), Japan (2000: US\$342,421 million) and United Kingdom (UK) (2000: US\$256,352 million) (Website ABI updated on 15 November 2002; BNM, 1994-2002; OECD, 1999-2002). The respective percentages of the contribution of life business to the gross domestic product (GDP) were 4.85%, 13.01%, 5.25% and 5.20% for Malaysia, the US, Japan and the UK in 2000. This