

The Key Factors Lead to Customer Satisfaction: The Case of Perodua Service Center

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ABSTRACT

The objective of this study is to examine the factors that affect customer satisfaction toward service that was provided by the Perodua Service Center at Nasrom (M) Sdn Bhd in Kuala Terengganu, Malaysia. From a total of 160 customers participated in the survey, the results of the study confirmed the hypothesized influence of service quality and service advisor communication on customer satisfaction. However, the results show that the time waiting duration did not influence customer satisfaction. The results indicate that Perodua Service Nasrom need to focus on their service practices among employees especially to identify customer preferences, complaint, needs and wants. Thus, the conceptual model created through the findings will help managers and decision makers to better understand the role of service quality, service advisor communication and time waiting duration among employees at Perodua Service Nasrom. Thus, the findings and analysis are expected to create an improvement in managing customer satisfaction.

KEYWORDS: Service Quality, Service Advisor Communication, Time Waiting Duration, Customers, Satisfaction.

INTRODUCTION

Currently, the automotive trade in Malaysia is growing rapidly. Besides, it has been recognized as one of the important industry in the manufacturing sector. The automotive industry has been identified by our government as one of the crucial industry that can boost the industrial process in order to become a developed nation by the year 2020 [20]. The development in the automotive industry in Malaysia began with the launch of the National Car Project, National Automobile Company (PROTON) in 1984. Nowadays, the automotive sector is an important industry to the Malaysian economy. The sector's contribution to the economy is huge and is closely related to the manufacturing and service sector. The automotive sector began with the importation of vehicles which then expanded to assembly operations and the development of the automotive component industry.

The establishment of Proton in 1985, followed by Perodua in 1993 has been acting as catalyst for the development of the automotive sector. It also led to the development of the industry automotive components. This has marked the beginning of a new phase for the automotive sector in Malaysia, where the technology and local capabilities has been developed in line with the Master Plan Government industry. In this context, Malaysia is proud to be the only developing country in the world that has the capability of its own automotive design and engineering.

Given the challenges in facing the automotive industry especially globalization, liberalization and increased competition, it is necessary for the strategic direction and the basic framework for the automotive sector to be reviewed. It is important to maintain competitiveness of the parties involved in the automotive sector, so that they remain viable in the long term. To that extend, the government will maintain in introducing new measures to replace the existing measures that were no longer suitable to coincide with the national interest. Therefore, the new measures can continue to stimulate the development and advancement of the automotive sector. Hence, the government is committed to providing an environment conducive for the automotive sector to flourish and become a world class sector.

Consider the sale as more challenging, Perodua try to offset the company's earnings to give more focus to the service. It was after seeing an increase of 4% in the number of customers coming to its service centers. Customers whom their vehicle is still under warranty want to get professional service. Therefore, it is better to assess the service quality and corporate image of Perodua in order to satisfy customer satisfaction. It is because the service was fast becoming more important in Malaysia as well as also in countries of the fastest growing industries. According to [9], currently, service quality plays an important role in the companies. Continuing

service strategy can be a way to differentiate and create a competitive improvement. In order to satisfy customer satisfaction, they need to take advantage of a variety approaches to improve the quality of service as seen by the customer as it is the number one of driving force for business operations [4]. However, according to a study conducted by [11] towards Malaysia sales satisfaction for the national car, the happiness level of national cars like Proton and Perodua is below the industry standard compared to imported cars such as Toyota and Nissan. Besides, based on previous survey conducted by [11] in July 2003, Perodua was in fifth place under Customer Satisfaction Index (CSI) in Malaysia.

Customer satisfaction in the automotive sector is an aspect that should be observed. If customers are satisfied with the services provided, it will generate a positive impact on customer loyalty. Therefore, companies like Perodua should monitor for the quality of service given by their service providers to consumers. The main thing is the presence of other influences assurance of the quality of the products supplied and their sense of empathy or sensitivity to the needs of consumers. According to [14], customer satisfaction is the critical element to boost the relationship between company and customers or consumers. In [22] argued that customer satisfaction is significantly related to loyalty. Besides, it can lead to increased effectiveness, market share and growth. Thus, it is important to explore how customers' perceptions of service quality, service advisor communication and time waiting duration influence their satisfaction and loyalty from the perspective of Perodua' customers. Therefore, the objective of this study is to identify the relationship between service advisor communication, time waiting duration and service quality on customer's satisfaction at the Perodua Service Center at Nasrom (M) Sdn Bhd.

LITERATURE REVIEW

Customer Satisfaction

According to [14], customer satisfaction is a marketing phrase to show happy or disappointed by someone who emerged after comparing the performance of products through to their expected performance. Therefore, a customer, if satisfied with the value provided by a product or service, is likely to become a customer for a long time. Thus, satisfaction is derived from customer experience, which sales force defines as "all the interactions between a brand and its customers." Maintaining the quality of all those interactions requires marketers to track those experiences across a customer journey.

According to [1], satisfaction is a business term that means measuring the extent to which a product or service provided by the organization meet customer expectations. Customer satisfaction happens when the client's experience of a service offering matches the expectations [6]. Customer satisfaction is largely identified as a reaction or decree by customers towards products or services after they have used them [2]. In line with this, in [13] satisfaction is the level of person's felt state resulting evaluating product perceived performance or aftermath in relation to person's expectation. By here, it means that how the service offered, it will affect the satisfaction level of the customers as the users of the service.

For an organization that emphasizes the quality of their services, it will help to improve the company's internal operations, the quality of communication between the exterior and interior as their job description. Therefore, it can improve responsibilities, raise awareness on the issue of quality, increase productivity, improve customer satisfaction and confidence in the product company [8, 19]. In addition, it is an external assessment of the customer (in attitude) and the results of the comparison made between what is supposed to be given to the customer and the actual service received from the customer perception itself [3].

Customers' perceptions of productivity and service organizations should be reviewed on an ongoing basis so that feedback on organizational performance can be obtained to enable the institution to find ways to improve its performance. This is because customer service is a consumer products organization. The extent to which the organization can achieve the standards of quality is dependent on the customer's perception of neither service, nor the customers about the quality of the proposed product [5]. Satisfying customer needs is the desire of every company. It is also an important factor for the survival of the company because satisfying the needs of consumers can increase competitive advantage. Consumers whom satisfied with the products and services tend to buy back the products. At the same time, the need of the customers will arise again in the future.

Service Quality

Practice and excellent management system such as the practice of Total Quality Management (TQM) and Quality Management System (QMS) ISO series or more commonly known in this version of the English as Total Quality Management (TQM) and Quality Management System (QMS) generally believed to help organization has a competitive advantage in terms of quality and can meet customer satisfaction [8]. Services are basically intangibles, heterogeneous and inseparable [25]. In [10] describe that process nature is the main characteristic of a service. Hence, a service is a process that leads to an outcome during partly simultaneous production and consumption processes [10]. Thus, it is more difficult for customers to evaluate service quality than goods quality.

A service is considered satisfactory if the service can meet the needs and expectations of customers. Measuring service quality is an important element in providing better service, more efficient and more effective [24]. “My guests are discerning, cultivated people who place special emphasis on quality. We attempt to make our offerings as personal as possible and to pay the greatest attention to each and every customer. Surprise and culinary enchantment are guarantors of their satisfaction and their loyalty”-Alain Ducasse. He is known as a well-known chef from France.

According to [18], the quality of services can be viewed in terms of physical quality, interactive quality and corporate image quality. A good way to start a quality improvement program is to talk to customers about their perceptions and needs. This is a good team activities designed to obtain a commitment to action and focus on the opportunities available. First, is to identify the customers and need to segment customers in many ways. Common choice is the location, type of business, size of an order, the total business and their use of your competitors.

Service quality has also been defined as an overview of the organization toward excellence and service. In [18] said the quality of service is an attitude that sees the user's judgment about the overall service. Consumer perception of the quality of services can be seen by comparing the user's expectations with their perceptions of the services actually. Service quality also acts as success indicators towards business firm. A good or bad about the service quality usually can be evaluated by the customers itself. Business firms such as companies and organizations should be implemented to study on how the service is served, the quality and also how customers react to the acts of service offered. Thus, to improve the delivery of service quality, a firm should be more focus on the customer oriented analysis[16].

Service Advisor’s Communication

In providing a service, service advisors must have a good communication skill with the customer. Communication between them needs to be effective in order to satisfy customer needs. Beside, service provider need to explain the detail on service that customer need to know. Knowledge of the specific nature and the relationship between communication style and customer satisfaction not only can encourage service providers to know their communication style, but also helps them to identify communication styles that are appropriate for meeting services provided [21]. The aim of automotive service advisors is to provide good service and high quality and can satisfy all customer requirements. Automotive service advisors also will serve as an advisor to ensure customers maintain the vehicle properly and in the right way. To ensure that this mission went smoothly, automotive service advisors are committed to working to ensure that work and things that are of good quality, produce employees who are responsible and dedicated in carrying out their duties.

According to [12], an aspect of emotional intelligence among employees is essential for organizational success in the application of their work. Moreover, one of the variables in addition that was related to intelligence organizations emotional is customer satisfaction. Potential counterpart against stress involved in the role of service considered empowering service providers in the increases workers' control the situation and improve their skill to deliver satisfactory service [23]. The employees’ interaction with customers significantly influences customers’ overall satisfaction and their willingness to remain with the organization [6].

Time Waiting Duration

In providing a service, time duration is important. When a car was taken to a service center, there is a specific time to finish up the service. In order to give customer satisfied with the service, time management is very important. For instance, if there is a major service, then I wills takes time to complete. In [7] highlighted that service assurance, instead of becoming a medium, merely emphasizes the firm’s shortages, creating a climate that is by no means conducive to good customer service. Therefore, the assurance should be tested by employees before being implemented. Besides, in [17] argued that yet crowding is likely to have a uniformly negative impact on in-store behavior’s such as desire to stay or spend more money or time in a setting, their desire to affiliate with others in the setting and their willingness to spend money or time in the restaurant.

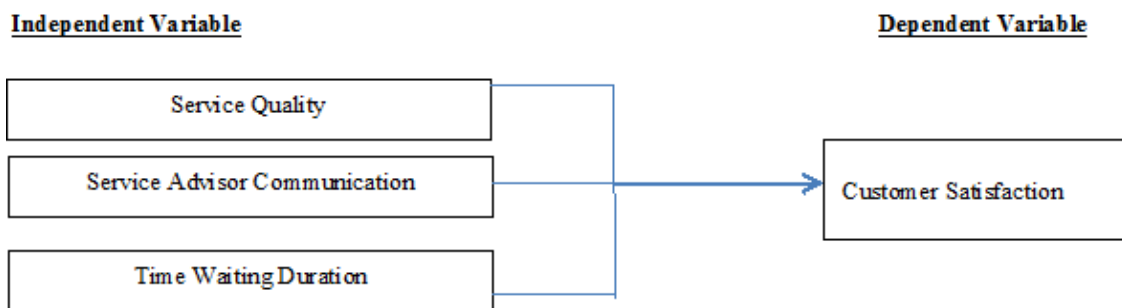


Figure 1: Theoretical framework

The theoretical framework illustrates the overall connection between the independent variables and dependent variables of the study. The independent variables are service quality, service advisor communication and time waiting duration and the dependent variable is customer satisfaction. Therefore, this study takes to address the following objectives:

1. To examine the affiliation between service quality and customer satisfaction.
2. To determine the affiliation between service advisor's communication and customer satisfaction.
3. To identify the affiliation between time waiting duration of service and customer satisfaction.

METHODOLOGY

The population of this study consists of 500 customers of the Perodua Service Center at Nasrom in Kuala Terengganu, Malaysia. According to [15], the sample size for 500 populations is 217. A set of questionnaire was proposed to aid as the main instrument of this study. The items in the questionnaire were adopted from previous studies and formulated according to research objectives and research questions of the study. Then, self-administered questionnaire was distributed face-to-face to the employees. The questionnaire comprises of 4 sections which contains demographic information, organizational commitment and employee motivation and sharing of knowledge. The respondents were asked to rate organizational commitment and work motivation using a 5-point scale, which ranging from "1-strongly dissatisfactory" to "5-strongly satisfactory". The analysis of the questionnaires was done by using the Statistical Package in the Social Science Software (version 22.0) program for Windows for descriptive statistical analysis.

FINDINGS AND DISCUSSION

This finding highlights the demographic of respondents as shown in Table 1. The results come out from the respondents who answer the questionnaires given by a researcher. It includes a demographic section are gender, age, race, marital status, occupations and education level.

Frequency

Frequency analysis is used to analyze the data from demographic characteristics based on respondent that answer the question.

Table 1: Frequency and percentage of respondent profile

	Valid	Frequency	Percent
Gender	Male	108	67.5
	Female	52	32.5
	Total	160	100.0
Age	20-30 Years	70	43.8
	31-40 Years	50	31.3
	41-50 Years	30	18.8
	51 Years and above	10	6.3
	Total	160	100.0
Race	Malay	125	78.1
	Chinese	24	15.0
	Indian	10	6.3
	Others	1	0.6
	Total	160	100.0
Marital Status	Single	66	41.3
	Married	90	56.3
	Divorce	4	2.5
	Total	160	100.0
Occupation	Government	46	28.8
	Non-Government	65	40.6
	Not Working	49	30.6
	Total	160	100.0
Education Level	SPM	58	36.3
	Diploma	28	17.5
	Degree	33	20.6
	Others	41	25.6
	Total	160	100.0

Table 1 shows the frequency and percentage of the respondent's gender. Of 160 respondents who answer the questionnaires, 108 of them are male which is representing 67.5% of the total respondents. For female, it shows that 52 respondents are female and the percentage of female respondents is 32.5%. In terms of the age of respondents, age between 20-30 years get the highest percentage 43.8% which is 70 out of 160 respondents. 50 respondents are between 31-40 years and it represents 31.3% of the total respondents. The respondents in

between 41-50 years are 18%, and it is equal to 30 respondents at this age. For the age between 50 and above, it portrays 6.3% which is 10 respondents. This shows that the respondents are mainly represented by younger generations.

The next demographic analysis is referring to the race. The highest percentage of race is represented by Malays which is 125 respondents (78.1%), and followed by Chinese which is 24 respondents (15%). The Indian have 10 respondents (6.3%) and others 1 respondent (0.6%). In terms of marital status, results show that the highest representation are those with married status with 90 respondents (56.3%), followed by single 66 respondents (41.3%) and others status which is 4 respondents (2.5%). Referring to occupation, the highest percentage is non-government sector (40.6%), followed by not working, and government sector with the percentage of 30.6% and 28.8%.

The education level shows that the respondents have five types of education level. For highest education level, degree holders representing 36.3% out of total. It indicates that more number of the respondents have the SPM compared to the degree and below, which are the second lowest for the education level with 33 respondents(20.6%). The second highest is others qualifications with 41 respondents and represent 25.6%. The lowest number of the respondent in term of the education level is PMR (lower secondary school), which are 13 respondents and the percentage is 10.8 %.

Correlation Analysis Result

The Pearson correlation is used in this study to help the researcher to make a decision of the hypotheses. This will be reflected in the degree of linear relationship between two variables, that mean neither accepted nor rejected the decision. The range will be from +1 to -1. When the correlation is +1, it will mean the result has a positive linear relationship. Table 2 shows the results of correlation analysis.

Table 2: Correlation analysis result

		Customer Satisfaction	Service Quality	Service Advisor Communication	Time Waiting Duration
Customer Satisfaction	Pearson Correlation	1	0.555**	0.579**	0.458**
	Sig. (2-tailed)		0.000	0.000	0.000
	N	160	160	160	160
Service Quality	Pearson Correlation	0.555**	1	0.619**	0.507**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	160	160	160	160
Service Advisor Communication	Pearson Correlation	0.579**	0.619**	1	0.602**
	Sig. (2-tailed)	0.000	.000		0.000
	N	160	160	160	160
Time Waiting Duration	Pearson Correlation	0.458**	0.571**	0.906**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	160	160	160	160

**Correlation is significant at the 0.01 level (2-tailed)

Pearson Correlation between Customer Satisfaction and Service Quality

This correlation was analyzed by using mean of customer satisfaction and mean of service quality. The result is 0.555, which is positive and the significant is 0.000. The result shows that there is significant correlation between customer satisfaction with the service quality and the strength of the correlation is moderate because its range between 0.4 and 0.6.

Pearson Correlation between Customer Satisfaction and Service Advisor’s Communication

This correlation was analyzed by using mean of customer satisfaction and mean of service advisor’s communication. The result is 0.579 which is positive and the significant is 0.000. The result shows that there is significant correlation between customer satisfaction with the service advisor’s communication, and the strength of the correlation is moderate because its range between 0.4 and 0.6.

Pearson Correlation between Customer Satisfaction and Time Waiting Duration

This correlation was analyzed by using mean of customer satisfaction and mean of time waiting duration. The result is 0.458 which is positive and the significant is 0.000. It shows that there is significant correlation between customer satisfaction with the service advisor’s communication and the strength of the correlation is moderate because its range between 0.4 and 0.6.

Multiple Regressions Analysis Result

Table 3: Regression analysis (model summary)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.637 ^a	0.406	0.394	0.29270

a. Predictors: (Constant), service quality, service advisor communication, time waiting duration

Based on the Table 3, it shows the information about dependent variable and explained three independent variables namely service quality, service advisor's communication and time waiting duration. R is the multiple correlation coefficients between all predictor variables and the dependent variables. In this model, the value is 0.637 which indicates that there is a great deal of variance shared by the independent variables and the dependent variable. R square is frequently used to describe the goodness-of-fit or the amount of variance explained by a given set of predictor variables. The value is 0.406 which indicates 40.6% only that explained by dependent variables and the remaining value 59.4% is appointed by other variables.

Table 4: Regression analysis (coefficients)

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.613	0.374		6.988	0.000
	Service Quality	0.264	0.072	0.295	3.668	0.000
	Service Advisor Communication	0.255	0.067	0.331	3.815	0.000
	Time Waiting Duration	0.073	0.053	0.109	1.376	0.171

a. Dependent variable: Customer satisfaction

Based on the Table 4, the findings show Service Quality and Service Advisor Communication were found to contribute positively and significantly in explaining the variance in customer satisfaction which are $\beta = 0.26$, $p < 0.01$ and $\beta = 0.25$, $p < 0.01$. Therefore, service quality and service advisor communication have been supported as positively related to customer satisfaction. Meanwhile, time waiting duration shows that there is no significant relationship with customer satisfaction at Perodua Service Nasrom (M) Sdn Bhd ($\beta = 0.07$, $p > 0.01$).

CONCLUSION AND RECOMMENDATIONS

Currently, most organizations acknowledge that the service quality and service advisor communication among employees can enhance customer satisfaction and bring huge economic advantage to organizations. However, employees must be willingness to focus on this factor in the first place to ensure the benefits of the practice can be realized. Therefore, developing a successful service quality and service advisor communication strategy is crucial so that customer satisfaction can be a valued resource for the organization.

However, the improvement of service quality and service advisor communication depends upon the individual characteristics of the employees of the organization as well as on the working environment of the organization. Thus, employees should be more motivated and confident to improve in service quality and service advisor communication. It is strictly recommended that organizations should put special emphasis on servicing aspects to improve customer satisfaction since the culture of the organization serves as a critical factor in the organization's ability to create value through leveraging good services to the customers.

Finally, to create a good service in organizations, top management needs to encourage employees to work together more effectively, to collaborate and to share knowledge to enrich the organizational knowledge thus improve organizational performance. The results of this study also provide several implications for managers in Nasrom Sdn. Bhd. with regard to enhancing and improving customer satisfaction by focusing on the overall services implementation. It will be considered valuable to the organizations and can be used in the future to improve the organization performance. Organizations should agree that the implementation of good services to customers can bring tremendous economic benefits to a company.

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