EXPECTED SERVICE QUALITY IN RETAIL BANK: A SEGMENTATION ANALYSIS OF BUSINESS CUSTOMER IN NORTHERN REGION OF MALAYSIA

A thesis submitted to the Graduate School in partial
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by
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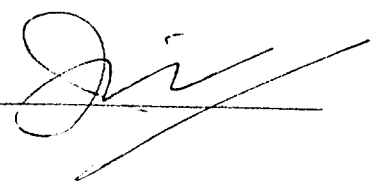
(Signature) : 

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ABSTRAK

Pemberian perkhidmatan yang berkualiti kepada pelanggan adalah mustahak untuk berjaya dan ber-terusan dalam bidang perbankan yang saling bersaingan. Demi mengharungi suasana persaingan yang sengit, bank telah menumpukan usaha mereka untuk mengekalkan pelanggan utama mereka. Perkhidmatan yang berkualiti terus menjadi satu isu yang penting dalam industri ini. Oleh kerana wang dan perkhidmatan kewangan yang lain ialah sesuatu yang tidak dapat diasingkan, bank terus berusaha untuk meningkatkan perkhidmatan yang berkualiti supaya dapat mencapai dan mengekalkan kedudukannya dalam pasaran persaingan. Kini, salah satu cabaran yang dihadapi oleh pengurus perkhidmatan ialah cara untuk memberikan perkhidmatan yang berkualiti tinggi. Kepentingan dalam peningkatan perkhidmatan yang berkualiti adalah untuk menentukan kategori-kategori perkhidmatan berkualiti tertentu yang dianggap penting oleh pelanggan. Di samping itu, adalah mustahak untuk memahami keutamaan elemen-elemen perkhidmatan berkualiti tertentu yang penting untuk kumpulan pelanggan yang berlainan. Kajian ini mengenalpasti elemen-elemen perkhidmatan bank berkualiti yang jelas dan menentukan elemen-elemen yang terpenting untuk kategori pelanggan perniagaan yang berlainan.

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TABLE OF CONTENTS

		Page
PERMISSION TO USE		i
ABSTRACT (BAHASA MALAYSIA)		ii
ABSTRACT (ENGLISH)		iii
ACKNOWLEDGEMENTS		iv
TABLE OF CONTENTS		v
LIST OF TABLES		vii
LIST OF FIGURES		ix
CHAPTER ONE: INTRODUCTION		
1.1	Introduction	1
1.2	Problem Statement	2
1.3	Objective of The Study	4
1.4	Theoretical Framework	4
1.5	Hypothesis	5
1.6	Limitation	6
1.7	Definition of Terms	7
	1.7.1 Service	7
	1.7.2 Quality	7
	1.7.3 Service Quality	8
	1.7.4 Segmentation	8
1.8	Organizational Plan of Study	8
CHAPTER TWO: LITERATURE REVIEW		
2.1	Introduction	10
2.2	Service	10
	2.2.1 Service Sector in Malaysia	12
2.3	Quality	13
2.4	Banking Sector in Malaysia	17
2.5	Service Quality Measure	19
2.6	Determinants of Service Quality	21
2.7	Service Quality Determinants	23
	2.7.1 SERVQUAL Scale	23
CHAPTER THREE: RESEARCH METHODOLOGY		
3.1	Introduction	32
3.2	Population	33
3.3	Sampling	33
3.4	Survey Instrument	34
3.5	Data Analysis	36

CHAPTER FOUR: FINDINGS AND DISCUSSION
4.1 Introduction 38
4.2 Profile of Respondents 38
4.3 Reliability of Measurement 42
4.4 Hypotheses Testing 43
4.4.1 Analysis of Hypothesis One 43
4.4.2 Analysis of Hypothesis Two 44
4.4.3 Analysis of Hypothesis Three 45
4.4.4 Analysis of Hypothesis Four 45
4.4.5 Analysis of Hypothesis Five 46
4.4.6 Analysis of Hypothesis Six 47
4.4.7 Analysis of Hypothesis Seven 48
4.5 Comparison of Means Value 49
4.5.1 Compare Means for Different Industrial Sector 50
4.5.2 Compare Means for Different Equity Structure 52
4.5.3 Compare Means for Different Market 54

CHAPTER FIVE: CONCLUSION, IMPLICATION & SUGGESTION
5.1 Introduction 58
5.2 Overview of The Study 58
5.3 Conclusion 59
5.4 Theoretical and Managerial Implication of The Study 60
5.5 Suggestion for Further Research 62

Bibliography 64

Appendix A
Survey Instrument 67

LIST OF TABLES

Number	Title	Page
4.1	Frequency and Percentage Distribution Base on Industrial Sector	39
4.2	Frequency and Percentage Distribution Base on Form of Business	39
4.3	Frequency and Percentage Distribution Base on Equity Structure	40
4.4	Frequency and Percentage Distribution Base on Number of Employee	40
4.5	Frequency and Percentage Distribution Base on Major Market	41
4.6	Frequency and Percentage Distribution Base on Form of Production	41
4.7	Frequency and Percentage Distribution Base on Location	42
4.8	Summary and Result of Hypotheses Testing	43
4.9	Analysis of Variance for Different Industrial Sector and Expected Service Quality	44
4.10	Analysis of Variance for Different Form of Business and Expected Service Quality	44
4.11	Analysis of Variance for Different Equity Structure and Expected Service Quality	45
4.12	Analysis of Variance for Different Size of Organization and Expected Service Quality	46
4.13	Analysis of Variance for Different Market and Expected Service Quality	46
4.14	T-Test Between Technology Intensive and Labor Intensive In Relation to Expected Service Quality	47
4.15	Analysis of Variance for Different Location and Expected Service Quality	48
4.16	Mean Score for Different Industrial Sector	50
4.17	Mean Score of Weighting Variable vs Different Industrial Sector	50
4.18	Mean Score of Weighted Dimension vs Different Industrial Sector	51
4.19	Mean Score for Different Equity Structure	52
4.20	Mean Score of Weighting Variable vs Different Equity Structure	53

4.21	Mean Score of Weighted Dimension vs Different Equity Structure	53
4.22	Mean Score for Different Market	54
4.23	Mean Score of Weighting Variable vs Different Market	55
4.24	Mean Score of Weighted Dimension vs Different Market	56

LIST OF FIGURES

Number	Title	Page
1.1	Schematic Diagram of The Theoretical Framework	5
2.1	The GAP Model	24

CHAPTER I

1.1 Introduction

Services are today the dominant form of economic activity. Achieving improvements in customer service is now recognised as a major challenge facing manufacturing and service industries throughout the world (Davies, Baron, Gear and Read, 1999). Provision of high quality service enhances customer retention rates, helps attract customers through word of mouth advertising, increases productivity, lead to higher market shares, lowers staff turnover and operating cost, and improves employee morale, financial performance and profitability (Yavas, Bilgin and Shemwell, 1997)

Customers are educated through experience and possess the financial ability to seek for both goods and service that continuously satisfy their needs and wants (Berry, Bennett and Brown, 1989). Competing financial institutions are much alike in the services they offer, because money and other financial services are generally undifferentiated products (Stafford, 1996) and their prices are comparative, and they often offer comparable convenience of location. They may even look alike. Mere competence does not constitute a competitive advantage. In response, many banks are directing their strategies towards increasing customer satisfaction and loyalty through improved service quality (Levesque and McDougall, 1996).

As competition intensifies, quality and service to customers have become the new battleground. This is just as true for manufacturing firms as for the pure service sector. There are many ways for companies to win the service war, including: Companies must focus their capabilities on selected groups of customers that recognise and need differentiated products and services and that will pay a premium for the added value they get (Humble and John, 1989).

1.2 Problem Statement

A great deal of research on bank marketing has been focused on individual customers of commercial banks. This area has been of particular interest to bank marketing researchers in the all over the world. A wide variety of marketing constructs related to retail customers have been investigated, including bank services, attitudes, preferences, bank selection, bank loyalty and satisfaction. (Bloemer, Ruyter and Peeters, 1998, Humble and John, 1989, Levesque and McDougall, 1996, Stafford, 1996, Webb and Dave, 1998). But litter attention has been paid by researchers to business customers (sometimes called corporate customers) (Edris, 1997)

Besides that, relatively few studies have explored the segmentation potential of customer expectations (Webb and Dave, 1998). Bankers can no longer assume they know intuitively what customers need. In fact, surveys suggest that many products pushed are not used, that pricing is out of synch with costs, and that marketing strategies are poorly targeting. Better understanding of customers profitability suggests that more segmentation will

evolve and that banking services will meet customer needs in a more tailored fashion (Timewell and Stephen, 1994).

Both the customer and provider bring certain expectations to the service encounter. These expectation than shape the perceptions of the service encounter (Hubbert 1995). The questions about expectations provide an idea of the relative importance of an attribute (Kangis, 1997). A segmentation process help to divide the total market into homogeneous segments, selected the target markets, and creating separate marketing programmes to meet the expectation of these selected segments (Edris, 1997). According to Kangis (1997), the key to ensuring good service quality perception is in meeting or exceeding what customers expect from the service.

Besides that, Segmentation also help to reduce rivalry because there should be fewer competitors in any given segment; this should reduce downward pricing pressures and reduces pressure from substitutes. Further, it allows a firm to become the product/service of choice in a segment, even if the firm is relatively small. Also, the firm can become the recognised expert on a segment (Cahill, 1997).

Since there are relatively few studies that have explored the segmentation potential of business customer expectations. Therefore, it is critical need to do a research concerning this field. Because different demographic segments might perceive different elements of service quality to be more important than

others, and as an additional way of gaining a greater customer insight for marketing strategy.

1.3 Objective Of The Study

This study try to examines various segmentation techniques for grouping business customers of retail bank, according to seven different factor in Malaysia - industrial sector, form of business, equity structure, company size, market, form of production and location. And to determine which elements of bank service quality are more important to different segments.

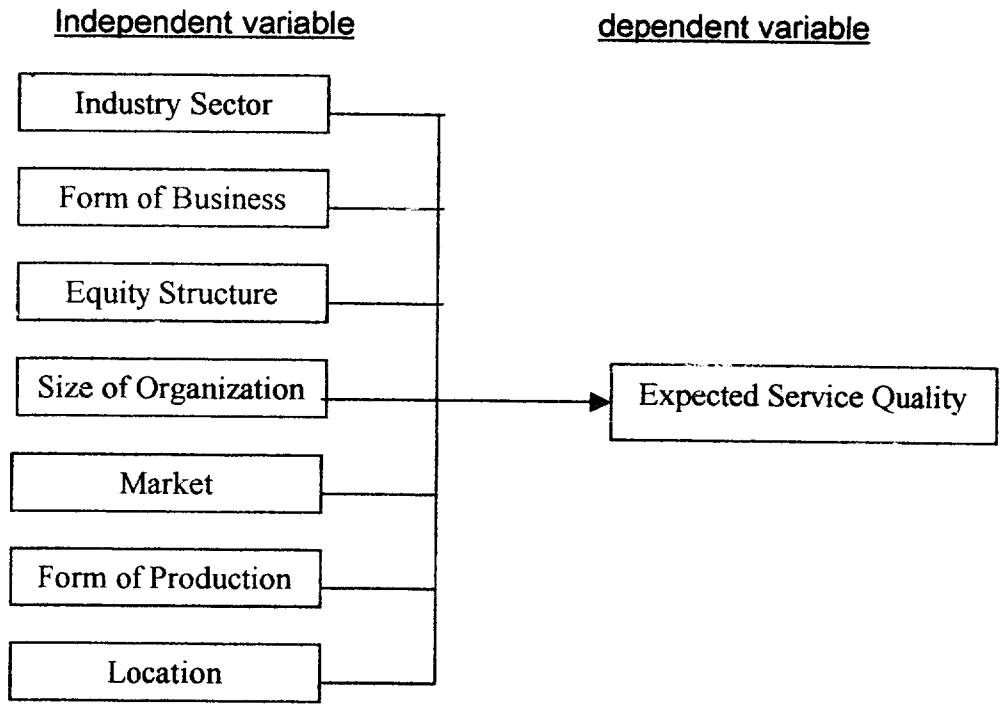
By understanding the expectation of the different segmented business customer. This would help bank management ascertain the most advantageous direction in which to increase their service quality in order to meet business customers' expectation and to develop customer focuses quality standard.

1.4 Theoretical Framework

The variable of primary interest to this research is the dependent variable of expected service quality. Seven independent variable are used in an attempt to explain the variance in service quality. These seven variables are industry sector, form of business, equity structure, company size, market, form of production and location. The theoretical framework is depicted in Figure 1.1.

Figure 1.1

Schematic Diagram Of The Theoretical Framework



1.5 Hypothesis

From the theoretical framework discussed above, seven hypotheses were developed for this research. They are as follow:

H_A 1. There is a significant difference in expected service quality with regard to the differences in industrial sector.

H_A 2. There is a significant difference in expected service quality with regard to the differences in form of business.

H_A 3. There is a significant difference in expected service quality with regard to the differences in equity structure.

H_A 4. There is a significant difference in expected service quality with

regard to the differences in company size.

H_A 5. There is a significant difference in expected service quality with regard to the differences in market.

H_A 6. There is a significant difference in expected service quality with regard to the differences in form of production.

H_A 7. There is a significant difference in expected service quality with regard to the differences in location.

1.6 Limitation

Firstly, Although the total sample size was 378, the return rates of the mail questionnaires were typically not as high as might be desired. Further more, after desegregation into the demographic categories, a few of the subgroups were exceedingly small in number. It is difficult to establish the representativeness of the sample and analysis.

Secondly, the instruments (questionnaires) were also translated into Bahasa Malaysia, so that the validity and reliability of the data depend in part on the accuracy of the Bahasa Malaysia translation. The pre-test was carried out in order to decrease the degree of ambiguity to its minimum level.

Thirdly, current study is basically exploratory and is limited to an investigation of expected service quality among business customer in northern region (Perlis, Kedah and Pulau Pinang), the generalisation of the finding of this study to some other population will be limited by the extent to which the populations are similar.

Finally, the study employed survey methodology, it will be impossible for current researcher to guarantee that the participant will respond honestly to items on the questionnaire.

1.7 Definition Of Terms

1.7.1 Service

Services may be broadly defined as work provided by other (William, 1996). The Provision of a service is basically an encounter between the service provider and the user (Mills, 1990). A social, and sometimes written, contract outlining the rights and obligations of users and the service provider exits (Mills, 1990). In this social contract, resources are being exchanged among participants. For the customer, what is expected in the end is satisfaction with the service rendered and for the service provider, monetary reward, and repetition of users' requests, which are necessary for the long-term development of his business. Four basic characteristics distinguish service from goods: Intangibility, inseparability of production and consumption, perishability and heterogeneity (Skinner, 1994)

1.7.2 Quality

The totality of features and characteristics of a product or service that bear upon its ability to satisfy stated or implied needs (ISO 8402 1986 – Quality – vocabulary in Stebbing, 1990)

1.7.3 Service Quality

Service quality is an attitude or global judgement about the superiority of a service (Robinson, 1999). Lewis and Booms (1983) believe that service quality is a measure of how well the service level delivered matches customers' expectations. Creedon (1988) says his own corporate objective is "to meet or exceed our customers' expectations", and "providing a better service than the customer expects" was a comment from a recent study in the banking sector.

1.7.4 Segmentation

Segmentation is the process of dividing a market into distinct group of individuals, or organisations, who share one or more similar responses to some elements of the marketing mix (Webb and Dave, 1998)

1.8 Organisational Plan Of Study

This report comprises five chapters. The present chapter gives a broad overview of the important of services. It focuses on the importance of service quality in financial institution and the services sector as a whole. Subsequently, the problem statement, objectives, theoretical framework, limitation, definition of terms and scope of study is also discussed.

Chapter two comprises several sections. It begins with the introduction, service sector, quality, banking industry in Malaysia, service quality measure,

determinant of service quality and the significance of previous research studies on service quality are reviewed.

Research design and methodology are elaborated in chapter three. It describes briefly the general approach of research design, questionnaire design, sampling plan, data collection procedure, and appropriate statistical technique used.

Chapter four presents findings of study. It examines the dimensions of service quality and across different characteristic of business customer.

Finally, chapter five concludes with a overview of the study, summary of the research findings, implication and some suggestions for future research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter will begins with the service, service sector in Malaysia, followed by quality, banking industry in Malaysia, service quality measure, determinant of service quality and the significance of previous research studies on service quality are reviewed.

2.2 Service

Service is a different experience from purchasing a commodity. A commodity may have important features such as price, trend, comfort and utility. The exchange for purchase of a commodity ends with the purchase. But the service process begins from the point of contact between the customer and the service provider expressing his wants and requirements up to the actual performance of the service or at the time the bill is paid.

In that respect, both qualitative and quantitative factors come into play. Qualitative factors refer to those factors that are ranked or evaluated based on perception, while quantitative factor involve numbers expressing time, prices, length or height. Examples of the qualitative factors are the enquiry and problems of the customer, attention the customers' needs and providing assurance that a service can be completed as required and at a particular

cost. Quantitative factors include speed in terms of time taken to complete a task, the lowest possible price given the level of service and good credit term.

According to Stell (1996), service can be classify to four categories as below:

a) Convenience Service – considered to have the lowest level of perceived risk and purchase effort. In addition, consumers are thought to have little involvement with convenience service

b) Preference Service – a convenience service that becomes differentiated through branding and developing some degree of brand loyalty. Preference service is conceptualised as much higher on risk and slightly higher on purchase effort compared with convenience services. Preference services are also considered to be low involvement.

c) Shopping Services – It is believed that consumers will perceive greater amounts of risk with shopping services compared with convenience and preference services. Consumers are willing to spend a greater amount of purchase effort in searching for and evaluating shopping services. Compared with convenience and preference service, shopping service are considered to be high involvement.

d) Specialty Service – a specialty service is a shopping service that reaches the ultimate in differentiation and brand loyalty, where only the chosen service company or service provider is acceptable to the consumer. These services are conceptualised as high risk and are distinguished from shopping services primarily in term of higher purchasing effort. Consumers are willing to wait, search high and low, and not settle for

anything less. Compared with convenience and preference services, consumers are expected to have a higher level of involvement with specialty service.

2.2.1 Service Sector in Malaysia

In Malaysia, service sector encompasses a diverse and complex range of organisations and enterprises. These include:

a) National and local government: for example, education, health, social security, police, the military and legal;

b) Non profit private services: for example, charities, research foundation and mutual societies;

c) Profit private sectors: for example, hotels, airline, architects, restaurants, retailers, entertainment, banks, insurance companies, advertising agencies, consultancy firms, communication and etc.

According to Bank Negara Malaysia, service sector in Malaysia can be categorise to six sub sector as below:

a) Electricity, gas and water

b) Transport, storage and communications

c) Wholesale and retail trade, hotels and restaurants

d) Finance, insurance, real estate and business services

e) Government service

f) Other service

The service industry encompasses an extremely wide range of activities and is becoming increasing important as they facilitate economic activities within the country and also flow of international trade in merchandise. A strong services sector contributes to national wealth and can also be source for export. In Malaysia, service contributes towards a large portion of GNP, which comprise of 8.2% imports and 26.1% of domestic production for the year of 1999 (Budget Report, 1999/2000)

In line with the strong growth of the economy, demand for both intermediate and final service increased during the third quarter on 1999. As a result, value added in the service sector rose by 4% (Bank Negara Malaysia, 1999). The service sector is envisages to turn around with expected value added of 2.4% in for the whole year of 1999 compare to -0.82% in 1998 (Budget Report, 1999/2000). Growth was supported mainly by higher production of electricity, reflecting the pick up in demand from industrial and commercial users. The improvement in the finance, insurance, real estate and business service sub sector was due mainly to higher trading activities in the stock market as well as higher profits recorded by some major financial institutions.

2.3 Quality

Quality techniques were first used in ancient times. Four thousand years ago, the Egyptians measured the rocks used in their pyramids. Then the Greeks and Romans measured building and aqueducts to ensure they confirmed to requirement. Later, craft guilds in Renaissance Europe specified, measured,

controlled, and assured the quality of paintings, cloth, tapestries, sculpture, and architecture.

Modern quality started in the 1920s. The first quality groups were inspection departments. During production, inspectors measured products against specifications. In the 1940s, inspection groups evolved into quality control (QC) departments. The start of World War 2 required that military products be defect-free. Product quality was crucial to winning the war and could only be ensured if the inspection department could control production processes. Quality, defined as conformance to specification, was controlled during production instead of being inspected into products. Later, Quality control evolved into quality assurance (QA). The QA department focuses on assuring process and product quality through executing operational audits, supplying training, performing technical analysis, and advising operational areas on quality improvement. As the issue of quality becomes more prominent, QA is evolving into a company-wide quality management (CWQM) function. CWQM is also called total quality management (TQM) or total quality control (TQC). The quality organisation is the prime facilitator and consultant in this effort. Corporate quality groups are small with more authority but less direct responsibility for quality. The chief executive officer (CEO) often starts and guilds the CWQM program. As the quality message permeates the organisation, more people become involved, and slowly a quality ethic and culture develop. The focus of the program is company wide, customer oriented, and competitively driven (Díaz-Martín, 2000).

Zakaria (1999) had summarised that, the key principle of quality have nine aspect. These were:

a) ***Leadership for Quality***

Top management plays a critical role in how quality values are projected in a consistent manner, and how adoption of the value through the company is determined and enforced.

b) ***Commitment***

The commitment by top management to quality as well as organisation as a whole need to be demonstrated and exhibited through out the organisation.

c) ***Strategic Quality Planning***

Strategic quality planning is conceptualised in terms of the integration of quality management and customer satisfaction in the organisation strategic and operational plans, the organisation's long term quality vision, and the deployment and understanding of quality goals and quality policy within the organisation.

d) ***Customer Focus***

In all types of organisations, it is necessary to know about customers' like, tastes and application. This emphasis is needed to overcome the results of the process of industrialisation, which has tended to isolate producers from the customer.

e) ***Empowering People***

In many organisation, empowerment is given organisation substance by formation of semi-autonomous teams. These self managed teams have to

work within an organisation framework where the leadership of that organisation has already set the broad strategy and direction.

f) Continuos Improvement

The idea of continuos improvement is a cornerstone of the Deming philosophy as practised in Japanese companies for many years. Quality should not be portrayed as a program with a definite end point, but as a process.

g) Attention to the Process

The attention paid to the detail of the process is important in quality. Often, improvement can only be achieved by involving people who have detailed knowledge of the process, or in position to acquire it.

h) Institute TQM Tools

As quality is inseparable from the statistical tools for its measurement and documentation, people are trained not only just to solve quality problem. Rather, the tools and techniques are used in every work activity. In the long run the management by fact is visualised and institutionalised.

i) Reward and Recognition

As the total quality management is visualised and characterised by the practice of people based management, thus setting up a reward and recognition system that support and in consistent with the quality improvement initiatives is crucial. The purpose of a reward and recognition system is to influence employees' performance by reinforcing desired value and behaviour.

2.4 Banking Industry in Malaysia

Banking in Malaysia is more than one hundred years old. The year 1848 saw the discovery of rich tin ore resources in the Larut district of Perak. In 1880, further discovery was made in the Kinta Valley. These events brought about rapid development and expansion of the economy of the country. Thus the service of banks become urgent to meet the inevitable demand from the large exploitation of the tin and rubber industries, the economic development and expansion and the foreign trade requirements of the country. The Chartered Merchant Bank of India, London and China became the first bank to establish in Penang in 1859. During the early years of 1960s, the foreign banks dominated the banking industry in Malaysia.

Malaya achieved independence in 1957. With this new political development came planned economic development and expansion including industrial diversification. These systematic and integrated economic and industrial diversification and expansion, inevitably brought about further demand for banking service, financial service and facilities. The local entrepreneurs seized the opportunities to establish more local banks, thus further strengthening and enhancing the banking and financial structure in the country (Johnson Pang, 1995).

As at today, commercial banks form the largest and most important group of financial institutions in Malaysia, with a total branch network of 2468 as at 16 February 2000. With their wide network of branches throughout the country, banks are able to offer a wide range of banking/financial services and

facilities to the local populace. The functions and activities of commercial banks can be summarized as below:

a) The mobilisation of savings, deposits, surplus and idle funds through savings accounts, current accounts, fixed deposit accounts, negotiable instruments of deposits and through other banking, financial and investment instruments.

b) The provision of services and facilities for their customers and other members of the public to collect or receive and transfer or pay money in Malaysian Ringgit or in other foreign currencies, both locally and internationally.

c) The lending of money under various forms of overdrafts, loans and advances, and the financing instruments to private individuals and different forms of business enterprise and other organisations for personal consumption, investments, working capital requirements and for other productive and economically viable purposes and activities.

d) The provision of banking services and facilities to stimulate, assist and encourage productive and profitable utilisation of available funds for investments and promotion of exports.

e) The financing of Government projects and activities through subscriptions to Treasury Bills, Cagamas bonds, Government securities, and so on.

On 29 July 1999, Bank Negara Malaysia (BNM) had announced a consolidation programme for the domestic banking sector. The objective of the merger programme is to create strong domestic banking groups which

will form the nucleus of the banking system. These domestic banking groups will be well positioned to meet the demands of the changing domestic economic structure, future challenges from globalisation and liberalisation as well as contribute more effectively towards sustainable economic growth (Shanmugam, 2000). The merger programme will result in the creation of six large and strong domestic financial groups which will reduce the number of domestic commercial banks, finance companies and merchant banks to six each respectively, one for each group. This would result in a major consolidation from the present 21 domestic commercial banks, 25 finance companies and 12 merchant banks. The original six anchor banks picked by the BNM are Malayan Banking Bhd, Multi-Purpose Bank, Bumiputra-Commerce Bank, Perwira Affin Bank, Southern Bank Bhd and Public Bank Bhd.

2.5 Service Quality Measure

"Quality" in a service organisation is a measure of the extent to which the service delivered meets the customer's expectations (Lewis and Booms, 1983). The nature of most services is such that the customer is present in the delivery process. This means that the perception of quality is influenced not only by the "service outcome" but also by the "service process". The "perceived quality" lies along a continuum. "Unacceptable quality" lies at one end of this continuum, while "ideal quality" lies at the other end. The points in between represent different gradations of quality.

One such point is the "satisfactory quality". The perceived quality can be represented as follows:

"Prior Customer Expectations + Actual Process Quality + Actual Outcome Quality = Perceived Quality" or *(PCE + APQ + AOQ = PQ)*

This paradigm implies that "prior expectations" are compared with the actual "service delivery process" and the "service outcome" and that it is through this comparison that the "perceived quality" is fashioned (Ghobadian, 1994).

"Prior customer expectation" is the a priori image of what will be received when the consumer purchases a service. Several factors influence the "a priori image". These include: personal needs; past experience; word of mouth; market communications; image; and price. Thus, the provider of service can be proactive in shaping the "customer's expectations" through its marketing and external communication efforts.

"Actual quality" is the real level of "service quality" provided. This is determined and controlled by the "service provider". It is possible to quantify and set standards for some, if not all, of the "service quality" characteristics. It is, however, imperative to note that the "quality" of a service is determined by the "customer's perception" and not by the perceptions of the providers of the service. Thus, it is crucial that customer requirements are determined, and service "delivery" and "outcome" designed, to meet these requirements.

"Perceived quality" is the customer's feel for the "quality" of the service. It determines the extent of the customer's satisfaction. The three key possible "quality" outcomes are:

a) satisfactory quality, where customer's expectations (CE) are exactly met: that is to say, PCE = PQ;
b) ideal quality, where perceived quality is higher than customer's expectations: that is to say, PQ > PCE;
c) unacceptable quality, where perceived quality is lower than customer's expectations: that is to say, PQ < PCE.

The provider of the service should ensure that either condition (a) or condition (b) is attained each time the service is delivered. It is not practical to focus on the points that may lie in between these three landmarks on the quality continuum. The service providers are more likely to reach condition (a) and (b) if they have a clear understanding of the customer's expected quality. Moreover, to be competitive it is necessary to set marginally higher levels of "satisfactory" and "ideal" quality than those of competitors are. This will require an understanding of the generic determinants of service quality (Ghobadian, 1994).

2.6 Dimension of Service Quality

The multidimensional nature of the quality construct is found in much of service marketing literature. Various studies (Grönroos, 1990; Parasuraman,

Zeithaml and Berry, 1988; Lehtinen and Lehtinen, 1992) identify and describe some dimensions of service quality.

Grönroos (1978) argued that "service quality" comprises of three dimensions. These are:

a) The technical quality of outcome. That is to say, the actual outcome of the service encounter. The service outcome can often be measured by the consumer in an objective manner.
b) The functional quality of the service encounters. This element of "quality" is concerned with the interaction between the provider and recipient of a service and is often perceived in a subjective manner.
c) The corporate image. This is concerned with consumers' perceptions of the service organization. The image depends on: technical and functional quality; price; external communications; physical location; appearance of the site; and the competence and behavior of service firms' employees.

Lehtinen and Lehtinen (1992) also contend that "service quality" has three dimensions. These were:

a) Physical quality. This includes such items as the condition of buildings and enabling equipment.
b) Corporate quality. This refers to the organization's image and profile.
c) Interactive quality. This derives from the interaction between service organizations' personnel and the customer as well as the interaction between customers.

Lehtinen and Lehtinen (1992) argue that in examining the determinants of quality it is necessary to differentiate between the quality associated with the process of service delivery and the quality associated with the outcome of the service. This is a useful separation and it is taken into account in reviewing the determinants of "service quality"

2.7 Service Quality Determinants

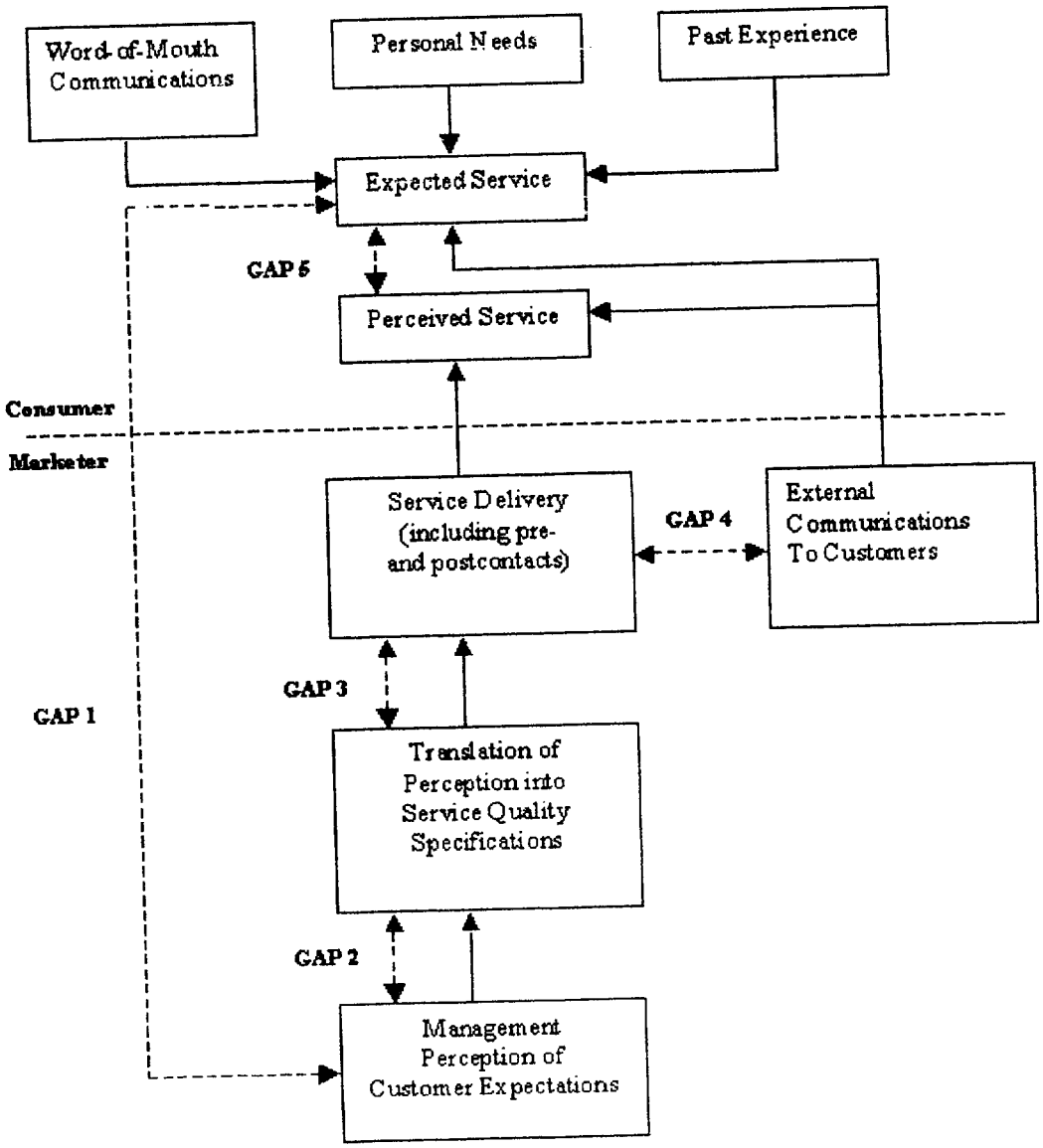
A number of researchers have provided lists of service quality determinants, for example, Albrecht and Zemke (1985); Armistead (1990); Grönroos, (1990); and Walker (1990). The best known determinants emanate from a group of researchers, Parasuraman, Zeithaml and Berry from United State of America (Johnston, 1997)

2.7.1 SERVQUAL Scale

Berry, Parasuraman and Zeithaml (1985) studied the quality of service. Their early research was of customer - perceived quality in four service industries: banks, credit card companies, stockbrokers and service company for household machines. They used focus group interviews with three groups in each industry, and a service quality model utilizing the gap concept was developed. The model is presented in Figure 2.1

Figure 2.1

The GAP Model



GAP 1 : Management's perceptions of both internal and external customer expectations are different from actual customer desires, i.e. managers do not necessarily know what customers want and expect from the company.

GAP 2 : Actual service quality specifications are different from management's perceptions of customer expectations, i.e. even if customer needs are known appropriate specifications of service may not always be set, possibly because of lack of resources, organizational constraints or an absence of management commitment to a service culture and service quality.

GAP 3 : The service that is delivered is different from management's specifications for service, i.e. guidelines may be set, but high quality may not be certain due to (for example) variations in performance of contact personnel: employees not being able or willing to perform at a desired level.

GAP 4 : What is said about the service in external communications is different from the service that is delivered. External communications such as advertising and promotion can influence customers' expectations and perceptions of the delivered service and so it is important not to promise more than can be delivered.

GAP 5 : The most important gap to consider, which is perception that perceived by the customer, GAP 5, i.e. the difference between expectations and perceptions of actual service; but what are the factors on which customers evaluate the service offered?

As shown in figure 2.1, service quality as perceived by customer depends on the size and direction of GAP 5 which, in turn, depends on nature of the gaps associated with the design, marketing, and delivery of services:

GAP 5 = f (GAP 1, GAP 2, GAP 3, GAP 4)

The model attempts to show the salient activities of the service organisation that influence the perception of quality. Moreover, the model shows the interaction between these activities and identifies the linkages between the key activities of the service organisation or marketer which are pertinent to the delivery of a satisfactory level of service quality (Ghobadian, 1994). It facilitates the identification of gaps between a number of variables affecting the quality of the offering. This model is externally focused. If used correctly it has the potential to assist the management to identify the pertinent service quality factors from the perspective of the customer.

In 1985, Parasuraman, Zeithaml and Berry presented the conceptual underpinning of service quality measurement. The initial SERVQUAL instrument involved the measurement of both customer expectations and perceptions of actual performance across ten dimensions:

Tangibles : The state of facilitating goods; physical condition of the buildings and the environment; appearance of personnel; and condition of equipment.

Reliability	:	The ability to provide the pledged service on time, accurately and dependably.
Responsiveness	:	The ability to deal effectively with complaints and promptness of the service.
Competence	:	Staff should possess the necessary skill, knowledge and information to perform the service effectively.
Courtesy	:	The politeness, respect, consideration and friendliness shown to the customers by the contact personnel.
Credibility	:	The extent to which the service is believed and trusted. The service provider's name and reputation, and the personal traits of front line staff all contribute to credibility.
Security	:	The freedom from danger, risks and doubt. It involves physical safety, financial security and confidentiality.
Access	:	The ease of approachability and contact.
Communication	:	Keeping customers informed about the service in a language that they can understand and listening to the customers.
Understanding the customer	:	This involves trying to understand the customer's needs and specific requirements; providing individualized attention; and recognizing the regular customer.

In a later study they developed a multiple item scale named SERVQUAL to measure GAP 5 and reduces the number of dimensions to five: tangible, reliability, responsiveness, assurance and empathy (Parasuraman, Zeithaml and Berry 1988)

Tangible	:	Physical facilities, equipment, appearance of contact personnel.
Reliability	:	Ability to perform the promised service dependably and accurately.
Responsiveness	:	Willingness to help customers and to provide a prompt service.
Assurance	:	Knowledge and courtesy of employees and their ability to inspire trust and confidence.
Empathy	:	Caring, individualized attention the company provides to its customers.

The SERVQUAL 22 item scale first ask on customer expectation of an excellent company's service quality, then followed by the same 22 item scale for customer to rate on perceived service quality of the focal firm. Service quality is evaluated by calculating the difference (gap) between what the customer expects and what he/she really perceives.

SERVQUAL (1991 version) is structured into three sections. The first and third sections propose 22 questions for the evaluation of expectations and perceptions respectively. Service quality evaluation is obtained by comparing

expectations and perceptions values. The second section asks the customer for the importance of each service quality dimension.

In most models of client evaluations of retail banking services the focus has been on a comparative judgement of expectations versus perceived performance resulting in the two major evaluative judgements of perceived service quality and client satisfaction (Murphy, 1996; Smith, 1992). Both concepts have been frequently used and measured in the retail banking services area (Lewis, 1993; Lewis and Mitchell, 1990; Smith, 1992).

Clients form expectations prior to their encounter with a bank (employee), they develop perceptions during the service delivery process and subsequently they compare their perceptions to their expectations in evaluating the outcome of the service encounter. It is frequently argued that in order to form a satisfaction judgement, consumers must have experienced a service, whereas perceived service quality is generally viewed as being not necessarily experience-based. (Oliver, 1993).

Other researchers used the SERVQUAL scale and found inconsistency in the 5 dimensions and SERVQUAL result. A literature review on service quality done by Dabholkar, Thorpe & Rentz (1996) found, out of the ten research using the SERVQUAL scale, only one obtained a five factor structures, others found either more than or less than 5 factor.

Due to the obvious differences between consumer and business customer, Freeman and Dart (1993) found that, the five factors suggested in the latest version of SERVQUAL – tangibles, reliability, responsiveness, assurance and empathy – all appeared to have some relevance. Additional modifications to the SERVQUAL instrument were made in order to make the items applicable for business customer.

The first additional concern of business owners was with the value of the service. Although previous researchers have argued against confounding the notions of quality and price, concerns expressed during interviews were directed less to the amount of fees than to the value received relative to money spend (Freeman and Dart ,1993). The major finding of the research relates to the emergence of a strong "fees related" element that had not surfaced in previous studies. This factor is consistent with the finding of Stafford (1996), who suggested and identified that dollars and value figure prominently into assessing service quality, an issue not associated traditionally with service quality. Named "rates and charges", this factor indicates that low costs and high interest rates can effect an individual's perception of bank service quality.

The second dimension, which related to the approach utilised by the staff in performing the job. These included frequency of contact, accessible when required and so on. These considerations may serve as proxy measure of quality (Freeman and Dart ,1993). Professionalism dimension which refer to the supervision of bank employee, staying in frequent touch with the client,

and assisting clients to minimise their fees and maximise their benefit was develop.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

An empirical study was conducted among the business customers of retail banks in Malaysia. This study was carried out through collection of primary data using revised SERVQUAL Scale questionnaire. The questionnaires are mailed to the respondents, and return by enclosed self addressed and stamped envelope after completion.

As the purpose of the research was not to measure quality in relation to any particular bank, respondents were approached and selected randomly from business directory on Malaysia's online yellow pages (http://www.yellowpages.com.my) by current researcher. The primary criteria for the selection were based upon business unit in northern region of Malaysia, the location of the firm had to be within the state of Perlis, Kedah and Pulau Pinang.

This chapter is organized into several parts. It describes briefly the general approach of research design, questionnaire design, sampling plan, data collection procedure and appropriate statistical technique used are presented.

3.2 Population

The population frame for this research is a listing of all business units in the directory of Yellow Pages and within northern region of Malaysia. Base on the current statistic, there are 20799 registered business unit in the region.

3.3 Sampling

The sample size needed for the population of 20799 were 378 base on "Table for Determining Sample Size from a Given Population" by Uma Sekaran (1992).

The sample for this study consisted all business customers of retail banks. Data collection was carry out at different locations in Perlis, Kedah and Pulau Pinang with a view to sampling a wide range of bank customer. Owners of small firms, and financial managers in medium and large firms were identified as the target respondents of the survey.

At first, the name list of the business unit was obtained from online Yellow Pages. The name of the business unit was arranged ascending from A to Z and numbered from 1 to 20799. By using a random table, The samples were selected randomly from the list of business unit. In order to get back a bigger returned sample rate, four hundred and fifty sets of questionnaires were sent to the relevant respondent through mail. Seventy two set of additional questionnaire were added up to the exiting three hundred and seventy eight, because mailed questionnaires usually have a low response rate.

The survey was conducted for a period of two weeks. Follows up with telephone were conducted to increase the response rate. Of the sample drawn, 121 set of usable questionnaires was returned. This represents a response rate of 26.89%. And the sample rate of 32.01% out of sample size of 378 unit.

3.4 Survey Instrument

The design of the questionnaire was primarily based on multiple-item measurement scales taken from previous research. Items were adapted from expectation section on revised SERVQUAL Scale by Freeman and Dart (1993). Some statements were reworded and some were deleted. The items were adapted to the specific characteristics of the research setting. The Bahasa Malaysia version of the questionnaire was used for easy understanding. Further improvements on the climate instrument were made after the pilot-test.

The questionnaire consists of three sections:

i) Section A : Expectation Section

ii) Section B : Point Allocation Section

iii) Section C : Business Details

In section A, the SERVQUAL statements are grouped into the seven dimension of follows:

Dimension		*Statement pertaining to the dimension*
a) Tangible	:	Statement 1 – 4
b) Reliability	:	Statement 5 – 9
c) Responsiveness	:	Statement 10 – 13
d) Assurance	:	Statement 14 – 17
e) Empathy	:	Statement 18 – 22
f) Fees related	:	Statement 23 – 26
g) Professionalism	:	Statement 27 – 28

A six point agree/disagree scale were used instead of five point scale (on the original scale) on statement design to measure service quality dimensions. Each of the statements was accompanied by a 6-point scale anchored at the ends by the labels "Strongly disagree" (=1) and "Strongly Agree" (=6) in section A. Respondents were asked to rate the extend to which they thought that ideal retail banks should offer the feature described.

Besides that, respondents were also asked to indicate an importance weighting in respect to each seven factors. This important rating was requested using of 0% to 100% on how important respondents rated each of the concern factors in respect their expectations of service quality in section B. Section C of the questionnaire was designed to collect relevant business information from each respondent for classification purposes.

For current study, the size of organisation (question 4 in section C) was measure base on number of employees. A small firm is defined as having less than 100 employees. A medium firm is defined as having 100 to 200 employees. Whilst, a large firm is defined as having more than 200 employees.

A pilot test of the instruments was conducted during the mid of April 2000. The purpose of the pre-test was to identify any ambiguous items in the instruments. Ten copies of the three parts questionnaires were hands delivered to master students in University Utara Malaysia. All the ten sets of questionnaires were returned. All except two of the questionnaires were fully completed. The pilot test had shown that four out of the ten respondents found that the phrase "Sekali-kali" in question 13 in part A was wrong. Subsequently, the phrase was changed to "Sekali-kala" in the final set of questionnaire.

3.5 Data Analysis

The data was transferred to the computer for analysis. The "SPSS™ Version 10.0 (Statistical Package for the Social Sciences)" program was used for data analysis. Before the actual data analysis, the raw data were printed out to check for any irregularity in patterns. This served the purpose of detecting error in data entry.

Statistical techniques used in the analysis include:

a) Frequency distribution was used to describe sample.

b) As comparisons were made between several subgroup within a group, one way ANOVA was used for hypothesis testing of expected service quality element across different industries sector, form of business, equity structure, size of organization, market and location.

c) T-test was done to test hypothesis 6, of expected service quality element across different form of production, since comparisons involve only two subgroup within a group.

d) The means were obtained to identify level of expected service quality between the subgroups, and the different service quality dimension across different subgroup.

CHAPTER 4

FINDINGS AND DISCUSSION

4.1 Introduction

The purpose of this study was to compare the element of service quality among business customer of retail bank with regards to their industrial sector, form of business, equity structure, size of organisation, major market, form of production and the location of the organisation. Firstly, the profiles of the respondents are tabulated according to the above characteristics. Then reliability of measurement is presented. Followed by hypotheses testing and, finally the comparison of means value.

4.2 Profile of Respondents

Table 4.1 – 4.7 display the frequency and percentage distributions of business characteristics of the respondents.

Table 4.1: Frequency and percentage distribution base on industrial sector			
Sector	Frequency	Percent (%)	Cumulative Percent
Manufacturing	47	38.8	38.8
Servicing	67	55.4	94.2
Construction	2	1.7	95.9
Primary Commodities	5	4.1	100.0
Total	121	100.0	100.0

Table 4.1 displays the frequency and percentage distributions of base on industrial sector of the respondents. Majority of respondent were in service sector (55.4%), follow by manufacturing sector (38.8%), primary commodities (4.1%) and construction (1.7%).

Table 4.2: Frequency and percentage distribution base on form of business			
Form of business	Frequency	Percent (%)	Cumulative Percent
Sole Proprietorship	22	18.2	18.2
Partnership	20	16.5	34.7
Private Limited	69	57.0	91.7
Public Limited	10	8.3	100.0
Total	121	100.0	100.0

It can be seen from table 4.2 that majority of respondents (57.0%) are from private limited company, follow by sole proprietorship (18.2%), partnership (16.5%) and public limited (8.3%)

Table 4.3: Frequency and percentage distribution base on equity structure			
Equity	Frequency	Percent (%)	Cumulative Percent
Fully Local	87	71.9	71.9
Majority Local	19	15.7	87.6
Majority Foreign	5	4.1	91.7
Fully Foreign	10	8.3	100.0
Total	121	100.0	100.0

Table 4.3 shows that 87 respondents (71.9%) are from a fully local owned organization, 19 respondent from a majority local owned organization, 5 with majority foreign investor and 10 with fully foreign investor.

Table 4.4: Frequency and percentage distribution base on number of employee			
Employee	Frequency	Percent (%)	Cumulative Percent
< 100	83	68.6	68.6
100 – 200	9	7.4	76.0
> 200	29	24.0	100.0
Total	121	100.0	100.0

It can be seen from table 4.4, that more than half of the total (68.6%) is from a small scale industry or less than 100 employees in the organisation. 24.0%

from a medium scale industry or with more than 200 employees and the rest (7.4%) have 100 – 200 employees which is defined as a large scale industry.

Table 4.5: Frequency and percentage distribution base on major market

Market	Frequency	Percent (%)	Cumulative Percent
Fully local	59	48.8	48.8
Mostly Local	51	42.1	90.9
Mostly Foreign	7	5.8	96.7
Fully Foreign	4	3.3	100.0
Total	121	100.0	100.0

Table 4.5 displays the frequency and percentage distributions of the major product/service market for the respondent. 48.8% of respondent aim their target market fully in Malaysia, 42.1% of respondent involve in some export but the major market was in Malaysia. Another 5.8% of respondent with mostly foreign market and 3.3% with a fully foreign market.

Table 4.6: Frequency and percentage distribution base on form of production

Production	Frequency	Percent (%)	Cumulative Percent
Technology	49	40.5	40.8
Labour	71	58.7	100.0
Missing value	1	0.8	
Total	121	100.0	100.0

Table 4.6 shows that majority (58.7%) of the respondents were from a labour incentive organisation. Another 40.5% were from technology incentive organisation and 0.8% missing value.

Table 4.7: Frequency and percentage distribution base on location

Location	Frequency	Percent (%)	Cumulative Percent
Perlis	11	9.1	9.2
Kedah	53	43.8	53.8
Penang	55	45.5	100.0
Missing value	2	1.7	
Total	121	100.0	100.0

Base on table 4.7, 45.5% or 55 respondent were origin from state of Pulau Pinang, 43.8% were origin from Kedah, 9.1% were origin from state of Perlis and 1.7% with missing value.

4.3 Reliability of Measurement

As a reliability measurement, Cronbach's was used to check internal consistency. The measurements and the corresponding alphas are: four questions relating to the tangible (a = 0.7323), five questions on reliability (a = 0.7263), four questions on responsiveness (a= 0.6505), four questions on assurance (a = 0.6579), five questions on empathy (a = 0.8177), four questions on fees related (a = 0.7270) and two questions on professionalism (a = 0.6214). Reliabilities greater than 0.6 are generally considered to be acceptable. Thus, the internal consistency exists in the questions of current study.

4.4 Hypotheses Testing

This study investigates whether there is a difference in expected service quality with regard to the difference business characteristic. Seven hypotheses related to expected service quality are developed. A description and analysis of each finding is presented according to each hypothesis. Accepting or not accepting the hypotheses are base on P value of 0.05.

The summary and result of the hypotheses testing were shown as below:

Table 4.8 : Summary and result of hypotheses testing

Hypotheses	Analysis	F Value	Sig	Result
Hypothesis 1	One way ANOVA	1.609	.042	Accepted
Hypothesis 2	One way ANOVA	.683	.910	Rejected
Hypothesis 3	One way ANOVA	1.737	.022	Accepted
Hypothesis 4	One way ANOVA	.796	.789	Rejected
Hypothesis 5	One way ANOVA	2.436	.001	Accepted
Hypothesis 6	T-Test		.686	Rejected
Hypothesis 7	One way ANOVA	1.072	.398	Rejected

4.4.1 Analysis of Hypotheses One

Hypotheses one

H_A : There is a significant difference in expected service quality with regard to the differences in industrial sector.

Table 4.9 : Analysis of variance for different industrial sector and expected service quality

Source	Sum of squares	Df	Mean Square	F	Sig.
Between Group	30.457	46	.662	1.609	.042
Within Group	24.683	60	.411		
Total	55.140	106			

In order to test the first hypothesis, one way analysis of variance was utilized. The results in table 4.9 indicate that F value = 1.609 and P value = .042, which is less than the significant level of 0.05. Thus, alternate hypothesis accepted. It means that, there is a significant different in expected service quality with respected to different industrial sector.

4.4.2 Analysis of Hypotheses Two

Hypotheses two

H_A : There is a significant difference in expected service quality with regard to the differences in form of business.

Table 4.10 : Analysis of variance for different form of business and expected service quality

Source	Sum of squares	Df	Mean Square	F	Sig.
Between Group	30.417	46	.661	.683	.910
Within Group	58.050	60	.967		
Total	88.467	106			

Table 4.10 depicts the result of the computation. F value = .683 and P value = .910, which is more than the significant level of 0.05. Thus, there is no evidence to reject the null hypothesis. It shows that different form of business do not explain the significant different in expected service quality.

4.4.3 Analysis of Hypotheses Three

Hypotheses one three

H_A : There is a significant difference in expected service quality with regard to the differences in equity structure.

Table 4.11 : Analysis of variance for different equity structure and expected service quality

Source	Sum of squares	Df	Mean Square	F	Sig.
Between Group	51.812	46	1.126	1.737	.022
Within Group	38.917	60	.649		
Total	90.729	106			

Table 4.11 shows that the F value = 1.737 and P value = .022, which is less than the significant level of 0.05. Thus, the alternate hypothesis was substantiated. It means that, there is a significant different in expected service quality with respected to different in equity structure.

4.4.4 Analysis of Hypotheses Four

Hypotheses one four

H_A : There is a significant difference in expected service quality with regard to the differences in size of organization.

Table 4.12 : Analysis of variance for different size of organization and expected service quality

Source	Sum of squares	Df	Mean Square	F	Sig.
Between Group	30.970	46	.673	.796	.789
Within Group	50.750	60	.846		
Total	81.720	106			

The results of ANOVA shown in table 4.12 do not indicate any significant differences between size of organization and expected service quality, as the F value = .796 and P value = .789. Thus, the alternate hypothesis was not substantiated.

4.4.5 Analysis of Hypotheses Five

Hypotheses one five

H_A : There is a significant difference in expected service quality with regard to the differences in market.

Table 4.13 : Analysis of variance for different market and expected service quality

Source	Sum of squares	Df	Mean Square	F	Sig.
Between Group	39.005	46	.848	2.436	.001
Within Group	20.883	60	.348		
Total	59.888	106			

Table 4.13 depicts the result of the computation. F value = 2.436 and P value = .001, which is less than the significant level of 0.05. Thus, the null hypothesis was rejected and the alternate hypothesis was accepted. It means that, there is a significant different in expected service quality with respected to different in market.

4.4.6 Analysis of Hypotheses Six

Hypotheses one six

H_A : There is a significant difference in expected service quality with regard to the differences in form of production.

A T-test analysis is employed. The result are shown in table 4.14:

Table 4.14: T-test between technology intensive and labor intensive in relation to expected service quality

Independent variable	Group	Number of cases	Mean	Std Dev	T-Value	Sig.
Form of production	Technology intensive	44	5.1924	.4120	.470	.686
	Labor intensive	62	5.1515	.4599		

The result shows that the two tailed probabilities for this test is 0.686, which is above the 0.05 level. Therefore, the null hypothesis is accepted. This shows that there is no significant difference in expected service quality

between technology intensive and labor intensive. It means that form of production does not explain the different in expected service quality.

4.4.7 Analysis of Hypotheses Seven

Hypotheses seven

H_A : There is a significant difference in expected service quality with regard to the differences in location.

Table 4.15 : Analysis of variance for different location and expected service quality

Source	Sum of squares	Df	Mean Square	F	Sig.
Between Group	18.729	46	.407	1.072	.398
Within Group	22.033	58	.380		
Total	40.762	104			

Table 4.15 shows that the F value = 1.072 and P value = .398, which is more than the significant level of 0.05. Thus, the null hypothesis was accepted. It shows that different location do not explain the different in expected service quality.

4.5 Comparison of Mean Value

According to the hypotheses testing, three out of seven hypotheses were substantiated and four were not. The result indicate that, there is a significant difference in expected service quality with regard to the differences in industrial sector, equity structure and market.

In order to determine which elements of banks' service quality are more important to different segment, the means or the average score was used to measured of central tendency that offer a general picture of the data.

Firstly, the variables representing the seven dimensions of service quality were computed based on the priori assigned items in section A of the questionnaire. Then, the means score were obtained for the interval scaled independent and dependent variable. The highest score in means represent the most preferable dimension in service quality.

Secondly, the means score of weighting variables in section B of the questionnaire were also obtained for comparison purposes. Finally, new variables representing the weighted dimension of service quality were computed. The procedure used to compute the new variable was to multiplied the existing element in section A with the weight score in section B, then sum up the relevant items and divided by the number of items for that particular dimension. The means score of the weighted dimensions were obtained to serve the same purpose as above.

4.5.1 Compare Means for Different Industrial Sector

Table 4.16 : Means Score for Different Industrial Sector				
	Manufacturing	Servicing	Construction	Primary commodities
Tangible	4.9043	4.9962	5.3750	***5.0000***
Reliability	5.3333	***5.6246***	5.5000	4.5600
Responsiveness	***5.4415***	5.5261	5.3750	4.5500
Assurance	5.3370	5.4242	5.7500	4.8000
Empathy	4.7561	5.1164	5.7000	4.6800
Fees related	4.7609	5.0156	***5.8750***	4.4500
Professionalism	4.6889	5.0538	5.7500	4.4000

Table 4.16 shows that, on the average responsiveness appear to be the highest score (5.4415) for manufacturing sector, reliability (5.6246) for service sector, fees related (5.8750) for construction sector, and tangible (5.0000) for primary commodities sector.

Table 4.17 : Means Score of Weighting Variable vs Different Industrial Sector				
	Manufacturing	Servicing	Construction	Primary commodities
Tangible	.1391	.1115	.1350	.1800
Reliability	.1743	***.1749***	***.1850***	.1400
Responsiveness	***.1828***	.1712	.1650	.1320
Assurance	.1641	.1551	.1600	***.1840***
Empathy	.1180	.1404	.1200	.1250
Fees related	.1081	.1236	.1150	.1050
Professionalism	.1136	.1233	.1200	.1350

Table 4.17 tabulate the means score of weighting variable for different industrial sector. Manufacturing sector got the highest score on responsiveness (.1828), service sector on reliability (.1749), construction sector on reliability (.1850) and primary commodities on assurance (.1840).

Table 4.18 : Means Score of Weighted Dimension vs Different Industrial Sector

	Manufacturing	Servicing	Construction	Primary commodities
Tangible	.7090	.5741	.7475	.9250
Reliability	.9170	***.9904***	***1.0100***	.6800
Responsiveness	***1.0090***	.9519	.9088	.6035
Assurance	.8777	.8463	.9300	***.9455***
Empathy	.5783	.7401	.6780	.5920
Fees related	.5232	.6559	.6738	.4725
Professionalism	.5519	.6497	.6850	.6000

The means score of the weighted dimensions were also obtained as shown on table 4.18. The result indicate that, manufacturing sector got the highest score on responsiveness (1.0090), service sector on reliability (.9904), construction sector on reliability (1.0100) and primary commodities on assurance (.9455).

In sum, by comparing the means score (Table 4.16, 4.17 & 4.18) for service quality dimension, weighting variable and weighted dimension with regards to different industrial sector. The result had double confirmed that,

responsiveness appear to be the most important dimension in manufacturing sector. And reliability appeared to be the most important dimension in servicing sector. The result also shows that, the preferable dimension for construction and primary commodities sector was unclear because of variation of highest means score on different dimension.

4.5.2 Compare Means for Different Equity Structure

Table 4.19 : Means Score for Different Equity Structure

	Fully local	Majority local	Majority foreign	Fully foreign
Tangible	4.9529	4.9342	4.7500	5.2500
Reliability	5.4965	***5.4556***	5.4400	5.2000
Responsiveness	***5.5029***	5.3158	5.3500	***5.3000***
Assurance	4.9880	5.3194	5.4500	5.2500
Empathy	4.9118	4.8526	***5.4800***	4.8600
Fees related	4.9118	4.9706	4.9000	4.7500
Professionalism	4.8810	4.9167	5.4000	4.7500

Table 4.19 shows that, on the average responsiveness appear to be the highest score (5.5029) for fully local and (5.3000) for fully foreign owner, reliability (5.4556) for majority local, empathy (5.4800) for majority foreign.

Table 4.20 : Means Score of Weighting Variable vs Different Equity Structure				
	Fully local	Majority local	Majority foreign	Fully foreign
Tangible	.1269	.1253	7.000E-02	.1410
Reliability	***.1747***	.1558	.1600	***.2020***
Responsiveness	.1733	***.1789***	***.2000***	.1570
Assurance	.1610	.1626	.1600	.1450
Empathy	.1300	.1258	.1740	.1250
Fees related	.1188	.1174	.1000	.1050
Professionalism	.1153	.1342	.1360	.1250

Table 4.20 shows that the means score of weighting variable for different equity structure. Fully local owner (.1747) and fully foreign investor (.2020) got the highest score on reliability. Majority local (.1789) and majority foreign (.2000) on responsiveness.

Table 4.21 : Means Score of Weighted Dimension vs Different Equity Structure				
	Fully local	Majority local	Majority foreign	Fully foreign
Tangible	.6550	.6226	.3350	.7585
Reliability	***.9723***	.8368	.8760	***.9971***
Responsiveness	.9633	***.9684***	***1.0600***	.8528
Assurance	.8689	.8889	.8800	.7688
Empathy	.6727	.6251	.9588	.6260
Fees related	.6095	.6150	.4900	.5037
Professionalism	.5809	.7133	.7250	.6175

The means score of the weighted dimensions were also obtained as shown on table 4.21. The result indicates that, fully local owner (.9723) and fully foreign investor (.9971) got the highest score on reliability. Majority local (.9684) and majority foreign (1.0600) on responsiveness.

In sum, by comparing (Table 4.19, 4.20 & 4.21) the means score for service quality dimension, weighting variable and weighted dimension with regards to different equity structure. The result shows that, there are variation of highest means score on all the dimension. Which means that, the preferable dimension for fully local, majority local, majority foreign and fully foreign was undetermined due to the inconsistency of choices.

4.5.3 Compare Means for Different Market

Table 4.22 : Means Score for Different Market

	Fully local	Mostly local	Mostly foreign	Fully foreign
Tangible	5.0000	4.9650	4.6429	5.0625
Reliability	***5.5684***	5.4200	5.2333	4.9000
Responsiveness	5.4746	***5.4755***	***5.5000***	4.6875
Assurance	5.3966	5.3450	5.4286	***5.1875***
Empathy	4.9614	4.9959	5.1429	4.6500
Fees related	4.8333	5.0102	5.1071	4.3125
Professionalism	4.8684	5.0000	4.9286	4.0000

Table 4.22 shows that, on the average reliability appear to be the highest score (5.5684) for fully local market, responsiveness for mostly local market (5.4755) and mostly foreign market (5.5000). Finally assurance appear to be the highest score (5.1875) for mostly foreign market.

Table 4.23 : Means Score of Weighting Variable vs Different Market

	Fully local	Mostly local	Mostly foreign	Fully foreign
Tangible	.1280	.1222	.1286	.1250
Reliability	***.1803***	.1625	***.1857***	.1775
Responsiveness	.1703	***.1804***	.1786	.1375
Assurance	.1625	.1551	.1571	***.1875***
Empathy	.1275	.1329	.1357	.1425
Fees related	.1133	.1241	.1000	.1000
Professionalism	.1182	.1227	.1143	.1200

Table 4.23 tabulate the means score of weighting variable for different market. Organization with fully local market (.1803) and mostly foreign market (.1857) got the highest score on reliability. Mostly local market on responsiveness (.1804), and fully foreign market on assurance (.1875).

Table 4.24 : Means Score of Weighted Dimension vs Different Market				
	Fully local	Mostly local	Mostly foreign	Fully foreign
Tangible	.6738	.6170	.6089	.6437
Reliability	***1.0046***	.8968	.8817	.9175
Responsiveness	.9423	***.9961***	***.9911***	.6750
Assurance	.8798	.8370	.8625	***.9750***
Empathy	.6583	.6857	.6886	.7060
Fees related	.5735	.6478	.5143	.4313
Professionalism	.5947	.6451	.5607	.5000

The means score of the weighted dimensions were also obtained as shown on table 4.24. The result indicate that, firm with fully local market got the highest score on reliability (1.0046), mostly local market (.9961) and mostly foreign market (.9911) on responsiveness. Finally, fully foreign market (.9750) on assurance.

In sum, by comparing the means score (Table 4.22, 4.23 & 4.24) for service quality dimension, weighting variable and weighted dimension with regards to different market. The result had double confirmed that, reliability appeared to be the most important dimension for firms that concentrate fully on local market. Responsiveness appears to be the most important dimension for firms that have mostly local market. And Assurance appears to be the most important dimension for firms that have fully foreign market. Besides that, the preferable dimension for firm that have mostly foreign market was

inconsistent due to the variation of highest means score on different dimension.

CHAPTER 5

CONCLUSION, IMPLICATIONS AND SUGGESTION

5.1 Introduction

This chapter is organized into five parts. It begins with the introduction, overview of the study, conclusion for the study. Then theoretical and managerial implications of the study are presented. Finally suggestions for further research are given.

5.2 Overview of The Study

Current research comprises of five chapters. The first chapter gives a broad overview of service and the important of the service sector. Then, the problem statement was presented, which link to the formation of the research objectives, followed by theoretical framework, limitation, definition of terms and scope of study.

Chapter two begins with the discussion on service, service sector, quality and banking industry in Malaysia. Then, it elaborated the service quality measure, determinant of service quality and the significance of previous research studies on service quality in depth.

Chapter three describes briefly the general approach of research design, questionnaire design, sampling plan, data collection procedure, and

appropriate statistical technique used. The collected data will be analyse and discuss in chapter four.

Chapter four presents findings of study. The hypotheses testing help to examine the dimensions of expected service quality and across different group of segmented business customer. Finally, the comparison of means was done to identify which elements of banks' service quality are more important to different segmented group.

Finally, chapter five concludes with a summary of the research findings, implication and some suggestions for future research.

5.3 Conclusion

The result of current study shows that, there is a significant difference in expected service quality with regard to the differences in industrial sector, equity structure and market. Besides that, current study also attempted to determine patterns of different bank's business customer across the important of different service quality dimension. The result shows that, responsiveness appears to be the most important dimension in manufacturing sector. And reliability appeared to be the most important dimension in servicing sector. Besides that, organisations that have fully local market prefer reliability to be their most important dimension in bank's service quality. Organisation with mostly local market prefer responsiveness and organisation with fully export market prefer assurance.

In short, it is important for bank marketers to be sensitive to different demographic segments in terms of bank service quality when developing corresponding marketing strategies. Current research study has produced valuable insight into Malaysia business customer view on bank's service quality. The bank marketer may then be able to ascertain the most advantageous direction in which to increase their service quality in order to be in a competitive position to attract a sizeable share of the financial market.

5.4 Theoretical and Managerial Implications of The Study

Since, there was relative few studies had explored the segmentation potential of business customer expectations. An important implication of current research is that analysis on expectation of different segmented business customer toward different dimension of service quality. And to what extent it is important to each segmented group. Current research shows that, there is a significant difference in expected service quality with regard to the differences in industrial sector, equity structure and market.

Besides that, banks which are marketing-oriented are not only required to be aware of the needs of their customers, but they should be able to satisfy effectively the needs of each identified customer segment. This study provides evidence that segmentation of the business customer is importance to banks, in order to identify the needs of each segment and provide certain services that best suit these needs.

The dimension analysis provide valuable information in clarifying which are the key factor that lead to high quality of service. Current study shows that bank marketer need to pay additional attention to the dimension as discuss as below:

a) Responsiveness has been shown to be an important factor for manufacturing sector and organisation that have mostly local market, Delivery of prompt services and willingness to help customers are key ingredients of responsiveness. This would also suggest that effort to increase speed of processing information and customers is likely to increase the service quality. Besides that, the speed and efficiency of a transaction, is addressed by many authors as an important element in evaluating a service encounter (Winsted, 2000; Taylor, 1994). Banks should also emphasizing customer-relations in their training programs. Especially the willing to help attitude and listening skills which will increase the service quality for the above segmented business customers.

b) Reliability seems to be the most important dimension for servicing sector and organisation that have fully local market. Looking at the individual indicators of this quality dimension, it follows that banks should invest in monitoring employees in order to make a trustworthy impression on the customers, both in the case of the general service encounter, as well as in the handling of customer complaints. In the dialogue with bank customers, management and employees should strive to find out what

customers expect in terms of accuracy, expertise, complain handling and proactive suggestions. This implies an extensive and continuous training program.

c) Assurance appears to be the most important dimension for organisation that fully concentrates on export market. Banks should invest in employee training that transform necessary knowledge and information in order to perform the service effectively. Besides that, staff should possess excellent attitude like politeness, respect, consideration and friendliness so that they can convey trust and confidence among their customers.

5.5 Suggestion for Further Research

Current research is naturally narrow in scope due to time and resources constrain. Below are some suggestions to cover the topic in greater depth:

Firstly, current study had been limited to a small sample of business customers in northern region. The result may not resemble the other region in Malaysia. Therefore, future research should utilize a larger, national, random sample. This will improve the generalizability of the findings.

Secondly, future research should avoid adopting the entire SERVQUAL 22 scale. Instead, it should design questionnaire that focus on the specific needs and expectation of the business's customers. For example, E-banking, bank atmosphere, teller, dollars and value figure or other elements that is not

associated traditionally with service quality. This will help the marketers to design its service specifications closer to customer requirements.

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APPENDIX A

Survey Questionnaire

2708, Lorong Selasih
Taman Selasih
09000 Kulim

15 April 2000

Finance Managers/Executives
Financial/Account Department

Dear Sir/Madam

Re : Study on Bank Service Quality

I am conducting a study on "Service quality in retail bank : A segmentation analysis of business customer in Malaysia". This study is undertaken to fulfill the partial requirement of the academic program leading to Master of Science (Management) offered by Universiti Utara Malaysia.

The questionnaire will take you not more than 10 minutes to complete. After completion, please return to me using the enclosed self addressed stamped envelope or to the person who handed you the questionnaire, before **30 April 2000**. All the information provided will be treated with utmost confidentiality. No names of organization/individual will be revealed. Information will be used for research purposes only.

Thank you in advance for your valuable time taken in completing this questionnaire and should you have any queries, please do not hesitate to contact me.

Saya sedang menjalankan satu kajian yang bertajuk "Kuality perkhidmatan bank di Malaysia: Segmentasi ke atas pengguna perniagaan". Bagi melengkapkan kursus Sarjana Sains (Pengurusan) saya.

*Saya amat menghargai masa tuan / puan yang berharga yang perlu diluangkan untuk bebanan kerja yang semakin mencabar. Bagaimanapun, penyertaan tuan / puan adalah penting demi kejayaan kajian ini dan hanya memerlukan tuan / puan meluangkan masa sebanyak 10 minit sahaja. Sila kembalikan soal selidik tersebut kepada saya dengan menggunakan sampul surat yang disediakan sebelum **30 April 2000**.*

Segala maklumat yang diperolehi adalah sulit dan hanya untuk tujuan akademik semata-mata. Saya mengucapkan ribuan terima kasih atas masa yang anda peruntukkan dalam soal selidik ini.

Yours sincerely

Chee Siew Sim
Msc (Mgt) Student
School Of Graduate (Sekolah Siswazah)
Universiti Utara Malaysia
06010 Sintok
Kedah Darul Aman
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SURVEY QUESTIONNAIRE

Section A : Expectation Section *(Seksyen Jangkaan)*

Based on your experiences as a customer of a retail bank, please think about the kind of retail bank that would deliver **excellent quality of service**. Think about the kind of retail bank which you would pleased to do business. Please show the extent to which you think such a retail bank would possess the feature described by each statement. Please tick the number that best describing your expected bank.

(Berdasarkan pengalaman anda sebagai pelanggan bank, sila fikirkan ciri-ciri yang memuaskan dalam berurusniaga dengan bank yang cemerlang. Dan sila tandakan numbor yang mencerminkan tahap penilaian anda bagi setiap soalan yang disenaraikan.)

Scale *(Skala)*		
1	Strongly disagree	*Amat tidak setuju*
2	Disagree	*Tidak setuju*
3	To a certain extend disagree	*Agak tidak setuju*
4	To a certain extend agree	*Agak setuju*
5	Agree	*Setuju*
6	Strongly agree	*Amat Setuju*
7	No opinion	*Tiada pendapat*

1. Excellent bank will have modern looking equipment.
   (Bank yang cemerlang mesti mempunyai peralatan yang terkini dan termoden.)

   Strongly disagree → Strongly agree No opinion

   (1) (2) (3) (4) (5) (6) (7)

2. The physical facilities at excellent bank will be visually appealing.
   (Kemudahan-kemudahan fizikal di bank yang cemerlang mesti kelihatan menarik.)

   Strongly disagree → Strongly agree No opinion

   (1) (2) (3) (4) (5) (6) (7)

3. Employees of excellent bank will be neat appearing.
   (Pekerja bank yang cemerlang mesti berpakaian sempurna dan kemas.)

   Strongly disagree → Strongly agree No opinion

   (1) (2) (3) (4) (5) (6) (7)

4. Materials associated with the service (such as pamphlets or statement) will be visually appealing in an excellent bank.
   (Prospektus, brosur dan bahan yang berkaitan dengan promosi bank yang cemerlang semestinya kelihatan menarik.)

   Strongly disagree → Strongly agree No opinion

   (1) (2) (3) (4) (5) (6) (7)

Scale *(Skala)*		
1	Strongly disagree	*Amat tidak setuju*
2	Disagree	*Tidak setuju*
3	To a certain extend disagree	*Agak tidak setuju*
4	To a certain extend agree	*Agak setuju*
5	Agree	*Setuju*
6	Strongly agree	*Amat Setuju*
7	No opinion	*Tiada pendapat*

5. When excellent bank promise to do something by a certain time, they will do so.
(Apabila bank yang cemerlang menjanjikan untuk melaksanakan atau memberikan sesuatu pada satu masa, bank berkenaan mesti menyempurnakan janji tersebut.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

6. When customers have a problem, excellent bank will show a sincere interest in solving it.
(Apabila pelanggan bank yang cemerlang menghadapi masalah, bank berkenaan akan bersimpati dan menunjukkan kesungguhan dan keikhlasan untuk menyelesaikannya.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

7. Excellent bank will perform the service right the first time.
(Bank cemerlang mesti boleh memberikan perkhidmatan yang betul dan tepat pada kali pertama perkhidmatan itu diberikan.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

8. Excellent bank will provide their service at the time they promise to do so.
(Bank yang cemerlang mesti dapat memberikan perkhidmatan tepat pada masa yang dijanjikan.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

9. Excellent bank will insist on error free records.
(Bank yang cemerlang mesti mempunyai sistem rekod yang tepat dan tidak mempunyai kesalahan dan masalah.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

10. Employees of excellent bank will tell customers exactly when service will be performed.
(Bank yang cemerlang mesti memberikan maklumat yang tepat kepada para pelanggan.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

Scale *(Skala)*		
1	Strongly disagree	*Amat tidak setuju*
2	Disagree	*Tidak setuju*
3	To a certain extend disagree	*Agak tidak setuju*
4	To a certain extend agree	*Agak setuju*
5	Agree	*Setuju*
6	Strongly agree	*Amat Setuju*
7	No opinion	*Tiada pendapat*

11. Employees of excellent bank will give prompt service to customers.
(Pekerja bank yang cemerlang mesti mampu memberikan maklumbalas yang segera kepada para pelanggan.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

12. Employees of excellent bank will always be willing to help customers.
(Pekerja bank yang cemerlang mesti sentiasa bersedia memberi bantuan kepada para pelanggan.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

13. Employees of excellent bank will never be too busy to respond to customer requests.
(Pekerja bank yang cemerlang tidak sekali-kala menunjukkan sikap seolah-olah mereka terlalu sibuk sehingga tidak dapat melayan kehendak-kehendak pelanggannya.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

14. The behavior of employees of excellent bank will instill confidence in customers.
(Gelagat yang ditunjukkan oleh pekerja bank yang cemerlang mesti meyakinkan pelanggan.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

15. Customers of excellent bank will feel safe in their transactions.
(Pelanggan bank yang cemerlang semestinya merasa selamat dan terjamin dalam menjalankan urusan dengan bank berkenaan.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

16. Employees of excellent bank will be consistently courteous with customers.
(Pekerja bank yang cemerlang mesti senantiasa berbudi bahasa dan bersopan santun.)

Strongly disagree → Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

Scale *(Skala)*		
1	Strongly disagree	*Amat tidak setuju*
2	Disagree	*Tidak setuju*
3	To a certain extend disagree	*Agak tidak setuju*
4	To a certain extend agree	*Agak setuju*
5	Agree	*Setuju*
6	Strongly agree	*Amat Setuju*
7	No opinion	*Tiada pendapat*

17. Employee of excellent bank will have the knowledge to answer customer questions.
(Pekerja bank yang cemerlang mesti mempunyai pengetahuan yang cukup untuk menjawab sebarang soalan daripada pelanggan.)

Strongly disagree ⟶ Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

18. Excellent bank will give customers individual attention.
(Bank yang cemerlang mesti memberi perhatian secara peribadi kepada pelanggannya.)

Strongly disagree ⟶ Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

19. Excellent bank will have operating hours convenient to all their customers.
(Bank yang cemerlang mesti mempunyai masa-masa beroperasi yang memudahkan semua pelanggan.)

Strongly disagree ⟶ Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

20. Excellent bank will have employees who give customers personal attention.
(Pekerja bank yang cemerlang sentiasa dapat memberikan layanan secara peribadi kepada pelanggannya.)

Strongly disagree ⟶ Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

21. Excellent bank will have the customers' best interests at heart.
(Bank yang cemerlang mesti menjiwai dan mengutamakan kehendak dan kepuasan pelanggannya.)

Strongly disagree ⟶ Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

22. The employees of excellent bank will understand the specific needs of their customers.
(Pekerja bank yang cemerlang mesti memahami keperluan-keperluan tertentu yang ada pada pelanggannya.)

Strongly disagree ⟶ Strongly agree No opinion

(1) (2) (3) (4) (5) (6) (7)

Scale *(Skala)*		
1	Strongly disagree	*Amat tidak setuju*
2	Disagree	*Tidak setuju*
3	To a certain extend disagree	*Agak tidak setuju*
4	To a certain extend agree	*Agak setuju*
5	Agree	*Setuju*
6	Strongly agree	*Amat Setuju*
7	No opinion	*Tiada pendapat*

23. Excellent bank will clearly communicate their fee structure.
(Bank yang cemerlang mesti memaklumkan struktur bayaran yang jelas kepada para pelanggan.)

Strongly disagree → Strongly agree No opinion

1 2 3 4 5 6 7

24. The fees of excellent bank will clearly represent the amount of effort that goes into that service.
(Bayaran yang dikenakan oleh bank yang cemerlang seharusnya setimpal dengan perkhidmatan yang ditawarkan.)

Strongly disagree → Strongly agree No opinion

1 2 3 4 5 6 7

25. Fees of excellent bank will clearly represent the amount of responsibility with that service.
(Bayaran yang dikenakan oleh bank yang cemerlang mesti setimpal dengan tanggungjawab terhadap sesuatu perkhidmatan.)

Strongly disagree → Strongly agree No opinion

1 2 3 4 5 6 7

26. When submitting their bills, excellent bank will provide a detailed breakdown of service.
(Semasa mengemukakan bil, bank yang cemerlang mesti menghuraikan dengan terperinci bagi setiap perkhidmatannya.)

Strongly disagree → Strongly agree No opinion

1 2 3 4 5 6 7

27. Excellent bank will help customers arrange their affairs so as to minimize the fees.
(Bank yang cemerlang mesti membantu para pelanggan dalam urusan agar meminimumkan bayaran mereka.)

Strongly disagree → Strongly agree No opinion

1 2 3 4 5 6 7

28. Excellent bank will be expected to touch base with their customer frequently.
(Bank yang cemerlang mesti berhubung dengan pelanggan secara kerap.)

Strongly disagree → Strongly agree No opinion

1 2 3 4 5 6 7

Section B : Point Allocation Section *(Seksyen Pengagihan Markah)*

Listed below are seven features pertaining to retail banks and the service they offer. We would like to know how important each of these features is to you when you evaluate a bank's quality of service. Please allocate a total of 100 points among the seven features *according to how important each feature is to you* – the more important a feature to you, the more points you should allocate to it. Please ensure that, the points you allocate to seven features **add up to 100**.

*(Ciri-ciri yang disenaraikan di bawah merupakan elemen penilaian kepada kualiti perkhidmatan bank. Anda sekarang diberi 100 markah, sila agihkan markah tersebut kepada element-element di bawah dengan berdasarkan keutamaannya kepada anda. Element yang penting harus diberi markah yang banyak dan begitu juga dengan sebaliknya. Sila pastikan markah agihan anda akan **tepat pada 100 apabila dijumlahkan**.)*

1. The appearance of the bank's physical facilities, equipment, personnel, and communications materials. _____ Points *(Markah)*
   (Keterampilan kemudahan fizikal, peralatan, pekerja, dan bahan komunikasi.)

2. The ability of the bank to perform the promised service dependably and accurately. _____ Points *(Markah)*
   (Kemampuan bank dalam memberikan perkhidmatan yang dijanjikan dengan tepat dan bertanggungjawab.)

3. The willingness of the bank to help customers and provide prompt service. _____ Points *(Markah)*
   (Kesediaan dan kelelaan bank dalam membantu para pelanggan dan memberi perkhidmatan dengan cepat.)

4. The knowledge and courtesy of the bank's employees and their ability to convey trust and confidence. _____ Points *(Markah)*
   (Ilmu pengetahuan dan budi bahasa para pekerja bank dan kemampuan mereka dalam memberi keyakinan kepada para pelanggan.)

5. The caring, individualized attention the bank provides its customers. _____ Points *(Markah)*
   (Prihatin dan perhatian individu yang diberikan kepada para pelanggan.)

6. The clear fee structure, that represent the amount of effort and responsibility associated with that service. _____ Points *(Markah)*
   (Struktur bayaran yang jelas, dan bayaran yang setimpal dengan perkhidmatan yang ditawarkan.)

7. The advice and touches base of the bank employees, and their help to minimize fees. _____ Points *(Markah)*
   (Bantuan dan hubungan yang kerap oleh para pekerja bank, dalam usaha membantu meminimumkan bayaran para pelanggan.)

Total Points Allocated *(Jumlah Markah)* **100 Points** ***(Markah)***

Section C : Business Details *(Data Perniagaan)*

Please write and tick the box that corresponds to your answer to each question.
(Sila tulis dan tandakan petak yang berkenaan dengan jawapan anda.)

1. Which of the following best describe your industry sector ?
   (Jenis sector industri-organisasi anda)

☐ Manufacturing *(Pembuatan)*
☐ Servicing *(Perkhidmatan)*
☐ Construction *(Pembinaan)*
☐ Primary commodities *(Komoditi asas)*
☐ Others *(Lain-Lain)* (Please specify) _____

2. Which of the following best describes the form of your business organization ?
   (Bentuk perniagaan organisasi anda)

☐ Sole proprietorship *(Pemilikan tunggal)*
☐ Partnership *(Perkongsian)*
☐ Private limited company *(Syarikat sendirian berhad)*
☐ Public limited company *(Syarikat awam)*

3. What is the equity structure of your organization ?
   (Ekuiti organisasi anda)

☐ Fully local *(Pelabur tempatan sepenuhnya)*
☐ Majority local *(Majoriti pelabur tempatan)*
☐ Majority foreign *(Majoriti pelabur asing)*
☐ Fully foreign *(Pelabur asing sepenuhnya)*

4. What are the number of employees in your organization ?
   (Bilangan pekerja sedia ada)

☐ 1 - 10	☐ 61 - 100	☐ 201 - 300
☐ 11 - 30	☐ 101 - 150	☐ 301 - 500
☐ 31 - 60	☐ 151 - 200	☐ > 501

5. Where is the major market for your product/service ?
   (Pasaran utama organisasi anda)

☐ Fully local market *(Pasaran tempatan sepenuhnya)*
☐ Mostly local market *(Kebanyakan pasaran tempatan)*
☐ Mostly foreign market *(Kebanyakan pasaran asing)*
☐ Fully foreign market *(Pasaran asing sepenuhnya)*

6. Which of the following best describes the form of production in your organization ?
   (Bentuk pengeluaran organisasi anda)

☐ Technology intensive *(Intensif teknologi)*
☐ Labor intensive *(Intensif buruh)*

Thank you for your time in this questionnaire. Your answers will be used strictly for academic purposes. Your valued contribution towards theory and management practice is greatly appreciated.
(Saya mengucapkan ribuan terima kasih atas masa yang anda peruntukkan dalam soal selidik ini. Segala maklumat yang diperolehi adalah sulit dan hanya untuk tujuan akademik semata-mata.)