A STUDY ON DETERMINANTS OF CUSTOMER SATISFACTION TOWARDS BROADBAND SERVICES IN SONGKHLA PROVINCE

MISS FATEEMOH LAEHEEM

MASTER OF SCIENCE (MANAGEMENT)
UNIVERSITI UTARA MALAYSIA
JUNE 2012

A STUDY ON DETERMINANTS OF CUSTOMER SATISFACTION TOWARDS BROADBAND SERVICES IN SONGKHLA PROVINCE

By

MISS FATEEMOH LAEHEEM

Thesis Submitted to

Othman Yeop Abdullah Graduate School of Business,

Universiti Utara Malaysia,

In Fulfilment of the Requirement for the Degree of Master of Science

PERMISSION TO USE

In presenting this thesis in partial fulfillment of the requirements for a postgraduate degree Master of Science (Management) from University Utara Malaysia. I, hereby, give my consent to allow the Sultanah Bahiyah Library of UUM to display this thesis as a reference. I further agree that permission for copying of this thesis in any manner, in whole or in a part, for scholarly purpose may be granted by my supervisor or, in their absence by the Dean of Othman Yeop Abdullah Graduate School of Business. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be given to me and to University Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Requests for permission to copy or to make other use of materials in this thesis, in whole or in part shall be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman

DISCLAIMER

I am responsible of the accuracy of the opinion, technical comment, factual report,

data, figures, illustrations and photographs in the article. I bear full responsibility for

the checking whether material submitted is subject to copyright or ownership right.

UUM does not accept any liability for the accuracy of such comment, report and

other technical and factual information and the copyright or ownership right claims.

I certify that the substance of this thesis has not already been submitted for any

degree and is not currently being submitted for and other degree or qualification. I

certify that any help received in preparing this thesis and all sources used have been

acknowledged through this thesis.

MISS FATEEMOH LAEHEEM

806061

May 31, 2012

iv

ABSTRACT

The researcher studies the determinants or the key factors that can affect the level of customer satisfaction of the Broadband Services in Songkhla Province in Thailand. It is crucial that Internet is a part of life for the business people in today. It can be mentioned that factors influencing between internet service of all Broadband Services providers in Songkhla Province in Thailand, quality, speed of internet and price are influential for the decision making process of the customers to select the Broadband Services providers in Songkhla Province in Thailand.

The questionnaires for the quantitative research conduct were developed from many previous researches. The data was collected from 100 randomly respondents which focused business group. In addition to this, the Pearson's Correlation Coefficient Analysis, Chi-square (χ^2) and ANOVA (F-Test) were used to test the hypotheses of this study.

In further, the results of this study show that the price and quality of Broadband Services providers are significant relevant to the customers' satisfaction in the part of finding and analysis accordingly. Whereas, the stability, education, and monthly income have no relevant to the customers' satisfaction in Songkhla Province in Thailand.

ACKNOWLEDGEMENT

In the name of Allah, the Most Merciful and Most Compassionate. First, I would like to express my appreciation to Allah, the Most Merciful and the Most Compassionate who has granted me the ability and willing to start and complete this study. I do pray to His Greatness to inspire and enable me to continue the work for the benefits of humanity.

Foremost, thank you to my supervisor, Mr. Abdul Manaf bin Bohari, enthusiastically support and backed the project and play a large role in completing the thesis. Thank you very much for the invaluable guidance, encouragements, suggestions, comments, and assistances through-out the period of this thesis. Your kind advice will encourage me to do further research in future.

I would like to thank Othman Yeop Abdullah Graduate School of Business for giving me the opportunity to finish my Master Thesis Project under Mr. Abdul Manaf bin Bohari as my supervisor. The experience of completing this research is priceless. And also, thank you to the respondents who cooperated in the questionnaire.

Finally, I am indebted to my family, thanks a lot for giving me more chance, more support and more time to complete this final report. And I am deeply to the importance person in my life, my beloved husband (Mr. Muhamad-Amin Abah) who touched my heart and gave me strength to move forward to something better. The person who encourage and believe in me when no one else does. Thank you for everything.

TABLE OF CONTENTS

		Page	
PERMISSION TO USE			
DISCLAIMER			
ABT	TRACT	V	
ACKNOWLEDGEMENT			
TABLE OF CONTENTS			
LIST OF TABLE			
LIST	OF FIGURE	xii	
CHAPTER ONE: BACKGROUND OF THE STUDY			
1.0	Introduction	1	
1.1	Background of the study	1	
1.2	Problem Statement	3	
1.3	Research Question	3	
1.4	Research Objective	4	
1.5	Significance of the study	4	
1.6	Scope of and limitations the study	5	
1.7	Organization of the thesis	6	
1.8	Conclusion	7	
CHA	APTER TWO: LITERATURE REVIEW		
2.0 Introduction		8	
2.1 Concept of the Broadband Services			
2.2 Broadband Services Consumer Behavior Intention			

2.3 Concept of Broadband Service Price	12	
2.4 Concept of Service Quality		
2.5 Theories of Service Loyalty		
2.6 Conclusion	25	
CHAPTER THREE: RESEARCH METHODOLOGY		
3.0 Introduction	26	
3.1 Theoretical Framework		
3.2 Research Hypothesis		
3.3 Research Design	28	
3.4 Population and Sampling	28	
3.5 Data Collection Method	29	
3.6 Measurement of Variables/ Instrumentation	30	
3.6 Technique of Data Analysis		
3.7 Conclusion		
CHAPTER FOUR: FINDING AND ANALYSIS		
4.0 Introduction	33	
4.1 Description of the study sample	33	
4.1.1 Demographic Data	33	
4.2 Descriptive statistics of variable		
4.3 Hypotheses testing		
4.4 The summary of hypothesis result		
4.5 Conclusion		

CHAPTER FIVE: DISCUSSION AND CONCLUSION

5.0 Introduction	48
5.1 Discussion	48
5.2 Limitation of the study	50
5.3 Recommendation for further research	51
5.4 Conclusion	51
REFERENCE	52
APPENDIX A	57
APPENDIX B	61

LIST OF TABLE

Table		Page
Table 3.1	The population of Broadband service in Songkhla province	28
Table 4.1	Frequency of Distribution of Respondents by gender	34
Table 4.2	Frequency of Distribution of Respondents by age	34
Table 4.3	Frequency of Distribution of Respondents by education	35
Table 4.4	Frequency of Distribution of Respondents by profession	35
Table 4.5	Frequency of Distribution of Respondents by monthly income	36
Table 4.6	Frequency of Distribution of Respondents by stability of	37
	Broadband Services brands	
Table 4.7	Frequency of Distribution of Respondents by the main reason to	37
	purchase a service of Broadband services	
Table 4.8	Frequency of Distribution of Respondents by the quality of	38
	the contract that customers have satisfy	
Table 4.9	Frequency of Distribution of Respondents by the service	39
	charge ranges for monthly	
Table 4.10	Mean & Standard deviation of Distribution by the Customer	40
	satisfaction factors	
Table 4.11	The total customer satisfaction factors of the Broadband	41
	Services customers in Songkhla Province	
Table 4.12	Frequency of Distribution by Factors that affect Purchase	42
	Intention for the selection of the Broadband Service Provider	

Table 4.13	Frequency of Distribution by the Suggestions or	
	Recommendations towards the Broadband Services for	
	improvement in the future.	
Table 4.14	Summary of Hypothesis Results	46

LIST OF FIGURE

Figure	Page	
Figure 3.1	Research Framework	27

CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter is including with eight (8) parts; (1) Background of the Study; (2) Problem Statement; (3) Research Question; (4) Research Objectives; (5) Significance of the Study; (6) Scope and Limitations of the Study; (7) Organization of Study; and (8) Summary.

1.1 Background of the Study

The world of telecommunications has changed rapidly as we enter the era of convergence between broadband Internet, wireless networks, and the content sector. The importance of information and communication technology (ICT) is undeniable as it has been applied in various fields for the purpose of service enhancement. It has been proven that resources can be managed efficiently and effectively through ICT. Broadband is considered as a key to enhance competitiveness of an economy and sustaining economic growth (OECD, 2001, 2002). Many governments around the world are increasingly committed to extending broadband networks to their citizens (BAG, 2003).

In Thailand, the usage of internet and multimedia by government, corporate, and public sectors is increasingly changed. Due to Statistic report by National Science and Technology Development Agency in 2010 showed that the amounts of Thailand

The contents of the thesis is for internal user only

REFERENCES

- Albert Caruana. (2002). Service loyalty: The effects of service quality and the mediating role of customer satisfaction, *European Journal of Marketing*, Vol. 36 Issue: 7/8, pp.811-828
- Ary, Jacobs and Razavieh. (2002). *Introduction to Research in Education*, Wadsworth Group, pp.134-142
- Cochran, W. G., *Sampling Techniques*. Second Edition. John Wiley & Sons, Inc. New York. 1953-1963. Library Of Congress Catalog Card Number: 63-7553
- Cohen, Manion and Morrison. (2007). *Research Methods in Education*, Routledge, Taylor and Francis Group, pp.133-348
- Choudrie, Jyoti, (2005). The Demographics of Broadband Residential Consumers in a British Local Community: The London Borough of Hillingdon. The Journal of Computer Information Systems. Retrieved on 02 March 2012
- Dwivedi. Y. K., Khoumbati. K., Williams. M. D. & Lal. B. (2007). Factors affecting consumers □ behavioral intention to adopt broadband in Pakistan. Emerald Journal, Vol. 1, No. 3, 2007. Retrieved on 02 March 2012, from http://www.emeraldinsight.com/
- Erdogan et al. (2009). RENTQUAL: A new measurement scale for car rental services, *ORIGINAL SCIENTIFIC PAPER*, Vol. 57 No 2/2009, pp. 135-153
- Gronroos, C. (1982). Strategic Management and Marketing in the service sector. Helsinfors: Swedish School of Economics and Business Administration.
- Harris, L.C. and Goode, M.M.H. (2004). The four levels of loyalty and the pivotal role of trust: a study of online service dynamics. *Journal of retailing*, 80, 38-50.

- Ives, B., Olson M.H., and Baroudi, J.J. (1983). The measurement of User Information Satisfaction. *Communications of the ACM*, 26(10), 785-793
- Jham, V., & Khan, K. M. (2008). Determinants of Performance in Retail Banking: Perspectives of Customer Satisfaction and Relationship Marketing. *Singapore Management Review*, 30(2), 35-45
- Kwak, N & Skoric, M. M. Williams, A. E & Poor, N. D (2010). To Broadband or Not to Broadband: The Relationship Between High-Speed Internet and Knowledge and Participation. Journal of Broadcisting & Electronic Media, September 2004. Retrieved on 11 March 2012, from http://web.ebscohost.com/
- Lee. S., & Brown. S. (2007). Examining broadband adoption factors: an empirical analysis between countries. Emerald Journal, Vol. 10, No.1, 2008. Retrieved on 11 March 2012, from http://www.emeraldinsight.com/
- Lehtinen, U., and Lehtinen, J.R. (1982). Service Quality: A study of quality Dimension. *Unpublished working paper*, Helsinki: Service Management Institute. Finland OY.
- Lewis, R.C., and Bernard, H.B. (1983). The Marketing Aspects of Service Quality. *Emerging Perspective on Service Marketing*, Chicago: American Marketing, 99-107.
- McMillan and Schumacher. (2006). *Research in Education, Evidence-Based Inquiry*, Pearson Education, Inc., pp.243-412
- McKinney, V., Yoon, K., and Zahedi, F.M. (2000). The measurement of webcustomer satisfaction: an expectation and disconfirmation approach. *Information System*, 13(3), 296-315.
- National Science and Technology Development Agency. (2010). *Statistic of internet User in 2010*. Retrieved March 28, 2011, from http://www.nstda.or.th/home.

- NECTEC. (2010). *Thailand Internet Map*. Retrieved March 28, 2011, from http://internet.nectec.or.th/webstats/home.iir?Sec=home.
- Negash, D., Laily, H.P., and Ali, K. (2009). Developing an Instrument for measurement of Attitude Toward Online Shopping. *European Journal of Social Science*, 7(3), 166-177.
- Negash, S., Ryan, T., and Igbaria, M. (2002). Quality and effectiveness in web-based customer support system. *Information and Management*, 40(8), 757-768.
- Nielsen, J. (2000). Designing web usability. Indiana publishing: New riders' Publishing.
- Nimit Chowdhary and Monika Prakash. (2007). Prioritizing service qualitydimensions, *Managing Service Quality Journal* Vol. 17 No. 5, pp. 493-50
- Wiratchai, N. (2003). Frontiers of research knowledge and statistics. Chonburi: College of Public Administration, Burapha University.
- Oliver, R.L. (1980). Satisfaction: A behavioral perspective on the consumer: *New York: McGraw-Hill.*
- Parasuraman, A.V., Valarie, A.Z., and Leonard, L.B. (1994). Reassessment of expectations as a comparison standard in measuring service quality: Implications for Further Research. *Journal of Marketing*, 58(1), 111.
- Parasuraman, A., and Zeithaml, V.A. (2002). Measuring and improving service quality: a literature review and research agenda. In Weitz, B. (Ed.), *Handbook of Marketing, Sage*, Thousand Oaks, CA.
- Parasuraman, A., Zeithaml, V.A., and Malhotra, A. (2005). E-S-QUAL: multipleitem scale for assessing electronic service quality. *Journal of Service Research*, 7(3), 213-33.

- Shankar, V., Smith, A.K. and Rangaswamy, A. (2003). Customer satisfaction and loyalty in online and offline environments. *International Journal of Research in Marketing*, 20, 153-75.
- Stern, B.B., and Stafford, M.R. (2006). Individual and social determinants of winning bids in online auctions. *Journal of Customer Behavior*, 5, 43-55.
- Watson, R.T., Pitt, L.F., and Kavan, C.B. (1998). Information System Quality: *Lessons from Two Longitudinal Case Studies*. MIS Quarter, 23(1), 61-79.
- Yang, Z. (2001). Customer perceptions of service quality in Internet-based electronic commerce. *Proceedings of the 30th EMAC conference*, Bergen.
- Yamane, T. (1967). *Statistic: An introductory analysis* (2nd ed.). New York: Harper and Row.
- Yen, C.H., and Lu, H.P. (2008). Effects of e-service quality on loyalty intention: an empirical study in online auction. *Managing Service Quality*, 18(2), 127-146.
- Yogesh K. Dwivedi *et al.* (2008). Managing Consumer adoption of Broadband: Examining drivers and barriers. Journal of Industrial Management & Data System, Vol.109 No. 3 2009 pp. 357-369. Retrieved on 15 March 2012 from http://www.emeraldinsight.com/
- Zeithaml, V.A., Parasuraman, A., and Malhotra, A. (2000). A conceptual Framework for Understanding E-service Quality: Implications for Future Research and Managerial Practice. Working paper, Report Number 00-115, *Marketing Science Institute*.
- Zhen, C & Qiang, W (2010). Broadband infrastructure investment in stimulus packages: relevance for developing countries, Emerald Journal, VOL. 12 NO. 2 2010. Retrieved on 27 February 2012, from http://www.emeraldinsight.com/