CUSTOMER SATISFACTION TOWARDS THE FACILITIES MANAGEMENT SERVICES AT THE PLAZA MERDEKA SHOPPING MALL KUCHING

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Specially dedicated to *Abah*

This is for you

*Al-Fatihah*
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I am grateful to Allah, the Almighty for making all good things possible.

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ABSTRACT

Shopping centers industry has grown considerable in Malaysia. Nevertheless, the growth is not only seen in the numbers of shopping centers development but also in the size and format. Today, this sector is identified as a major contributor to the Malaysia economy. Moreover, the success or failure of shopping centers depends on many factors; but the customer satisfaction is one of the factors considered vital to its success. Consequently, it is important to understand the level of customer satisfaction towards shopping centers and how facilities management can add value to the management of shopping centre. The aim of the study is to evaluate customer satisfaction towards Facilities Management (FM) services at shopping mall. The data was collected through the literature study, questionnaire survey and also interviews from the shopping mall management. 50 questionnaires was distributed and 45 were returned duly answered by the respondents on the survey conducted According to the findings, Building Operation and Maintenance has the highest average index of customer satisfaction level with 3.8 or 22%. Based on the analysis, suggested improvements were recommended. As a conclusion, the 3 objectives were achieved and recommendations for future study were suggested.
ABSTRAK


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CHAPTER 1

INTRODUCTION

1.1 Background

Every organization whether public or private sector must have work premises suitable to carry out the activities or operations of an organization in orders to achieve its objectives. Working premise is a basic requirement for placement of workers, machines, equipment, materials, documentation, information, work space, and transaction with customers and so on. Often work premises consist of buildings and related facilities that also referred to as a physical facility for an organization. (Deris, 2007)

It is very crucial to provide an adequate buildings or facilities. Every buildings and facilities needs to be well managed and maintained effectively and efficiently so that the end user can have a very comfortable environment in the building and the building can operate without any much trouble. For examples, the private buildings such as airport, offices and shopping complexes require an effective and efficient facilities management system. When facilities are not well managed and maintained it might lead
to various defect which can likely constitute nuisance and disturbances to the users of such facilities.

Shopping centers industry has grown considerably in the Malaysia. Nevertheless, the growth is not only seen in the numbers of shopping centers development but also in the size and format of the shopping centers scheme. Today, this sector is identified as a major contributor to the Malaysia economy. Moreover, the success or failure of shopping centers is depending on many factors; but the customer satisfaction is one of the factors are vital to its success. Therefore, it is important to understand the level of customer satisfaction towards the shopping centers is and how FM can add value to the management of shopping centre. (N.Musa & Pitt, 2009)

FM performance assessment is important for FM suppliers to refine their market strategies. Traditionally, FM uses cost as the only indicator to measure service performance (Tranfield & Akhlagi, 1995). Pitt and Hinks (2001) point out that FM is usually entertained as a management of cost-efficiency rather than an art to achieve multi-dimensional enhancement of competitiveness (see also Noor and Pitt, 2009). Using cost-only approach to assess FM service performance may lead to the consequence that FM simply becomes a commodity service bought at the lowest price from non-differentiated suppliers (Loch, 2000). This measurement method only pays attention to the competitive positions of FM suppliers but ignoring the unique needs of customers (Shaw & Haynes, 2004). Researchers argues that FM service should be reformed to be customer-focused and be able to provide high-quality and cost-effective service to support customers in meeting their core objectives (Shaw & Haynes, 2004; Rondeau, et al., 2006).
It is now widely accepted that service quality and customer satisfaction are two core concepts that are central to marketing theory and practice (Spreng & MacKoy, 1996). Service quality and customer satisfaction are two relative but distinct concepts. Van Ree (2010) clarifies that service quality is a long-term overall evaluation, whereas customer satisfaction is a transaction-specific assessment, he further argues that service quality is an antecedent of customer satisfaction. Customer satisfaction could reflect the difference between expectation and perception of service quality. Therefore, a higher level of perceived service quality would lead to a higher level of customer satisfaction (see Parasuraman, et al., 1988 and Van Ree, 2010).

The world nowadays with high competition, the key for service companies to maintain sustainable competitive advantage and customer loyalty is to deliver high quality service and achieve customer satisfaction (e.g. Shemwell, et al., 1998; Shaw and Haynes, 2004). The same also can be applied to FM suppliers, who also face the challenge of high competition in current market. Hong Kong is also well known as a shopping paradise. Wholesale and retail industry is one of the most important service sectors in Malaysia and it contributes the increment of 2.2% from the Malaysia Gross Domestic Product Fourth Quarter 2012 (Department Of Statistic Malaysia Official Website). It is conceivable that the shopping mall sector becomes essential and vital in Malaysia by providing space and facilities for retail transaction activities. Besides, excellent service is one of the most important attributes of Malaysia’s retail industry, and the quality of service depends on both direct service provided by each shop and indirect service delivered by FM companies. In order to successfully attract retailers and satisfy consumers, high quality facility management should be provided in the shopping mall sector to create a good shopping environment. This study aims to investigate how overall customer satisfaction is influenced by perceived FM service quality regarding the shopping mall sector in Malaysia.
1.2 Problem Statement

The trend of world markets has changed noticeably from agricultural to service markets (Asian Development Outlook, 2007). All of the service businesses are trying their best to improve their service quality in order to make customers satisfied with their services. Shopping mall now focuses more on the quality standards in order to meet the basic needs and expectations of the customers.

Nowadays, the need to improve the facilities management service performance in order to meet customer’s satisfaction is highly in demand. The customer’s expectation plays an important role in the evaluation of FM services’ performance. (Atkin & Brooks, 2009) The FM department should periodically measure customer satisfaction in order to learn how satisfied their customers are. The worse thing is the FM department was unable to identify the weakness and factors in improving the services. This is essential to customer which the failure will result of dissatisfaction in meeting customer satisfaction.

Customers are now becoming increasingly conscious of their rights and are demanding higher quality service, and customer satisfaction is one of the direct indicators evaluating the efficiency and quality of service delivered by FM department. (Eddie C.M. Hui and Xian Zheng, 2010) A quality shopping mall management always related to the maximum level of effectiveness and efficiency of the service management. Whatever matters that related to customers’ dissatisfactions will destruct the credibility and the potential of the shopping mall.

Complete and adequate facilities services such as ample parking space, easy access to the every level of the mall, cleanliness of the mall and comfortable environment of the shopping mall add to customer convenience, enjoyment, and
satisfaction and indirectly encourage more customers to come to the shopping mall. Full service shopping mall provides almost every imaginable service to their customer. Protective services such as adequate lighting, security staff, emergency medical facilities, sprinklers, and clearly marked exits instill safety confidence. Satisfied guests will be more likely return to the shopping mall in the near future and recommend the property to other people. By providing such services, businesses can generate demand among certain target markets.

1.3 Aim of Study

The main aim for this study is to investigate how overall customer satisfaction is influenced by perceived FM service quality regarding the shopping mall sector in Malaysia.

1.4 Objectives of Study

The objectives are set out as following:

a) To identify the facilities management service in shopping complex

b) To evaluate the customer satisfaction level on the FM service

c) To recommend improvement on the level of satisfaction on the FM service
1.5 Scope of Study

This research was carried out based on the case study and data collected from the interview and questionnaires. The research focuses on the FM activities implemented at the shopping complex. This study involves interviews to the staffs that are in charge of the facilities management in the shopping complex.

1.6 Methodology

In order to achieve the goals of this dissertation, the methodology adopted for this research is divided into four (4) stages and they are:

a) Literature Review

The information for this literature review will be based on sources from relevant journals, printed articles, books, magazines, pamphlets, newspaper cuttings, and also internet or websites (e-articles and e-journals) which are related to the study. As a point of references, this information is the main guideline used to compare with data obtained from questionnaire survey, interview and walkthrough-observation.
b) Gathering Data

The method of gathering data consists of numerous actions as stated below:

i. Walk-through Observation/Site Visit

The main purpose of doing walk-through-observation is for the author to experience the real scenario and difficulties in implementing FM services at the shopping mall that may impact the quality and performance of the shopping mall. The use of the checklist in these observation helps to identify the FM activities and to ensure the FM activities comply with various standards, benchmarking and the requirements by the shopping complex.

ii. Questionnaires

The questions will focus on the areas mentioned in the above objectives. The main survey questionnaire will be conducted and finalized after being revised to meet the main objectives of the study. A set of question was developed for the purpose of the survey in which divided into three sections as follows:

- Section A: Obtain the information about the age, job background and race of the respondents. In this section, also consists of the purpose and frequent visit of the respondents to the shopping mall. Basically there are five questions in this section.
• Section B: Obtain the information on level of satisfaction of FM service by ranking using the Likert’s scale of five ordinal measures. There were five types of services respectively. In each service, there were indicators to identify the level of satisfaction of the FM services implemented at the shopping mall.

• Section C: Obtain the information on the overall assessment and satisfaction level towards the FM services. In this section, the recommendation improvement is obtained.

iii. Interviews

Interview and discussion will be done with the staff of the shopping complex regarding to the objectives. The interview will be done to the person who is in charge in the Facilities Management of the shopping complex. A few persons are going to be interviewed who are responsible in the operation of the shopping mall.

c) Data Analysis

The process of data analysis involves transcribing, validating and finalizing the findings of the research. The data obtained from questionnaire survey are to be analyzed by using simple majority agreement approach. After validating the results of respondents and literature review, the researcher will summarize all outcomes of the findings in an effective manner.

Determination of what to measured, agreement and disagreement also will be analyzed in order to examine a few factors that have been said in the objective and the purpose of the study. The methods of analysis being use in this dissertation are:
i. Exploratory analysis: Used for open-ended questionnaires/interviews where the answer coded by the similarity of the opinions given.

ii. Descriptive statistic: Frequency distributions (bar/pie charts, histogram), measure of central tendency (mean, mode) and inferential statistic (rank correlation)
Stage 1

Identify the purpose, objectives and the scope of study

**EARLY STUDY**
- Identify the issues and problems
- Identify the methodology of study

**THEORITICAL STUDY**
Find references and supported data to gain more understanding on the concept or theory that related to the study understanding on the Primary Data

Stage 2

Stage 3

**DATA COLLECTION**
Collecting data using:

**PRIMARY DATA**
- Survey/Questionnaire
- Walk through observation/site visit
- Interviews

**SECONDARY DATA**
- Reference Books
- Journals / Articles
- Magazines
  - Internet (web-sites)

**DATA ANALYSIS**
The collected data will be analyze and problem related with the study will be identify

Stage 4

**CONCLUSION AND**

Figure 1.1 Research Methodology Workflow
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